



SPONSOR: Rep. Paradee

HOUSE OF REPRESENTATIVES
149th GENERAL ASSEMBLY

HOUSE BILL NO. 264

AN ACT TO AMEND TITLE 18 OF THE DELAWARE CODE RELATING TO UNFAIR PRACTICES IN THE INSURANCE BUSINESS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

1 Section 1. Amend § 2304, Title 18 of the Delaware Code by making deletions as shown by strikethrough and
2 insertions as shown by underline as follows:

3 § 2304. Unfair methods of competition and unfair or deceptive acts or practices defined.

4 The following are hereby defined as unfair methods of competition and unfair or deceptive acts or practices in the
5 business of insurance:

6 (16) Unfair claim settlement practices. — No person shall commit or perform with such frequency as to
7 indicate a general business practice any of the following:

8 p. Refusing to promptly pay to an insured an amount based on the insurer's offer of settlement rejected by
9 the insured, with both the insurer and the insured reserving and retaining all rights, claims, and arguments related
10 to a proper amount for a subsequent determination or agreement. This paragraph shall apply only to private
11 passenger motor vehicle insurance settlement offers related to property damage.

12 Section 2. This Act takes effect 90 days after its enactment into law.

SYNOPSIS

This Act requires insurance companies to pay the insured the amount of the insurance company's offer of settlement which was rejected by the insured party. However, the amount remains subject to both parties' reservation or rights, claims, and arguments for the ultimate outcome of the claim.