



SPONSOR: Rep. Paradee & Sen. Bushweller

HOUSE OF REPRESENTATIVES
149th GENERAL ASSEMBLY

HOUSE BILL NO. 262

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 strike through 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 o. Revoking or attempting to revoke an offer of settlement made to an insured, unless the insurer has a
9 reasonable belief that the insured committed fraud against the insurer in relation to the insurance policy at issue.

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

SYNOPSIS

This Act prohibits insurance companies from revoking, or attempting to revoke, an offer of settlement made to an insured, except in circumstances where the insurer reasonably believes the insured has committed fraud against the insurer.