



SPONSOR: Rep. Paradee & Sen. Bushweller

HOUSE OF REPRESENTATIVES  
149th GENERAL ASSEMBLY

HOUSE BILL NO. 263

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           h. Attempting to settle a claim for less than the amount to which a reasonable person would have believed  
9           that person's own self was entitled by reference to written or printed advertising material accompanying or made  
10          part of an application, an amount which was obtained by reference to a common, verifiable compilation of  
11          valuation data, or by reference to the retail value for a substantially similar motor vehicle from a nationally  
12          recognized valuation database;

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

SYNOPSIS

This Act prohibits insurance companies from frequently attempting to settle claims with their insureds for less than an amount a reasonable person would believe to be fair based on a common, verifiable compilation of valuation data, such as the NADA guides.