

NEW HAMPSHIRE INSURANCE DEPARTMENT

Notice

Insurance Department To Publish Instructions and Guidelines for the Purpose of Implementing Recent Changes to Ins 1000, Adopted Effective July 1, 2007

On June 11, 2007 amendments to Ins 1000 were adopted, to be effective July 1, 2007. In the revised Ins 1000, separate claims settlement standards have been established for property and casualty insurers (Ins 1002) and all other insurers, except property and casualty (Ins 1001).

The Department expects insurers to comply with all provisions of this rule as of July 1, 2007, with the exception of Part Ins 1002.15 (a) (1). Effective July 1, 2007, total loss valuations according to Ins 1002.15 (a) (2) and (3) are in effect and all other provisions of Ins 1002.15 except Ins 1002.15 (a) (1) must be followed by insurers. However, in regard to Ins 1002.15 (a) (1), the Department is providing a transition period to allow insurers, or vendors on behalf of insurers, time to submit methodologies which establish values for total loss vehicles. This Notice outlines the Department's transition plans for insurer compliance with Ins 1002.15 (a) (1).

Ins 1002.15 (a) (1) indicates that one of the methods that insurers can use to establish a motor vehicle's fair market value is to apply a process or methodology that the Department accepts as a statistically valid method of establishing fair market value in the local market area. Guidelines are specified in the rule as to how the methodology should be developed and how it is to be submitted to the Department. At the beginning of each year the Department will publish a list of the valuation guides and methodologies that the Department have found to be acceptable for use by insurers.

On or before July 15, the Department will provide further instructions that insurers and vendors must follow when submitting such methodologies for review. Submissions will not be accepted at the Department until such instructions have been published. From that point forward, the Department is committed to reviewing all initial submissions, completed in accordance with these instructions, in an expedited manner. The Department will publish the list of acceptable valuation guides and methodologies once the first such method is accepted and will update the list as new methodologies are submitted and accepted throughout the remainder of 2007. Starting January 1, 2008 the list will be updated annually.

Until October 1, 2007, an insurer will be allowed to continue to use guides or methodologies that the insurer has used under the previous claim settlement rule. After October 1, 2007 insurers must comply with Ins 1002.15 (a) (1) and use only those methodologies on the Department's list.

As stated above, insurers are expected to comply with all other provisions of Ins 1002 as of July 1, 2007.

Questions should be addressed to David Withers.