

**TABLE OF CONTENTS**

**Arbitration Procedure for Automobile Physical Damage and  
Property Damage Claims**

Applicability . . . . .	38a-10-1
Definitions . . . . .	38a-10-2
Arbitration procedure . . . . .	38a-10-3
Records . . . . .	38a-10-4

**Arbitration Procedure for Automobile Physical  
Damage and Property Damage Claims**

**Sec. 38a-10-1. Applicability**

This regulation shall apply to any person engaged in the settlement of claims with respect to first party motor vehicle physical damage claims and third party property damage liability claims of residents of this state arising under an insurance policy insuring a private passenger motor vehicle when coverage and liability are not in dispute.

(Effective September 25, 1992)

**Sec. 38a-10-2. Definitions**

As used in this regulation:

(a) "Arbitration" means the process in which each party presents its case at a hearing to the arbitrator for a final decision.

Arbitration may be conducted, at the option of the claimant, either upon the submission of documents to the arbitrator or at an oral hearing.

(b) "Arbitrator" means a person selected by the Commissioner in accordance with subsection (b) of Section 38a-9 of the General Statutes to hear and decide disputes between a claimant and an insurance company concerning automobile physical damage and automobile property damage liability claims in which liability and coverage are not in dispute.

(c) "Claimant" means any person who attempts to obtain a benefit from his insurer in relation to a first party automobile physical damage claim or presents a third party claim against an insured for property damage liability to his private passenger motor vehicle, when liability and coverage are not in dispute.

(d) "Commissioner" means the Insurance Commissioner of this state.

(e) "Insurer" or "insurance company" means any insurance company licensed by the Commissioner to write automobile liability insurance or automobile physical damage insurance.

(f) "Loss of Use" means the amount representing the reasonable value to the claimant for the deprivation of the use of the claimant's vehicle during the period reasonably required to make repairs or replace the vehicle, regardless of whether the claimant has incurred expenses.

(g) "Private passenger motor vehicle" means motor vehicles as defined in subsection (g) of Section 38a-363 of the General Statutes.

(h) "Storage" means the holding of a vehicle at a place designated under Section 14-66 of the General Statutes for a specific rate which has been filed with the Commissioner of Motor Vehicles.

(Effective September 25, 1992)

**Sec. 38a-10-3. Arbitration procedure**

(a) If mediation by the Insurance Department Division of Consumer Affairs fails to resolve a dispute between a claimant and an insurance company, the Insurance Department examiner who examined the complaint shall refer the file to the Arbitration Unit of the Insurance Department to begin the arbitration procedure.

(b) The Arbitration Unit shall notify the claimant by a form prepared by the Insurance Department that the claim is arbitrable which shall be sent within five (5) business days from date of referral. The form which shall include a request for arbitration shall be returned to the Arbitration Unit of the Insurance Department within fourteen (14) calendar days together with a non-refundable check for the

\$20.00 filing fee made payable to the Treasurer, State of Connecticut. The claimant shall indicate whether the arbitration will be by submission of documents or by oral hearing.

(c) Failure of the claimant to return the request for arbitration form within fourteen (14) calendar days shall automatically cancel the proceedings. The claimant, with prior written approval of the Insurance Department Arbitration Unit, may be granted a reasonable delay in filing for arbitration.

(d) Upon receipt of the request for arbitration form, the Arbitration Unit shall submit the written notice of arbitration to the insurer, advising whether the arbitration will be conducted by submission of documents or by oral hearing. The insurer shall return a non-refundable check for \$20.00 made payable to the Treasurer, State of Connecticut and a copy of its file within fourteen (14) calendar days. The insurer must pay the claimant the undisputed amount within five (5) business days of the receipt of the notice of arbitration.

(e) Failure of the insurance company or its designated adjusting company to respond within fourteen (14) calendar days of the mailing of the notice shall allow the arbitrator to enter an award in favor of the claimant for all or part of the disputed damages and a check shall be issued for all or part of the disputed amount by the insurer within ten (10) business days of the date of the award.

(f) The Arbitration Unit shall: (A) notify the arbitrator in writing of the date, time and location of the hearing within ten (10) business days from the receipt of the insurer's response or upon the expiration of the fourteen (14) days specified in subsection (e) of this section, whichever is earlier; and (B) notify the claimant and the insurer in writing of the arbitrator's name, the date, time and location of the hearing at least ten (10) business days prior to the hearing. If upon such notice either party has a reasonable objection to the selected arbitrator then that party must notify the Arbitration Unit of its objection within three (3) business days prior to the hearing date. The hearing will be rescheduled with another arbitrator selected in rotation from the panel of arbitrators.

(g) Within fifteen (15) days following the hearing the arbitrator shall issue a written decision based on the information gathered and disclosing the findings and the reasons for the findings to the parties involved.

(h) The arbitrator may request the Insurance Commissioner to issue subpoenas on behalf of the arbitrator to compel the attendance of witnesses and the production of documents, papers and records relevant to the dispute. When the arbitrator believes technical assistance is necessary to decide a case, he may consult with an independent expert recommended by the Insurance Commissioner.

(i) Decisions favoring the complainant, which may include loss of use and storage, shall be paid within ten (10) business days of the receipt of the decision and shall include interest on the arbitration award at a rate of ten percent (10%) computed by dividing the number 365 into ten percent (10%) multiplied by the number of days between the date of payment for the undisputed amount of the claim and the date of issuance of the award.

(Effective September 25, 1992)

#### **Sec. 38a-10-4. Records**

(a) The Insurance Department shall maintain a record of each arbitration which shall include the docket number, names of the parties involved, decision of the arbitrator, and information concerning compliance and judicial review of the decision.

(b) The Insurance Department shall annually compile a report on the arbitration proceedings and send a copy to the committee of the Connecticut General Assembly having cognizance of "matters relating to insurance." The public shall have the right to inspect such report during regular business hours of the Insurance Department or receive a copy of it in accordance with Section 1-15 of the General Statutes.

(Effective September 25, 1992)