TABLE OF CONTENTS

Reports to the National Insurance Crime Bureau

Purpose 38a-357- 1
Definitions. 38a-357- 2
Designation 38a-357- 3
Responsibilities of central organization 38a-357- 4
Responsibilities of insurers 38a-357- 5
Costs of administration 38a-357- 6
Reporting requirements 38a-357- 7
Cooperation with NICB 38a-357- 8

Reports to the National Insurance Crime Bureau

Sec. 38a-357-1. Purpose

The purpose of sections 38a-357-1 to 38a-357-8, inclusive of the regulations of Connecticut State Agencies, is to designate the National Insurance Crime Bureau as the central index reporting bureau; to provide for the reporting by insurance companies of motor vehicle total losses due to theft or larceny, or constructive total losses due to fire, of any motor vehicle, or theft of any of its component parts, and other information; and to establish procedures for the payment of costs of administration and operation of a central index file maintained by the National Insurance Crime Bureau.

(Effective September 25, 1992; amended June 26, 1997)

Sec. 38a-357-2. Definitions

As used in Section 38a-357-1 to 38a-357-8, inclusive of the Regulations of Connecticut State Agencies:

(a) "Central Index Reporting Bureau" or "Central Organization" means the National Insurance Crime Bureau (NICB).

(b) "Commissioner" means the insurance commissioner of this State.

(c) "Component Part" means any major part of a motor vehicle, other than a tire, having a manufacturer's identification number or other unique identifier issued in accordance with the laws of this or any other state, jurisdiction, or country.

(d) "Constructive Total Loss" means the cost to repair and/or the cost to salvage damaged property equals or exceeds the total value of the property at the time of loss.

(e) "Fraud" means a false representation of a matter of fact, by words or by conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, which deceives and is intended to deceive an insurer in order to induce it to part with property or surrender some legal right.

(f) "Fraudulent" means characterized, based on, or committed by fraud.

(g) "Fraudulent Act" means action or inaction characterized, based on, or committed by fraud.

(h) "Insurer" means a corporation, company, partnership, association, society, order, individual, or combination of individuals engaged in the business of comprehensive or other insurance.

(i) "Motor Vehicle" means every device in, upon, or by which any person or property is or may be transported or drawn upon a highway, including every vehicle which is self-propelled, except devices propelled or drawn by human power and devices used exclusively upon stationary rails or tracks.

(Effective September 25, 1992; amended June 26, 1997)

Sec. 38a-357-3. Designation

The Commissioner designates the National Insurance Crime Bureau (NICB) as the Central Index Reporting Bureau in the State of Connecticut.

(Effective September 25, 1992; amended June 26, 1997)

Sec. 38a-357-4. Responsibilities of central organization

The responsibilities of the NICB as the Central Organization are as follows:

(a) The NICB shall establish and keep a central index file in a manner to be determined by it and consistent with its established operation procedures for all total losses due to theft or larceny, or total losses due to fire, of any motor vehicle, or theft of any of its component parts reported by insurers. Such reports shall be kept for a minimum of five years from the date of entry into the NICB system,

except in the case of fires and motor vehicle salvage, which will be kept a minimum of two years from such entry.

(b) The NICB shall send acknowledgment of a total theft loss report received from an insurer within 5 working days.

(c) The NICB shall cooperate with insurers in the resolution of errors and the investigation of claims suspected to be fraudulent.

(Effective September 25, 1992; amended June 26, 1997)

Sec. 38a-357-5. Responsibilities of insurers

The responsibilities of insurers are as follows:

(a) Insurers shall report all total losses due to theft or larceny, or constructive total losses due to fire, of any motor vehicle, or theft of any of its component parts, to the NICB within 2 working days from the receipt of sufficient information from the insured. If the insurer has not received an acknowledgment or other communication from the NICB within 10 working days following the submission of a total theft loss report to the NICB, the insurer shall immediately communicate with the NICB to determine the status of the report.

(b) Insurers shall report to NICB all constructive total losses involving motor vehicle salvage, regardless of the nature or cause of loss or the type of coverage involved, including salvage retained by either an insured or a third party claimant. Reports of salvage shall be submitted to NICB within 5 working days of the sale of a salvaged motor vehicle, or within 5 working days after the date of loss payment where an insured or claimant retains possession of a salvaged motor vehicle.

(c) It shall not be deemed to be an unfair claim settlement practice for an insurer to temporarily defer the processing and payments of a claim filed under comprehensive or other coverage in accordance with the following rules:

(1) If the NICB indicates in its response to the insurer that coverage is in effect by more than one insurer for the same motor vehicle, that the motor vehicle has been previously reported as stolen and unrecovered, or that previous similar claims on the same motor vehicle have been reported, the insurer shall promptly investigate and resolve such discrepancy.

(2) If the NICB discovers an erroneous motor vehicle identification number (VIN) and the NICB is unable to clear up such discrepancy internally, it shall send a questionnaire to the insurer. This questionnaire shall be returned to the NICB within 5 working days of receipt by the insurer. If the NICB and the insurer are unsuccessful in resolving the VIN error after a 30-day period from the date of the receipt by the insurer of sufficient information from the insured, the insurer shall proceed with the processing of the loss claim.

(3) If the NICB indicates in its response to the insurer or the insurer finds that it has cause to believe that the claim may have been based on the fraudulent act of any person, the insurer shall promptly provide such information to the NICB and shall cooperate fully with the NICB in the investigation of any such claim.

(Effective September 25, 1992; amended June 26, 1997)

Sec. 38a-357-6. Costs of administration

The NICB is hereby authorized to make assessments, in such manner as its Governing Board may determine, among insurers licensed in the State of Connecticut, to reimburse NICB for the costs of the performance of its duties under sections 38a-357-1 to 38a-357-8, inclusive of the Regulations of Connecticut State Agencies. Such assessments shall be prorated upon the basis of net fire and theft premiums,

including those fire and theft premiums written under comprehensive policies, allocated to the State of Connecticut on the basis of ownership, use or maintenance of motor vehicles. Each insurer which is a member of the NICB shall be entitled to a credit against the assessments authorized in this section for all assessments directly related to Connecticut premiums paid by it to the NICB on account of its membership during the period covered by the assessment.

(Effective September 25, 1992; amended June 26, 1997)

Sec. 38a-357-7. Reporting requirements

All insurers required to submit reports to the NICB for the purpose of complying with sections 38a-357-1 to 38a-357-8 of the Regulations of Connecticut State Agencies, inclusive, shall be bound by all of the reporting requirements of the NICB.

(Effective September 25, 1992; amended June 26, 1997)

Sec. 38a-357-8. Cooperation with NICB

(a) Insurers shall cooperate with the NICB and shall release information in their possession to the NICB upon it reasonable request.

(b) The NICB, in furnishing information to an employee of the Department of Public Safety, Department of Motor Vehicles, a local police department or other law enforcement agency, upon such employee's request, shall do so on behalf of any insurer which reported any such information to NICB.

(Effective September 25, 1992; amended June 26, 1997)