State of North Dakota

Office of the Commissioner of Insurance

J. O. Wigen, Commissioner

State Capitol Building
Bismarck, North Dakota 58505
Phone: (701) 224-2440

BULLETIN 83-6

TO: All Property & Casualty Insurance Companies admitted to Do Business in the State of North Dakota

FROM: J.O. "Bud" Wigen

RE: Comparative Negligence

DATE: July 15, 1983

The purpose of the following bulletin is to inform all licensed property & casualty companies of the numerous complaints concerning comparative negligence received by the North Dakota Insurance Department. The complaints are mainly being presented by the consumers; however, the department has even received complaints from insurance agents and claims' managers.

On a number of occasions, insurance companies are handling comparative negligence claims arbitrarily. It is the position of the insurance department that companies handling claims in this fashion are in direct violation of chapter 26-30-04 dealing with unfair methods of competition and unfair or deceptive acts or practices. The section of 26-30-04 which addresses the situation is #9 letter D and it states:

"Not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims submitted in which liability has become reasonably clear." Should the North Dakota Insurance Department find any insurance company handling claims in this manner, we will have no alternative but to take necessary action.