

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

March 5, 2002 LB 58

claims in which the structure was destroyed and the contents of that structure were not...or the question of whether they'd been totally destroyed or not. And what I want to do is, very briefly, go through Mr. Wagner's comments on what they could do because I want this to be part of the record. The Nebraska Department of Insurance could issue a bulletin outlining our expectations for homeowners' total loss claims handling practices. The bulletin could include the following points: Insurers should establish written policies and procedures for homeowners' total loss claim adjustments. Such procedures shall take into consideration the disruption of personal consequences suffered by individuals who have undergone a total loss situation. Other items to be addressed in the written policy include: Applicable...or apply reasonable averages for personal property value percentages compared to house valuation; provide the claimants with details of amounts considered in each of the above averages used, whether the average are considered incorrect by the claimant to allow him or her the opportunity to provide additional information of such inventories or other reasonable documentation, if so, why such amount is insufficient; establish reasonable guidelines on what type of items should be specifically inventoried by a claimant, such guidelines should be based on dollar amounts and other types of personal property; establish reasonable and adequate dollar threshold amounts for consideration of payment without such evidence as receipts or serial numbers. For example, such evidences may not be deemed appropriate for common items, but it might be advisable for specialty items, premium quality articles, unique items (inaudible) denial, a payment due to lack of such evidence will be discouraged. When deemed absolutely necessary and such evidences are not available, the insurer shall attempt to verify...reasonably verify ownership by other means, such as interviewing others with knowledge of the items in question. As part of their duties, insurers must use reasonable standards of claims investigation. Investigation procedures that would be expected would include such things as photography or videotaping of the remains. It should be of such a nature as to assist the insured and bring about resolution of the claim and understanding the coverages available under the terms of the policy. Payment for a nondisputed portion of a claim shall not be withheld pending resolution of a disputed