

STATE OF NEBRASKA

DEPARTMENT OF INSURANCE
L. Tim Wagner



Mike Johanns
Governor

April 20, 2001
CB-101

BULLETIN

SUBJECT: WRITTEN NOTICE OF PAYMENT

Upon the payment of \$5,000 or more in settlement of any third party liability claim, the insurer shall provide written notice to the claimant where:

- (1) the claimant is a natural person, and
- (2) the payment is delivered to the claimant's attorney or other representative by draft, check, or otherwise. Such notice shall be required when payment is made to a claimant by the insurer or its representative, including the insurer's lawyer.

The written notice requirement of this Bulletin is reasonable and appropriate to advise the claimant of settlement of its liability claim by payment to its attorney or other representative. Written notice provides the claimant with an independent and verifiable source of information concerning the facts of the settlement. It also provides the adverse party and insurer with certainty that the settlement has been concluded in a lawful manner.

This requirement shall not create any cause of action for any person against the insurer, other than a government agency, based upon the insurer's failure to provide notice to a claimant as required by this Bulletin, nor shall this Bulletin create a defense for any party to any cause of action based upon the insurer's failure to provide such notice. The insurer may, however, be subject to appropriate sanction by the Nebraska Department of Insurance.

L. TIM WAGNER
Director of Insurance