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BULLETIN #1386

Re: Commissioner Lara Requires Insurers To Fairly Investigate All Business Interruption Claims Caused By COVID-19 Virus

The California Department of Insurance has issued a notice requiring agents, brokers, insurers, and other licensees to accept, forward, acknowledge and fairly investigate all business interruption claims submitted by businesses.

The CDI notice, [available here](#), also notes that every insurer, with certain exceptions, is required to acknowledge a notice of claim immediately, but in no event more than 15 days after receipt of the notice of claim. Additionally, it reminds insurers that they must accept or deny the claim, in whole or in part, no more than 40 days after receipt of the proof of claim, after conducting a thorough, objective and fair investigation of the claim.

In accordance with the CDI notice, all insurance professionals are advised to accept any communication from the policyholder or its representative indicating that the policyholder desires to make a claim against a policy that reasonably suggests that a response is expected as a notice of claim. Upon receipt, licensees should transmit such notice of claim to the insurer immediately.

