

Appraiser Blog

North Carolina Insurance Law: The Obligation to Pay the Undisputed Amount



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North Carolina requires all drivers to carry liability insurance to cover any damages or injuries they may cause in a car accident. If a driver is at fault in an accident, their insurance company is responsible for paying the other driver's damages and medical expenses, up to the policy limit. However, it is important to understand your rights and obligations under North Carolina's insurance laws if you are involved in a car accident.

One important provision of North Carolina General Statutes section 58-3-225 is subsection (c), which requires insurers to pay the undisputed amount of a claim within 30 days. If an insurer receives a valid claim for payment of an undisputed amount, the insurer must either pay that amount or notify the claimant of the insurer's intention to contest the claim within 30 days. Failure to do so may entitle the insured to interest on the amount owed, as well as attorney's fees and court costs.

N.C.G.S. § 58-3-225

(c) If the claim is denied, the notice shall include all of the specific good faith reason or reasons for the denial, including, without limitation, coordination of benefits, lack of eligibility, or lack of coverage for the services provided. If the claim is contested or cannot be paid because the proof of loss is inadequate or incomplete, or not paid pending receipt of requested coordination of benefits information, the notice shall contain the specific good faith reason or reasons why the claim has not been paid and an itemization or description of all of the information needed by the insurer to complete the processing of the claim. If all or part of the claim is contested or cannot be paid because of the application of a specific utilization management or medical necessity standard is not satisfied, the notice shall contain the specific clinical rationale for that decision or shall refer to specific provisions in documents that are made readily available through the insurer which provide the specific clinical rationale for that decision; however, if a notice of noncertification has already been provided under G.S. 58-50-61(h), then the specific clinical rationale for the decision is not required under this subsection. If the claim is contested or cannot be paid because of nonpayment of premiums, the notice shall contain a statement advising the claimant of the nonpayment of premiums. If a claim is not paid pending receipt of requested coordination of benefits information, the notice shall so specify. **If a claim is denied or contested in part, the insurer shall pay the undisputed portion of the claim within 30 calendar days after receipt of the claim and send the notice of the denial or contested status within 30 days after receipt of the claim.** If a claim is contested or cannot be paid because the claim was not submitted on the required form, the notice shall contain the required form, if the form is other than a UB or HCFA form, and instructions to complete that form. Upon receipt of additional information requested in its notice to the claimant, the insurer shall continue processing the claim and pay or deny the claim within 30 days after receiving the additional information.

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[N.C.G.S. § 58-3-225\(c\) \(PDF\)](#)

It is important to note that this section of the law only applies to the undisputed amount of a claim, and does not apply if the insurer has a valid reason for disputing the claim. If there is a question as to whether the accident was caused by the insured or by another driver, the insurer may need to investigate further before making a payment. In this case, the insurer must provide a written explanation for the dispute and the reasons for the delay in payment.

If you are involved in a car accident in North Carolina and have filed a claim with your insurance company, it is crucial to keep track of the timeline for payment. If the insurer fails to pay the undisputed amount within 30 days, you may be entitled to interest on the amount owed, as well as attorney's fees and court costs. However, if there is a dispute over the claim, you may need to seek legal assistance to resolve the issue and obtain full payment for your damages and injuries.

Overall, North Carolina's insurance laws require insurers to act in good faith and deal fairly with their policyholders. This means paying the undisputed amount of a claim within 30 days. If you are involved in a car accident in North Carolina, it is essential to understand your rights and obligations under the law and to seek legal assistance if necessary to resolve any disputes over your insurance claim. By doing so, you can ensure that you receive fair compensation for your damages and injuries.