# COMMONWEALTH OF MASSACHUSETTS
## Office of Consumer Affairs and Business Regulation
## DIVISION OF INSURANCE

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## BULLETIN 2007-15

TO: All Insurance Companies Licensed to Transact Business in Massachusetts

FROM: Nonnie S. Burnes, Commissioner of Insurance

RE: Written Notice to Claimants of Payment of Claims in Third Party Settlements

DATE: December 20, 2007

Upon the payment of five thousand dollars ($5000) or more in settlement of any third-party liability claim, the insurer shall provide written notice as detailed below 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 attorney.

Notice to the claimant shall be sent at the same time payment is made, and shall be mailed to the last known address of the claimant, and shall include the following information:

1. The amount of the check and the party to whom the check was mailed; and
2. The address of the party to whom the check was mailed; and
3. If payment is made by a draft or check, a copy of such draft or check; or
4. If payment is made by the electronic transfer of funds, the amount of such transfer, the date of such transfer and the party to whom the transfer was made; and
5. The statement, "If you have any questions about this notice, please contact your attorney."

These requirements 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 or the provision of defective notice to a claimant as required by this Bulletin. This Bulletin is not intended to create a defense for any party to any cause of action based upon the insurer's failure to provide such notice, or defective notice.

The primary purpose of this written notice requirement is to advise a claimant of the settlement of his or her liability claims by payment to the claimant's attorney or other representative. Written notice provides the claimant with an independent and verifiable source of information concerning the facts of the settlement. Additionally, it provides certainty to the adverse party and insurer that the settlement has been concluded in a lawful manner.