

(C) THE FOLLOWING ACTIONS BY AN INSURER OR NONPROFIT HEALTH SERVICE PLAN ARE UNFAIR CLAIM SETTLEMENT PRACTICES AND ARE VIOLATIONS OF THIS SECTION:

(1) MISREPRESENTING PERTINENT FACTS OR INSURANCE POLICY PROVISIONS RELATING TO THE CLAIM AT ISSUE;

(2) REFUSING TO PAY A CLAIM FOR AN ARBITRARY OR CAPRICIOUS REASON BASED ON ALL AVAILABLE INFORMATION;

(3) ATTEMPTING TO SETTLE A CLAIM ON THE BASIS OF AN APPLICATION WHICH IS ALTERED WITHOUT NOTICE TO, OR THE KNOWLEDGE OR CONSENT OF, THE INSURED;

(4) FAILING TO INCLUDE WITH ANY CLAIM PAID TO AN INSURED OR BENEFICIARY A STATEMENT SETTING FORTH THE COVERAGE UNDER WHICH PAYMENT IS BEING MADE;

(5) FAILING TO SETTLE A CLAIM PROMPTLY WHENEVER LIABILITY IS REASONABLY CLEAR, UNDER ONE PORTION OF A POLICY IN ORDER TO INFLUENCE SETTLEMENTS UNDER OTHER PORTIONS OF THE POLICY; OR

(6) FAILING PROMPTLY UPON REQUEST TO PROVIDE A REASONABLE EXPLANATION OF THE BASIS FOR A DENIAL OF A CLAIM.

(D) THE FOLLOWING ACTIONS BY AN INSURER OR NONPROFIT HEALTH SERVICE PLAN, IF COMMITTED WITH SUCH FREQUENCY AS TO INDICATE A GENERAL BUSINESS PRACTICE, ARE UNFAIR CLAIM SETTLEMENT PRACTICES AND ARE VIOLATIONS OF THIS SECTION:

(1) MISREPRESENTING PERTINENT FACTS OR INSURANCE POLICY PROVISIONS RELATING TO THE COVERAGES AT ISSUE;

(2) FAILING TO ACKNOWLEDGE AND ACT WITH REASONABLE PROMPTNESS ON COMMUNICATIONS REGARDING CLAIMS ARISING UNDER INSURANCE POLICIES;

(3) FAILING TO ADOPT AND IMPLEMENT REASONABLE STANDARDS FOR THE PROMPT INVESTIGATION OF CLAIMS ARISING UNDER INSURANCE POLICIES;

(4) REFUSING TO PAY CLAIMS WITHOUT CONDUCTING A REASONABLE INVESTIGATION BASED ON ALL AVAILABLE INFORMATION;

(5) FAILING TO AFFIRM OR DENY COVERAGE OF CLAIMS WITHIN A REASONABLE TIME AFTER PROOF OF LOSS STATEMENTS HAVE BEEN COMPLETED;

(6) FAILING TO MAKE A GOOD FAITH ATTEMPT PROMPTLY, FAIRLY, OR EQUITABLY TO SETTLE CLAIMS FOR WHICH LIABILITY HAS BECOME REASONABLY CLEAR;

(7) COMPELLING INSURED TO INSTITUTE LITIGATION TO RECOVER AMOUNTS DUE UNDER AN INSURANCE POLICY BY OFFERING