**Section 919.20 Scope and Purpose**

a) This Part shall apply to all insurance companies authorized to transact in this State the kind or kinds of business described in Section 4, Class 1, Class 2 and Class 3 of the Illinois Insurance Code [215 ILCS 5/4] except fidelity and surety, ocean marine and worker's compensation; to all producers licensed under Article XXXI of the Illinois Insurance Code [215 ILCS 5/Art. XXXI]; to all Voluntary Health Service Plan Corporations; to all Dental Service Plan Corporations; to all Health Maintenance Organizations; and to any individual association, corporation, partnership, insurance company or other legal entity licensed under the Illinois Insurance Code which acts as a third party administrator. This Part shall apply to all claims handling activity occurring on or after the effective date of this Part and to all pertinent policy forms on file or hereafter filed with the Illinois Department of Insurance after the effective date of this Part.

b) The purpose of this Part is to set forth minimum standards for the investigation and disposition of claims arising under contracts and certificates issued to residents of Illinois. The provisions of the Part establish the general criteria to be used by the Director in selecting companies to be examined and the minimum standards for record keeping to be followed by the companies subject to the Part. The various provisions of the Part are intended to define procedures and practices that committed with such frequency as to indicate a general practice will ultimately be the basis for a regulatory finding of unfair claims practices.

(Source: Amended at 26 Ill. Reg. 11915, effective July 22, 2002)