

13-1701. Duty of the insurance company.

An insurance policy is a contract that creates a special relationship between an insurer and insured which requires an insurer to deal fairly, reasonably, honestly, and in good faith with its insureds in all aspects of the insurance contract. The duty to act fairly, reasonably, honestly, and in good faith requires that an insurer must not place its own interests above those of an insured. [This duty applies to the insurer and also to anyone acting on its behalf. The insurer cannot avoid its duty of good faith by delegating its responsibilities.]

USE NOTES

This instruction must be given in an action for bad faith. The two bracketed sentences at the end of the instruction should be given if the facts involve an agent or delegee of the insurer and the trial court determines that the agent's or delegee's function subjects it to the same duty of good faith as the insurer.

[Adopted, effective November 1, 1991; as amended by Supreme Court Order No. S-1-RCR-2023-00028, effective for all cases pending or filed on or after December 31, 2023.]