

RULE AND REGULATION 44

COMPLAINT REGISTERS

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Section 1. Purpose.

The purpose of this Rule is to establish minimum standards for complaint registers to be maintained by insurers, health maintenance organizations, and risk retention groups pursuant to provisions of the Trade Practices Act, Ark. Code Ann. §23-66-206(10) (Supp. 1987).

Section 2. Authority.

This Rule is issued pursuant to the authority vested in the Commissioner by Ark. Code Ann. §§23-61-108 (1987), 23-66-207 (1987), 23-76-125 (1987), 23-94-107 (Supp. 1987), 25-15-202 (1987), et seq., and other applicable provisions of Arkansas law.

Section 3. Applicability and Scope.

This Rule applies to all persons, to all insurance policies and insurance contracts, and to all contracts, certificates, subscriber agreements, or other evidences of coverage issued by insurers, health maintenance organizations, and risk retention groups where applicable.

Section 4. Effective Date.

The effective date of this Rule is March 1, 1989.

Section 5. Definitions.

- (a) "Complaint" means a written communication primarily expressing a grievance;
- (b) "Insurance Department Complaint" means a written communication regarding a complaint transmitted by the Arkansas Insurance Department; and
- (c) "Person" shall have the meaning as set forth in Ark. Code Ann. §23-66-203 (1987).

Section 6. Content of Complaint Registers.

Exhibit A of this Rule sets forth the minimum information required to be maintained in a person's complaint register in order for it to comply with Arkansas law. Refinements and additions to the information specified therein may, of course, be maintained in such complaint register. Exhibit B of this Rule contains an explanation of the various headings, codes and other notations contained in Exhibit A. The codes are used in order to simplify both the identification of the action underlying the complaint and the keeping of the records.

Section 7. Format of Complaint Registers.

Exhibit A is the suggested format for the complaint register required to be maintained by Arkansas law and this Rule. Refinements, deviations from or additions to this suggested format are permitted so long as the minimum information contemplated by such format can be obtained for Insurance Department review within a reasonable time following a request therefor by an authorized representative of the Department.

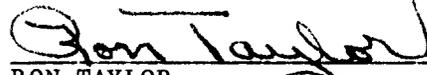
Section 8. Maintenance of Complaint Registers.

The complaint register shall be kept on a calendar year basis and the number of complaints by line of insurance, function, reason, disposition, and states of origin shall be compiled not less frequently than annually.

The complaint register required by this Rule shall be maintained commencing on and after sixty (60) days from the effective date of this Rule.

Section 8. Severability.

Any section or provision of this Rule held by a court to be invalid or unconstitutional will not affect the validity of any other section or provision of this Rule.

  
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RON TAYLOR  
INSURANCE COMMISSIONER

2-3-89  
DATE



EXHIBIT B

Explanation

Column

- A. Company Identification Number. As noted, this refers to the identification number of the complaint and shall also include the license number or other means of identifying any license of the Insurance Department (such as agent, staff adjuster or independent adjuster) that may have been involved in the complaint.
- B. Function Code. Complaints are to be classified by function(s) of the company involved. Separate classifications are to be maintained for underwriting, marketing and sales, claims, policyholder service and miscellaneous.
- C. Reason Code. Complaints are also to be classified by the nature of the complaint. The following is the classification required for each function specified above.
  - 1) Underwriting
    - a) Company underwriting
    - b) Individual's application underwriting (this refers to any complaint where misrepresentations or declarations in an application for insurance resulted in company action involved in the complaint)
    - c) Cancellation
    - d) Rescission
    - e) Nonrenewal
    - f) Premiums and rating
    - g) Delays
    - h) Refusal to insure
    - i) Miscellaneous (not covered by above)
  - 2) Marketing and Sales
    - a) General advertising
    - b) Mass marketing advertising (advertising which is essentially directed to reach more people than in a one-to-one relationship)
    - c) Agent handling
    - d) Replacement
    - e) Dividend illustration
    - f) Delays
    - g) Alleged misleading statement or misrepresentation
    - h) Miscellaneous (not covered by above)
  - 3) Claims
    - a) Claims procedure

- b) Delays
- c) Unsatisfactory settlements
- d) Natural disaster adjusting (hurricane or flood situations or other situations which produce a large number of claims)
- e) Unsatisfactory settlement offers
- f) Denial of claim
- g) Miscellaneous (not covered by above)
- 4) Policyholder service
  - a) Failure to respond
  - b) Delays
  - c) Miscellaneous (not covered by above)
- 5) Miscellaneous

C. Line Type. Complaints are to be classified according to the line of insurance involved, as follows:

- 1) Automobile
- 2) Fire
- 3) Homeowners — Farmowners
- 4) Crop
- 5) Inland Marine
- 6) Individual Life
- 7) Group Life
- 8) Annuities
- 9) Individual Health — Accident & Sickness
- 10) Group Health — Accident & Sickness
- 11) Workers' Compensation
- 12) Liability Insurance other than Automobile
- 13) Mobile Homeowners
- 14) Miscellaneous (not covered by above)

D. Company Disposition After Receipt. The complaint register shall note the disposition of the complaint.

The following examples illustrate the type of information called for, but are not intended to be required language or to exhaust the possibilities:

- 1. Corrective action was taken;
- 2. No action was deemed necessary;

3. Satisfactory explanation was given to the complainant.

Complaint register need not note the specific action taken with respect to the complaint, so long as the action was appropriate to the circumstances. If the company wishes it may use a code for entries in this column.

- E. Date Received. This refers to the date the complaint was received.
- F. Date Closed. This refers to the date on which the complaint was disposed of whether by one action or a series of actions as may be present in connection with some complaints.
- G. Insurance Department Complaint. Complaints are to be classified so as to indicate if the origin of the complaint was from an Insurance Department.
- H. State of Origin. Complaint register should note the state from which the complaint originated. Ordinarily this will be the state of residence of the complainant.