

VERMONT DEPARTMENT OF BANKING AND INSURANCE

**REGULATION 76-1
INSURANCE REGULATION
CHAPTER 202**

MAINTENANCE OF COMPLAINT RECORDS

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§ 1. AUTHORITY

This rule is adopted under 8 V.S.A. §§ 75, 3562 and 4724(10).

§ 2. DEFINITIONS

For purposes of this Rule,

- (a) “Consumer Complaint” means either a written communication, or an oral communication subsequently confirmed in writing, to the insurer from a resident of Vermont primarily expressing a grievance;
- (b) “Insurance Department Complaint” means either a written communication, or an oral communication subsequently confirmed in writing, from the Vermont Department of Banking and Insurance to the insurer involved regarding a consumer’s insurance complaint to the Department of Banking and Insurance;
- (c) “Complaint” means either a consumer complaint or an Insurance Department complaint.
- (d) “Insurer” means any company defined in Title 8 V.S.A. Chapter 101 and any non-profit medical or hospital service corporation as defined in Title 8 V.S.A. Chapter 123 or 125;
- (e) “Vermont insureds” means both individual policyholders and group certificate holders in Vermont.

§ 3. MAINTENANCE OF COMPLAINT RECORDS

Every insurer shall maintain a complaint record as provided in Section 4 of this Rule. The complaint record shall be kept on a calendar year basis and shall be maintained on and after March 1, 1976.

§ 4. CONTENT OF COMPLAINT RECORDS

Exhibit 1 of this Rule sets forth the minimum information required to be contained in an insurer's complaint record and a suggested format for the complaint record in order for it to comply with this Rule. Minor refinements and additions to the complaint record and the information specified therein are permitted. Exhibit 2 of this Rule contains an explanation of the various headings, codes, and other notations contained in Exhibit 1.

§ 5. ANNUAL REPORT TO THE DEPARTMENT

On or before August 1, 1976, every insurer shall submit to the Vermont Department of Banking and Insurance a summary sheet of its complaint record for the period starting March 1, 1976, and ending June 30, 1976, concerning Vermont complaints. On or before April 1, 1977, every insurer shall submit such a summary sheet for the period March 1, 1976 – December 31, 1976. Thereafter annually, on or before April 1, beginning April 1, 1978, every insurer shall submit such a summary sheet for the preceding calendar year. The information required and the format shall be in accordance with Exhibit 3. Exhibit 3 provides for summarizing the total number of complaints, computations of total earned premium for Vermont, total number of Vermont insureds, the ratio of total number of complaints to 1,000 Vermont insureds and the ratios of number of complaints to the number of Vermont insureds by line of insurance for those lines of insurance in which the insurer insures more than 1,000 Vermonters.

§ 6. EFFECTIVE DATE

This Rule is effective on January 15, 1976.

EXHIBIT 1

COMPLAINT RECORD

Column A	Column B		Column C	Column D	Column E	Column F
Company's Identification Number	Function Code	Reason Code	Line of Insurance	Date Received	Date Closed	Insurance Department Complaint (Yes or No)

EXHIBIT 2

PROCEDURE

Explanation

Column Number

- A. **Company's Identification Number.** As noted, this refers to the company's identification number of 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.

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 (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) Non-renewal
- (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 representation
- (h) Miscellaneous (not covered by above)

- (3) *Claims*
 - (a) Claims procedure
 - (b) Delays
 - (c) Unsatisfactory settlement offer
 - (d) Natural disaster adjusting (hurricane or flood situations or other situations which produce a large number of claims)
 - (e) Unsatisfactory settlement
 - (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 of Insurance.** 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) Workmen’s Compensation
- (12) Liability Insurance other than Automobile
- (13) Mobile Homeowners
- (14) Miscellaneous (not covered by above)

D. **Date Received.** This refers to the date the complaint was received by the insurer.

E. **Date Closed.** This refers to the date on which the complaint was disposed of by the insurer. If the disposition involved a series of actions, the date of disposition shall be the date of the last action in the series.

F. **Insurance Department Complaint.** Complaints are to be classified “yes” or “no” as to whether the complaint originated from the Insurance Department.