

This rule was filed as 13 NMAC 7.3.

TITLE 13 INSURANCE
CHAPTER 7 INSURANCE TRADE PRACTICES AND FRAUDS
PART 3 MAINTENANCE OF COMPLAINT RECORDS

13.7.3.1 ISSUING AGENCY: New Mexico State Corporation Commission [Public Regulation Commission], Department of Insurance, Post Office Box 1269, Santa Fe, NM 87504-1269.
[7/1/97; Recompiled 11/30/01]

13.7.3.2 SCOPE: This rule applies to all insurers subject to the New Mexico Unfair Insurance Practices Act, Section 59A-16-1 et seq NMSA 1978.
[7/1/97; Recompiled 11/30/01]

13.7.3.3 STATUTORY AUTHORITY: Section 59A-2-9 NMSA 1978.
[7/1/97; Recompiled 11/30/01]

13.7.3.4 DURATION: Permanent.
[7/1/97; Recompiled 11/30/01]

13.7.3.5 EFFECTIVE DATE: July 1, 1997, unless a later date is cited at the end of a section or paragraph.
[7/1/97; Recompiled 11/30/01]
[Compiler's note: The words *or paragraph*, above, are no longer applicable. Later dates are now cited only at the end of sections, in the history notes appearing in brackets.]

13.7.3.6 OBJECTIVE: The purpose of this rule is to prescribe the minimum information to be maintained in the record of complaints required of all insurers under Section 59A-16-22 NMSA 1978 and to provide a suggested format for this record.
[7/1/97; Recompiled 11/30/01]

13.7.3.7 DEFINITIONS: As used in this rule:
A. **"Complaint"** means a written communication primarily expressing a grievance.
B. **"Insurance department complaint"** means a written communication regarding a complaint transmitted by the department of insurance.
[7/1/97; Recompiled 11/30/01]

13.7.3.8 CONTENT OF COMPLAINT RECORD: 13 NMAC 7.3.11 [now 13.7.3.11 NMAC] sets forth the minimum information required to be contained in an insurer's complaint record in order to comply with the statute. Refinements and additions to the information specified may, of course, be maintained in the complaint record. 13 NMAC 7.3.12 [now 13.7.3.12 NMAC] contains an explanation of the various headings, codes and other notations contained in 13 NMAC 7.3.11 [now 13.7.3.11 NMAC]. The codes are used in order to simplify both the classification of the action underlying the complaint and the keeping of the records.
[7/1/97; Recompiled 11/30/01]

13.7.3.9 FORMAT OF COMPLAINT RECORD: 13 NMAC 7.3.11 [now 13.7.3.11 NMAC] is the suggested format for the complaint record required to be maintained by the statutes 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 department of insurance review within a reasonable time following a request therefor by an authorized representative of the department of insurance.
[7/1/97; Recompiled 11/30/01]

13.7.3.10 MAINTENANCE OF THE RECORD: The complaint record shall be kept on a calendar year basis and the number of complaints by line of insurance, function, reason, disposition, and state of origin shall be

compiled not less frequently than annually. The maintenance of this complaint record shall be required for complaints received on and after October 1, 1973.
[7/1/97; Recompiled 11/30/01]

13.7.3.11 COMPLAINT RECORD - FORM:

NAME OF COMPANY: _____

A	B		C	D	E	F	G	H
	Function Code	Reason Code	Line Type	Company Disposition After Complaint Receipt	Date Received	Date Closed	Insurance Department Complaint	State of Origin
Company Identification Number								
Agents Number Staff								
Adjusters Number								
Independent Adjuster								

[7/1/97; Recompiled 11/30/01]

13.7.3.12 COMPLAINT RECORD - EXPLANATION:

A. **A - Company identification number:** As noted, this refers to the company's identification number of the complaint or other means of identifying the complaint, and shall also include the license number or other means of identifying any licensee of the department of insurance (such as agent, adjuster or independent adjuster) whose conduct or records are involved in the complaint.

B. **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. **B - 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) 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 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 which produce a large number of claims);
 - (e) unsatisfactory settlement offer;
 - (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:** Not covered in 13 NMAC 7.3.12.3.1 through 13 NMAC 7.3.12.3.4 [now Paragraphs (1) through (4) of Subsection C of 13.7.3.12 NMAC].

D. **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 accident and health;
- (10) group accident and health;
- (11) workers' compensation;
- (12) liability insurance other than automobile;
- (13) mobile homeowners;
- (14) miscellaneous (not covered by above).

E. **D - Company disposition after receipt:** The complaint record 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 nor to exhaust the possibilities: corrective action was taken; no action was deemed necessary; or a satisfactory explanation was given to the complainant. If the company wishes it may use a code for entries in this column.

F. **E - Date received:** This refers to the date the complaint was received.

G. **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.

H. **G - Insurance department complaint:** If the origin of the complaint was from an insurance department, it should be so identified.

I. **H - State of origin:** The complaint record should note the state from which the complaint originated. Ordinarily this will be the state of residence of the complainant.

[7/1/97; Recompiled 11/30/01]

HISTORY OF 13.7.3 NMAC:

Pre-NMAC History: The material in this rule was previously filed with the State Records Center as:

ID 67-1, Sections 9-2-1 through 9-2-7, New Mexico Official Administrative Rules and Regulations Code, filed 1/1/67.

ID 73-2, Article 9, Chapter 58 Rule 2, Regulation for Complaint Records to be Maintained Pursuant to the New Mexico Unfair Insurance Practices Act, filed 8/6/73.

History of Repealed Material: [RESERVED]

