



# 2024 CFTC COMPLAINT HANDLING

The Compliance & Ethics Forum for Life Insurers

# FACULTY



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# AGENDA

- What Is and Is Not a Complaint
- Requirements & Responses
- Why Do We Need to Pay Attention to Complaints?

# WHAT IS AND IS NOT A COMPLAINT?

# KNOWLEDGE CHECK

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Dan writes on a company survey he received: “Could someone please contact me regarding a question I have about the value of my account?”

**Is this a complaint?**

- A. Yes.
- B. No.



# KNOWLEDGE CHECK

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Lucy clicks on “Contact Us” from the company’s website and writes: “You paid me the wrong surrender value on my contract. Why can’t you ever get it right? Fix this immediately!”

**Is this a complaint?**

- A. Yes.
- B. No.



# DEFINING A COMPLAINT

## How Complaints are often received:

Letters, emails, social media posts, premium remittance, via producers, with survey responses, BBB, from the state DOIs, governors, legislators, attorney generals, as well as verbally

## NAIC Model Regulation #884 (1992): [Link to Model](#)

- Defines “Complaint”
- Specifies record keeping requirements

“...a written communication primarily expressing a grievance.”

NAIC Model Regulation

**State DOI definitions & requirements may vary!**



# REQUIREMENTS & RESPONSES



# UNIQUE STATE DEPARTMENT OF INSURANCE REQUIREMENTS

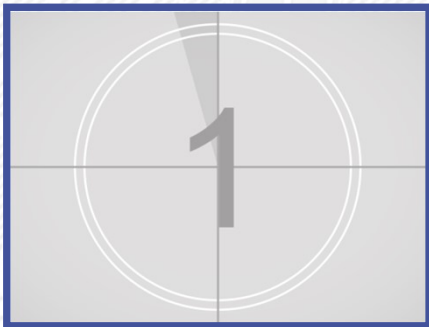
DEFINITIONS

CODES

RESPONSE  
TIMING

SUBMISSION  
REQUIRE-  
MENTS

# RESPONDING TO COMPLAINTS



## Phase 1

- Centralize and Log
- Date Stamp



## Phase 2

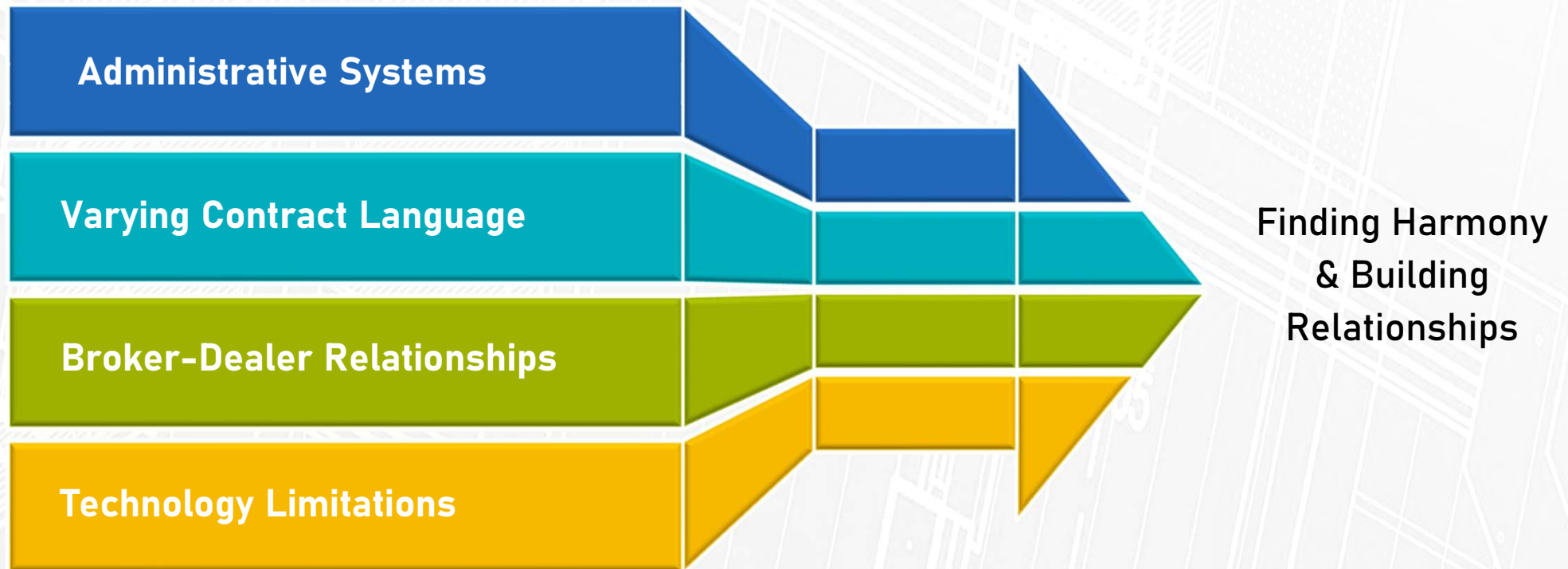
- Review and Analyze
- Answer the Question
- Polished Communications
- Respond Timely



## Phase 3

- Validate Correct Coding
- Policies & Procedures
- Record Retention

# BEYOND THE REQUIREMENTS



# EXAMPLES OF WHAT NOT To Do

- ✘ Act unprofessionally
- ✘ Throw others under the bus
- ✘ Fail to log!
- ✘ Fail to respond timely
- ✘ Fail to respond to all issues raised
- ✘ Fail to carefully read producer statements
- ✘ Fail to proofread your response  
(to consumer and regulator)



# WHY DO WE NEED TO PAY ATTENTION TO COMPLAINTS?

# COMPLAINTS ARE A GIFT



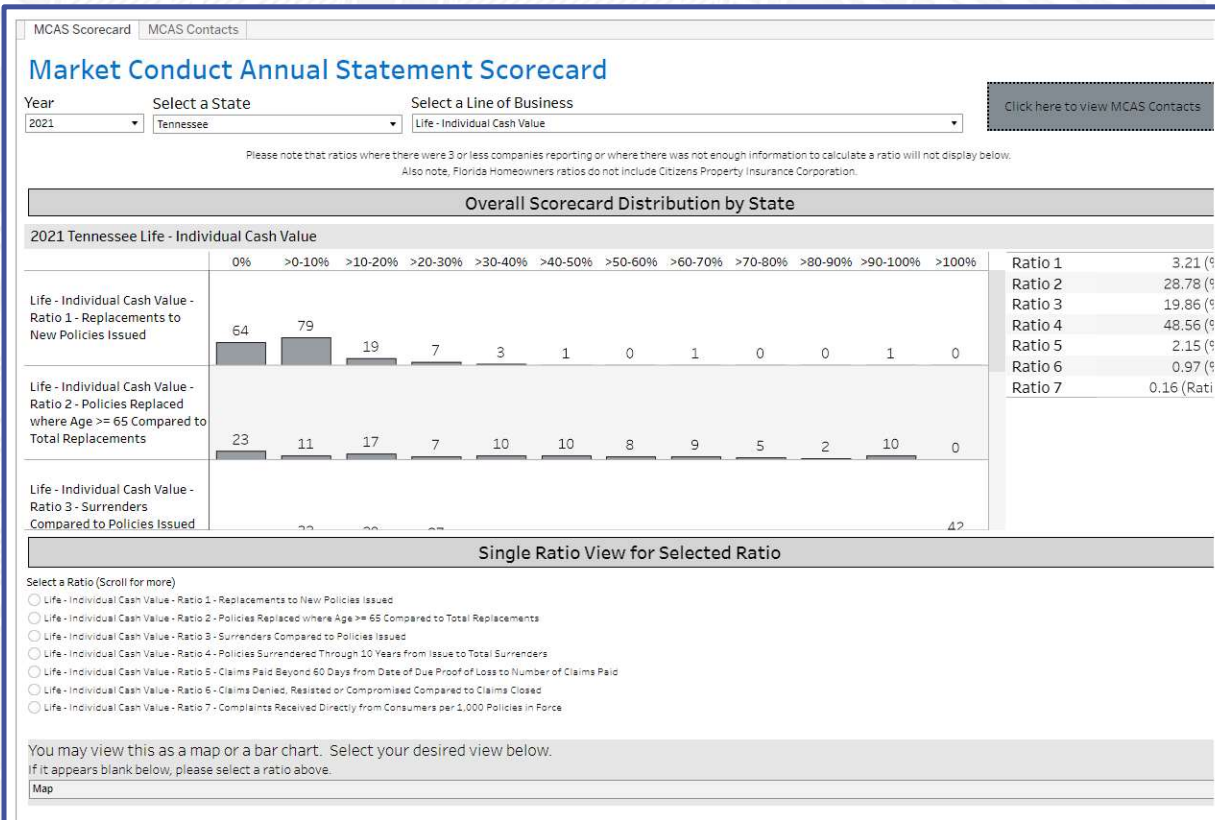
- Educate Producers
- Educate Business Partners
- Identify Trends (e.g., communications, processes, contract/ policy forms, producer allegations, etc.)
- Recognize Training Opportunities
- Look for Systemic Improvements
- Retain Clients
- Mitigate Risk
- Gain the Respect of Regulators
- Credibility

**Protect  
Policyholders**

**Protect the  
Company's  
Reputation**

**Protect the  
Company's  
Financial Assets**

# MARKET CONDUCT ANNUAL STATEMENT (MCAS)



1

Consumers can access [Scorecard information](#)

# FUTURE COMPANY EXAMS

2

## Market Conduct Examinations: Standard Data Requests (SDRs) Examination Standards and Interrogatory Questions

### Chapter 16—Complaint Handling Standards

The complaint handling review includes, but is not limited to, the following standards addressing various aspects of a regulated entity's operations.

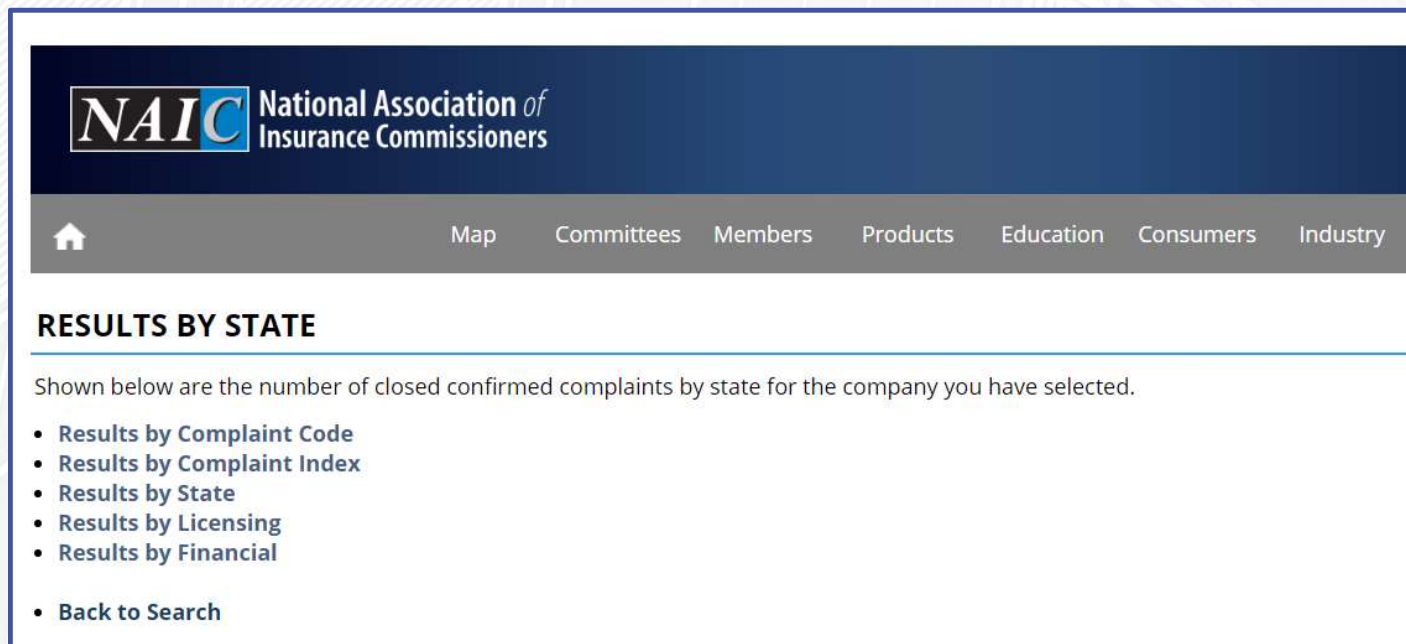
Standard Number	Text of Standard
1	All complaints are recorded in the required format on the regulated entity's complaint register.
2	The regulated entity has adequate complaint handling procedures in place and communicates such procedures to policyholders.
3	The regulated entity takes adequate steps to finalize and dispose of the complaint in accordance with applicable statutes, rules and regulations and contract language.
4	The time frame within which the regulated entity responds to complaints is in accordance with applicable statutes, rules and regulations.



# NAIC PUBLISHED INFORMATION

3

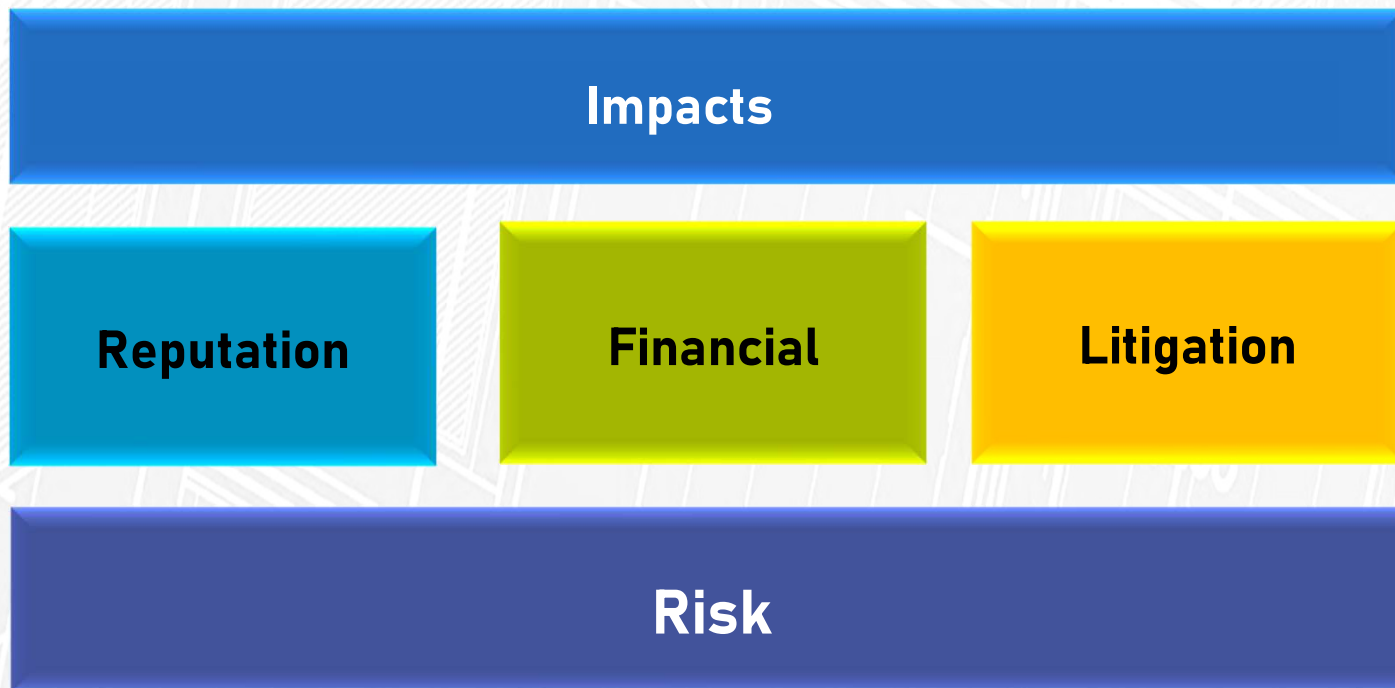
**Complaint Ratios and Related Data:**  
Consumers and others can access [searchable results](#)



The screenshot displays the NAIC website interface. At the top left is the NAIC logo (National Association of Insurance Commissioners). A navigation bar includes a home icon and links for Map, Committees, Members, Products, Education, Consumers, and Industry. The main content area is titled 'RESULTS BY STATE' and contains the text: 'Shown below are the number of closed confirmed complaints by state for the company you have selected.' Below this text is a bulleted list of options: Results by Complaint Code, Results by Complaint Index, Results by State, Results by Licensing, Results by Financial, and Back to Search.

# PULLING IT ALL TOGETHER

4



# QUESTIONS



# NETWORKING LUNCH

## 12:00 – 1:00 PM

The Compliance & Ethics Forum for Life Insurers

