

Complaint Records

This guide is derived from NAIC Model Regulations, Acts, and/or Bulletins. Because states independently determine whether to adopt NAIC Models—and may do so in whole, in part, or with state-specific modifications—requirements can vary by jurisdiction. CEFLI Oversight Guides provide checklists of potential oversight elements to help support regulatory compliance. The guides and any referenced resources are not legal advice. CEFLI Member Companies should ensure their oversight programs reflect their specific product portfolios, distribution strategies, risk tolerances, internal controls and prior market conduct examination findings. Member Companies should carefully evaluate and incorporate unique state regulatory requirements, including any deviations from NAIC Models, in the states where they conduct business.

Helpful Resources

- [NAIC Market Regulation Handbook 2025, Volume 1-IV](#)
- [NAIC Model Regulation for Complaint Records To Be Maintained Pursuant To The NAIC Unfair Trade Practices Act \(#884\)](#)
- [NAIC Model Regulation for Complaint Records To Be Maintained Pursuant To The NAIC Unfair Trade Practices Act \(#884\) - State Adoption Chart.](#)
- [Unfair Trade Practices Act \(#880\)](#)
- [Unfair Trade Practices Act \(#880\) - State Adoption Chart](#)

Purpose

The model regulation is designed to implement provisions of the Unfair Trade Practices Act (linked above) regarding complaint recordkeeping. The referenced recordkeeping procedures are minimum requirements. Insurers are urged to supplement the procedures and provide for periodic review of the records.

The Unfair Trade Practices Act makes it an unfair trade practice for a person subject to the Act to fail to maintain a record of complaints.

The purpose of this regulation is to prescribe the minimum information required to be maintained in such a record of complaints in order to comply with the statute and to set forth a format for such record which may be used by any person subject to the regulation.

Definition a Complaint

A "Complaint" is a written communication primarily expressing a grievance. The model notes that while "complaint" is defined both in the Act and in the regulation, it is necessary to distinguish an inquiry or other communication from a "complaint." It notes that not every contact by a policyholder or claimant questioning some action by the insurer constitutes a "complaint" and the regulation notes that differentiating an "inquiry" from a "complaint" will involve judgment to be reasonably applied.

The regulation notes that the essential question is whether the writer expressed a grievance. For example, a person notes a typographical error in the spelling of their name on a policy may be passing on information while another person may be expressing a grievance. The distinction is in the language used and in a reasonable interpretation of that language.



Record Requirements

- Content of Complaint Record.** The record format on the following page sets forth the suggested format and the minimum information required. Refinements and additions may be made.

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
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Company Identification Number (Agent's Number) (Staff Adjuster's Number) (Independent Adjuster)	Function Code	Reason Code	Line Type	Company Disposition after Complaint Receipt	Date Received	Date Closed	Insurance Department Complaint	State of Origin
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Refer to Attachment A of the regulation.

- Columns and Codes.** The following content defines the column headings and the codes.

- **Column A – Company Identification Number.** This refers to the identification number of the complaint and includes the license number or other means of identifying any licensee of the Insurance Department (such as agent, staff adjuster or independent adjuster) that may have been involved in the complaint.
- **Column B – Function and Reason Codes.** **Function Codes.** Complaints are to be classified by function(s) of the company involved. The function codes are numbered below (i.e., underwriting, marketing and sales, claims, policyholder service and miscellaneous). **Reason Codes.** The reason codes are lettered below. Complaints are also to be classified by the nature of the complaint. The following is the classification required:
 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. 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 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, flood or other situations producing 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
- Column 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. Workmen's Compensation
 - 12. Liability Insurance other than Automobile
 - 13. Mobile Homeowners
 - 14. Miscellaneous (not covered by above)
 - Column D – Company Disposition After Receipt. The 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 or to exhaust the possibilities:
 - 1. Corrective action was taken.
 - 2. No action was deemed necessary.
 - 3. Satisfactory explanation was given to the complainant.



The complaint record 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.

- Column E - Date Received. This refers to the date the complaint was received.
- Column 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.
- Column G - Insurance Department Complaint. Complaints are to be classified so as to indicate if the origin of the complaint was from an Insurance Department.
- Column 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.

Refer to Attachment B of the regulation.