

**Nebraska Department of Insurance**  
**Guidance Document**  
**IGD - - D6**

Title: Requirements for Insurers to make and maintain a policyholder complaint record

Issue Date: October 20, 2022

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NEB.REV.STAT.§44-1525(9) makes it a violation of the Unfair Trade Practice Act for an insurer to fail to maintain a record of complaints. Insurers are advised that in the event of an investigation of insurer market conduct, the Nebraska Department of Insurance (NDOI) will verify the maintenance of complaint records under that section. The purpose of this guidance document is to provide an example of a valid complaint record. The example is a non-exclusive illustration that insurers may follow to demonstrate compliance with the section. Following this example will serve as proof of compliance with the statute.

**Suggested Content of Complaint Record**

The “Complaint Record: Suggested Elements” section describes the information in an insurer’s complaint record that it may use to demonstrate compliance with the statute. The “Explanation of Complaint Record Elements” section contains an explanation of the various headings, codes, and other notations in the “Complaint Record: Suggested Elements” section. The codes are used to simplify the identification of the action underlying the complaint and the keeping of the records.

**Format of Complaint Record**

The “Complaint Record: Suggested Elements” section is the suggested format for the complaint record required to be maintained by the statute. Companies may alter this suggested format.

**Maintenance of the Complaint Record**

To demonstrate compliance with the section, a company should keep the complaint record not less frequently than annually. The total number of complaints is grouped by the line of insurance, function, reason, disposition, and state of origin.

**COMPLAINT RECORD: REQUIRED ELEMENTS**

1. Company Identification Number (including):

- Agent’s Number (if applicable)

-Staff Adjuster's Number (if applicable)

-Independent Adjuster (if applicable)

2. Function Code
3. Reason Code
4. Line Type
5. Company Disposition After Complaint Receipt
6. Date Received
7. Date Closed
8. Insurance Department Complaint
9. State of Origin

### **EXPLANATION OF COMPLAINT RECORD ELEMENTS**

1. **Company Identification Number.** As noted, this refers to the identification number of the complaint and should also include the license number or other means of identifying any licensee of the NDOI (such as agent, adjuster, or independent adjuster) that may have been involved in the complaint.
2. **Function Code.** Complaints are to be classified by function(s) of the company involved. Separate classifications are best maintained for underwriting, marketing or sales, claims, policyholder service, and miscellaneous.
3. **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:

(A) Underwriting

(i) Company underwriting

(ii) individual's application underwriting (this refers to any complaint where misrepresentations or declarations in an application for insurance resulted in the company being actively involved in the complaint)

(iii) Cancellation

(iv) Rescission

(v) Non-renewal

(vi) Premiums and rating

- (vii) Delays
- (viii) Refusal to insure
- (ix) Miscellaneous (not covered by above)

(B) Marketing and Sales

- (i) General advertising
- (ii) Mass marketing advertising - (advertising which is essentially directed to reach more people than in a one-to-one relationship)
- (iii) Agent handling
- (iv) Replacement
- (v) Dividend illustration
- (vi) Delays
- (vii) Alleged misleading statement or misrepresentation
- (viii) Miscellaneous (not covered by above)

(C) Claims

- (i) Claims procedure
- (ii) Delays
- (iii) Unsatisfactory settlements
- (iv) Natural disaster adjusting (hurricane or flood situations or other situations which produce a large number of claims)
- (v) Unsatisfactory settlement offer
- (vi) Denial of claim
- (vii) Miscellaneous (not covered by above)

(D) Policyholder service

- (i) Failure to respond
- (ii) Delays
- (iii) Miscellaneous (not covered by above)

(E) Miscellaneous

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

(A) Automobile

(B) Fire

(C) Homeowners - Farm owners

(D) Crop

(E) Inland Marine

(F) Individual Life

(G) Group Life

(H) Annuities

(I) Individual Health - Accident & Sickness

(J) Group Health - Accident and Sickness

(K) Workmen's Compensation

(L) Liability Insurance other than Automobile

(M) Mobile Homeowners

(N) Miscellaneous (not covered by the above)

5. **Company Disposition After Receipt.** The complaint record should note the disposition of the complaint. The following examples illustrate the type of information called for but are not required language nor to limit 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.

6. **Date Received.** This refers to the date the complaint was received.

7. **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.

8. **Insurance Department Complaint.** If the origin of the complaint was from an insurance department, it should be so identified.

9. **State of Origin.** The complaint record should note the state from which the complaint originated.

Questions concerning this guidance document should be directed to the Legal Division at 402-471-2201.