11 NCAC 19 .0106 RECORDS REQUIRED FOR EXAMINATION

(a) Market conduct examinations of property and liability insurers. Insurers being examined by the Department shall provide examiners access to information about the following areas of operation:

(1) Company overview: history and profile, company operations and management, and certificates of authority;
(2) Policyholder treatment: consumer complaints;
(3) Marketing: policy forms and filings, sales and advertising, agency management;
(4) Underwriting and rating practices: personal lines and commercial lines; all terminations (cancellations and nonrenewals) and declinations or rejections; and
(5) Claims practices: organization and procedures, closed with payment, closed without payment, total loss settlements (salvage), subrogation, and litigation.

(b) Market conduct examinations of life and health insurers. Insurers being examined by the Department shall provide examiners access to information about the following areas of operation:

(1) Company overview: history and profile, company operations and management, and certificates of authority;
(2) Policyholder treatment: consumer complaints, nonforfeiture benefits (policy loans, cash surrenders, extended term and reduced paid-up);
(3) Marketing: policy forms and filings, sales and advertising, and agency management;
(4) Underwriting and rating practices: life (individual and group), health (individual and group), annuities (individual and group); declinations (individual and group); annuity suitability questionnaires; and
(5) Claims practices: life (individual and group), health (individual and group) annuities (individual and group).

(c) Market conduct examinations of full service and single service health maintenance organizations. Health maintenance organizations being examined by the Department shall provide examiners access to information about the following areas of operation:

(1) Company overview: articles of incorporation, bylaws, history and profile, company operations and management, risk management policies, and data protection plan;
(2) Provider delivery systems: provider manual, provider contracting policies and procedures, provider directories, and availability and accessibility standards and monitoring reports related to these standards;
(3) Management agreements: management agreements, intermediary contracts, intermediary certifications, and provider agreements;
(4) Utilization management: utilization management plan, utilization management policies and procedures, annual utilization management certifications, utilization management monthly telephone reports, precertification records, and appeals of noncertification records;
(5) Quality management: quality management plan, quality management policies and procedures, quality management committee minutes, quality of care complaints, and quality management annual program evaluation;
(6) Provider credentialing: credentialing plan, credentialing policies and procedures, and credential files;
(7) Claims practices: policies and procedures, reports of processed and denied claims, claims records;
(8) Policyholder treatment: member services' policies and procedures, member services complaint logs, member complaint records, member services monthly telephone reports, late enrollment guidelines, and member materials;
(9) Marketing: agent and broker files, agent appointment and termination listings, marketing training materials, sales and advertising materials, and policy forms and filings;
(10) Underwriting and rating practices: underwriting manual, annual rate filings, overview of rate development for each filed methodology, and underwriting files; and
(11) Oversight of delegated functions: oversight committee activity, oversight monitoring tools, and audits.

(d) Market conduct examinations of managed care plans, Managed care plans being examined by the Department shall provide examiners access to information about the areas of operation referenced in Paragraphs (b) and (c) of this Rule.

(e) If the Department requests specific records relative to the areas of operations referenced in Paragraphs (a), (b), (c), and (d) of this Rule by prior written notification or in a pre-examination conference, the records shall be made

available to the examinations staff when the staff arrives at the insurer's office, or shall be sent to the Department if requested.

(f) Additional records shall be made available by the insurer on the date of arrival if the Department has requested that those records be made available for the examination. Additional records, not previously requested, may be required during and after an examination. Work space that will accommodate the exam team and equipment shall be provided by the insurer to the examiners to expedite the examiners' review of the records.

(g) Information about the areas of operation referenced in Paragraphs (a), (b), (c), and (d) of this Rule shall be maintained by every insurer for at least five years.

History Note: *Authority G.S. 58-2-40(1); 58-2-50; 58-2-131; 58-2-132; 58-2-133; 58-2-134; 58-2-190; 58-2-195; 58-7-50; 58-20-30; 58-21-40; 58-21-75; 58-22-20(6); 58-23-25; 58-24-135; 58-27-10; 58-36-85(1); 58-39-70; 58-47-100; 58-48-65; 58-49-55; 58-50-56; 58-50-61; 58-50-62; 58-56-16; 58-62-66; 58-63-20; 58-64-55; 58-65-105; 58-67-10; 58-67-11; 58-67-100;*
Eff. March 1, 1993;
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Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. December 20, 2015.