



STATE OF NEW YORK
INSURANCE DEPARTMENT
TWO WORLD TRADE CENTER
NEW YORK 10047

ALBERT B. LEWIS
Superintendent of Insurance

June 5, 1978
Circular Letter No. 11 (1978)

TO: ALL AUTHORIZED INSURERS WRITING
BUSINESS IN NEW YORK STATE

SUBJECT: ESTABLISHMENT OF INTERNAL CONSUMER
SERVICES DEPARTMENT FOR INSURANCE COMPANIES

All licensed insurance companies are hereby requested to establish an internal department specifically designated to investigate and resolve complaints filed by consumers with the Insurance Department's Consumer Services Bureau and to take action necessitated as a result of the complaint investigation findings.

This department is to operate in a staff capacity to the entire company with authority to question and change the position taken in individual instances or company practices generally.

Responsibility for such department is to be vested in a corporate officer who is also to be entrusted with the duty of executing the Insurance Department's directives. All initial Insurance Department inquiries are to be forwarded to the attention of the designated officer whose department will then investigate and reply to the Insurance Department's Consumer Services Bureau and be available to that Bureau's personnel for any necessary further contact. This system is not intended to preclude any additional contact between the parties directly working on the complaint in the company and in the Insurance Department. However, if the Insurance Department requests the appearance of a company representative to discuss a pending matter, the individual whom the company sends should be authorized to make any determination warranted after all the facts are elicited at such conference.

As part of its complaint handling function, the company's consumer services department will maintain an ongoing central

log to register and monitor all complaint activity. The log should be kept in a columnar form and list the following:

1. The date the complaint was received in-house.
2. The name of the complainant and the policy or claim file number.
3. The New York State Insurance Department file number.
4. The responsible internal division i.e. personal lines underwriting, property damage claims, etc.
5. The person in the company with whom the complainant has been dealing.
6. The person within the company to whom the matter has been referred for review.
7. The date of such referral.
8. Bearing in mind the appropriate regulation mandating timely substantive replies, the dates of correspondence to the Insurance Department's Consumer Services Bureau.
 - A. The acknowledgement (if any).
 - B. The date of any substantive response.
 - C. The chronology of further contacts with this Department.
9. The subject matter of the complaint.
10. The results of the complaint investigation and the action taken.
11. Remarks about internal remedial action taken as a result of the investigation.

The log is to be used as a tool to identify any problem areas within the company. Quarterly reports from the complaint logs should be prepared and forwarded to the heads of the respective operating units and to the company president.

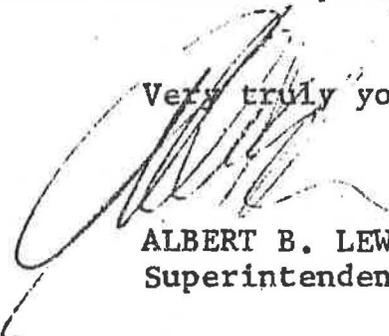
The log is also to be an internal control for monitoring activity on individual cases and focusing accountability during the pendency of complaint investigations to insure timely and complete responses to the Consumer Services Bureau.

The log itself is to be available for inspection by the Insurance Department's personnel. Practices and improvements may be discussed with the officer in charge of the consumer services department and recommendations may be made by this Department on the basis of information developed by the complaint investigations.

The foregoing is aimed to establish an accessible, responsive, objective and efficient mechanism for investigating and resolving complaints filed with the Insurance Department. Since most companies have existing departments which already are performing many of the functions described above, the burden of establishing a department to comply with this request should generally be minimal.

The company's consumer services department and the logging system are requested to become operative no later than July 1, 1978. To that end, all carriers are requested to furnish Mr. Nathan Silver, Chief of the Consumer Services Bureau, with the name and title of the corporate officer responsible for the consumer services department.

Very truly yours,



ALBERT B. LEWIS
Superintendent of Insurance