
**Rules of
Department of Insurance
Division 300—Market Conduct Examinations
Chapter 2—Record Retention for Market Conduct
Examinations**

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Title 20—DEPARTMENT OF INSURANCE

Division 300—Market Conduct Examinations

Chapter 2—Record Retention for Market Conduct Examinations

20 CSR 300-2.100 File and Record Documentation for Claims

PURPOSE: This rule effectuates or aids in the interpretation of section 375.936(10), RSMo regarding retaining claim records.

File and Record Documentation. The insurer's claim files shall be subject to examination by the director or by his/her duly appointed designees. These files shall contain all notes and work papers pertaining to the claim in such detail that pertinent events and the dates of these events can be reconstructed. Documentary material which is pertinent to the investigation and/or denial of a claim shall be legibly date stamped with the date of receipt whether it is from an insured, his/her agent, a claimant, the Missouri Department of Insurance or any other insurer.

Auth: sections 374.045 and 375.930—375.948, RSMo (1986). This rule was previously filed as 4 CSR 190-10.060(2). Original rule filed Aug. 5, 1974, effective Aug. 15, 1974. Rescinded and readopted: Filed Aug. 16, 1978, effective Dec. 11, 1978. Amended: Filed Sept. 11, 1980, effective Feb. 16, 1981. Amended: Filed Sept. 14, 1981, effective Jan. 15, 1982. Amended: Filed Aug. 4, 1986, effective Jan. 1, 1987. Amended: Filed Jan. 5, 1987, effective June 1, 1987. Amended: Filed Aug. 4, 1987, effective Dec. 24, 1987. Amended: Filed Dec. 9, 1988, effective April 28, 1989. Amended: Filed Nov. 2, 1989, effective Feb. 15, 1990. Emergency amendment filed Feb. 21, 1990, effective March 5, 1990, expired June 2, 1990. Amended: Filed Feb. 26, 1990, effective June 11, 1990. Amended: Filed Dec. 12, 1990, effective June 10, 1991.

20 CSR 300-2.200 Records Required for Purposes of Market Conduct Examinations

PURPOSE: This regulation describes the requirements for recordkeeping for insurance companies and related entities doing business in this state. This regulation was adopted pursuant to the provisions of section 374.045, RSMo (1986) and to implement sections 287.350, 354.190,

354.465, 374.190, 374.210, 375.158, 379.343 and 379.475, RSMo (1986) and 144.027, 354.149, 354.717, 375.022, 375.150, 375.151, 375.926, 375.932, 375.938, 375.1002 and 375.1009, RSMo (Cum. Supp. 1991).

(1) Definitions.

(A) For purposes of this rule, the term application shall include any application form or enrollment form for coverage under any policy.

(B) For purposes of this rule, the term "insurer" shall mean an insurer as that term is defined in section 375.932 or 375.1002, RSMo.

(C) For purposes of this rule, the term policy shall include any policy, certificate or contract of insurance, indemnity, medical, health or hospital service, suretyship or annuity, issued by any insurer, which sets forth the extent of coverage or other rights of the person to whom the policy is issued. The term policy shall also include any evidence of coverage issued by a health maintenance organization to an enrollee.

(2) Records Required. Every insurer, licensed to do business in this state shall maintain its books, records, documents and other business records in an order that the insurer's claims, rating, underwriting or marketing practices may be readily ascertained by the Department of Insurance, taking into consideration other record retention requirements.

(3) Records to be Maintained. Among the records which shall be maintained are the following:

(A) A Missouri policy record file shall be maintained for each Missouri policy issued. All Missouri policy records shall be maintained for a period of three (3) years, provided, however, that any records bearing the signature of the policyholder shall be maintained for the duration of the policy, plus three (3) years, in a form authorized under section (4) of this rule. Missouri policy records must be maintained so as to show clearly the policy period, basis for rating and, if terminated, return premium amounts, if any. Missouri policy records need not be segregated from the policy records of other states so long as they are readily available to Missouri market conduct examiners as required under this rule. Missouri policy records shall include:

1. The application for each policy. The application shall bear the signature of the applicant whenever the insurer intends to retain any right to contest any warranty, representation or condition contained in the application which is attributed to the applicant and which is intended to become part of the policy. The application shall also bear the signature of the soliciting agent or broker, as

well as a clearly legible alternative method by which an examiner can identify the agent or broker. These alternative methods of identification may include an identification number of the licensee or the licensee's mechanically printed or hand-printed name. These alternative methods of identification may be placed on the application by the licensee, the licensee's employee or an employee of the insurer during the insurer's initial processing of the application;

2. Declaration pages, endorsements, riders or binders associated with a policy. Where this record has already been filed with the department, a separate copy of the record need not be maintained in the individual policy files to which the record pertains, provided it is clear from the insurer's other records or systems that the record applies to a particular policy and that any data contained on the record relating to that policy can be retrieved or recreated; and

3. Any guidelines or manuals used for the rating and underwriting of the policy. The maintenance at the site of a market conduct examination of a single copy of each guideline or manual used for the rating and underwriting of each of the insurer's outstanding policies shall satisfy this requirement.

(B) A Missouri claims file(s) must be maintained so as to show clearly the inception, handling and disposition of each claim. In cases of a total loss on property claims for a motor vehicle, trailer, boat or outboard motor, the claim file shall contain a copy of the certification described in section 144.027, RSMo attesting to the amount of the insurance proceeds plus any deductible obligation paid to the claimant regarding this loss.

(C) Records relating to the insurer's compliance with Missouri's licensed-producer requirements shall be maintained, which shall include the Missouri licensing records of each agency, agent and broker associated with the insurer. Licensing records shall be maintained so as to show clearly the dates of the appointment and terminations of each agent. In accordance with the provisions of section 375.158, RSMo, copies of the current licenses of each agent, agency and broker not appointed by the insurer but to whom a commission will be paid shall be on file with the insurer prior to the payment of this commission. The date of the receipt by the insurer of the copy of this license shall be indicated by a date stamp placed on the license or by some other system approved by the director in writing.

(D) The Missouri complaint records required to be maintained under section 375.936, RSMo shall include a complaint log in addition to actual written complaints. The complaint log shall show clearly the total number of complaints for a period of not less than the



immediately preceding three (3) years, the classification of each complaint by line of insurance, the nature of each complaint, the disposition of each complaint and the time it took to process each complaint. The complaint log also shall contain a reference to the location of the file where each written complaint listed in the complaint log is maintained.

(4) Form of Record. Photographs, microfilms or other image-processing reproductions of records shall be equivalent to the originals and may be certified as same in actions or proceedings before the Department of Insurance unless inconsistent with 20 CSR 800-1.100. However, the maintenance of records in a computer-based format shall be archival in nature only, so as to preclude the possibility of alteration of the contents of the record by computer after the initial transfer of the record to this format. In addition, all records must be capable of duplication to hard copy upon the request of a market conduct examiner.

(5) Location of Files. All records required to be maintained under this rule shall be kept in a location which will allow the records to be produced for examination within the time period required under section (6) of this rule. When, under normal circumstances, someone other than the insurer maintains a required record or type of record, the other person's responsibility to maintain the records shall be set forth in a written agreement, a copy of which shall be maintained by the insurer for purposes of examination.

(6) Time Limits. The insurer shall provide, within five (5) working days, any record requested by any duly appointed market conduct examiner of the director conducting an on-site market conduct examination. When the requested record is not or cannot be produced by the insurer within five (5) working days, this nonproduction shall be deemed a violation of this rule, unless the insurer can demonstrate to the satisfaction of the director that there is a reasonable justification for that delay.

Auth: sections 287.350, 354.190, 354.465, 374.045, 374.190, 374.210, 375.158, 379.343 and 379.475, RSMo (1986) and 144.027, 354.717, 375.022, 375.149, 375.150, 375.151, 375.926, 375.932, 375.938, 375.1002 and 375.1009, RSMo (Cum. Supp. 1991). This rule was previously filed as 4 CSR 190-11.050. Original rule filed Dec. 20, 1974, effective Dec. 30, 1974. Amended: Filed Sept. 5, 1975, effective Sept. 15, 1975. Amended: Filed April 4, 1991, effective Oct. 31, 1991.