

Life & Health Top Ten

2011 Most Frequent Market Conduct Issues

Our regulatory editors carefully review and analyze results from state market conduct exams. As part of the review process, they track market conduct issues by line of business. According to their reviews, the top 10 market conduct issues in Life & Health lines in 2011 were as follows.

1. Failure to pay claims properly in accordance with policy provisions
2. Failure to use compliant policy forms and/or compliant plans
3. Failure to properly acknowledge, pay, investigate, or deny claims within specified time frames
4. Improper documentation of underwriting files
5. Failure to use licensed and appointed producers and to provide proper notification of producer appointments or terminations, including maintenance of producer registers
6. Failure to provide required disclosures including coverage issues, fraud warnings, and free-look periods
7. Failure to adhere to required claims appeal processes
8. Using unapproved/unfiled rates or forms and rating errors
9. Improper documentation of claim files
10. Failure to adhere to replacement requirements