NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Market Regulation **Handbook**

Examination Standards Summary

2022

The NAIC is the U.S. standard-setting and regulatory support organization created and governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.

For more information, visit **naic.org**.

NAIC NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

The NAIC is the authoritative source for insurance industry information. Our expert solutions support the efforts of regulators, insurers and researchers by providing detailed and comprehensive insurance information. The NAIC offers a wide range of publications in the following categories:

Accounting & Reporting
Information about statutory accounting principles and the procedures necessary for filing financial annual statements and conducting risk-based capital calculations.

Consumer Information
Important answers to common questions about auto, home, health and life insurance — as well as buyer's guides on annuities, long-term care insurance and Medicare supplement plans.

Financial Regulation
Useful handbooks, compliance guides and reports on financial analysis, company licensing, state audit requirements and receiverships.

Legal
Comprehensive collection of NAIC model laws, regulations and guidelines; state laws on insurance topics; and other regulatory guidance on antifraud and consumer privacy.

Market Regulation
Regulatory and industry guidance on market-related issues, including antifraud, product filing requirements, producer licensing and market analysis.

NAIC Activities
NAIC member directories, in-depth reporting of state regulatory activities and official historical records of NAIC national meetings and other activities.

Special Studies
Studies, reports, handbooks and regulatory research conducted by NAIC members on a variety of insurance-related topics.

Statistical Reports
Valuable and in-demand insurance industry-wide statistical data for various lines of business, including auto, home, health and life insurance.

Supplementary Products
Guidance manuals, handbooks, surveys and research on a wide variety of issues.

Capital Markets & Investment Analysis
Information regarding portfolio values and procedures for complying with NAIC reporting requirements.

White Papers
Relevant studies, guidance and NAIC policy positions on a variety of insurance topics.

For more information about NAIC publications, visit us at:

http://www.naic.org//prod_serv_home.htm

© 1999-2022 National Association of Insurance Commissioners. All rights reserved.

ISBN: 978-1-64179-203-5

Printed in the United States of America

No part of this book may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any storage or retrieval system, without written permission from the NAIC.

NAIC Executive Office
444 North Capitol Street, NW
Suite 700
Washington, DC 20001
202.471.3990

NAIC Central Office
1100 Walnut Street
Suite 1500
Kansas City, MO 64106
816.842.3600

NAIC Capital Markets
& Investment Analysis Office
One New York Plaza, Suite 4210
New York, NY 10004
212.398.9000

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

2022 *Market Regulation Handbook* Examination Standards Summary

Chapter 20—General Examination Standards **1**
- **Operations/Management**
- **Complaint Handling**
- **Marketing and Sales**
- **Producer Licensing**
- **Policyholder Service**
- **Underwriting and Rating**
- **Claims**

Chapter 21—Conducting the Property and Casualty Examination **4**
- **Operations/Management**
- **Complaint Handling**
- **Marketing and Sales**
- **Producer Licensing**
- **Policyholder Service**
- **Underwriting and Rating**
- **Claims**

Chapter 21A—Conducting the Property and Casualty Travel Insurance Examination **5**
- **Operations/Management**
- **Complaint Handling**
- **Marketing and Sales**
- **Producer Licensing**
- **Policyholder Service**
- **Underwriting and Rating**
- **Claims**

Chapter 22—Conducting the Title Insurance Company and Title Insurance Agent Examination **7**
- **Operations/Management**
- **Complaint Handling**
- **Marketing and Sales**
- **Producer Licensing**
- **Policyholder Service**
- **Underwriting and Rating**
- **Claims**
- **Escrow, Settlement, Closing or Security Deposit Funds**
- **Title Insurance Producer (Agent) Licensing and Relations**

Chapter 23—Conducting the Life and Annuity Examination **9**
- **Operations/Management**
- **Complaint Handling**
- **Marketing and Sales**
- **Producer Licensing**
- **Policyholder Service**
- **Underwriting and Rating**
- **Claims**

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 24—Conducting the Health Examination **11**
- **Operations/Management**
- **Complaint Handling**
- **Marketing and Sales**
- **Producer Licensing**
- **Policyholder Service**
- **Underwriting and Rating**
- **Claims**
- **Grievance Procedures**
- **Network Adequacy**
- **Provider Credentialing**
- **Quality Assessment and Improvement**
- **Utilization Review**
- **External Review**

Chapter 24A—Conducting the Affordable Care Act (ACA) Related Examination **16**
- **Coverage for Individuals Participating in Approved Clinical Trials**
- **Extension of Dependent Coverage to Age 26**
- **Direct Access to Providers**
- **Essential Health Benefits**
- **Prohibition on Excessive Waiting Periods**
- **Grievance Procedures**
- **Guaranteed Availability of Coverage**
- **Guaranteed Renewability of Coverage**
- **Lifetime/Annual Benefit Limits**
- **Network Adequacy**
- **Prohibition on Preexisting Condition Exclusions**
- **Preventive Health Services**
- **Rescissions**
- **Summary of Benefits and Coverage (SBC) and Uniform Glossary**
- **Utilization Review**

Chapter 24B—Conducting the Mental Health Parity and Equity Addiction Act (MHPAEA) Related Examination **20**
- **Examination Questions**

Chapter 25—Conducting the Medicare Supplement Examination **21**
- **Operations/Management**
- **Complaint Handling**
- **Marketing and Sales**
- **Producer Licensing**
- **Policyholder Service**
- **Underwriting and Rating**
- **Claims**
- **Grievance Procedures**
- **Network Adequacy**
- **Provider Credentialing**
- **Quality Assessment and Improvement**
- **Utilization Review**

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 26—Conducting the Long-Term Care Examination **25**
- **Operations/Management**
- **Complaint Handling**
- **Marketing and Sales**
- **Producer Licensing**
- **Policyholder Service**
- **Appeal of Benefit Trigger Adverse Determination**
- **Underwriting and Rating**
- **Claims**

Chapter 26A—Conducting the Limited Long-Term Care Examination **26**
- **Operations/Management**
- **Complaint Handling**
- **Marketing and Sales**
- **Producer Licensing**
- **Policyholder Service**
- **Appeal of Benefit Trigger Adverse Determination**
- **Underwriting and Rating**
- **Claims**

Chapter 27—Conducting the Consumer Credit Examination **28**
- **Operations/Management**
- **Complaint Handling**
- **Marketing and Sales**
- **Producer Licensing**
- **Policyholder Service**
- **Underwriting and Rating**
- **Claims**

Chapter 28—Conducting the Surplus Lines Broker Examination **29**
- **Broker Operations/Management**
- **Complaint Handling**
- **Marketing and Sales**
- **Producer Licensing**
- **Policyholder Service**
- **Underwriting and Rating**
- **Claims**
- **Procedural Considerations**
- **Placement, Cancellation and Nonrenewal**

Chapter 29—Conducting the Advisory Organization Examination **31**
- **Advisory Organizations Operations/Management/Governance**
- **Statistical Plans**
- **Data Collection and Handling**
- **Correspondence with Insurers and States**
- **Reports, Report Systems and Other Data Requests**
- **Ratemaking Functions**
- **Classification and Appeal Handling**
- **Form Development**

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Inspection Services
Residual Market Functions—Plan Administration
Residual Market Functions—Reinsurance Administration

Chapter 30—Conducting the Third-Party Administrator Examination **34**
TPA Operations/Management
Complaint Handling
Marketing and Sales
Producer Licensing
Policyholder Service
Underwriting and Rating
Claims
Special Considerations for the Third-Party Administrator Examination
Contracts and Written Agreements

Chapter 31—Conducting the Examination of a Viatical Settlement Provider **35**
Provider Operations/Management
Complaint Handling
Marketing and Sales
Producer Licensing
Policyholder Service
Underwriting and Rating
Claims
Viatical Settlement Contracts and Disclosures
Viatical Settlement Transactions
Viatical Settlement Provider Marketing and Sales

Chapter 32—Conducting the Premium Finance Company Examination **37**
Operations/Management
Complaint Handling
Marketing and Sales
Producer Licensing
Policyholder Service
Underwriting and Rating
Claims
Premium Finance Agreements
Borrower Complaints
Customer Service

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

2022 *Market Regulation Handbook* Examination Standards Summary

Chapter 20—General Examination Standards

Chapter 20—Operations/Management Standards	
The operations and management review includes, but is not limited to, the following standards addressing various aspects of a regulated entity's operations.	
Standard Number	**Text of Standard**
1	The regulated entity has an up-to-date, valid internal or external audit program.
2	The regulated entity has appropriate controls, safeguards and procedures for protecting the integrity of computer information.
3	The regulated entity has antifraud initiatives in place that are reasonably calculated to detect, prosecute and prevent fraudulent insurance acts.
4	The regulated entity has a valid disaster recovery plan.
5	Contracts between the regulated entity and entities assuming a business function or acting on behalf of the regulated entity, such as, but not limited to, managing general agents (MGAs), general agents (GAs), third-party administrators (TPAs) and management agreements, must comply with applicable licensing requirements, statutes, rules and regulations.
6	The regulated entity is adequately monitoring the activities of any entity that contractually assumes a business function or is acting on behalf of the regulated entity.
7	Records are adequate, accessible, consistent and orderly, and comply with state record retention requirements.
8	The regulated entity is licensed for the lines of business that are being written.
9	The regulated entity cooperates on a timely basis with examiners performing the examinations.
10	The regulated entity has procedures for the collection, use and disclosure of information gathered in connection with insurance transactions so as to minimize any improper intrusion into the privacy of applicants and policyholders.
11	The regulated entity has developed and implemented written policies, standards and procedures for the management of insurance information.
12	The regulated entity has policies and procedures to protect the privacy of nonpublic personal information relating to its customers, former customers and consumers that are not customers.
13	The regulated entity provides privacy notices to its customers and, if applicable, to its consumers who are not customers regarding treatment of nonpublic personal financial information.
14	If the regulated entity discloses information subject to an opt-out right, the regulated entity has policies and procedures in place so that nonpublic personal financial information will not be disclosed when a consumer who is not a customer has opted out, and the regulated entity provides opt-out notices to its customers and other affected consumers.
15	The regulated entity's collection, use and disclosure of nonpublic personal financial information are in compliance with applicable statutes, rules and regulations.
16	In states promulgating the health information provisions of the *Privacy of Consumer Financial and Health Information Model Regulation* (#672) or providing equivalent protection through other substantially similar laws under the jurisdiction of the insurance department, the regulated entity has policies and procedures in place so that nonpublic personal health information will not be disclosed, except as permitted by law, unless a customer or a consumer who is not a customer has authorized the disclosure.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

17	Each licensee shall implement a comprehensive written information security program for the protection of nonpublic customer information. **(See also Chapter 20, Appendix A to Operations/Management Standard #17 in the 2021 Market Regulation Handbook.)**
18	All data required to be reported to departments of insurance is complete and accurate.

Chapter 20—Complaint Handling Standards	
The complaint handling review includes, but is not limited to, the following standards addressing various aspects of a regulated entity's operations.	
Standard Number	**Text of Standard**
1	All complaints are recorded in the required format on the regulated entity's complaint register.
2	The regulated entity has adequate complaint handling procedures in place and communicates such procedures to policyholders.
3	The regulated entity takes adequate steps to finalize and dispose of the complaint in accordance with applicable statutes, rules and regulations and contract language.
4	The time frame within which the regulated entity responds to complaints is in accordance with applicable statutes, rules and regulations.

Chapter 20—Marketing and Sales Standards	
The marketing and sales review includes, but is not limited to, the following standards addressing various aspects of the marketing and sales function.	
Standard Number	**Text of Standard**
1	All advertising and sales materials are in compliance with applicable statutes, rules and regulations.
2	Regulated entity internal producer training materials are in compliance with applicable statutes, rules and regulations.
3	Regulated entity communications to producers are in compliance with applicable statutes, rules and regulations.

Chapter 20—Producer Licensing Standards	
The producer licensing review includes, but is not limited to, the following standards related to producer licensing.	
Standard Number	**Text of Standard**
1	Regulated entity records of licensed and appointed (if applicable) producers and in jurisdictions where applicable, licensed company or contracted independent adjusters agree with insurance department records.
2	The producers are properly licensed and appointed and have appropriate continuing education (if required by state law) in the jurisdiction where the application was taken.
3	Termination of producers complies with applicable standards, rules and regulations regarding notification to the producer and notification to the state, if applicable.
4	The regulated entity's policy of producer appointments and terminations does not result in unfair discrimination against policyholders.
5	Records of terminated producers adequately document reasons for terminations.
6	Producer account balances are in accordance with the producer's contract with the insurer.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 20—Policyholder Service Standards	
The policyholder service review includes, but is not limited to, the following standards related to the adequacy and level of policyholder service provided by the regulated entity.	
Standard Number	**Text of Standard**
1	Premium notices and billing notices are sent out with an adequate amount of advance notice.
2	Policy issuance and insured-requested cancellations are timely.
3	All correspondence directed to the regulated entity is answered in a timely and responsive manner by the appropriate department.
4	Whenever the regulated entity transfers the obligation of its contracts to another regulated entity pursuant to an assumption reinsurance agreement, the regulated entity has gained prior approval of the insurance department, and the regulated entity has sent the required notices to affected policyholders.
5	Policy transactions are processed accurately and completely.
6	Reasonable attempts to locate missing policyholders or beneficiaries are made.
7	Unearned premiums are correctly calculated and returned to the appropriate party in a timely manner and in accordance with applicable statutes, rules and regulations.

Chapter 20—Underwriting and Rating Standards	
The underwriting and rating review includes, but is not limited to, the following standards addressing various aspects of the regulated entity's underwriting activities.	
Standard Number	**Text of Standard**
1	The rates charged for the policy coverage are in accordance with filed rates (if applicable) or the regulated entity's rating plan.
2	All mandated disclosures are documented and in accordance with applicable statutes, rules and regulations.
3	The regulated entity does not permit illegal rebating, commission-cutting or inducements.
4	The regulated entity's underwriting practices are not unfairly discriminatory. The regulated entity adheres to applicable statutes, rules and regulations and regulated entity guidelines in the selection of risks.
5	All forms, including policies, contracts, riders, amendments, endorsement forms, and certificates are filed with the insurance department, if applicable.
6	Policies, contracts, riders, amendments and endorsements are issued or renewed accurately, timely and completely.
7	Rejections and declinations are not unfairly discriminatory.
8	Cancellation/nonrenewal, discontinuance and declination notices comply with policy and contract provisions, state laws and the regulated entity's guidelines.
9	Rescissions are not made for non-material misrepresentation.

Chapter 20—Claims Standards	
The claims review includes, but is not limited to, the following standards addressing various aspects of the regulated entity's claim handling practices.	
Standard Number	**Text of Standard**
1	The initial contact by the regulated entity with the claimant is within the required time frame.
2	Timely investigations are conducted.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

3	Claims are resolved in a timely manner.
4	The regulated entity responds to claims correspondence in a timely manner.
5	Claim files are adequately documented.
6	Claims are properly handled in accordance with policy provisions and applicable statutes (including HIPAA), rules and regulations.
7	Regulated entity claim forms are appropriate for the type of product.
8	Claim files are reserved in accordance with the regulated entity's established procedures.
9	Denied and closed without payment claims are handled in accordance with policy provisions and state law.
10	Canceled benefit checks and drafts reflect appropriate claim handling practices.
11	Claim handling practices do not compel claimants to institute litigation, in cases of clear liability and coverage, to recover amounts due under policies by offering substantially less than is due under the policy.

Chapter 21—Conducting the Property and Casualty Examination

Chapter 21—Operations/Management Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 21—Complaint Handling Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 21—Marketing and Sales Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and the standards set forth below.	
Standard Number	**Text of Standard**
1	The regulated entity's mass marketing of property/casualty insurance is in compliance with applicable statutes, rules and regulations.

Chapter 21—Producer Licensing Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 21—Policyholder Service Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and the standards set forth below.	
Standard Number	**Text of Standard**
1	Claims history and loss information is provided to the insured in a timely manner.

Chapter 21—Underwriting and Rating Standards	
Standard Number	**Text of Standard**
1	Credits, debits and deviations are consistently applied on a non-discriminatory basis.
2	Schedule rating or individual risk premium modification plans, where permitted, are based on objective criteria with usage supported by appropriate documentation.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

3	Verification of use of the filed expense multipliers; the regulated entity should be using a combination of loss costs and expense multipliers filed with the insurance department.
4	Verification of premium audit accuracy and the proper application of rating factors.
5	Verification of experience modification factors.
6	Verification of loss reporting.
7	Verification of the regulated entity's data provided in response to the NCCI call on deductibles.
8	Underwriting, rating and classification are based on adequate information developed at or near inception of the coverage rather than near expiration, or following a claim.
9	Audits, when required, are conducted accurately and timely.
10	The regulated entity's underwriting practices are not unfairly discriminatory. The regulated entity adheres to applicable statutes, rules and regulations and the regulated entity's guidelines in the selection of risks.
11	All forms and endorsements forming a part of the contract are listed on the declaration page and should be filed with the insurance department (if applicable).
12	Regulated entity verifies that the VIN number submitted with the application is valid and that the correct symbol is utilized.
13	The regulated entity does not engage in collusive or anti-competitive underwriting practices.
14	The regulated entity's underwriting practices are not unfairly discriminatory. The regulated entity adheres to applicable statutes, rules and regulations in its application of mass marketing plans.
15	All group personal lines property and casualty policies and programs meet minimum requirements.
16	Cancellation/nonrenewal notices comply with policy provisions and state laws, including the amount of advance notice provided to the insured and other parties to the contract.
17	All policies are correctly coded.
18	Application or enrollment forms are properly, accurately and fully completed, including any required signatures, and file documentation adequately supports decisions made.

Chapter 21—Claims Standards	
Standard Number	**Text of Standard**
1	Regulated entity uses the reservation of rights and excess of loss letters, when appropriate.
2	Deductible reimbursement to insureds upon subrogation recovery is made in a timely and accurate manner.
3	Loss statistical coding is complete and accurate.

Chapter 21A—Conducting the Property and Casualty Travel Insurance Examination

Chapter 21A—Operations/Management Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 21A—Complaint Handling Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 21A—Marketing and Sales Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and Chapter 21—Conducting the Property and Casualty Examination and the standards set forth below.	
Standard Number	**Text of Standard**
1	Ensure the advertising and/or sales materials being utilized by the limited lines travel insurance producer and travel insurer: (i) provide the information required by Section 4(C) of the model law [or state equivalent]; (ii) are consistent with the travel protection plan being offered; (iii) are not deceptive or misleading; and (iv) otherwise comply with state law
2	The disclosures combinations of travel insurance, non-insurance travel assistance services, and cancellation fee waivers are compliant with applicable statutes, rules and regulations.
3	The limited lines travel insurance producer has established and maintains a register of each travel retailer that offers travel insurance on the producer's behalf.
4	The limited lines travel insurance producer has documentation sufficient to demonstrate compliance that the travel retailers (acting under the limited lines travel insurance producer's license) comply with 18 USC § 1033.
5	Determine that consumers were provided with information and an opportunity to learn more about the pre-existing condition exclusions: (i) at any time prior to the purchase; and (ii) in the fulfillment materials.
6	Determine that descriptions of the following are provided to the purchasers of travel insurance: (i) the material or actual terms of the insurance coverage; (ii) the process for filing a claim; (iii) the review or cancellation process for the travel insurance policy; and (iv) the identity and contact information of the travel insurer and limited lines travel insurance producer.
7	The limited lines travel insurance producer has an adequate training program in place, containing instructions on the types of insurance offered, ethical sales practices, and required consumer disclosures, that is required of each employee and authorized representative of the travel retailer whose duties shall include offering and disseminating travel insurance.
8	The limited lines travel insurance producer has designated a "Designated Responsible Producer."
9	Sales practices do not include "negative option or opt out."
10	Blanket coverage is not marketed or described as "free" coverage.
11	If the aggregator's website provides a short summary of the coverage, determine that the consumer has access to the full provisions of the policy by electronic means.

Chapter 21A—Producer Licensing Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and Chapter 21—Conducting the Property and Casualty Examination and the standards set forth below.	
1	Determine that the travel insurer or limited lines travel insurance producer has provided the information required in Section 4(B)(1) [or state equivalent] to the purchasers of travel insurance.

Chapter 21A—Policyholder Service Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and Chapter 21—Conducting the Property and Casualty Examination and the standards set forth below.	
Standard Number	**Text of Standard**
1	Fulfillment materials were provided to the policyholder or certificate holder, as required.
2	The policy documents disclosed whether the travel insurance was primary or secondary to other coverage.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 21A—Underwriting and Rating Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and Chapter 21—Conducting the Property and Casualty Examination and the standards set forth below.	
Standard Number	**Text of Standard**
1	Minimum data collection standards to ensure proper allocation for payment of premium tax have been established.

Chapter 21A—Claims Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and Chapter 21—Conducting the Property and Casualty Examination and the standards set forth below.	
Standard Number	**Text of Standard**
1	The policies issued contain benefits for which a claim and claim payment could have been made.

Chapter 22—Conducting the Title Insurance Company and Title Insurance Agent Examination

Chapter 22—Operations/Management Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and the standards set forth below.	
Standard Number	**Text of Standard**
1	The title insurance company acts within the scope of its license.
2	No member of the board of directors of the title insurance company may be a title insurance agent who wrote 1 percent or more of the direct premiums for the previous calendar year.
3	The agency and all applicable employees have in place an errors and omissions policy, fidelity coverage, and/or a surety bond (or alternative financial arrangement, where permitted), if required by statutes, rules and regulations.
4	Business is diversified as required by statutes, rules and regulations.
5	There is a periodic review and testing of the title plant built, owned, controlled or maintained by a title agent.

Chapter 22—Complaint Handling Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 22—Marketing and Sales Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and the standards set forth below.	
Standard Number	**Text of Standard**
1	Controlled business is handled in accordance with statutes, rules and regulations.
2	Inducements are not provided, directly or indirectly, in consideration of referral of title insurance business, escrow or other services provided by a title insurance agent.
3	Affiliated business arrangements are organized and operated in compliance with statutes, rules and regulations.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 22—Producer Licensing Standards
Not applicable.

Chapter 22—Policyholder Service Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 22—Underwriting and Rating Standards	
The underwriting and rating review includes, but is not limited to, the following standards addressing various aspects of the title insurance company's underwriting activities.	
Standard Number	**Text of Standard**
1	Re-issue and refinance credits are applied consistently in compliance with statutes, rules and regulations.
2	The title insurance company does not engage in collusive or anti-competitive underwriting practices.
3	Charges or fees other than premium for providing coverage are in compliance with statutes, rules and regulations.
4	Other than closing or settlement protection, the title insurance company does not provide any other coverage which purports to indemnify against improper acts or omissions of a person with regard to escrow, settlement or closing services.
5	The closing or settlement protection conforms to the terms of coverage and form of instrument as required by statutes, rules and regulations.
6	Reports and disclosures are made in accordance with statutes, rules and regulations.
7	The title insurance company complies with statutes, rules and regulations regarding the recording, reporting and validation of revenue, loss and expense experience.
8	All policies are correctly coded.

Chapter 22—Claims Standards	
Standard Number	**Text of Standard**
1	Indemnification of a proposed insured solely against the loss of settlement funds may only be made for events as authorized by statutes, rules or regulations.
2	Loss statistical coding is complete and accurate.

Chapter 22—Escrow, Settlement, Closing or Security Deposit Funds Standards	
The escrow, settlement, closing and security deposit funds review includes, but is not limited to, the following standards addressing various aspects of these fiduciary responsibilities.	
Standard Number	**Text of Standard**
1	All escrow, settlement, closing or security deposit funds are submitted for collection to or deposited in a separate fiduciary trust account in a qualified financial institution promptly and in accordance with statutes, rules and regulations.
2	Interest received on funds deposited in connection with any escrow, settlement, security deposit or closing shall be paid in accordance with applicable statutes, rules and regulations.
3	Disbursements made from an escrow, settlement or closing account are done in accordance with statutes, rules and regulations.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 22—Title Insurance Producer (Agent) Licensing and Relations Standards	
Use the standards set forth below.	
Standard Number	**Text of Standard**
1	Written underwriting contracts, which include required provisions, are in place between title insurance agencies and all applicable title companies, and business is not placed without a contract.
2	Policies and premiums are reported and remitted on a timely basis.
3	The title insurance company maintains a record of financial stability for each title insurance agent under contract with the title insurance company.
4	The title insurance company conducts a review of underwriting, claims and escrow practices of the title insurance agent in accordance with statutes, rules and regulations.
5	The title insurance company maintains an inventory of all policy forms or policy numbers allocated to each title insurance agent.

Chapter 23—Conducting the Life and Annuity Examination

Chapter 23—Operations/Management Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and the standards set forth below.	
Standard Number	**Text of Standard**
1	The regulated entity files all certifications with the insurance department, as required by statutes, rules and regulations.

Chapter 23—Complaint Handling Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 23—Marketing and Sales Standards	
The marketing and sales review includes, but is not limited to, the following standards addressing various aspects of the marketing and sales function.	
Standard Number	**Text of Standard**
1	All advertising and sales materials are in compliance with applicable statutes, rules and regulations. **(See also Chapter 23, Section H. Supplemental Checklist for Marketing and Sales Standard #1.)**
2	The insurer's rules pertaining to producer requirements in connection with replacements are in compliance with applicable statutes, rules and regulations.
3	The insurer's rules pertaining to replacements are in compliance with applicable statutes, rules and regulations.
4	An illustration used in the sale of a policy contains all required information and is delivered in accordance with statutes, rules and regulations. **(See also Chapter 23, Section I. Supplemental Checklist for Marketing and Sales Standard #4.)**
5	The insurer has suitability standards for its products, when required by applicable statutes, rules and regulations.
6	Preneed funeral contracts or prearrangement disclosures and advertisements are in compliance with statutes, rules and regulations.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

7	The regulated entity's policy forms provide required disclosure material regarding accelerated benefit provisions.
8	Policy and contract application forms used by depository institutions provide required disclosure material regarding insurance sales. **(See also Chapter 23, Section J. Supplemental Checklist for Marketing and Sales Standard #8.)**
9	Insurer rules pertaining to producer requirements with regard to suitability in annuity transactions are in compliance with applicable statutes, rules and regulations.
10	Insurer rules pertaining to suitability in annuity transactions are in compliance with applicable statutes, rules and regulations.
11	The insurer has procedures in place to educate and monitor compliance with insurer-specific education and training requirements and with applicable statutes, rules and regulations regarding the solicitation, recommendation and sale of annuity products.
12	The insurer has product-specific training standards and materials designed to provide producers with adequate knowledge of the annuity products recommended prior to soliciting the sale of annuity products. The insurer also must have reasonable procedures in place to require its producers to comply with applicable producer training requirements.
13	The insurer has procedures in place to provide full disclosure to consumers regarding all sales of products involving fixed-index annuity products, and all sales are in compliance with applicable statutes, rules and regulations.
14	The insurer has procedures in place to provide full disclosure to consumers regarding all sales of products involving index life, and all sales are in compliance with applicable statutes, rules and regulations.
15	The insurer's underwriting requirements and guidelines pertaining to travel are in compliance with applicable statutes, rules and regulations.

Chapter 23—Producer Licensing Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 23—Policyholder Service Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and the standards set forth below.	
Standard Number	**Text of Standard**
1	Reinstatement is applied consistently and in accordance with policy provisions.
2	Nonforfeiture options are communicated to the policyholder and contractholder and correctly applied in accordance with the policy contract.
3	The regulated entity provides each policyowner with an annual report of policy values in accordance with statutes, rules and regulations, and, upon request, an in force illustration or contract policy summary.
4	Upon receipt of a request from a policyholder for accelerated benefit payment, the regulated entity must disclose to the policyholder the effect of the request on the policy's cash value, accumulation account, death benefit, premium, policy loans and liens. The regulated entity must also advise that the request may adversely affect the recipient's eligibility for Medicaid or other government benefits or entitlements.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 23—Underwriting and Rating Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and the standards set forth below.	
Standard Number	**Text of Standard**
1	Pertinent information on applications that form a part of the policy and contract is complete and accurate.
2	The regulated entity complies with the specific requirements for Acquired Immune Deficiency Syndrome (AIDS)-related concerns in accordance with statutes, rules and regulations.

Chapter 23—Claims Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards and the standards set forth below.	
Standard Number	**Text of Standard**
1	The regulated entity provides the required disclosure material to policyholders at the time an accelerated benefit payment is requested.
2	The regulated entity does not discriminate among insureds with differing qualifying events covered under the policy or among insureds with similar qualifying events covered under the policy.
3	The regulated entity provides the beneficiary, at the time a claim is made, written information describing the settlement options available under the policy and how to obtain specific details relevant to the settlement options.

Chapter 24—Conducting the Health Examination

Chapter 24—Operations/Management Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 24—Complaint Handling Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 24—Marketing and Sales Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	Regulated entity rules on replacement are in compliance with applicable statutes, rules and regulations.
2	Outline of coverages is in compliance with all applicable statutes, rules and regulations.
3	The regulated entity has suitability standards for its products, when required by applicable statutes, rules and regulations.
(See also Chapter 24, Section N. Checklist of the *Advertisements of Accident and Sickness Insurance Model Regulation* (#40).)	

Chapter 24—Producer Licensing Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 24—Policyholder Service Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	Reinstatement is applied consistently and in accordance with policy provisions.
2	Evidence of creditable coverage is provided in accordance with the requirements of HIPAA and/or applicable statutes, rules and regulations.

Chapter 24—Underwriting and Rating Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	Cancellation practices comply with policy provisions, HIPAA and state laws.
2	Pertinent information on applications that form a part of the policy is complete and accurate.
3	The regulated entity complies with the provisions of COBRA and/or continuation of benefits procedures contained in policy forms, statutes, rules and regulations.
4	The regulated entity complies with the Genetic Information Nondiscrimination Act of 2008.
5	The regulated entity complies with proper use and protection of health information in accordance with statutes, rules and regulations.
6	The regulated entity complies with the provisions of HIPAA and state laws regarding limits on the use of preexisting exclusions.
7	The regulated entity does not improperly deny coverage or discriminate based on health status in the group market or against eligible individuals in the individual market in conflict with the requirements of HIPAA or state law.
8	The regulated entity issues coverage that complies with guaranteed-issue requirements of HIPAA and related state laws for groups of 2 to 50.
9	The regulated entity issues individual insurance coverage to eligible individuals entitled to portability under the provisions of HIPAA and in compliance with applicable statutes, rules and regulations.
10	The regulated entity does not administer self-funded benefit plans for entities subject to state regulation (e.g., MEWAs) or provide insurance coverage to entities not entitled to such coverage under state or federal law.

Chapter 24—Claims Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	Claim files are handled in accordance with policy provisions, HIPAA and state law.
2	The company complies with the requirements of the federal Newborns' and Mothers' Health Protection Act of 1996.
3	The group health plan complies with the requirements of the federal Mental Health Parity Act of 1996 (MHPA) and the revisions made in the Mental Health Parity and Addiction Equity Act of 2008.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

4	The group health plan complies with the requirements of the federal Women's Health and Cancer Rights Act of 1998.
5	The company complies with applicable statutes, rules and regulations for group coverage replacements.

Chapter 24—Grievance Procedures Standards	
The grievance handling review includes, but is not limited to, the following standards addressing various aspects of a company's operations.	
Standard Number	**Text of Standard**
1	The health carrier treats as a grievance any written complaint, or any oral complaint that involves an urgent care request, submitted by or on behalf of a covered person regarding: 1) the availability, delivery or quality of health care services, including a complaint regarding an adverse determination made pursuant to utilization review; 2) claims payment, handling or reimbursement for health care services; or 3) matters pertaining to the contractual relationship between a covered person and the health carrier.
2	The health carrier documents, maintains and reports grievances and establishes and maintains grievance procedures in compliance with applicable statutes, rules and regulations.
3	A health carrier has implemented grievance procedures, disclosed the procedures to covered persons, in compliance with applicable statutes, rules and regulations, and files with the commissioner a copy of its grievance procedures, including all forms used to process a grievance.
4	The health carrier has procedures for and conducts first level reviews of grievances involving an adverse determination in compliance with applicable statutes, rules and regulations.
5	The health carrier has procedures for and conducts standard reviews of grievances not involving an adverse determination in compliance with applicable statutes, rules and regulations.
6	The health carrier has procedures for voluntary reviews of grievances and conducts voluntary reviews of grievances in compliance with applicable statutes, rules and regulations.
7	The health carrier has procedures for and conducts expedited reviews of urgent care requests of grievances involving an adverse determination in compliance with applicable statutes, rules and regulations.

Chapter 24—Network Adequacy Standards	
The network adequacy review includes, but is not limited to, the following standards related to the adequacy of the health carrier's provider network.	
Standard Number	**Text of Standard**
1	The health carrier demonstrates, using reasonable criteria, that it maintains a network that is sufficient in number and types of providers to ensure that all services to covered persons will be accessible without unreasonable delay.
2	The health carrier files an access plan with the insurance commissioner for each managed care plan that the carrier offers in the state, and files updates whenever it makes a material change to an existing managed care plan. The carrier makes the access plans available: 1) on its business premises; 2) to regulators; and 3) to interested parties, absent proprietary information, upon request.
3	The health carrier files with the insurance commissioner all required contract forms and any material changes to a contract proposed for use with its participating providers and intermediaries.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

4	The health carrier ensures covered persons have access to emergency services 24 hours per day, 7 days per week within its network and provides coverage for emergency services outside of its network, pursuant to the appropriate section of state law that corresponds to the *Utilization Review and Benefit Determination Model Act* (#73) and/or the *Health Benefit Plan Network Adequacy and Adequacy Model Act* (#74).
5	The health carrier executes written agreements with each participating provider that are in compliance with applicable statutes, rules and regulations.
6	The health carrier's contracts with intermediaries are in compliance with applicable statutes, rules and regulations.
7	The health carrier's arrangements with participating providers comply with applicable statutes, rules and regulations.
8	The health carrier provides at enrollment a provider directory that lists all providers who participate in its network. It also makes available, on a timely and reasonable basis, updates to its directory.

Chapter 24—Provider Credentialing Standards	
The provider credentialing review includes, but is not limited to, the following standards related to the adequacy of the health carrier's provider credentialing process.	
Standard Number	**Text of Standard**
1	The health carrier establishes and maintains a program for credentialing and re-credentialing in compliance with applicable statutes, rules and regulations.
2	The health carrier verifies the credentials of a health care professional before entering into a contract with that health care professional.
3	The health carrier obtains primary verification of the information required by applicable state provisions equivalent to the *Health Care Professional Credentialing Verification Model Act* (#70) and accompanying regulations.
4	The health carrier obtains, through either a primary or secondary credentialing verification process, the information required by applicable state provisions equivalent to the *Health Care Professional Credentialing Verification Model Act* (#70) and accompanying regulations.
5	The health carrier obtains, at least every 3 years, primary verification of the information required by applicable state provisions equivalent to the *Health Care Professional Credentialing Verification Model Act* (#70) and accompanying regulations.
6	The health carrier requires all participating providers to notify the health carrier's designated individual of changes in the status of any information that is required to be verified by the health carrier.
7	The health carrier provides a health care professional the opportunity to review and correct information submitted in support of that health care professional's credentialing verification.
8	The health carrier monitors the activities of the entity with which it contracts to perform credentialing functions and ensures the requirements of applicable state provisions equivalent to the *Health Care Professional Credentialing Verification Model Act* (#70) and accompanying regulations are met.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 24—Quality Assessment and Improvement Standards	
The quality assessment and improvement review includes, but is not limited to, the following standards related to the assessment and improvement activities conducted by the health carrier.	
Standard Number	**Text of Standard**
1	The health carrier develops and maintains a quality assessment program in compliance with applicable statutes, rules and regulations.
2	The health carrier files a written description of the quality assessment program with the insurance commissioner in the prescribed format, which shall include a signed certification by a corporate officer of the health carrier that the filing meets applicable statutes, rules and regulations.
3	The health carrier develops and maintains a quality improvement program, in compliance with applicable statutes, rules and regulations.
4	The health carrier reports to the appropriate licensing authority any persistent pattern of problematic care provided by a provider that is sufficient to cause the health carrier to terminate or suspend contractual arrangements with the provider.
5	The health carrier documents and communicates information about its quality assessment program and its quality improvement program to covered persons and providers.
6	The health carrier annually certifies to the insurance commissioner that its quality assessment and quality improvement program, along with the materials provided to providers and consumers, meets applicable statutes, rules and regulations.
7	The health carrier monitors the activities of the entity with which it contracts to perform quality assessment or quality improvement functions and ensures that the requirements of applicable state provisions equivalent to the *Quality Assessment and Improvement Model Act* (#71) and accompanying regulations are met.

Chapter 24—Utilization Review Standards	
The utilization review assessment includes, but is not limited to, the following standards related to the performance of utilization review activities by the health carrier.	
Standard Number	**Text of Standard**
1	The health carrier establishes and maintains a utilization review program in compliance with applicable statutes, rules and regulations.
2	The health carrier operates its utilization review program in accordance with applicable state statutes, rules and regulations.
3	The health carrier discloses information about its utilization review and benefit determination procedures to covered persons, or, if applicable, the covered person's authorized representative, in compliance with applicable statutes, rules and regulations.
4	The health carrier makes standard utilization review and benefit determinations in a timely manner and as required by applicable state statutes, rules and regulations, as well as the provisions of HIPAA.
5	The health carrier provides written notice of an adverse determination of standard utilization review and benefit determinations in compliance with applicable statutes, rules and regulations.
6	The health carrier conducts expedited utilization review and benefit determinations in a timely manner and in compliance with applicable statutes, rules and regulations.
7	The health carrier monitors the activities of the utilization review organization or entity with which the carrier contracts and ensures that the contracting organization complies with applicable state provisions equivalent to the *Utilization Review and Benefit Determination Model Act* (#73) and accompanying regulations.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 24—External Review Standards	
Use the standards set forth below.	
Standard Number	**Text of Standard**
1	Companies covered under the *Health Carrier External Review Model Act* (#75) will be in compliance with the following procedures and criteria, as well as with other applicable statutes, rules and regulations.
2	In jurisdictions that choose Option 1 or Option 2 under the *Health Carrier External Review Model Act* (#75) for providing an external review process, companies will be in compliance with the following requirements, whether the request for the review is for a standard, expedited or experimental/investigational review.
3	In states that choose Option 3 under the *Health Carrier External Review Model Act* (#75) for providing an external review process, companies will be in compliance with the following requirements, whether the request for the review is a standard, expedited or experimental/investigational review.

Chapter 24A—Conducting the Affordable Care Act (ACA) Related Examination

Chapter 24A—Conducting the Affordable Care Act (ACA) Related Examination Standards
Use the standards set forth below.

Chapter 24A—Coverage for Individuals Participating in Approved Clinical Trials Standards	
Standard Number	**Text of Standard**
1	A health carrier may not deny coverage or restrict coverage for qualified individuals, as defined in applicable statutes, rules and regulations, who participate in approved clinical trials.

Chapter 24A—Extension of Dependent Coverage to Age 26 Standards	
Standard Number	**Text of Standard**
1	A group health plan, or a health carrier offering group or individual health insurance coverage, that makes available dependent coverage of children shall make such coverage available for children until attainment of 26 years of age.

Chapter 24A—Direct Access to Providers Standards	
Standard Number	**Text of Standard**
1	A health carrier providing individual, small group and large group market health coverage under a health benefit plan that requires or provides for designation of a participating primary health care professional: 1) shall permit a covered person to choose any participating primary care health care professional; 2) shall allow a covered individual, on behalf of a child, to designate any participating pediatric physician as the child's primary care health care professional; and 3) for health carriers providing coverage for obstetrical or gynecological care, shall be precluded from imposing upon an insured prior authorization or referral requirements with respect to access to participating health care professionals who specialize in obstetrics or gynecology.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

2	A health carrier shall provide a notice to covered persons, addressing terms and conditions of the health benefit plan relating to: 1) the insured's right to designate a participating primary health care professional, pediatric or obstetrical/gynecological specialist; and 2) for health carriers providing coverage for obstetrical or gynecological care, which require the designation of a primary care health professional, the prohibition of the health carrier from imposing prior authorization or referral requirements regarding access to an in-network obstetrical and gynecological health care professional, in compliance with final regulations issued by the HHS, DOL and Treasury.

Chapter 24A—Essential Health Benefits Standards	
Standard Number	**Text of Standard**
1	A health carrier offering health benefit plans providing individual market health insurance coverage and small group market health insurance coverage plans shall provide coverage for a core package of health care services, known as "essential health benefits" (EHB).

Chapter 24A—Prohibition on Excessive Waiting Periods Standards	
Standard Number	**Text of Standard**
1	A health carrier may not impose excessive waiting periods, as defined in applicable statutes, rules and regulations, to individuals determined by the health carrier to be otherwise eligible for coverage under the terms of the plan.

Chapter 24A—Grievance Procedures Standards	
Standard Number	**Text of Standard**
1	A health carrier offering individual health insurance coverage shall maintain records of all claims and notices associated with the internal claims and appeals process for the length of time specified in the final regulations established by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury).
2	The health carrier shall comply with grievance procedures requirements, in accordance with final regulations established by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury).
3	The health carrier shall conduct first level reviews of grievances involving an adverse determination in accordance with final regulations established by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury).
4	The health carrier shall conduct expedited reviews of urgent care requests of grievances involving an adverse determination in accordance with final regulations established by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury).

Chapter 24A—Guaranteed Availability of Coverage Standards	
Standard Number	**Text of Standard**
1	A health carrier offering individual market health insurance coverage shall issue any applicable health benefit plan to any individual who: 1) applies for the plan; 2) agrees to make the required premium payments; and 3) meets other reasonable conditions consistent with federal and state law.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

2	A health carrier offering group market health insurance coverage shall issue any applicable health benefit plan to any employer that: 1) applies for the plan; 2) agrees to make the required premium payments; and 3) meets other reasonable conditions consistent with state and federal law.

Chapter 24A—Guaranteed Renewability of Coverage Standards	
Standard Number	**Text of Standard**
1	A health carrier offering individual market health insurance coverage shall renew or continue in force the coverage, at the option of the policyholder, subject to final regulations established by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury).
2	A health carrier offering small group market health insurance coverage shall renew or continue in force the coverage, at the option of the small employer subject to final regulations established by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and the U.S. Department of Treasury (Treasury).

Chapter 24A—Lifetime/Annual Benefit Limits Standards	
Standard Number	**Text of Standard**
1	A health carrier shall not establish any lifetime or annual limit on the dollar amount of essential health benefits (EHB)s for any individual, in accordance with final regulations established by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury).

Chapter 24A—Network Adequacy	
Standard Number	**Text of Standard**
1	A health carrier offering individual and group market health insurance network plans shall develop and file an access plan with the insurance commissioner in accordance with requirements regarding content and filing of network access plans set forth in applicable state statutes, rules and regulations.
2	A health carrier offering individual and group market health insurance network plans shall maintain a network that is sufficient in number and types of providers, including those that serve predominantly low-income, medically underserved individuals, to assure that all covered services to covered persons will be accessible, without unreasonable travel or delay and that emergency services are accessible 24 hours per day, 7 days per week.
3	A health carrier's contractual arrangements with participating providers shall comply with requirements regarding health carrier/participating provider contractual requirements set forth in applicable state statutes and regulations.
4	A health carrier offering individual and group market health insurance network plans shall comply with requirements regarding balance billing in accordance with applicable state statutes and regulations.
5	A health carrier offering individual and group market health insurance network plans shall develop and issue written disclosures or notices to be provided to covered persons regarding balance billing, in accordance with applicable state statutes and regulations.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

6	A health carrier offering individual and group market health insurance network plans shall comply with requirements set forth in applicable state statutes and regulations regarding content, accessibility, transparency, accuracy, and completeness of printed and electronic provider directories.

Chapter 24A—Prohibition on Preexisting Condition Exclusions	
Standard Number	**Text of Standard**
1	A health carrier may not deny coverage to applicants/proposed insureds based on any preexisting condition exclusion or preexisting condition limitation.
2	A health carrier may not deny coverage to any insured, based on any preexisting condition exclusion or other preexisting condition limitation.

Chapter 24A—Preventive Health Services Standards	
Standard Number	**Text of Standard**
1	A health carrier shall not impose cost sharing requirements upon preventive services, as defined in, and in accordance with final regulations established by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury).

Chapter 24A—Rescissions Standards	
Standard Number	**Text of Standard**
1	A health carrier may not retrospectively rescind individual or group coverage (including family coverage in which the individual is included) unless the individual (or a person seeking coverage on behalf of the individual) performs an act, practice or omission that constitutes fraud, or makes an intentional misrepresentation of material fact.
2	A health carrier offering group or individual health insurance coverage shall provide at least 30 days' advance written notice to each plan enrollee (in the individual market, primary subscriber) who would be affected before coverage may be rescinded.

Chapter 24A—Summary of Benefits and Coverage (SBC) and Uniform Glossary Standards	
Standard Number	**Text of Standard**
1	The appearance, language, form and content of a summary of benefits and coverage (SBC) and uniform glossary issued by a health carrier shall be in compliance with final regulations issued by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury).
2	A health carrier shall make a summary of benefits and coverage (SBC) available in compliance with final regulations issued by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury Department).

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 24A—Utilization Review Standards	
Standard Number	**Text of Standard**
1	The health carrier shall operate its utilization review program in accordance with final regulations established by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury).
2	The health carrier shall provide written notice of an adverse determination of standard utilization review and benefit determinations, in accordance with final regulations established by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury).
3	The health carrier shall conduct expedited utilization review and benefit determinations, in a timely manner and in accordance with final regulations established by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury).
4	The health carrier shall conduct utilization reviews or make benefit determinations for emergency services in accordance with final regulations established by the U.S. Department of Health and Human Services (HHS), U.S. Department of Labor (DOL) and U.S. Department of the Treasury (Treasury).

Chapter 24B—Conducting the Mental Health Parity (MHPAEA) Related Examination

Chapter 24B—Conducting the Mental Health Parity (MHPAEA) Related Examination Questions
Use the questions set forth below.

Chapter 24B—List of Examination Questions	
Question Number	**Text of Question**
1	Is this insurance coverage exempt from the MHPAEA (45 CFR §146.136(f))? If so, please indicate the reason (e.g., retiree-only plan, excepted benefits (45 CFR §146.145(b)), STLD insurance,* small employer exemption (45 CFR §146.136(f)), increased cost exemption (45 CFR §146.136(g)).
2	If not exempt, does the insurance coverage provide MH and/or SUD benefits in addition to providing M/S benefits.
3	Are all conditions that are defined as being or as not being a mental health condition, a substance use disorder or a medical condition defined in a manner that is consistent with generally recognized independent standards of current medical practice.
4.	Does the insurance coverage provide MH/SUD benefits in every classification in which M/S benefits are provided.
5	If the plan includes multiple tiers in its prescription drug formulary, are the tier classifications based on reasonable factors (e.g., efficacy, generic versus brand name, and mail order versus pharmacy pick-up) determined in accordance with the rules for NQTLs at 45 CFR §146.136(c)(4)(i) and without regard to whether the drug is generally prescribed for MH/SUD or M/S benefits? Explain how the plan's tiering methodology for MH/SUD prescription drugs is comparable to and applied no more stringently than the tiering methodology for M/S prescription drugs.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

6	If the plan includes multiple network tiers of in-network providers, is the tiering based on reasonable factors (e.g., quality, performance and market standards) determined in accordance with the rules for NQTLs at 45 CFR §146.136(c)(4)(i) and without regard to whether a provider provides services with respect to MH/SUD benefits or M/S benefits? Explain how the plan's tiering methodology for MH/SUD network tiers is comparable to and applied no more stringently than the tiering methodology for M/S network tiers.
7	Does the plan comply with the parity requirements for aggregate lifetime and annual dollar limits, including the prohibition on lifetime dollar limits or annual dollar limits for MH/SUD benefits that are lower than the lifetime or annual dollar limits imposed on M/S benefits? List the services subject to lifetime or annual limits, separated into MH/SUD and M/S benefits.
8	Does the plan apply any cumulative FR or cumulative QTL for MH/SUD benefits in a classification that accumulates separately from any cumulative FR or QTL established for M/S benefits in the same classification? Demonstrate compliance with this standard by completing the attached data collection tool. **(See Section D. of Chapter 24B in the 2021 *Market Regulation Handbook*.)**
9	Does the plan apply any cumulative FR or cumulative QTL for MH/SUD benefits in a classification that accumulates separately from any cumulative FR or QTL established for M/S benefits in the same classification? Demonstrate compliance with this standard by completing the attached data collection tool. **(See Section D. of Chapter 24B in the 2021 *Market Regulation Handbook*.)**
10	Does the plan impose NQTLs on MH/SUD benefits in any classification? If so, demonstrate compliance with parity requirements by completing the attached data collection tool. **(See Section D. of Chapter 24B in the 2021 *Market Regulation Handbook*.)**
11	Does the insurer comply with MHPAEA disclosure requirements including: (1) criteria for medical necessity determinations for MH/SUD benefits and (2) the reasons for any denial.

Chapter 25—Conducting the Medicare Supplement Examination

Chapter 25—Operations/Management Standards	
Standard Number	**Text of Standard**
1	The Medicare Select carrier's plan of operation complies with applicable statutes, rules and regulations.
2	The entity reports to the insurance department on an annual basis, each resident of the state for whom the entity has more than one Medicare supplement policy or certificate in force.
3	The entity certifies compliance with standards for claims payments on the Medicare supplement insurance experience reporting form.
4	The entity does not provide producer compensation that encourages replacement sales.

Chapter 25—Complaint Handling Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 25—Marketing and Sales Standards	
The marketing and sales review includes, but is not limited to, the following standards addressing various aspects of the marketing and sales function.	
Standard Number	**Text of Standard**
1	Entity rules concerning replacement are in compliance with applicable statutes, rules and regulations.
2	Outlines of coverage are in compliance with applicable statutes, rules and regulations.
3	The entity obtains receipts from applicants verifying that the outline of coverage has been received and that it is the outline of the policy for which the applicant has applied.
4	Guide to Health Insurance for People with Medicare is provided to the applicant within the time frame required by law and is in compliance with applicable statutes, rules and regulations.
5	The entity maintains a system of control over the content, form and method of dissemination of all of its Medicare supplement advertisements.
6	Each advertisement of a Medicare supplement product is identified by form number or other means unique to that product and is labeled "insurance policy."
7	Advertisements that are invitations to join an association, trust or discretionary group—and that are also solicitations of insurance—contain a separate and distinct application for membership of the group and another for the insurance coverage.
8	Advertisements truthfully represent the Medicare supplement coverage being marketed.
9	Testimonials comply with applicable statutes, rules and regulations.
10	Advertisements that employ statistics accurately represent all relevant facts.
11	Advertisements do not disparage competitors or their policies, services or business methods.
12	Advertisements do not imply licensing of the entity beyond the jurisdiction in which the entity is licensed or imply a status with any governmental entity.
13	Advertisements state the name of the insurer and all other pertinent information required by applicable statutes, rules and regulations.
14	Advertisements do not state or imply that prospective insureds become group or quasi-group members under a group policy and, as such, will enjoy special rates or underwriting privileges, unless it is a fact.
15	Advertisements should not use incentives to purchase that mislead the prospective insured.
16	Advertisements do not contain statements about the entity that are untrue or misleading.

Chapter 25—Producer Licensing Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 25—Policyholder Service Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 25—Underwriting and Rating Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 25—Claims Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 25—Grievance Procedures Standards	
The grievance handling review includes, but is not limited to, the following standards addressing various aspects of a company's operations.	
Standard Number	**Text of Standard**
1	The entity defines as a grievance any dissatisfaction expressed in writing with the administration, claims practices or provision of services concerning an issuer of a Medicare Select product or network.
2	The entity develops written grievance procedures that comply with applicable statutes, rules and regulations, and provides enrollees with a copy of its grievance procedures.
3	The entity documents, resolves and records grievances in compliance with applicable statutes, rules and regulations, and their contract language.
4	The company provides to any enrollee, who has filed a grievance, detailed information concerning its grievance and appeal procedures, how to use them and how to notify the insurance department, if applicable.
5	The company reports its grievance procedures to the insurance commissioner on an annual basis.

Chapter 25—Network Adequacy Standards	
The network adequacy review includes, but is not limited to, the following standards related to the adequacy of the health carrier's provider network.	
Standard Number	**Text of Standard**
1	The company demonstrates, using reasonable criteria, that it maintains a network that is sufficient in number and types of providers to ensure that all services to enrollees will be accessible without unreasonable delay.
2	The company has a plan of operation for each plan offered in the state, and files updates whenever it makes a material change to an existing plan.
3	The company ensures that enrollees have access to emergency services 24 hours per day, 7 days per week within its network and provides coverage for urgently needed services and emergency services outside of the service area.
4	The company files with the insurance commissioner all required contract forms and any material changes to a contract proposed for use with its participating providers and intermediaries.
5	The company executes with each participating provider written agreements that are in compliance with applicable statutes, rules and regulations.
6	The company's arrangements with participating providers comply with applicable statutes, rules and regulations.
7	The company provides at enrollment a directory of providers participating in its network. It also makes available, on a timely and reasonable basis, updates to its directory and files the directory with the insurance commissioner.

Chapter 25—Provider Credentialing Standards	
The provider credentialing review includes, but is not limited to, the following standards related to the adequacy of the health carrier's provider credentialing and contracting processes.	
Standard Number	**Text of Standard**
1	The company establishes and maintains a program for credentialing and re-credentialing of providers in compliance with applicable statutes, rules and regulations.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

2	The company verifies the credentials of a health care provider before entering into a contract with that health care provider.
3	The company obtains primary verification of the information required by state law relating to provider credentialing.
4	The company obtains at the interval provided for by state law, primary verification of the information required by state law relating to provider credentialing.
5	The company requires all participating providers to notify the individual designated by the company of changes in the status of any provider information that is required to be verified by the company.
6	The company provides the provider with the opportunity to review and correct information submitted in support of the provider's credentialing verification.
7	The company monitors the activities of the providers and provider entities with which it contracts and ensures that the requirements of state law are met.

Chapter 25—Quality Assessment and Improvement Standards	
The quality assessment and improvement review includes, but is not limited to, the following standards related to the assessment and improvement activities conducted by the health carrier.	
Standard Number	**Text of Standard**
1	The company develops and maintains a quality assessment program that is in compliance with state law to evaluate, maintain and improve the quality of health services provided to enrollees.
2	The company develops and maintains a quality improvement program that is in compliance with applicable statutes, rules and regulations to evaluate, maintain and improve the quality of health services provided to enrollees.
3	The company files with the insurance commissioner a written description, in the prescribed format, of the quality assessment program, which includes a signed certification by a corporate officer of the company that the filing meets the requirements of applicable statutes, rules and regulations.
4	The company monitors the activities of the entity with which it contracts to perform quality assessment or quality improvement functions and ensures that the requirements of applicable statutes, rules and regulations are met.
5	The company reports to the appropriate licensing authority any persistent pattern of problematic care provided by a provider that is sufficient to cause the company to terminate or suspend contractual arrangements with the provider.
6	The company documents and communicates information about its quality assessment program and its quality improvement program to enrollees and providers.
7	The company annually certifies to the insurance commissioner that its quality assessment and quality improvement program, along with the materials provided to providers and consumers, meets applicable statutes, rules and regulations.

Chapter 25—Utilization Review Standards
Check state-specific laws to determine if utilization review is applicable to Medicare supplement insurance within a state.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 26—Conducting the Long-Term Care Examination

Chapter 26—Operations/Management Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	The entity files all reports and certifications with the insurance department as required by applicable statutes, rules and regulations.

Chapter 26—Complaint Handling Standards	
Standard Number	**Text of Standard**
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.	

Chapter 26—Marketing and Sales Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	The entity has suitability standards for its products, when required by applicable statutes, rules and regulations.
2	Policy forms provide required disclosure material regarding standards for benefit triggers.
3	Marketing for long-term care (LTC) products complies with applicable statutes, rules and regulations.
4	All advertising and sales materials are in compliance with applicable statutes, rules and regulations.
5	Company rules pertaining to producer requirements in connection with replacements are in compliance with applicable statutes, rules and regulations.
6	Company rules pertaining to company requirements in connection with replacements are in compliance with applicable statutes, rules and regulations.

Chapter 26—Producer Licensing Standards	
Standard Number	**Text of Standard**
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.	

Chapter 26—Policyholder Service Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	Policy renewals are applied consistently and in accordance with policy provisions.
2	Nonforfeiture upon lapse and reinstatement provisions is applied consistently and in accordance with policy provisions.
3	Nonforfeiture options are communicated to the policyholder and correctly applied in accordance with the policy contract.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

4	Policyholder service for long-term care products complies with applicable statutes, rules and regulations.

Chapter 26—Appeal of Benefit Trigger Adverse Determination Standards	
Use the standard set forth below.	
Standard Number	**Text of Standard**
1	Insurers shall be in compliance with applicable state statutes, rules and regulations regarding appeal of adverse benefit trigger determination.

Chapter 26—Underwriting and Rating Standards	
The underwriting and rating review includes, but is not limited to, the following standards addressing various aspects of the entity's underwriting activities.	
Standard Number	**Text of Standard**
1	All mandated definitions and requirements for group long-term care (LTC) insurance are followed in accordance with applicable statutes, rules and regulations.
2	Pertinent information on applications that form a part of the policy is complete and accurate, and applications conform to applicable statutes, rules and regulations.
3	The entity complies with specific requirements for AIDS-related concerns in accordance with applicable statutes, rules and regulations.
4	Policies, riders, amendments, endorsements, applications and certificates of coverage contain required provisions, definitions and disclosures.
5	Underwriting and rating for long-term care products (LTC) complies with applicable statutes, rules and regulations.
6	The company's underwriting practices are not unfairly discriminatory. The company adheres to applicable statutes, rules and regulations and company guidelines in the selection of risks.

Chapter 26—Claims Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	Claim files are handled in accordance with policy provisions and applicable statutes, rules and regulations.

Chapter 26A—Conducting the Limited Long-Term Care Examination

Chapter 26A—Operations/Management Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	The entity files all reports and certifications with the insurance department as required by applicable statutes, rules and regulations.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 26A—Complaint Handling Standards	
Standard Number	**Text of Standard**
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.	

Chapter 26A—Marketing and Sales Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	The entity has suitability standards for its products, where required by applicable statutes, rules and regulations.
2	Policy forms provide required disclosure material regarding standards for benefit triggers.
3	Marketing for limited long-term care products complies with applicable statutes, rules and regulations.
4	All advertising and sales materials are in compliance with applicable statutes, rules and regulations.
5	Company rules pertaining to producer requirements in connection with replacements are in compliance with applicable statutes, rules and regulations.
6	Company rules pertaining to company requirements in connection with replacements are in compliance with applicable statutes, rules and regulations.

Chapter 26A—Producer Licensing Standards
Use the Producer Licensing Standard 2 that is provided in Chapter 20—General Examination Standards.

Chapter 26A—Policyholder Service Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	Policy renewals are applied consistently and in accordance with policy provisions.
2	Nonforfeiture upon lapse and reinstatement provisions is applied consistently and in accordance with policy provisions.
3	Nonforfeiture options are communicated to the policyholder and correctly applied in accordance with the policy contract.
4	Policyholder service for limited long-term care products complies with applicable statutes, rules and regulations.

Chapter 26A—Appeal of Benefit Trigger Adverse Determination Standards	
Use the standard set forth below.	
Standard Number	**Text of Standard**
1	Insurers shall be in compliance with applicable state statutes, rules and regulations regarding appeal of adverse benefit trigger determination.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 26A—Underwriting and Rating Standards	
The underwriting and rating review includes, but is not limited to, the following standards addressing various aspects of the company's underwriting activities.	
Standard Number	**Text of Standard**
1	All mandated definitions and requirements for group limited long-term care insurance are followed in accordance with applicable statutes, rules and regulations.
2	Pertinent information on applications that form a part of the policy is complete and accurate, and applications conform to applicable statutes, rules and regulations.
3	The entity complies with specific requirements for AIDS-related concerns in accordance with applicable statutes, rules and regulations.
4	Policies, riders, amendments, endorsements, applications and certificates of coverage contain required provisions, definitions and disclosures.
5	Underwriting and rating for limited long-term care products complies with applicable statutes, rules and regulations.
6.	The company's underwriting practices are not unfairly discriminatory. The company adheres to applicable statutes, rules and regulations and company guidelines in the selection of risks.

Chapter 26A—Claims Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	Claim files are handled in accordance with policy provisions and applicable statutes, rules and regulations.

Chapter 27—Conducting the Consumer Credit Examination

Chapter 27—Operations/Management Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	The company conducts a thorough periodic review of creditors with respect to their credit insurance business to ensure compliance with applicable statutes, rules and regulations.

Chapter 27—Complaint Handling Standards	
Standard Number	**Text of Standard**
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.	

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 27—Marketing and Sales Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	All mandated disclosures and advertisements are documented and in compliance with applicable statutes, rules and regulations.
2	The amount of credit insurance sold is in compliance with the requirements of applicable statutes, rules and regulations.

Chapter 27—Producer Licensing Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 27—Policyholder Service Standards
Use the standards for this business area that are listed in Chapter 20—General Examination Standards.

Chapter 27—Underwriting and Rating Standards	
The underwriting and rating review includes, but is not limited to, the following standards addressing various aspects of the company's underwriting activities.	
Standard Number	**Text of Standard**
1	The effective dates and termination dates of coverage are in accordance with applicable statutes, rules and regulations.
2	Group consumer credit insurance policies and certificates are terminated in accordance with applicable statutes, rules and regulations.
3	The creditor submits premium to the insurer in accordance with applicable statutes, rules and regulations.
4	The insurer and creditor comply with requirements for the payment of compensation in accordance with applicable statutes, rules and regulations.
5	The insurer does not engage in activities that constitute unfair methods of competition.

Chapter 27—Claims Standards	
The claim review includes, but is not limited to, the following standards addressing various aspects of the company's claim handling.	
Standard Number	**Text of Standard**
1	Proof of payments reflect appropriate claim handling practices.
2	Claim files clearly establish pertinent events and the dates of such events.

Chapter 28—Conducting the Surplus Lines Broker Examination

Chapter 28—Broker Operations/Management Standards	
Standard Number	**Text of Standard**
1	All statutorily required bonds are in force.
2	All required reports have been filed with the insurance department or the appropriate authority.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

3	The applicable taxes are reported and are credited to the state.
4	If the surplus lines broker is responsible for such calculations, then unearned premiums are correctly calculated and returned to the appropriate party in a timely manner and in accordance with applicable statutes, rules and regulations.

Chapter 28—Complaint Handling Standards
Not applicable.

Chapter 28—Marketing and Sales Standards
Not applicable.

Chapter 28—Producer Licensing Standards
Not applicable.

Chapter 28—Policyholder Service Standards
Not applicable.

Chapter 28—Underwriting and Rating Standards
Not applicable.

Chapter 28—Claims Standards
Not applicable.

Chapter 28—Procedural Considerations Standards
Although the focus of the surplus lines broker examination differs from that of the insurer examination, much of the material in Chapter 20—General Examination Standards also applies to the surplus lines examination.

Chapter 28—Placement, Cancellation and Nonrenewal Standards	
The placement, cancellation and nonrenewal review includes, but is not limited to, the following standards addressing various aspects of the surplus lines broker's underwriting activities.	
Standard Number	**Text of Standard**
1	All required disclosures are made in accordance with applicable statutes, rules and regulations.
2	When issued by the surplus lines broker, all forms and endorsements forming a part of the contract are listed on the declarations page.
3	The selected carrier was evaluated to ensure it complies with applicable statutes, rules and regulations regarding financial condition.
4	The authorization to bind was provided before the binder was extended to the insured.
5	All advertising and sales materials are in compliance with applicable statutes, rules and regulations.
6	Diligent effort was made to place the risk with an admitted carrier in compliance with applicable statutes, rules and regulations.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 29—Conducting the Advisory Organization Examination

Chapter 29—Advisory Organizations Operations/Management/Governance Standards	
The advisory organization operations/management/governance review includes, but is not limited to, the following standards related to the use of advisory organization services.	
Standard Number	**Text of Standard**
1	The advisory organization has implemented written policies and procedures to prevent anti-competitive practices in the insurance marketplace, as related to the advisory organization's services and communications to insurers.
2	The advisory organization uses sound actuarial principles for the development of prospective loss costs.
3	The advisory organization prepares, submits filings as necessary, adheres to applicable state filing and/or approval requirements and written procedures prior to distribution of prospective loss costs, policy forms, endorsements, factors, classifications or rating rule manuals.
4	Experience rating factors are developed in a correct and timely manner.
5	The advisory organization performs thorough and meaningful inspections and research when required for individual insured rating classification.
6	The advisory organization develops sound, understandable and appropriate risk classifications.
7	Loss control services are effective and based on valid risk management, engineering and scientific evidence.
8	The advisory organization conducts ongoing research and review of state insurance laws and insurance-related case law in order to be responsive to necessary changes in prospective loss costs, policy forms, endorsements, factors, classifications or manuals, as applicable.
9	The advisory organization uses objective and established procedures when administering assigned risks.
10	When performing analysis and impact studies of proposed legislation, the advisory organization presents thorough and objective information.
11	The advisory organization has an up-to-date, valid internal or external audit program.
12	The advisory organization has appropriate controls, safeguards and procedures for protecting the integrity of computer information.
13	The advisory organization has a valid disaster recovery plan.
14	The advisory organization is adequately monitoring the activities of any entity that contractually assumes a business function or is acting on behalf of the advisory organization.
15	Records are adequate, accessible, consistent and orderly and comply with state record retention requirements.
16	The advisory organization is appropriately licensed.
17	The advisory organization cooperates on a timely basis with examiners performing the examinations.
18	The advisory organization has developed and implemented written policies, standards and procedures for the management of insurance information.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 29—Statistical Plans Standards	
The statistical plan review includes, but is not limited to, the following standards related to the use of statistical plans by the statistical agent.	
Standard Number	**Text of Standard**
1	The statistical agent has filed its statistical plans in accordance with applicable statutes, rules and regulations.
2	The statistical plans are reviewed and updated in accordance with applicable statutes, rules and regulations.
3	The statistical agent verifies that companies submit data in accordance with the appropriate statistical plan.

Chapter 29—Data Collection and Handling Standards	
The data collection and handling review includes, but is not limited to, the following standards related to the statistical agent's handling of data.	
Standard Number	**Text of Standard**
1	The statistical agent's series of edits are sufficient to catch material errors in data submitted by a company.
2	All data that is collected pursuant to the statistical plan is run through the editing process.
3	Determine that all databases are updated as needed with all accepted company data.
4	Determine that financial data is reconciled to the State Page—Exhibit of Premiums and Losses, Statutory Page 14, of the NAIC annual statement on an annual basis.
5	Determine that all calculations associated with the database have been accurately applied.
6	Where applicable, determine that the statistical agent employs use of data completeness tests as outlined in the NAIC *Statistical Handbook of Data Available to Insurance Regulators.*

Chapter 29—Correspondence with Insurers and States Standards	
The review of communications includes, but is not limited to, the following standards addressing various aspects of the statistical agent's contact and/or correspondence with companies and regulators.	
Standard Number	**Text of Standard**
1	The statistical agent keeps track of companies that fail to meet deadlines.
2	The statistical agent has established procedures for notifying companies (and regulators, as requested or required) of material errors and for correcting those errors.
3	The statistical agent maintains a follow-up procedure with companies that have reporting errors or questions.
4	Review any additional data quality programs maintained by the statistical agent pertaining to data collected pursuant to the statistical plan.
5	With each standard premium and loss report to the states, the statistical agent provides a listing of companies whose data is included in the compilations and a historical report listing insurers whose data for the state was excluded, as set forth in Section 2.4 of the NAIC *Statistical Handbook of Data Available to Insurance Regulators.*

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 29—Reports, Report Systems and Other Data Requests Standards	
The report, report systems and other data requests review includes, but is not limited to, the following standards.	
Standard Number	**Text of Standard**
1	All calculations used to develop the database have been performed accurately.
2	The statistical agent has accurately extracted the appropriate information from the statistical database.
3	Any data extracted from the statistical database has been accurately reviewed with any additional data obtained directly from a company in preparing a response to a data request.
4	Data collected, in addition to the data collected under the statistical plan, was adequately reviewed for quality and compiled according to applicable statutes, rules and regulations.

Chapter 29—Ratemaking Functions Standards	
The ratemaking functions review includes, but is not limited to, the following standards.	
Standard Number	**Text of Standard**
1	The advisory organization submits filings and/or submissions to the state within the established time frame.

Chapter 29—Classification and Appeal Handling Standards	
The classification and appeal handling review includes, but is not limited to, the following standards.	
Standard Number	**Text of Standard**
1	The advisory organization takes adequate steps to finalize and dispose of the classification appeal in accordance with applicable statutes, rules and regulations, and written manuals and procedures.

Chapter 29—Form Development Standards	
The insurance program development and maintenance review includes, but is not limited to, the following standards.	
Standard Number	**Text of Standard**
1	The advisory organization has processes in place to identify and provide subscribers with necessary changes (by virtue of changes in state laws or case law) to advisory forms.
2	The advisory organization has quality assurance processes in place to review submissions of forms prior to filing or submitting to the applicable state.

Chapter 29—Inspection Services Standards	
The inspection services review includes, but is not limited to, the following standards.	
Standard Number	**Text of Standard**
1	The advisory organization conducts inspection services in accordance with applicable statutes, rules and regulations, and written procedures.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 29—Residual Market Functions—Plan Administration Standards	
The residual market functions—plan administration review includes, but is not limited to, the following standards.	
Standard Number	**Text of Standard**
1	The advisory organization uses objective and established procedures when administering assigned risk plans.
2	The advisory organization uses objective and established procedures when administering residual market or pool assessments.

Chapter 29—Residual Market Functions—Reinsurance Administration Standards	
The residual market functions—reinsurance administration review includes, but is not limited to, the following standards.	
Standard Number	**Text of Standard**
1	The advisory organization uses established procedures when administering residual market pool assessments or reinsurance pooling mechanisms.

Chapter 30—Conducting the Third-Party Administrator Examination

Chapter 30—TPA Operations/Management Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	The TPA is in compliance with applicable statutes, rules and regulations regarding financial security.

Chapter 30—Complaint Handling Standards
Use the standards for this business area that are listed in Chapter 20—Examination Standards.

Chapter 30—Marketing and Sales Standards
Not applicable.

Chapter 30—Producer Licensing Standards
Not applicable.

Chapter 30—Policyholder Service Standards
Not applicable.

Chapter 30—Underwriting and Rating Standards
Not applicable.

Chapter 30—Claims Standards
Not applicable.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 30—Special Considerations for the Third-Party Administrator Examination
(See Chapter 30 in the 2021 *Market Regulation Handbook*.)

Chapter 30—Contracts and Written Agreements Standards	
The review of contracts and agreements includes, but is not limited to, the following standards addressing various aspects of a TPA's contracts.	
Standard Number	**Text of Standard**
1	Verify written agreement(s) are executed between the TPA and client, applicable insurer or other related entity.
2	The written agreement includes a statement of duties the TPA is expected to perform on behalf of the insurer or regulated, risk-bearing entity subject to the jurisdiction of the insurance department and the lines, classes or types of insurance for which the TPA is authorized to administer.
3	The written agreement between the TPA and the insurer provides for the TPA to periodically render an accounting to the client, applicable insurer or other related entity detailing all transactions performed by the TPA pertaining to the business underwritten by the client, applicable insurer or other related entity.
4	The written agreement defines specifics of the TPA's authority to make withdrawals from financial institution accounts.
5	If prohibited by applicable statutes, rules or regulations, the TPA does not enter into an agreement or understanding with the client, applicable insurer or other related entity to make the TPA's commissions, fees or charges contingent upon savings effective in the adjustment, settlement or payment of losses on behalf of the client, applicable insurer or other related entity.
6	The TPA holds all insurance charges or premiums collected on behalf of the client, applicable insurer or other related entity in a fiduciary capacity.
7	The TPA provides required written notices (approved by the client, applicable insurer or other related entity) to covered individuals in accordance with applicable statutes, rules and regulations.
8	The TPA delivers materials and written communications in a timely manner.
9	Transactions are processed accurately and completely.
10	The TPA maintains and makes available to the client, applicable insurer or other related entity complete books and records of all transactions performed on behalf of the client, applicable insurer or other related entity.
11	The TPA uses only advertising pertaining to the business underwritten by the client, applicable insurer or other related entity that has been approved by the client, applicable insurer or other related entity in advance of its use.

Chapter 31—Conducting the Examination of a Viatical Settlement Provider

Chapter 31—Provider Operations/Management Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	The viatical settlement provider has procedures for the collection and reporting of information regarding the provider's viatical settlement transactions, as required by applicable statutes, rules and regulations.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 31—Complaint Handling Standards
Not applicable.

Chapter 31—Marketing and Sales Standards
Not applicable.

Chapter 31—Producer Licensing Standards
Not applicable.

Chapter 31—Policyholder Service Standards
Not applicable.

Chapter 31—Underwriting and Rating Standards
Not applicable.

Chapter 31—Claims Standards
Not applicable.

Chapter 31—Viatical Settlement Contracts and Disclosures Standards	
The contract and disclosure review includes, but is not limited to, the following standards addressing various aspects of a viatical settlement provider's use of viatical settlement contracts.	
Standard Number	**Text of Standard**
1	The viatical settlement provider uses viatical settlement contracts that have been filed with and approved by the insurance department.
2	The viatical settlement provider complies with applicable disclosure and notice requirements. **(See also Chapter 31, Section K. Supplemental Checklist for Viatical Settlement Contracts and Disclosures Standard #2.)**

Chapter 31—Viatical Settlement Transactions Standards	
The transaction review includes, but is not limited to, the following standards addressing various aspects of a provider's viatical settlement practices.	
Standard Number	**Text of Standard**
1	The viatical settlement provider obtains and/or provides required documents relating to each viatical settlement transaction.
2	The viatical settlement provider complies with applicable statutes, rules and regulations relating to the confidentiality of medical records.
3	The viatical settlement provider tenders consideration in the form required by law and within 3 business days of receipt of documents necessary to effect the transaction (unless otherwise indicated in state statutes, rules or regulations).
4	Post-settlement contacts with the insured made by the viatical settlement provider are in compliance with applicable statutes, rules and regulations.
5	The viatical settlement provider does not engage in prohibited practices relating to the viatication of policies within the first 2 year period after issuance. **(See also Chapter 31, Section L. Supplemental Checklist for Viatical Settlement Transactions Standard #5.)**
6	The viatical settlement provider demonstrates a pattern of reasonable payments to viators.

 © 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

7	Verify rescission period refund procedures and timeliness of refunds issued.
8	The viatical settlement provider obtains required documents prior to entering into a viatical settlement purchase agreement.
9	The viatical settlement provider, or its representative, has procedures in place to document and resolve complaints from viators and viatical settlement purchasers.
10	The viatical settlement provider has antifraud initiatives in place that are reasonably calculated to detect, prevent and report fraudulent insurance acts.

Chapter 31—Viatical Settlement Provider Marketing and Sales Standards	
The marketing and sales review includes, but is not limited to, the following standards addressing various aspects of the marketing and sales function.	
Standard Number	**Text of Standard**
1	The viatical settlement provider does not discriminate in the making or solicitation of viatical settlements.
2	The viatical settlement provider pays finder's fees, commission or other compensation in accordance with applicable statutes, rules and regulations.
3	The viatical settlement provider solicits viatical settlement purchasers in accordance with applicable statutes, rules and regulations.
4	The viatical settlement provider has an established system of control over the content, form and dissemination of all advertisements of its contracts, products and services.
5	The viatical settlement provider advertises in accordance with applicable statutes, rules and regulations. **(See also Chapter 31, Section M. Supplemental Checklist for Viatical Settlement Marketing and Sales Standard #5.)**

Chapter 32—Conducting the Premium Finance Company Examination

Chapter 32—Operations/Management Standards	
Use the standards for this business area that are listed in Chapter 20—General Examination Standards, in addition to the standards set forth below.	
Standard Number	**Text of Standard**
1	Company does not pay any compensation to producers if such payment is prohibited by applicable statutes, rules and regulations.

Chapter 32—Complaint Handling Standards
Not applicable.

Chapter 32—Marketing and Sales Standards
Not applicable.

Chapter 32—Producer Licensing Standards
Not applicable.

Chapter 32—Policyholder Service Standards
Not applicable.

© 2022 National Association of Insurance Commissioners

This document is designed to serve as a compilation of the market conduct examination standards found in the 2022 edition of the *Market Regulation Handbook* and does not represent all examination standards, methodologies and areas of review that may be utilized by a department of insurance.

Chapter 32—Underwriting and Rating Standards
Not applicable.

Chapter 32—Claims Standards
Not applicable.

Chapter 32—Premium Finance Agreements Standards	
The premium finance agreements review includes, but is not limited to, the following standards addressing various aspects of a company's use of the agreements.	
Standard Number	**Text of Standard**
1	Company maintains individual account records in compliance with applicable statutes, rules and regulations.
2	Notification and funding procedures are in compliance with applicable statutes, rules and regulations.
3	Products that the company is financing comply with applicable statutes, rules and regulations.
4	Agency fees are not financed, if prohibited; or, if permitted to be financed, agency fees are properly disclosed, if required by applicable statutes, rules and regulations.
5	The company uses the appropriate forms for premium finance agreements.
6	The company makes a diligent effort to obtain completed agreements.
7	The company charges the correct finance charge. The interest rate charged complies with applicable statutes, rules and regulations.
8	Notice of intent to cancel procedures is handled correctly, including the use of the proper forms.
9	Notice of cancellation procedures are handled correctly, including the use of the proper forms.
10	Insurer and producer returns of unearned premiums and commissions comply with applicable statutes, rules and regulations.
11	Unearned interest is calculated correctly.
12	Refunds due borrowers are calculated accurately and paid in a timely manner.

Chapter 32—Borrower Complaints Standards	
The complaints review includes, but is not limited to, the following standards addressing various aspects of a company's handling of complaints.	
Standard Number	**Text of Standard**
1	The company responds to inquiries from the insurance department appropriately and in a timely manner.
2	The company complaint files demonstrate fair treatment of borrowers.

Chapter 32—Customer Service Standards	
Standard Number	**Text of Standard**
The customer service review includes, but is not limited to, the following standards related to the adequacy and level of customer service provided by the company.	
1	Reinstatement request is applied consistently and in accordance with premium finance agreement provisions.
2	Procedures for handling unclaimed property are proper.

 © 2022 National Association of Insurance Commissioners