ALABAMA DEPARTMENT OF INSURANCE
ADMINISTRATIVE CODE

CHAPTER 482-1-124
STANDARDS FOR LIFE, ACCIDENT AND HEALTH INSURANCE CLAIMS

482-1-124-.05 File And Record Documentation.

Each insurer's claim files for policies or certificates are subject to examination by the Commissioner of Insurance or by the Commissioner's duly appointed designees. To aid in such examination:

(a) The insurer shall maintain claim files that are accessible and retrievable for examination. An insurer shall be able to provide the claim number, line of coverage, date of loss, date and amount of payment of the claim, date of denial or date closed without payment. The insurer shall be able to provide the same information (except date and amount of payment) for all claims closed without payment. This data must be available for all open and closed files for the current year and the five (5) preceding years in order to permit reconstruction of the insurer's activities relative to each claim.

(b) Each relevant document within the claim file shall reflect as to date received, date processed or date mailed.

(c) Format of Records and Disaster Recovery.

1. Any record required to be maintained by an insurer may be in the form of paper, photograph, magnetic, mechanical or electronic medium, or any process that accurately forms a durable reproduction of the record, so long as the record is capable of duplication to a hard copy that is legible. Documents that are produced and sent to an insured by use of a template and an electronic mail list shall be considered to be sufficiently reproduced if the insurer can provide proof of mailing of the document and a copy of the template. Documents that require the signature of the insured or insurer's producer shall be maintained in any format listed above provided evidence of the signature is preserved in that format.

2. The maintenance of records in a computer-based format shall be archival in nature, so as to preclude the alteration of the record after the initial transfer to a computer format. Upon request of an examiner, the records shall be capable of duplication to a hard copy that is legible. The records shall be maintained according to procedures developed and adhered to by the insurer. The

procedures shall be made available to the commissioner during an examination.

3. Photographs, microfilms, or other image-processing reproductions of records shall be equivalent to the originals and may be certified as the same in actions or proceedings before the commissioner.

4. The insurer shall maintain disaster preparedness or disaster recovery procedures that include provisions for the maintenance or reconstruction of original or duplicate records at another location. These procedures shall be provided for review during an examination.

(d) Every insurer, upon receipt of any written inquiry from the Insurance Department respecting a claim shall within ten (10) working days of receipt of such inquiry furnish the Department with an adequate written response to the inquiry. This response shall be addressed to the Department employee or representative making the request.

Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-1-17, 27-1-19, 27-12-21, 27-12-24, 27-15-13, 27-16-10, 27-17-11, 27-19-11, 27-19-12.
History: New Rule: May 27, 2003; effective June 9, 2003. Filed with LRS May 30, 2003. Rule is not subject to the Alabama Administrative Procedure Act.