

516E.11 Records — explanation of reasons for denial of claims.

1. A provider, service company, or third-party administrator shall keep accurate records concerning transactions regulated under this chapter.

a. Records of a provider, service company, or third-party administrator shall include all of the following:

- (1) Copies of each type of service contract issued or sold.
- (2) The name and address of each service contract holder.
- (3) Claim files which shall contain, at a minimum, the dates, amounts, and descriptions of all receipts, claims, and expenditures related to service contracts.
- (4) Copies of all materials relating to claims which have been denied.

b. A provider, service company, or third-party administrator shall retain all required records pertaining to a service contract holder for at least two years after the specified period of coverage has expired. A provider, service company, or third-party administrator discontinuing business in this state shall maintain its records until the provider, service company, or third-party administrator furnishes the commissioner satisfactory proof that the provider, service company, or third-party administrator has discharged all obligations to contract holders in this state.

c. A provider, service company, or third-party administrator shall make all records concerning transactions regulated under the chapter available to the commissioner for the purpose of examination.

d. A provider, service company, or third-party administrator may keep all records required under this chapter in an electronic form. If an administrator maintains records in a form other than a printed copy, the records shall be accessible from a computer terminal available to the commissioner and shall be capable of duplication to a legible printed copy.

2. A provider, service company, or third-party administrator shall promptly deliver a written explanation to the service contract holder, describing the reasons for denying a claim or for the offer of a compromise settlement, based on all relevant facts or legal requirements and referring to applicable provisions of the service contract.

3. A provider, service company, or third-party administrator shall keep accurate records concerning transactions regulated under this chapter, including a list of the locations where service contracts are marketed, sold, offered for sale, or performed.

90 Acts, ch 1145, §9

C91, §321I.12

94 Acts, ch 1031, §3; 98 Acts, ch 1189, §6; 2000 Acts, ch 1147, §8 – 10, 15

C2001, §516E.11

2005 Acts, ch 70, §35