



Dora

Department of Regulatory Agencies

Division of Insurance

Annual Report
On
Complaints Against
Insurers
Fiscal Year 2011-2012

October 1, 2012



Division of Insurance

Jim Riesberg
Commissioner of Insurance

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Governor

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Executive Director

October 1, 2012

Dear Friends:

Each year, the Division of Insurance compiles this report analyzing the complaints received from consumers about their insurance coverage. The data behind, and information in, this report is used by the Division to evaluate whether there may be a company compliance problem or a systemic issue. Complaint statistics are one data point used by the Division in determining whether to perform a market conduct examination or take an enforcement action for violation of state laws or regulations.

The Division of Insurance is pleased to submit this Annual Report of the Commissioner of Insurance on Complaints Against Insurers for Fiscal Year 2011-2012. Submitted pursuant to § 10-16-128, C.R.S., this report provides data and analysis of the previous fiscal year and four prior years of trends in consumer complaints received by the Division regarding all types of insurance. It also highlights complaints related to the types of insurance most commonly sold to consumers: auto, health, life, homeowners, liability, annuity, and title insurance.

The report also references the 2011 Complaint Ratio and Complaint Index Reports that provide consumers with information about the number of complaints lodged against specific insurers and health carriers. The report includes the 2011 complaint ratios and index calculations for the top 10 carriers in each line of business. However, consumers and researchers should note that the complaint ratio and indices are on a calendar year basis, while most of the other statistics in this report are on a fiscal year (July 1 to June 30) basis. The Complaint Ratio and Complaint Index Reports are separately available, and can be searched by specific company name and line of business on the Division's website at askdora.colorado.gov and click on "Division of Insurance."

The mission of the Department of Regulatory Agencies and Division of Insurance is consumer protection. This report summarizes one area of how we approach this mission, and is an important component of our consumer protection work.

If you have any questions, please contact me at the Division.

Sincerely,

Jim Riesberg
Commissioner of Insurance

Complaints Against Insurers for the Fiscal Year 2011-2012

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Executive Summary

Colorado law requires an annual report on the number, nature, and outcome of complaints against insurers during the preceding 12 months to be presented to the General Assembly. The Division of Insurance (Division) issues this report in the fall of each year using data from the prior fiscal year that runs July 1 to June 30 and includes four years of historical data to permit analysis of trends. Beyond fulfilling the statutory requirement (§ 10-16-128, C.R.S.), this report's information is useful to consumers as they shop for coverage and to the Division as we ensure compliance with state law and regulation.

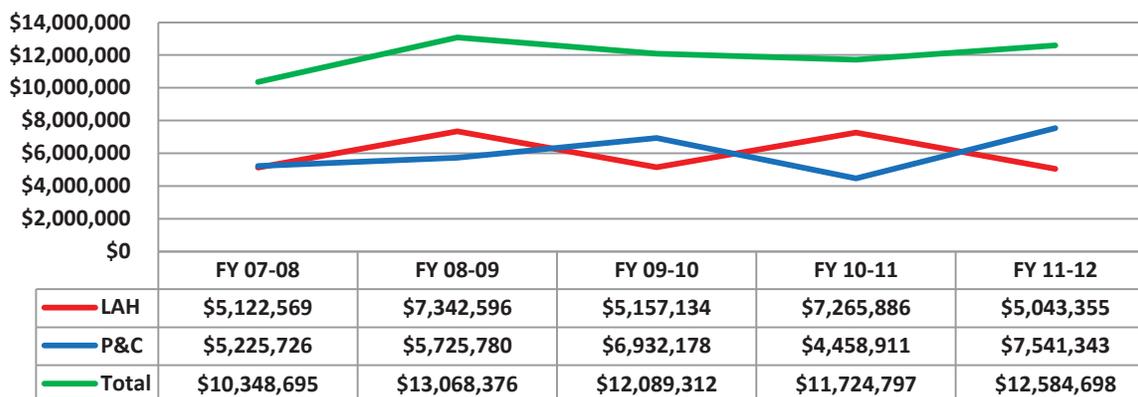
The Division has 20 staff members in its Consumer Affairs section dedicated to assisting consumers with complaints against insurers and responding to consumer questions about insurance issues. The staff is broken down into two teams handling life, health and related issues (LAH), and those dealing with issues in the property and casualty areas (P&C). Within the past two years, the LAH Consumer Affairs team has increased in size by two analysts, one of whom is focused on the specific area of addressing consumer complaints about health premiums. In some circumstances, such as providing consumer assistance at Disaster Recovery Centers or addressing issues such as premium rates or form filings, Consumer Affairs personnel are supplemented with staff from other parts of the Division who have past experience in providing consumer aid or particular expertise in an area.

In addition, the Consumer Affairs operations at the Division include the Compliance and Investigations (C&I) section which is responsible for insurance producer licensing and regulation, investigations of possible illegal and unauthorized insurance activity, and the procedural aspects of rulemaking and open records requests. The Division also operates the State (Senior) Health Insurance Assistance Program and Senior Medicare Patrol (SHIP/SMP) programs under federal grants to counsel and advise seniors and others on the federal Medicare program, Medicare Advantage plans, Medicare Part D Prescription Drug Coverage, Medicare Supplement, and long-term care coverage. Statistical information about the work of the C&I and SHIP/SMP sections are not included in this report though the LAH and P&C Consumer Affairs sections work closely with the C&I and SHIP/SMP sections on complaints that fall into those areas.

In Fiscal Year 2011-2012 (FY 11-12), the LAH and P&C Consumer Affairs staff logged more than 17,000 incoming consumer telephone calls, 3,000 emails, and hundreds of meetings, in the Division's offices, at Disaster Recovery Centers or in other parts of Colorado, with consumers with questions and issues about insurance coverage of various types. Of these communications, 4,143 became formal consumer complaints against specific insurers that were closed in FY 11-12. Formal complaints are required to be in writing or filed through the Division's website at askdora.colorado.gov and click on "Division of Insurance."

During FY 11-12, the Division recovered more than \$12.5 million for consumers in additional claims payments, overturned denials of benefits, reinstatements of coverage, and cancellation of insurance policies with the return of consumers' money. These recoveries for individual consumers are in addition to the Division's review of health insurance premium rates, and restitution and recoveries ordered through investigation and examination of companies and producers through the Market Regulation and C&I sections of the Division. The Market Regulation and C&I sections address systemic issues, while the LAH and P&C sections of the Division's Consumer Affairs operations handle individual consumer complaints and inquiries.

Division of Insurance Consumer Affairs Recoveries for Consumers



LAH includes all lines of Life and Health insurance, including health, life, disability, long term care, and annuities. P&C is Property and Casualty insurance, which includes auto, homeowners, commercial property, liability and title insurance.

Denial of claims and delays in claim handling are the most often cited reasons for consumer complaints when the entire insurance marketplace is evaluated. In FY 11-12, denial of claims was a reason for consumers' complaint 21 percent of the time. Delays in claims handling and other areas were a reason in 13 percent of the complaints. Premium and rating issues were the third most numerous reasons for complaints at 8 percent. These percentages are calculated across all lines of insurance, though the chart below identifies the most frequent functional area of complaints for the major lines of insurance.

Complaint issues are broken down by the functional area – Underwriting, Claims Handling, Policyholder Services, and Marketing and Sales, and then categorized by the reason for the complaint. As shown below, the functional areas and top reasons for consumer complaints vary by the type of insurance. Following the general discussion of complaints in this report, the major types of insurance coverage are further analyzed for the functional areas and reasons for complaints specific to that type of insurance.

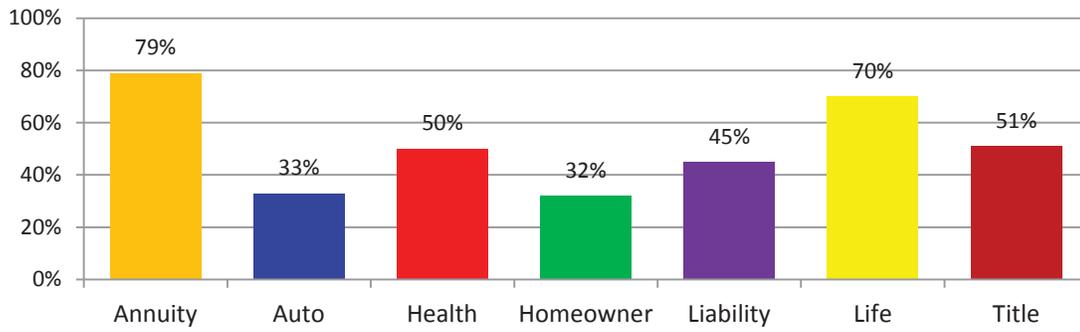
Top Complaint Reasons for Major Types of Insurance Fiscal Year 2011-2012

Annuities	Misrepresentation (Marketing & Sales)
Auto Insurance (including Auto Protests)	Premium and Rating (Underwriting)
Health Insurance	Denial of Claim (Claims Handling)
Homeowners Insurance	Denial of Claim (Claims Handling)
Liability	Denial of Claim (Claims Handling)
Life Insurance	Information Requested (Policyholder Service)
Title Insurance	Agent Handling (Marketing and Sales)

Note: Color signifies the functional area the reason falls under: Underwriting, Claims Handling, Policyholder Services, Marketing and Sales.

A "confirmed complaint" is a complaint found to involve a violation of law, regulation, or disregard for the contractual policy provision. Shown below for FY 11-12 are the percentages of confirmed complaints by type of coverage:

**Percentage of Confirmed Complaints
Fiscal Year 2011-2012**



While many complaints result in recoveries for consumers, the Division also receives complaints and inquiries that, upon investigation, do not indicate wrongdoing by the insurance company. In these circumstances, the Division educates the consumer on the requirements of their insurance policy and state law and regulation.

Introduction

Consumer protection is the mission of the Colorado Department of Regulatory Agencies and the Division of Insurance.

Governing Statutes and Operational Goals

The Colorado Insurance Code at § 10-1-101, C.R.S., provides the guiding principles of the Division:

- Promote the public welfare by regulating insurance;
- Ensure that insurance rates are not excessive, inadequate or unfairly discriminatory;
- Give consumers the greatest choice of policies at the most reasonable cost possible; and
- Permit and encourage open competition between insurers on a sound financial basis.

To achieve the Division's mission, the operational goals of the Division of Insurance are that:

1. Consumers have as many legitimate insurance choices as possible;
2. Consumers have access to needed information to make these choices; and
3. Companies competing for consumers' business are in full compliance with the rules and laws of Colorado.

Structure of the Consumer Affairs Sections of the Division

Under the Commissioner of Insurance, appointed by the Governor and confirmed by the Colorado Senate, two Deputy Commissioners oversee the day-to-day operations of the Division. The Deputy Commissioner for Consumer Affairs manages four sections of the Division that focus on assisting consumers:

- Consumer Affairs – Life, Accident and Health (LAH)
- Consumer Affairs – Property and Casualty (P&C)
- Compliance and Investigations (C&I)
- State Health Insurance Assistance and Senior Medicare Patrol (SHIP)/SMP programs

Twenty staff members in the LAH and P&C Consumer Affairs sections answer consumer inquiries about insurance laws, policies, and practices. These staff fielded more than 17,000 incoming consumer telephone calls, more than 3,000 emails, and hundreds of meetings with consumers with questions and issues about insurance coverage of various types in the Division's office, at Disaster Recovery Centers, or in meetings or events in other parts of Colorado. Of these communications, 4,143 became formal consumer complaints against specific insurers that were closed in FY 11-12. Formal complaints are required to be in writing, against a specific carrier, and within the jurisdiction of the Division to address. Consumers can send complaints to the Division through correspondence, email or the Division's online complaint form on the Division's website at askdora.colorado.gov and click on "Division of Insurance."

The Consumer Affairs staff has primary responsibility for handling consumers' insurance complaints, questions and issues. This includes:

- Answering consumer questions about their insurance coverage and educating them about their rights and responsibilities in dealing with their insurers;
- Investigating the allegations of complaints submitted to the Division;
- Working with consumers, providers, carriers, employers and insurance producers (agents and brokers) to address problems; and
- Ensuring that insurance policy provisions, and state laws and regulations are followed.

The Consumer Affairs analysts are knowledgeable about state and federal laws regulating insurance, the regulations and interpretive bulletins issued by the Colorado Insurance Commissioner, and the appropriate business practices of insurance carriers and producers.

Colorado is a member of the National Association of Insurance Commissioners (NAIC). 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. The Division maintains records of the complaints it receives and handles through an electronic database. The Division transmits aggregate information about the complaints filed in Colorado to the NAIC complaint database system. This system provides national statistics about the performance of insurance companies and informs the collective state Insurance Commissioners about emerging issues and business practices of concern to consumers. Reports with the aggregated national data are available on the Consumer Information Source page on the NAIC’s website at www.naic.org/cis.

Comparison to Other States

The NAIC publishes an annual Insurance Department Resources Report that provides information about the various states’ insurance regulators. This report permits some comparison of the operations of the Division’s Consumer Affairs sections with those of other states.

2011 NAIC Insurance Department Resources Report¹ Colorado and Surrounding States

State	Number of Consumer Affairs Staff	Number of Complaints*
<i>Colorado</i>	20	4,012
Arizona	12	2,770
New Mexico	14	741
Kansas	18	3,303
Nebraska	9	1,400
Wyoming	3	480
Utah	5	628

¹ The NAIC Insurance Department Resources Report utilizes calendar year annual data rather than the fiscal year data primarily used throughout this report. Please note that Colorado Consumer Affairs personnel reported in the NAIC Resources Report are supplemented by staff hired under a federal grant to facilitate and improve health premium rate review.

The Colorado Division's Consumer Affairs sections are very successful in obtaining recoveries for consumers. Based on news releases and NAIC data from other states, Colorado's recoveries compare as follows:

Consumer Affairs Recoveries Reported by States – 2011*

State	Number of Complaints	\$ Recoveries
<i>Colorado</i>	<i>4,012</i>	<i>\$11.2 million</i>
Oklahoma	3,094	\$4.5 million
Missouri	3,800	\$21 million
Ohio	5,336	\$11.6 million
Louisiana	3,453	\$5.3 million
Arizona	2,770	\$7.5 million
North Carolina	8,100	\$16.4 million
California	34,200	\$49 million

* Calendar year data.

Overview of the Complaint Process

A primary function of the Division’s Consumer Affairs section is to assist consumers with questions and issues about their insurance coverage. This assistance includes ensuring that insurance companies and carriers, producers, and consumers act in accordance with the laws, regulations, insurance policy provisions, and general business practices. Consumers contact the Division in many ways to raise concerns about how insurance companies are dealing with them: telephone calls, emails, and letters to the Division, filling out the Division’s website complaint form, and talking with staff at public meetings and forums. The Division receives inquiries from individual consumers, employers, health care providers, insurance producers (agents and brokers), legislators on behalf of constituents, and even from insurance companies about their competitors or themselves.

Consumer Education

One of the services provided by the Consumer Affairs staff is to educate consumers about their rights and responsibilities under insurance contracts. The Division publishes a variety of materials on our website and brochures on current topics in insurance. Among the materials are guides to purchasing insurance, frequently asked questions on specific “hot” topics, and information about legislative and regulatory changes in insurance coverage and benefits. The Division has developed a Natural Disaster Insurance Recovery kit to provide consumers with resources and information if they suffer damage or destruction to their home. During the summer of 2012, the Division staffed the Disaster Recovery Centers set up to assist homeowners in the High Park (Larimer County) and Waldo Canyon (El Paso County) wildfires. At the Recovery Centers, Division staff handed out the recovery kits, assisted consumers in making contact with their insurance companies, and answered questions about insurance coverage.

The Division’s Consumer Affairs section logs incoming telephone calls, emails, walk-in visitors, and other types of communications from consumers. In FY 11-12, the Consumer Affairs staff fielded almost 20,500 consumer contacts. This compares to previous years as follows:

Consumer Contacts by Fiscal Year

FY 2011-2012	20,500
FY 2010-2011	22,500
FY 2009-2010	26,000 ²
FY 2008-2009	28,000
FY 2007-2008	25,000

Over 17,000 of the contacts in FY 11-12 started with a consumer phone call to the Division. One hundred thirty consumers came to the Division offices for assistance with their issues, and the Division received over 3,200 e-mails from consumers about issues and concerns. Approximately a quarter of these contacts turned into complaints.

While the consumer contacts are down from previous years, the Division continues to add consumer information and resources to its website to help consumers. The Consumer Affairs page of the Division’s website received more than 47,000 “hits” during FY 11-12. The Division’s

² During FY 09-10, the Division separated the SHIP/SMP telephone call queue from the Consumer Affairs queue. This accounts for a substantial portion of the reduction in FY 09-10 and subsequently over previous years.

LAH and P&C Consumer Affairs teams have translation services available for non-English speaking consumers, and one staff member is fluent in Spanish to provide immediate assistance when needed.

Sometimes, the inquiries from consumers are a “quick question” or request for general information. These include whether a company or producer is licensed in Colorado, how to reach a company, and what options a consumer has to question or appeal an insurance company or health carrier’s claim determinations. Other inquiries from consumers, producers and companies may be about a particular issue, for a reference to the insurance statutes or regulations, or about requirements of other Colorado or federal laws.

The Consumer Affairs section makes a distinction between general inquiries and formal complaints. Formal complaints are about a specific issue that a consumer is having with their insurance company or insurance coverage. Complaints are required to be in writing and the Division requests specific information about the company’s name, type of coverage, policy number, claim number, description of the issues, and a statement of what resolution is desired. Consumers can file complaints electronically through the Division’s website, by email, or by letter. When contacted by consumers, by phone or in person, Consumer Affairs personnel will often provide consumers with general information and request that the consumer file a formal complaint for the Division to address.

Division of Insurance Jurisdiction

On the Property and Casualty side, the Division cannot determine the dollar value of a particular loss, the percentage of an individual’s liability, or adjudicate fault where disputed, e.g. which vehicle caused an auto accident, or how much a person contributed to situations leading to damage or injury. Questions about workers’ compensation claims are under the Division of Workers’ Compensation in the Colorado Division of Labor and Employment, while questions of an employer’s classification for workers’ compensation coverage do come to the Division.

On the Life and Health side, not all insurance plans or issues are within the Division’s jurisdiction. Particularly in the health coverage area, several types of plans do not fall within the Division’s regulatory authority. These include: health benefit plans covering federal employees; Medicare, Medicaid; the Child Health Plus plan; employer-provided policies written outside the state of Colorado; self-funded employer health plans and labor-management trust plans. A self-funded health plan is one where the employer provides the funds for providing health care benefits and determines the plan’s benefit levels. Between one-quarter and one-third of Colorado consumers have health coverage under an employer self-funded health plan that the Division does not have jurisdiction over. One quick way for most consumers to identify whether their health coverage comes under the Division of Insurance is whether there is a notation of CO-DOI on the front of their health insurance card.³

If the Division does not have jurisdiction to address a particular complaint, the Division will refer the consumer to the federal or state agency best able to assist the consumer on the particular issue or provide the consumer with information about where to go to access other information or assistance.

³ CRS § 10-16-135 and Insurance Regulation 4-2-29.

Steps in the Complaint Process

If the Division has jurisdiction over a complaint, the complaint process proceeds:

- The complaint is assigned to an analyst from the Consumer Affairs section to review and conduct an investigation.
- The assigned analyst sends a letter to the company on behalf of the consumer, enclosing a copy of the consumer's complaint. The Division requests the company to respond directly to the consumer about the complaint with a copy of the response to the Division. The complaint analyst may also request additional information from the company be sent to the Division to assist in our investigation of the consumer's complaint.
- Consumers receive copies of all correspondence between the company and the Division pertinent to the specific complaint.
- The company is usually given 20 days to research and respond to the consumer's complaint forwarded by the Division. The company may request an extension and, if warranted, it may be granted. However, the Division's emphasis is always on getting the consumer's concerns resolved promptly.

Upon receipt of the company's response, the assigned analyst reviews the company's response, ensures that the consumer's questions and issues are addressed, and determines whether a law, regulation or insurance policy provision have been violated. In most cases, the issue is resolved through this initial correspondence. However, if the consumer's concern is not resolved, the analyst may conduct further investigation and inquiry.

If the analyst finds that the insurance company has violated state law or regulation or breached a provision of the insurance policy, the Division may:

- Suggest a course to remedy the consumer's complaint, including having the company act, or not act, in a certain manner;
- Require payment to the consumer or on the consumer's behalf for wrongfully denied or withheld benefits, refund of premiums paid, or reinstatement of insurance coverage; or
- Pursue enforcement of statutory, regulatory or policy provisions through administrative action, including imposing a civil penalty on the company or licensed producer, referring the matter for further examination, action against a license, or, in some instances, criminal prosecution.

The Commissioner can order a company or producer to comply with the laws, regulations and/or policy provisions in the matter at hand, and in all future transactions pertaining to the subject matter of the complaint. The Division may require the company to conduct a self-audit and pay restitution to the complainant and other consumers who have the same issue but may not realize it. The Division monitors consumer complaints to determine if a company or producer has a pattern of complaints or wrongdoing. If the investigation of the complaint indicates possible producer violations or unlicensed activity, the Consumer Affairs staff sends the matter to C&I section for an administrative action, i.e. license revocation, or to the Attorney General's office for civil or criminal prosecution.

When the Division finds the insurance company or producer acted appropriately and within the requirements of law and the insurance policy, the Consumer Affairs staff works to educate consumers on provisions of the law and their rights and responsibilities under the insurance policy. This education role focuses on helping consumers to understand their insurance coverage, the requirements of the law, and the applicable principles of insurance coverage.

Consumer Feedback on the Complaint Process

The Division strives to resolve consumer complaints as quickly as possible. The Division’s goal is to have 85 percent of complaints resolved in 90 days. In FY 11-12, 90 percent of complaints were resolved within 90 days and 95 percent were resolved within 120 days. There is a substantial difference in the resolution and complaint closure time by the various types of insurance.

**Average Days to Closure
Fiscal Year 2011-2012**

Annuities	60 days
Auto	46 days
Health	74days
Homeowners	46 days
Liability	61 days
Life	64 days
Title	69 days

The Division added staff to the Life and Health Section during FY 10-11 to better balance the workload of analysts and to alleviate delays in handling complaints due to the volume and complexity of health and life complaints. This resulted in significant reductions in the average days to closure for health complaints (from 148 days in FY 10-11 to 74 days in FY 11-12) and life complaints (from 104 to 64 days).

Once a matter has been resolved or the Division’s investigation completed, the Division informs the consumer of the outcome of the complaint and the closure of the Division’s file. For quality control purposes, the Division sends consumers a postcard when the file is closed, asking for an evaluation of the Consumer Affairs staffs’ handling of the complaint. In FY 11-12, 42 percent of consumers receiving the postcard returned it. Of those returned, 64 percent rated the Division’s work as “excellent” in at least one category, and 31 percent as satisfactory. Overall, consumers rated the Division staff’s work as excellent in 57 percent of the cases and satisfactory in 20 percent. On about nine percent of the returned cards, the consumer did not utilize the excellent-satisfactory-unsatisfactory scale. To determine if the Division can improve the handling of any matter, the analyst and their supervisor review all cards expressing any dissatisfaction.

Division staff regularly analyzes complaint statistics and trends to determine whether a pattern or practice is developing in a single company or within a segment of the industry. This analysis may lead in one of several directions – clarification of the Division’s interpretation of a law or regulation, amendment of a regulation to strengthen a requirement, or a recommendation for a change in state law. The Division also reviews trends and analysis of complaint statistics in

scheduled “market conduct” examinations of companies, or consumer complaints may trigger a special investigation, desk audit, or compliance enforcement action.

The Division also uses complaint trend information to determine if additional education for consumers and insurance producers should be available. We develop new and revised consumer education materials, alerts and tips, Frequently Asked Questions (FAQs), and other publications to respond to these information needs.

Complaint Analysis and Trends

Numbers of Complaints

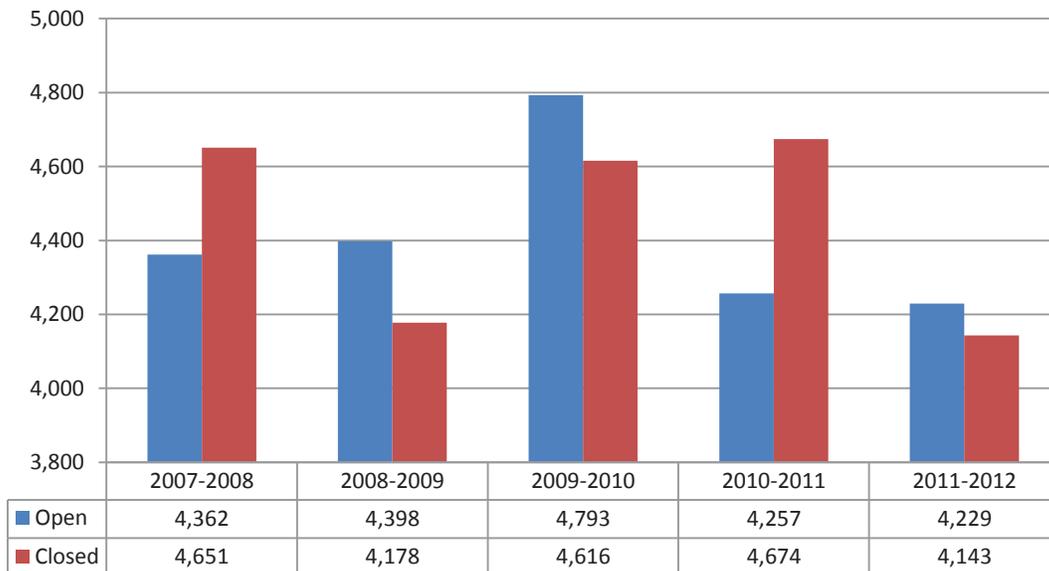
In FY 11-12, the Division's Consumer Affairs section handled complaint files as follows:

Fiscal Year 2011-2012 Complaint Totals

	Life, Accident and Health	Property and Casualty	Auto Protests	Total
Opened Complaints	1,075	2,097	1,057	4,229
Closed Complaints	1,080	2,019	1,044	4,143

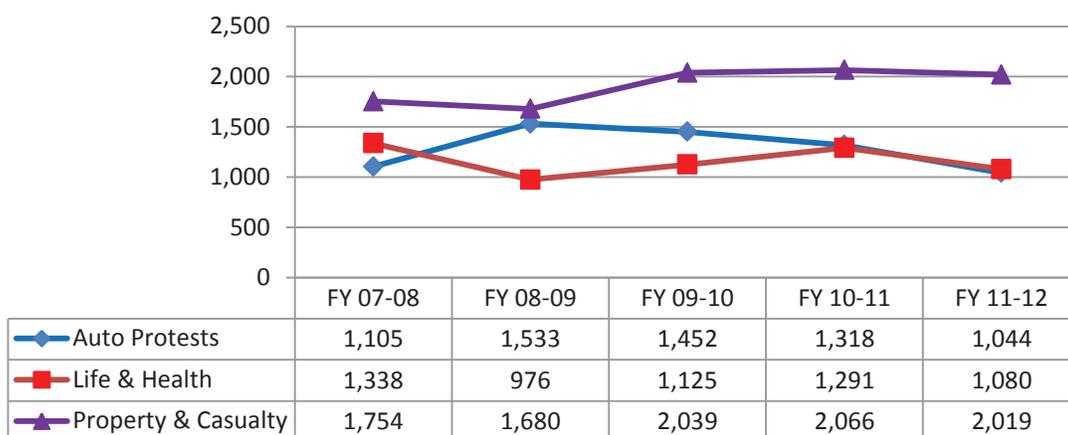
Compared to prior years, the number of opened complaints is slightly down, while closed complaints are up.

Complaints – Year-to-Year Comparison



The number of complaints fluctuates around an average of 4,200 per year with certain external factors causing variations from year to year. Nationally, insurance consumer complaints are tending to decline, though natural disasters causing widespread damage and destruction, federal and state legislation, and increased media focus on some insurance business practices can cause escalation in the number and types of complaints. In FY 11-12, both Property and Casualty, and Life and Health, complaints were down slightly from the prior year, and from their five-year levels. Auto protests were down in FY 11-12 from the two prior fiscal years. Beginning August 8, 2012, the auto protest process was abolished. From that date, consumers disputing their auto carriers' imposition of surcharges, changes in classification resulting in a premium increase, reductions in coverage, or cancellation or nonrenewal of a policy will be handled as a complaint.

**Volume of Complaints by Area
Fiscal Year 2011-2012**



The number of complaints by policy type, i.e. auto, health, homeowner, title, etc., are generally stable from year to year, though the proportion of complaints for homeowners coverage has almost doubled in five years. Reductions in the proportion of annuity and title complaints are due to the relatively small number of complaints the Division receives over these types of policies.

Proportion of Complaints by Policy Type

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Annuity	1.6%	0.8%	1.1%	0.5%	0.7%
Auto Protests	25.6%	36.7%	31.4%	28.2%	25.2%
Auto	26.9%	24.6%	23.4%	22.5%	25.4%
Health	26.1%	18.0%	19.5%	21.7%	21.4%
Homeowner	9.3%	9.5%	15.0%	16.2%	17.6%
Liability	1.7%	2.1%	2.0%	1.7%	1.4%
Life	5.0%	4.4%	3.8%	5.5%	3.9%
Other (combined)	2.4%	2.5%	2.7%	3.0%	3.5%
Title	1.3%	1.4%	1.2%	0.9%	0.9%

Percentages may not total to 100% because of rounding.

Auto insurance complaints have been decreasing slightly from year to year. Included in complaints about auto insurance are issues under various auto coverages: liability, medical payments, collision and comprehensive, uninsured and underinsured motorist. Auto protests are consumer challenges to an auto carrier's imposition of surcharges, cancellation or non-renewal, or reduction in coverage on a personal automobile insurance policy. As noted above, Colorado's auto protest process was abolished by the Legislature effective August 8, 2012, and in future years what were auto protests will be included in auto complaints.

Consumer complaints about health insurance comprise about 21 percent of the complaints lodged with the Division. The Division expects this is because it regulates only about 35 percent of Coloradans' health coverage. As reported in the 2011 Annual Report on Health Care Costs published by the Division, approximately 58 percent of Coloradans get their health coverage through their (or a family member's) employer. Of this, 36 percent of the coverage is through employer self-funded health plans not regulated by Colorado but subject to federal law. Another 13 percent of Coloradans have coverage purchased in the individual insurance market.

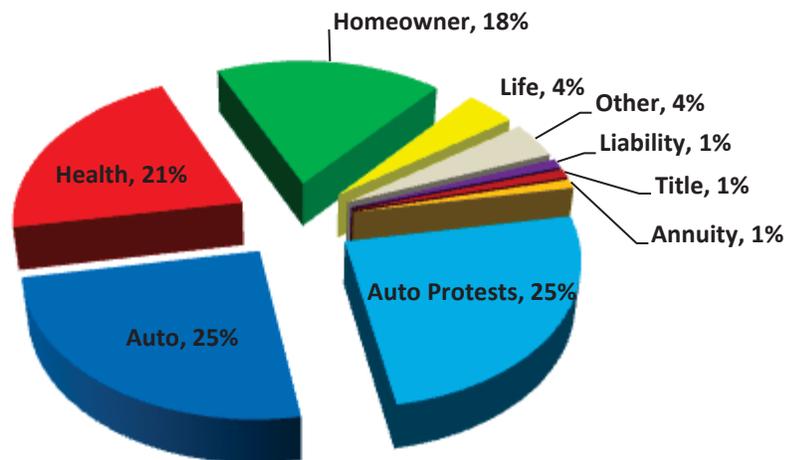
We anticipate that the proportion of health complaints subject to the Division’s jurisdiction will increase as the federal health care reforms enacted in 2010 take effect through and beyond 2014. The Division’s workload in addressing and resolving complaints about health coverage and benefits is expected to increase with the establishment of health exchanges to provide more Coloradans access to health insurance through qualified health plans in the individual and small group markets.

Homeowners’ insurance complaints have substantially increased in the past three fiscal years. This increase is most likely due to the increase in the number of weather-related losses, including the severe hail and thunderstorms in the summers of 2009 to 2011, the wildfires of 2010 and 2012, and economic conditions where consumers repair damage to homes covered under insurance to support continued property appreciation.

Life insurance complaints and complaints about annuity products often sold through life insurance companies remain relatively stable at approximately five percent of the complaints the Division receives.

The “Other” category includes several types of insurance where the Division receives few complaints. Under Property and Casualty, it includes pet insurance with four complaints and travel or trip insurance with 13 complaints. Other Property and Casualty insurance types under “Other” include commercial multi-peril policies with 81 complaints, dwelling fire insurance with one complaint, and federal crop insurance with two complaints. Service warranties are not insurance products in Colorado and are not included in these statistics.

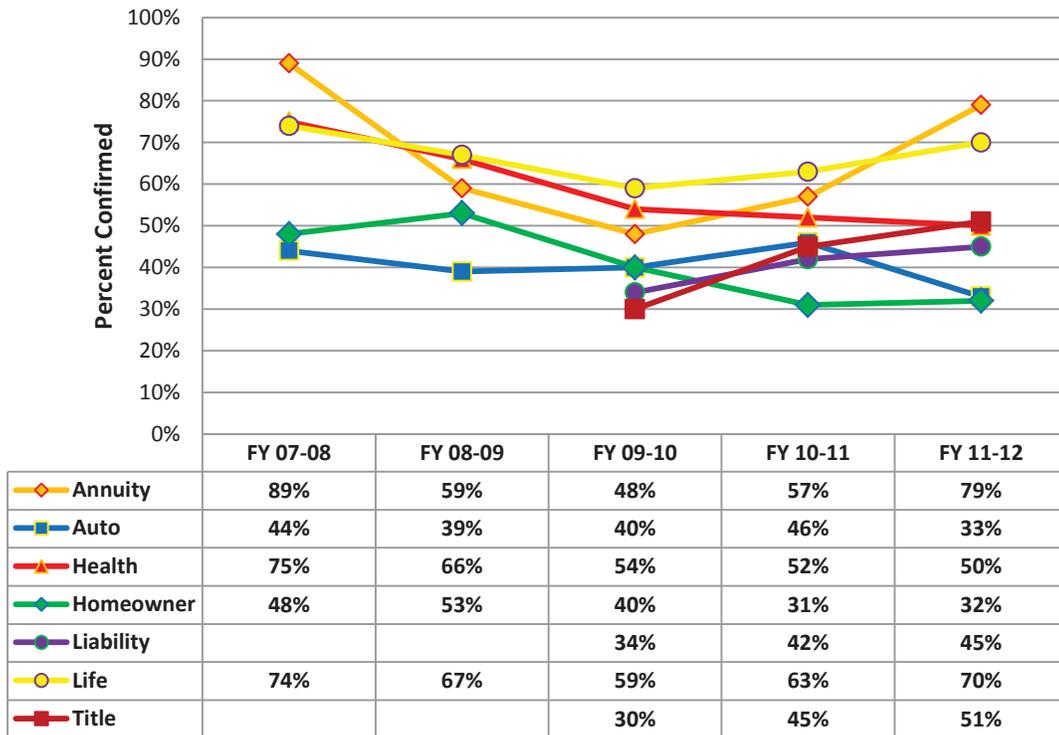
Proportion of Complaints By Type of Coverage in Fiscal Year 2011-2012



Complaints Where the Company is Found to be in the Wrong

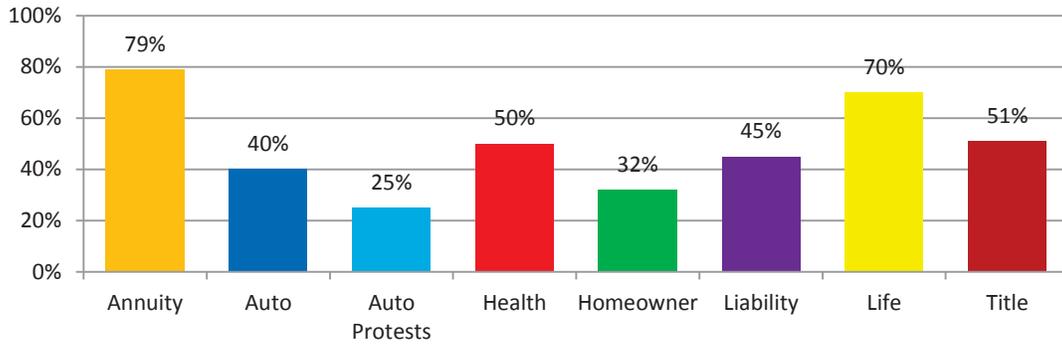
The Division of Insurance calculates the percentage of complaints where it finds the insurance company to be wholly or partially in violation of the law or the policy provisions. A confirmed complaint is one in which the Division found that the company had not complied with law, regulation or the insurance policy contract, and upheld the consumer's position.

Confirmed Complaint Trends



Note that for life, health and annuity complaints, the Division finds the complaint confirmed and the company in violation of law or policy provisions 50 percent or more of the time. For auto (combined with protests) and homeowners, confirmed complaints are one out of three. When separated, confirmed auto complaints are 40 percent while protests are found in the consumer's favor only 25 percent of the time. Of concern are the increases in confirmed complaints for annuities, life, liability, and title insurance.

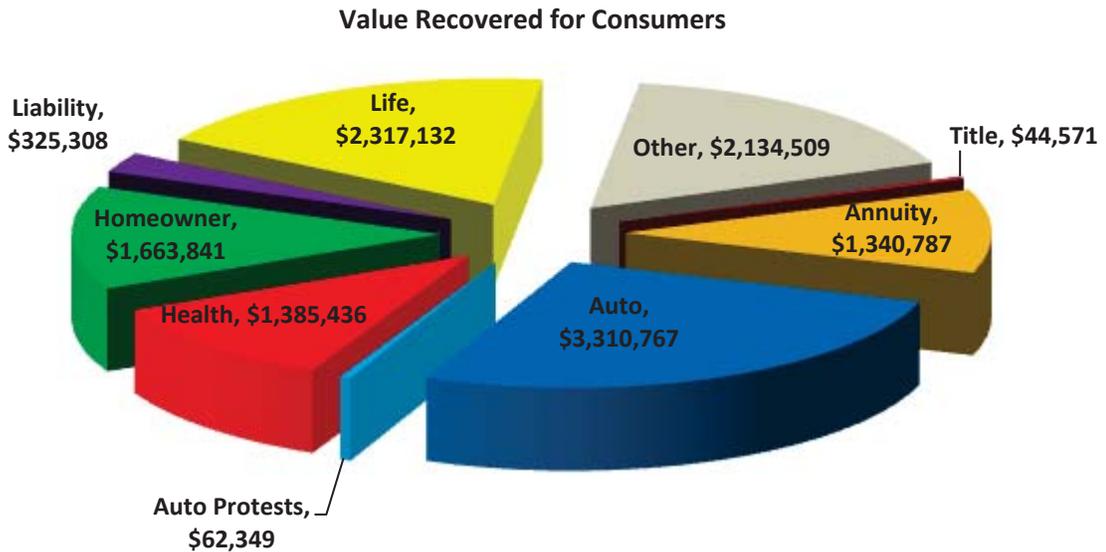
**Percentage of Confirmed Complaints
Fiscal Year 2011-2012**



Recoveries for Consumers

In FY 11-12, the work of the Division’s Consumer Affairs sections resulted in recovered or additional benefits to consumers of more than \$12.5 million. This includes additional claims payments, overturned denials of benefits, reinstatements of coverage and in cancellation of policies with the return of consumers’ money.

By line of insurance, the recoveries in FY 11-12 were:



Comparison of complaints by type of coverage and proportions of total complaints, confirmed complaints and recoveries shows substantial differences between lines of insurance. In FY 11-12, as in many prior years, substantial large dollar recoveries in the life insurance and annuities arenas, despite relatively few numbers of complaints, is the norm. Please note that recoveries in the “Other” category include several substantial dollar recoveries of more than \$100,000 each, mostly on commercial multi-peril or crop insurance policies.

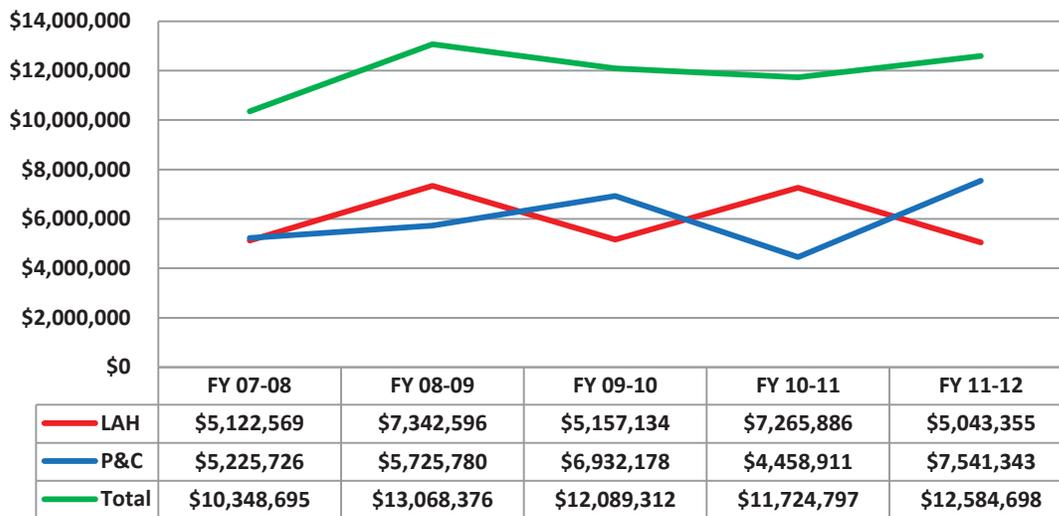
Average Dollar Recoveries by Type of Coverage and Confirmed Status

	% Complaints	% Confirmed	\$ Recovered on Confirmed Complaints	\$ Recovery per Confirmed Complaint
Annuity	1%	79%	\$1,309,307	\$56,926
Auto	25%	40%	\$3,230,123	\$7,654
Auto Protests	25%	25%	\$62,295	\$240
Health	21%	50%	\$1,342,525	\$3,031
Homeowners	18%	32%	\$1,652,661	\$7,063
Liability	1%	45%	\$325,308	\$13,012
Life	4%	70%	\$2,286,257	\$20,055
Title	1%	51%	\$44,571	\$2,229

Please note that the Division recovered \$137,144 for consumers on unconfirmed complaints and inquiries.

In the past five years, the Division’s Consumer Affairs staff has returned almost \$60 million dollars to consumers. Recoveries obtained for consumers by the Division’s Consumer Affairs staff based on complaints have averaged \$11,963,176 over the last five years. In FY 11-12, the total recoveries were slightly up from this average at \$12,584,698.

Division of Insurance Consumer Affairs Recoveries for Consumers



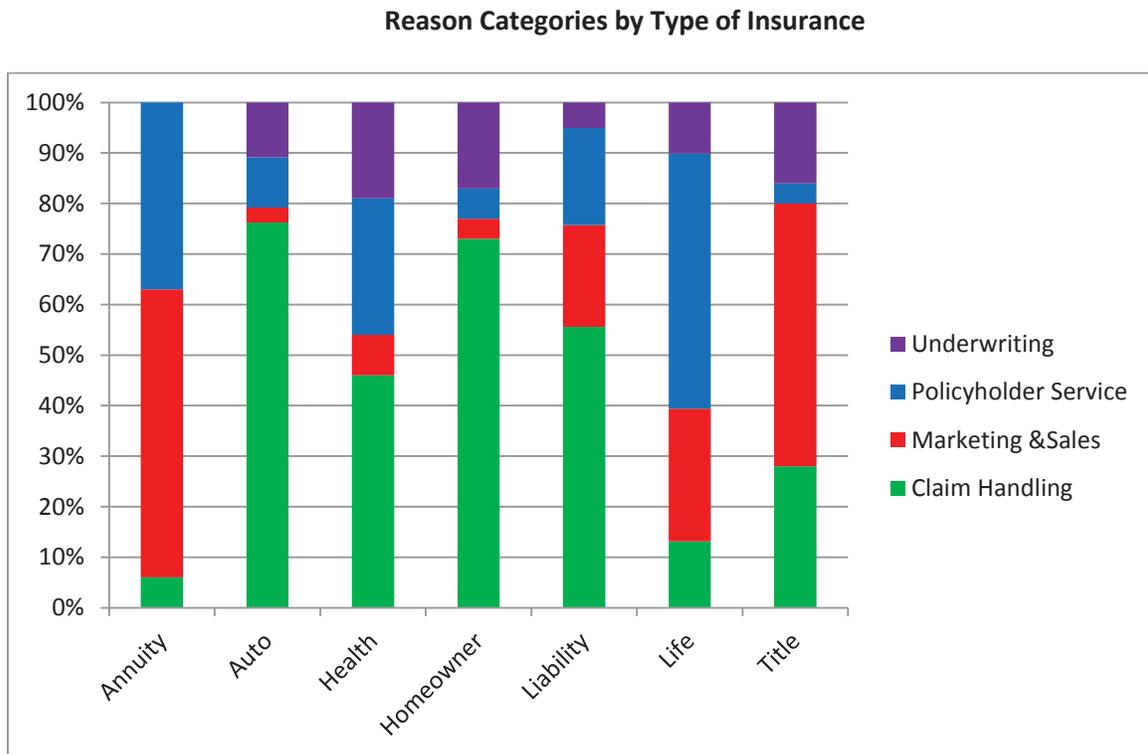
LAH includes all lines of Life and Health insurance, including health, life and annuities.

P&C is Property and Casualty insurance, which includes auto, homeowners, liability and title insurance.

Complaint Reasons By Category and Type of Insurance

The issues or reasons that consumers file complaints against insurers are categorized into four areas of insurance company operations: Claims Handling (CH), Marketing and Sales (MS), Policyholder Services (PS) and Underwriting (UW). The proportion of complaints in any category varies by the type of insurance. For most types of insurance, Claims Handling generates the most complaints. However, for life insurance, Policyholder Services is the most significant source of complaints. For annuities, Marketing and Sales takes over from Claims Handling as the largest category of complaint reasons.

The following chart shows the breakdown by type of insurance for the four reason categories:



As noted previously, the most frequent complaint reasons overall are in Claim Handling, and are half or more of the total reasons for auto, homeowner, and liability. For annuity and life insurance, Marketing and Sales issues are the primary complaint reasons followed by Policyholder Service. For health, homeowners, and title coverage, Underwriting is a complaint reason for close to one-fifth of the complaints.

Annuities

FAST FACTS – ANNUITIES

- **Total Colorado Premiums in 2011** **\$5.1 B**
- **Number of Carriers Comprising 90% of Market** **33 Ind./10 Group**
- **Number of Closed Complaints in FY 2011-12** **29**
- **Percent of Confirmed Complaints** **79%**
- **Dollars Recovered for Consumers** **\$1,340,787**

*Includes only individual annuities, not group.

An annuity is a contract in which an insurance company makes a series of payments at regular intervals in return for a premium or premiums paid to the insurance company. Life insurance companies sell most annuity contracts. Consumers often purchase annuities for future retirement income.

While an annuity can be written based on a single premium or regular premium payments over several years, once a consumer chooses to annuitize, or take payments out, that decision cannot be changed. Electing to annuitize a contract means no longer being able to change the terms of the payments to the consumer. Consumers no longer have access to money they paid to the insurance company outside of the payment plan elected when they annuitize.

According to the 2011 Colorado Insurance Industry Statistical Report, by premium volume, 77 percent of annuities sold to Coloradans are individual annuities. Group annuities in Colorado are 23 percent. The majority of annuity complaints are about individual annuities at 93 percent, while group annuity complaints represent 7 percent of the total.

For purposes of complaint analysis, individual and group annuities are combined. The following table shows the reasons logged on annuity complaints for FY 11-12, and the four prior fiscal years.

Top Annuity Complaint Reasons

		FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
1.	Misrepresentation (MS)	31%	20%	19%	23%	20%
2.	Suitability (MS)	24%	18%	17%	14%	16%
3.	Agent Handling (MS)	3%	10%	4%	6%	12%
4.	Other (PS)	6%	2%	5%	3%	10%
5.	Information Requested (PS)	*	6%	2%	14%	6%
	Surrender Problems (PS)	*	*	*	*	6%
6.	Claim Delay (CH)	*	*	*	3%	4%
	Cash Value (PS)	*	*	*	*	4%
7.	Delays/No Response (PS)	6%	10%	7%	6%	2%
	Premium Refund (PS)	2%	2%	6%	3%	2%
	Misleading Advertising (MS)	*	*	4%	9%	2%
	Other (CH)	*	*	*	*	2%
	Churning (MS)	*	*	*	*	2%
	Misappropriation of Premium (MS)	*	*	*	*	2%
	Replacement (MS)	*	*	*	*	2%
	1035 Exchange (PS)	*	*	*	*	2%
	Company/Agent Dispute (PS)	*	*	*	*	2%

7.	(cont.)	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
	Coverage Question (PS)	*	*	*	*	2%
	PERCENT OF TOTAL REASONS	72%	68%	64%	81%	98%

Note: Color signifies the functional area the reason falls under: Underwriting, Claims Handling, Policyholder Services, Marketing and Sales. (*) denotes a reason that was not included in that year's top reasons. Totals may not total to 100% due to rounding.

Several of the complaint reasons for annuities involve insurance producer (agent or broker) actions. Misrepresentation complaints often involve failure to disclose, or adequately explain, surrender charges for cancelling a policy. Suitability complaints usually contain concerns about consumers' understanding of the product they are being sold and whether it is appropriate for their needs and goals. Complaints in the Policyholder Services area concern company and producer business practices. While among the smallest overall number of complaints, annuities have the highest rate of confirmed complaints at 79 percent. While annuity complaints may be few at only 29 (though several had multiple complaint reasons), the confirmed rate is high and the dollars recovered for consumers is also quite high. Consequently, the Division has modified several regulations on annuities to address common concerns of consumers when they have purchased an annuity and has looked at several annuity companies through market conduct exams to correct these concerns.

Annuity Complaint Reports

Each year the Division publishes complaint ratios and indices based on insurance companies' market share, premium, total complaints and confirmed complaints. The full standard and interactive reports can be found on the Division's website at askdora.colorado.gov; click on Division of Insurance, then on Consumer Assistance" and then on "Complaint Index & Ratio Information."

The consumer complaint ratio illustrates how some companies generate more complaints per \$1 million of premium than others. The ratio provides helpful information to consumers interested in evaluating their insurance companies and/or health carriers, and to state regulators in identifying companies requiring closer review.

The column entitled "Complaint Index" provides a calculation of the number of a specific company's complaints compared to the industry average. The index is calculated by dividing a company's share of complaints by its share of premium. An index higher than 1.0 indicates that a company's complaint counts are higher than average, and an index lower than 1.0 indicates that a company's complaint counts are lower (better) than average. An index of 0.0 (zero) indicates that no complaints were received for the company, which is always better than average.

A company's complaint index is generally considered to be more informative than the complaint ratio, because it adds at-a-glance information indicating how each company compares to the rest of the marketplace. Consumers are cautioned against relying **only** on the Complaint Ratio and/or the Complaint Index when evaluating companies. Premiums, benefits, financial condition, and level of service should all be considered.

In the chart below, the complaint ratios and indices for the top twenty largest (by premium volume) companies writing annuities in Colorado are listed. Please note that this information is calculated on a calendar year basis.

**Complaint Ratios and Indices – 2011
Top Twenty Annuity Companies**

Company Name	Industry Group	Market Share	Premium (\$Millions)	Total Complaints	Confirmed Complaints	Complaint Ratio	Complaint Index
Great-West Life & Annuity Insurance Company	Great West Life Assurance	8.15%	\$499.92M	0	0	0.00	0.00
Pacific Life & Annuity Company	Pacific Life Insurance Company	6.85%	\$420.23M	0	0	0.00	0.00
MetLife Investors USA Insurance Company (MetLife)	Metropolitan Group	6.43%	\$394.51M	0	0	0.00	0.00
Jackson National Life Insurance Company	Jackson National Group	6.17%	\$378.47M	0	0	0.00	0.00
Pruco Life Insurance Company	Prudential Of America	5.79%	\$355.36M	0	0	0.00	0.00
Lincoln National Life Insurance Company, The	Lincoln National	4.47%	\$274.48M	0	0	0.00	0.00
Massachusetts Mutual Life Insurance Company	Mass Mutual Life Ins Company	4.40%	\$269.79M	0	0	0.00	0.00
John Hancock Life Insurance Company (U.S.A.)	John Hancock Group	3.65%	\$223.80M	0	0	0.00	0.00
Transamerica Life Insurance Company	Aegon US Holding Group	3.15%	\$193.18M	1	1	0.01	1.38
Allianz Life Insurance Company of North America	Allianz Ins Group	3.02%	\$185.00M	1	1	0.01	1.44
Prudential Insurance Company of America, The	Prudential Of America	3.00%	\$183.99M	0	0	0.00	0.00
Nationwide Life Insurance Company	Nationwide Corp	2.84%	\$174.12M	0	0	0.00	0.00
Teachers Insurance and Annuity Association of America	TIAA Family Of Companies	2.80%	\$171.70M	1	1	0.01	1.55
American Equity Investment Life Insurance Company	American Equity Investment Group	2.59%	\$159.04M	2	2	0.01	3.35

Company Name	Industry Group	Market Share	Premium (\$Millions)	Total Complaints	Confirmed Complaints	Complaint Ratio	Complaint Index
AXA Equitable Life Insurance Company	Axa Insurance Group	2.31%	\$141.47M	1	1	0.01	1.89
Aviva Life and Annuity Company	Amerus Group	2.03%	\$124.45M	1	1	0.01	2.14
New York Life Insurance and Annuity Corporation	New York Life Group	1.79%	\$109.82M	0	0	0.00	0.00
Metropolitan Life Insurance Company (MetLife)	Metropolitan Group	1.72%	\$105.21M	1	1	0.01	2.53
Variable Annuity Life Insurance Company, The (AIG)	American International Group	1.63%	\$99.75M	0	0	0.00	0.00
American United Life Insurance Company	OneAmerica Financial Partners Group	1.34%	\$82.40M	0	0	0.00	0.00

Auto Insurance Complaints

FAST FACTS – AUTO (excluding protests)

• Total Colorado Premiums in 2011	\$2.7 B
• Number of Carriers Comprising 90% of Market	40
• Number of Closed Complaints in FY 2011-12	1,051
• Percent of Confirmed Complaints	40%
• Dollars Recovered for Consumers	\$3,310,767

Auto insurance complaints are the single highest volume of complaints received by the Division. Of auto complaints, more than 94 percent involve private passenger auto coverage, four percent concern commercial auto, with the remainder spread among motorcycle, motor homes/recreational and motor sport vehicles. Almost all auto protests are private passenger auto.⁴

Complaints often involve more than one issue and the major issues are categorized by the area of concern and the reason it was raised. The following table shows top reasons for combined auto complaints and protests for FY 11-12 and as compared to previous years.

Top Ten Combined Auto Complaint and Protest Reasons

		FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
1.	Premium and Rating (UW)	32%	36%	33%	33%	31%
2.	Surcharge (UW)	30%	15%	21%	22%	22%
3.	Denial of Claim (CH)	7%	5%	5%	6%	8%
4.	Delay (CH)	9%	6%	6%	6%	7%
5.	Credit Scoring (UW)	*	11%	8%	8%	7%
6.	Unsatisfactory Settlement Offer (CH)	7%	4%	4%	4%	4%
7.	Non-renewal (UW)	3%	3%	3%	3%	2%
8.	Comparative Negligence (CH)	*	*	*	*	2%
9.	Adjuster Handling (CH)	*	*	*	*	2%
10.	Liability Dispute – Property Damage (CH)	*	*	1%	2%	2%
	PERCENT OF TOTAL REASONS	88%	80%	33%	88%	87%

Note: Color signifies the functional area the reason falls under: Underwriting, Claims Handling, Policyholder Services, Marketing and Sales. Please note the top ten reasons are listed for each year, and an asterisk for a reason in a prior year denotes that the reason was not included in the top ten reasons in that year.

Auto protests, or consumer challenges to auto insurance cancellation, nonrenewal, reduction of coverage or surcharges, are the most frequent types of consumer complaints. Because of the nature of the auto protest process, all the reasons for auto protest complaints are in the underwriting area and show remarkable stability from year to year. In future years, auto protest reasons will be included in the complaint reasons as in the above combined auto and auto protest chart.

⁴ Note that the auto protest process ended in August 2012 and from that time will be handled as auto complaints.

Top Five Auto Protest Reasons

		FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
1.	Premium & Rating (UW)	87%	53%	48%	47%	48%
2.	Surcharge (UW)	*	22%	34%	34%	36%
3.	Credit Scoring (UW)	*	18%	13%	12%	11%
4.	Nonrenewal (UW)	9%	5%	5%	5%	4%
5.	Cancellation (UW)	4%	3%	2%	1%	1%
	PERCENT OF TOTAL REASONS	100%	101%	102%	99%	100%

Note: Color signifies the functional area the reason falls under: Underwriting, Claims Handling, Policyholder Services, Marketing and Sales. May total to more than 100% due to rounding.

Outside of the auto protest process, consumer complaints about auto insurance focus in the claims handling category. Complaints often involve more than one issue, and consequently there are more complaint reasons than total complaints.

Top Ten Auto Complaint Reasons

		FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
1.	Denial of Claim (CH)	15%	14%	14%	17%	20%
2.	Delay (CH)	19%	16%	18%	17%	19%
3.	Unsatisfactory Settlement Offer (CH)	14%	12%	12%	11%	10%
4.	Premium and Rating (UW)	5%	6%	7%	7%	6%
5.	Comparative Negligence (CH)	*	*	*	*	5%
6.	Adjuster Handling (CH)	*	*	*	*	4%
7.	Liability Dispute – Property Damage (CH)	*	*	*	*	4%
8.	Liability Dispute (CH)	*	*	*	*	4%
9.	Premium Notice/Billing (PS)	*	*	*	*	4%
10.	Premium Refund (PS)	*	*	*	*	3%
	PERCENT OF TOTAL REASONS	53%	48%	51%	52%	79%

Note: Color signifies the functional area the reason falls under: Underwriting, Claims Handling, Policyholder Services, Marketing and Sales. Please note the top ten reasons are listed for each year, and an asterisk for a reason in a prior year denotes that the reason was not included in the top ten reasons in that year.

When investigating complaints against insurance companies, the Division cannot make determinations in individual cases as to liability disputes and comparative negligence other than to ensure that the insurance company has performed a reasonable investigation and has followed its claims handling procedures. Determination of liability and the application of comparative negligence ultimately require a judicial determination when disputed.

Auto Complaint Reports

Each year the Division publishes complaint ratios and indices based on insurance companies' market share, premium, total complaints and confirmed complaints. The full standard and interactive reports can be found on the Division's website at askdora.colorado.gov, click on "Division of Insurance," then on "Consumer Assistance," and then on "Complaint Index & Ratio Information."

The consumer Complaint Ratio illustrates how some companies generate more complaints per \$1 million of premium than other companies. The ratio provides helpful information to consumers interested in evaluating their insurance companies and/or health carriers, and to

state regulators in identifying companies requiring closer review. For the auto reports, private passenger automobile protests are included in the number of complaints.

The column entitled Complaint Index provides a calculation of the number of a specific company's complaints compared to the industry average. The index is calculated by dividing a company's share of complaints by its share of premium. An index higher than 1.0 indicates that a company's complaint counts are higher than average, and an index lower than 1.0 indicates that a company's complaint counts are lower (better) than average. An index of 0.0 (zero) indicates that no complaints were received for the company, which is always better than average.

A company's complaint index is generally considered to be more informative than the complaint ratio, because it adds at-a-glance information indicating how each insurer compares to the rest of the marketplace. Consumers are cautioned against relying **only** on the Complaint Ratio and/or the Complaint Index when evaluating companies. Premiums, benefits, financial condition, and level of service should all be considered.

In the chart following, the complaint ratios and indices for the top twenty largest (by premium volume) auto carriers in Colorado are listed. Please note that this information is calculated on a calendar year basis.

Complaint Ratios and Indices - 2011 Top Twenty Auto Carriers

Company Name	Industry Group	Market Share	Premium (\$Millions)	Total Complaints	Confirmed Complaints	Complaint Ratio	Complaint Index
State Farm Mutual Automobile Insurance Company	State Farm Group	18.46%	\$510.80M	147	57	0.29	0.38
Farmers Insurance Exchange (Farmers)	Zurich Ins Group	9.74%	\$269.54M	192	72	0.71	0.94
American Family Mutual Insurance Company	American Family Ins Group	7.52%	\$208.20M	179	56	0.86	1.14
Progressive Direct Insurance Company (Halcyon)	Progressive Group	5.37%	\$148.59M	145	21	0.98	1.29
Progressive Preferred Insurance Company	Progressive Group	4.21%	\$116.46M	96	18	0.82	1.09
Allstate Fire and Casualty Insurance Company	Allstate Ins Group	3.82%	\$105.57M	78	18	0.74	0.98

Company Name	Industry Group	Market Share	Premium (\$Millions)	Total Complaints	Confirmed Complaints	Complaint Ratio	Complaint Index
United Services Automobile Association (USAA)	United Services Automobile Assn Group	3.81%	\$105.37M	62	20	0.59	0.78
Geico Casualty Company (GEICO)	Berkshire Hathaway	3.30%	\$91.22M	43	13	0.47	0.62
USAA Casualty Insurance Company (USAA)	United Services Automobile Assn Group	3.23%	\$89.38M	57	24	0.64	0.85
Safeco Insurance Company of America	Safeco Ins Group	2.37%	\$65.67M	70	23	1.07	1.41
Bristol West Insurance Company	Bristol West Ins Group	2.25%	\$62.39M	49	24	0.79	1.04
GEICO General Insurance Company (GEICO)	Berkshire Hathaway	1.87%	\$51.70M	38	12	0.74	0.97
Allstate Insurance Company	Allstate Ins Group	1.85%	\$51.25M	17	14	0.33	0.44
Travelers Home and Marine Insurance Company, The	St Paul Travelers Group	1.60%	\$44.37M	48	11	1.08	1.43
Liberty Mutual Fire Insurance Company (Liberty Mutual)	Liberty Mutual Group	1.43%	\$39.65M	45	18	1.13	1.50
Viking Insurance Company of Wisconsin	Sentry Ins Group	1.38%	\$38.10M	44	19	1.15	1.53
Allstate Property and Casualty Insurance Company	Allstate Ins Group	1.35%	\$37.32M	54	10	1.45	1.92
American Standard Insurance Company of Wisconsin	American Family Ins Group	1.09%	\$30.15M	17	10	0.56	0.75
GEICO Indemnity Company (GEICO)	Berkshire Hathaway	1.08%	\$29.81M	14	2	0.47	0.62
State Farm Fire and Casualty Company	State Farm Group	1.00%	\$27.62M	21	4	0.76	1.01

Health Insurance

FAST FACTS – HEALTH

• Total Colorado Premiums in 2011	\$10.3 B
• Number of Carriers Comprising 90% of Market	32
• Number of Closed Complaints in FY 2011-12	888
• Percent of Confirmed Complaints	50%
• Amount of Dollars Recovered for Consumers	\$1,385,436

It is important to note that the Division regulates only a portion of Coloradans' health coverage. As reported in the 2011 Annual Report on Health Care Costs⁵ published by the Division, approximately 58 percent of Coloradans get their health coverage through their (or a family member's) employer. Of this, 36 percent of the coverage is through employer self-funded health plans not regulated by Colorado but subject to federal law. Another 13 percent of Coloradans have coverage purchased in the individual insurance market. Approximately 28 percent of Coloradans have health coverage through government programs including Medicare, Medicaid, the Child Health Plus program, or CoverColorado and Getting US Covered (the state's high-risk plans).

Despite the Division's jurisdiction being limited to only a portion of the health coverage marketplace, health insurance complaints within the Division's purview comprise about 21 percent of the complaints lodged with the Division. Of the broad category of health insurance complaints submitted to the Division in FY 11-12, 34 percent concern group insurance, and 65 percent involve health insurance in the individual marketplace. Dental insurance coverage logged 15 complaints, and long-term care insurance had 111 complaints.

For health insurance, the top complaint reasons this year and during the past four years have been:

Top Ten Health Complaint Reasons

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
1. Denial of Claim (CH)	21%	26%	24%	25%	20%
2. Premium & Rating (UW)	7%	6%	10%	15%	14%
3. Premium Notice & Billing (PS)	2%	7%	10%	12%	9%
4. Claim Delay (CH)	17%	13%	10%	9%	9%
5. Coverage Question (PS)	5%	5%	5%	4%	4%
6. Premium Refund (PS)	3%	2%	5%	2%	4%
7. Delays/No Response (PS)	*	*	*	*	3%
8. Misrepresentation (MS)	*	*	*	3%	3%
9. Unsatisfactory Settlement Offer (CH)	5%	3%	3%	2%	3%
10. Other (CH)	5%	3%	2%	2%	2%
PERCENT OF TOTAL REASONS	65%	65%	69%	74%	71%

Note: Color signifies the functional area the reason falls under: Underwriting, Claims Handling, Policyholder Services, Marketing and Sales. Please note the top ten reasons are listed for the most recent year.

⁵ This report can be found at <http://www.dora.state.co.us/insurance/rtfo/health%20costs/HealthCostReport.htm>.

There is wide variety in types of health insurance products, i.e. Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs), High Deductible Health Plans (HDHPs), etc., in the Colorado health insurance marketplace. With this variety, there is also a wide array of health conditions, services and providers covered by the various policy types outside what is mandated to be covered under state law. Section 10-16-104, C.R.S., contains the majority of benefits where coverage is required by Colorado health insurance plans.

With a substantial proportion of Coloradans getting their health coverage through a plan not regulated by Colorado – usually an employer self-funded plan, the Division refers many consumers to their employer’s Human Resources office and the U.S. Department of Labor. Federal ERISA⁶ law governs most employer self-funded plans, and the Colorado Division of Insurance does not have jurisdiction to address complaints under these types of plans. Consequently, not reflected in the statistics above is where the Division has referred a consumer with a complaint about an ERISA self-funded plan.

We note that in FY 11-12, Delays/No response in the Policyholder Services area joined the top ten reason list. For a second year, Misrepresentation was the highest Marketing and Sales reason, and the only marketing reason in the top ten. The top three reasons—Denial of Claim, Premium and Rating, and Premium Notice and Billing—were not as big a proportion of complaints as previously noted.

With the enactment and implementation of federal health care reform between 2010 and 2014, the market structure of health coverage is significantly changing. It is likely that there will be a substantial shift in the reasons for consumer complaints about their health coverage as this change occurs. This will likely mean that comparing complaint reason trends over this time period and into the next couple of years will not provide a useful analysis.

Health Complaint Reports

Each year the Division publishes complaint ratios and indices based on health insurance carriers’ market share, premium, total complaints and confirmed complaints. The full standard and interactive reports can be found on the Division’s website at askdora.colorado.gov, click on “Division of Insurance,” then on “Consumer Assistance” and then on “Complaint Index & Ratio Information.”

The consumer Complaint Ratio illustrates how some carriers generate more complaints per \$1 million of premium than others. The ratio provides helpful information to consumers interested in evaluating their insurance carriers, and to State regulators in targeting companies requiring closer review.

The column entitled Complaint Index provides a calculation of the number of a specific carrier’s complaints compared to the industry average. The index is calculated by dividing a company’s share of complaints by its share of premium. An index higher than 1.0 indicates that a company’s complaint counts are higher than average, and an index lower than 1.0 indicates that a company’s complaint counts are lower (better) than average. An index of 0.0 (zero) indicates that no complaints were received for the company, which is always better than average.

⁶ An ERISA health plan that is self-funded is one where the employer provides the funds for health care benefits and determines benefit levels. ERISA stands for the federal Employee Retirement Income Security Act which covers a wide range of employee benefits, including health coverage.

A company's complaint index is generally considered to be more informative than the complaint ratio, because it adds at-a-glance information indicating how each insurer compares to the rest of the marketplace. Consumers are cautioned against relying **only** on the Complaint Ratio and/or the Complaint Index when evaluating companies. Premiums, benefits, financial condition, and level of service should all be considered.

In the chart following, the complaint ratios and indices for the top twenty largest (by premium volume) health carriers in Colorado are listed. Please note that this information is calculated on a calendar year basis.

Complaint Ratios and Indices - 2011
Top Twenty Health Carriers -- Includes HMO, Accident, Dental and Long-Term Care

Company Name	Industry Group	Market Share	Premium (\$Millions)	Total Complaints	Confirmed Complaints	Complaint Ratio	Complaint Index
Kaiser Foundation Health Plan of Colorado	Kaiser Foundation	21.72%	\$1644.92M	94	51	0.06	0.48
UnitedHealthcare Insurance Company (United Healthcare)	UnitedHealth Group	14.39%	\$1089.53M	82	44	0.08	0.63
Rocky Mountain Hospital and Medical Service, Inc. (Anthem Blue Cross and Blue Shield)	Wellpoint Group	11.02%	\$834.39M	195	65	0.23	1.96
Connecticut General Life Insurance Company	Cigna Health Group	4.11%	\$311.51M	21	10	0.07	0.56
Humana Insurance Company	Humana Inc	3.35%	\$253.43M	74	37	0.29	2.45
Aetna Life Insurance Company	Aetna	2.78%	\$210.41M	84	32	0.40	3.34
Rocky Mountain Healthcare Options, Inc. (HealthCare Options, Inc.)	Rocky Mountain Health Plans	2.11%	\$159.86M	29	11	0.18	1.52
HMO Colorado, Inc. (HMO Blue)	Wellpoint Group	1.80%	\$136.02M	4	1	0.03	0.25
Colorado Dental Service, Inc.		1.69%	\$128.26M	5	4	0.04	0.33
Rocky Mountain Health Maintenance Organization, Inc.	Rocky Mountain Health Plans	1.63%	\$123.27M	8	1	0.06	0.54
Metropolitan Life Insurance Company (MetLife)	Metropolitan Group	1.23%	\$93.24M	0	0	0.00	0.00

Company Name	Industry Group	Market Share	Premium (\$Millions)	Total Complaints	Confirmed Complaints	Complaint Ratio	Complaint Index
Aetna Health, Inc.	Aetna	1.07%	\$81.34M	3	1	0.04	0.31
Time Insurance Company (Assurant Health)	Assurant Group	1.03%	\$77.70M	43	17	0.55	4.64
Golden Rule Insurance Company (United Healthcare)	UnitedHealth Group	0.87%	\$66.08M	40	14	0.61	5.07
Colorado Access		0.78%	\$58.80M	0	0	0.00	0.00
American Family Life Assurance Company of Columbus (AFLAC)	American Family Group	0.73%	\$55.10M	2	0	0.04	0.30
Denver Health Medical Plan, Inc.		0.73%	\$55.37M	0	0	0.00	0.00
Hartford Life and Accident Insurance Company	Hartford Fire & Casualty Group	0.66%	\$50.25M	2	2	0.04	0.33
Humana Health Plan, Inc.	Humana Inc	0.65%	\$48.96M	2	2	0.04	0.34
Genworth Life Insurance Company	GE Global Group	0.59%	\$44.39M	4	4	0.09	0.75

It should also be noted that Aetna left the Colorado individual and small group markets during 2010 and 2011. There is a twelve to eighteen-month transition period from the time the Division and policyholders are notified that a company is withdrawing from a market segment during which consumers may still be covered by the carrier. The Division has continued to receive complaints from Aetna consumers in this situation and will continue to receive complaints until they transition off the coverage provided by Aetna.

Homeowners' Insurance

FAST FACTS – Homeowners

• Total Colorado Premiums in 2011	\$1.4 B
• Number of Carriers Comprising 90% of Market	35
• Number of Closed Complaints in FY 2011-12	727
• Percent of Confirmed Complaints	32%
• Amount of Dollars Recovered for Consumers	\$1,663,841

Ninety-three percent of complaints filed with the Division on homeowners' insurance involve regular homeowners' coverage, four percent for rental, and one percent for condo/townhouse coverage. In September 2010, a wildfire outside of Boulder, Colorado destroyed approximately 150 residences. In June 2012, another wildfire in the mountainous area west of Fort Collins (the High Park fire) and a flash fire in Estes Park (the Woodland Heights fire) in Larimer County, together destroyed almost 300 homes. Just before the High Park fire in the Larimer County mountains was fully contained, the Waldo Canyon fire in Colorado Springs erupted and ultimately destroyed almost 350 homes. The Division staffed Disaster Recovery Centers and attended several town meetings in Fort Collins, Estes Park and Colorado Springs.

The Division developed a Natural Disaster Recovery kit and published a variety of resources and information for consumers to use when faced with a natural disaster. This information is available on the Division's website at: Askdora.colorado.gov; click on "Division of Insurance," then on "Consumer Information" and then on "Disasters, Severe Weather and Insurance Claims." While the fires in June 2012 did not generate many consumer complaints within the time covered by this report, the Division expects that homeowners' insurance complaints may be higher next year.

Denial of claim continues as the top reason for homeowners' insurance complaints. This is followed by concerns about how insurance companies reach the dollar value of a loss as encompassed by the Unsatisfactory Settlement Offer, Claim Delay, and Adjuster Handling reasons. Premium and Rating, with Premium Notice/Billing and Premium Refund, indicate consumers' concerns about what they are paying and what coverage they are getting. Cancellation and Nonrenewal are consistent consumer concerns across the years.

For FY 11-12, homeowners' complaint reasons to the Division were:

Top Ten Homeowners' Complaint Reasons

		FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
1.	Denial of claim (CH)	24%	18%	25%	26%	29%
2.	Unsatisfactory Settlement Offer (CH)	11%	15%	16%	19%	18%
3.	Claim Delay (CH)	15%	11%	9%	10%	10%
4.	Premium & Rating (UW)	6%	5%	5%	7%	6%
5.	Adjuster Handling ((CH)	*	14%	6%	8%	6%

		FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
6.	Nonrenewal (UW)	3%	3%	7%	5%	5%
7.	Liability Dispute – Property Damage (CH)	*	*	*	*	4%
8.	Agent Handling (MS)	*	*	*	2%	3%
9.	Cancellation (UW)	5%	4%	4%	2%	3%
10.	Premium Notice/Billing (PS)	*	*	*	*	2%
	Premium Refund (PS)	*	*	*	*	2%
	PERCENT OF TOTAL REASONS	64%	70%	72%	79%	88%

Note: Color signifies the functional area the reason falls under: Underwriting, Claims Handling, Policyholder Services, Marketing and Sales. Please note the top ten reasons are listed for each year, and an asterisk for a reason in a prior year denotes that the reason was not included in the top ten reasons in that year.

Homeowners' Complaint Reports

Complaint ratios and indices based on homeowners' carriers' market share, premium, total complaints and confirmed complaints are listed below. As for other lines of insurance, the full standard and interactive reports can be found on the Division's website at askdora.colorado.gov, click on "Division of Insurance," then on "Consumer Assistance", and then on "Complaint Index & Ratio Information."

Complaint Ratios illustrate how some carriers generate more complaints per \$1 million of premium than others. The ratio provides helpful information to consumers interested in evaluating their insurance carriers, and to State regulators in targeting companies requiring closer review. Complaint Indices provides a calculation of the number of a specific carrier's complaints compared to the industry average. Calculated by dividing a company's share of complaints by its share of premium, an index higher than 1.0 indicates that a company's complaint counts are higher than average, and an index lower than 1.0 indicates that a company's complaint counts are lower (better) than average.

Consumers should not rely **only** on the Complaint Ratio and/or the Complaint Index when evaluating companies. Other things to be considered include: premiums, benefits, carriers' financial condition, and level of service.

Complaint Ratio and Indices – 2011 Top Twenty Homeowners' Insurers

Company Name	Industry Group	Market Share	Premium (\$Millions)	Total Complaints	Confirmed Complaints	Complaint Ratio	Complaint Index
State Farm Fire and Casualty Company	State Farm	22.70%	\$336.56M	80	21	0.24	0.48
American Family Mutual Insurance Company	American Family Ins Group	10.28%	\$152.45M	111	28	0.73	1.47
Fire Insurance Exchange (Farmers)	Zurich Ins Group	6.05%	\$89.68M	64	11	0.71	1.44
Farmers Insurance Exchange (Farmers)	Zurich Ins Group	6.02%	\$89.20M	55	16	0.62	1.24

Company Name	Industry Group	Market Share	Premium (\$Millions)	Total Complaints	Confirmed Complaints	Complaint Ratio	Complaint Index
United Services Automobile Association (USAA)	United Services Automobile Assn. Group	4.18%	\$61.98M	9	4	0.15	0.29
Allstate Fire and Casualty Insurance Company	Allstate Ins Group	3.26%	\$48.38M	32	10	0.66	1.33
USAA Casualty Insurance Company (USAA)	United Services Automobile Assn. Group	3.16%	\$46.89M	6	2	0.13	0.26
Travelers Home and Marine Insurance Company, The	St Paul/Travelers Group	3.10%	\$45.95M	22	7	0.48	0.97
Safeco Insurance Company of America	Safeco Ins Group	2.68%	\$39.74M	17	5	0.43	0.86
Allstate Insurance Company	Allstate Ins Group	2.12%	\$31.37M	16	4	0.51	1.03
Great Northern Insurance Company	Chubb & Son Inc	2.07%	\$30.66M	2	1	0.07	0.13
Standard Fire Insurance Company, The	St Paul Travelers Group	1.66%	\$24.57M	4	2	0.16	0.33
Allstate Property and Casualty Insurance Company	Allstate Ins Group	1.55%	\$23.06M	7	3	0.30	0.61
Colorado Farm Bureau Mutual Insurance Co		1.51%	\$22.43M	8	1	0.36	0.72
Property and Casualty Insurance Company of Hartford	Hartford Fire & Casualty Group	1.46%	\$21.68M	16	4	0.74	1.49
Liberty Mutual Fire Insurance Company (Liberty Mutual)	Liberty Mutual Group	1.26%	\$18.68M	9	4	0.48	0.97
Country Mutual Insurance Company	Country Ins & Financial Services Group	1.14%	\$16.87M	15	6	0.89	1.79
Allstate Indemnity Company	Allstate Ins Group	1.06%	\$15.76M	12	5	0.76	1.54
Homesite Indemnity Company	Homesite Ins Group	1.05%	\$15.59M	23	16	1.48	2.98

Company Name	Industry Group	Market Share	Premium (\$Millions)	Total Complaints	Confirmed Complaints	Complaint Ratio	Complaint Index
American National Property and Casualty Company	American National Financial Group	1.04%	\$15.42M	10	1	0.65	1.31
Shelter Mutual Insurance Company	Shelter Ins Group	1.02%	\$15.17M	14	4	0.92	1.86

Liability Insurance

FAST FACTS – Liability

- Total Colorado Premiums in 2011 \$219 M
- Number of Carriers Comprising 90% of Market 20 Med.Mal./148 Other
- Number of Closed Complaints in FY 2011-12 56
- Percent of Confirmed Complaints 45%
- Amount of Dollars Recovered for Consumers \$325,308

Under the liability type of insurance coverage, 79 percent of the complaints involve general liability, while 11 percent were specific to professional errors and omissions coverage including medical, legal, accounting and other professional malpractice coverages.

Top Liability Complaint Reasons

		FY 08-09	FY 09-10	FY 10-11	FY 11-12
1.	Denial of Claim (CH)	21%	22%	26%	23%
2.	Delay (CH)	15%	15%	9%	11%
	Agent Handling (MS)	2%	4%	9%	11%
3.	Adjuster Not Responding (CH)	2%	5%	4%	7%
	Unsatisfactory Settlement Offer (CH)	7%	6%	6%	7%
	Misappropriation of Premium (MS)	*	*	*	7%
4.	Premium Refund (PS)	*	*	3%	5%
5.	Premium & Rating (UW)	10%	12%	8%	4%
	Company/Agent Dispute (PS)	*	*	*	4%
	Coverage Question (PS)	*	*	*	4%
6.	Adjuster Handling (CH)	*	*	*	3%
	Liability Dispute (CH)	5%	3%	3%	3%
	Liability Dispute- Bodily Injury (CH)	*	*	*	3%
	Information Requested (PS)	*	*	*	3%
	Premium Notice & Billing (PS)	4%	2%	5%	3%
	PERCENT OF TOTAL REASONS	66%	69%	73%	98%

Note: Color signifies the functional area the reason falls under: Underwriting, Claims Handling, Policyholder Services, Marketing and Sales. Please note the top ten reasons are listed for each year, and an asterisk for a reason in a prior year denotes that the reason was not included in the top ten that year.

Denial and delay of claims comprised more than a third of the complaints for liability insurance. As for other types of insurance, the Division cannot make determinations in individual cases as to whether an insured is liable for another party's damages. The Division reviews the insurance company's claim handling to ensure it has performed a reasonable investigation and has followed its claims handling procedures. Determination of liability and application of negligence ultimately require a judicial determination when disputed. Much of the value of liability insurance coverage is for providing coverage for defense attorney and trial expenses, and in covering a civil judgment entered against an insured.

Complaint ratios and indices are not prepared for liability insurance because the total number of complaints for this line of insurance is so small (2% of total complaints) that these are not particularly useful tools for consumers in choosing liability insurance coverage.

Life Insurance

FAST FACTS – Life

• Total Colorado Premiums in 2011	\$1.6 B*
• Number of Carriers Comprising 90% of Market	74*
• Number of Closed Complaints in FY 2011-12	163
• Percent of Confirmed Complaints	70%
• Amount of Dollars Recovered for Consumers	\$2,317,132

*Includes only individual life, not group.

The primary purpose of life insurance is to provide for dependents should the family provider die. However, there are differences in types of insurance that allow different benefits and risks.

The three main categories of life insurance are term life, whole life, and universal life, although there are options within each category.

Term life insurance is the simplest and least expensive type of policy, with no cash value. A term life policy has only one function: to pay a specific lump sum to the beneficiary that has been designated, upon a specific event: the death of the insured person. The death benefit and the policy limit are the same — for example, a \$200,000 policy pays a \$200,000 death benefit. The policy protects the insured's family by providing money to replace their salary, income or other financial contributions, as well as covering final expenses incurred at death. If the insured person is still alive at the end of the term, money is not refunded

Whole life insurance is designed to provide protection for dependents while building cash value. The policy pays a death benefit if the insured person dies. However, there is also a savings component (called cash value), which builds over time. In addition to paying a death benefit, a whole life policy allows accumulation of cash value that the policy owner receives if the policy is surrendered. The premium is fixed and won't increase during the lifetime of the insured person as long as premiums are paid as agreed, for the entire time the policy is in force. The policy pays upon the death of the insured or when the insured person reaches a specific age stated in the policy. Whole life policies cost more than term insurance, but have the benefit that the policy builds cash value.

Universal life insurance gives the policyholder more control over premiums, provides permanent protection for dependents and is more flexible than a whole life policy. It pays a death benefit to the named beneficiary, and allows the ability to accumulate cash value. Generally, a universal life policy provides flexibility by allowing the policy owner to change the death benefit at certain times, or to vary the amount or timing of premium payments.

While life insurance complaints represent only about 4 percent of complaints filed with the Division, they are the area in which the company is second most often found to have violated state law or regulation, or a provision in the insurance policy. With a confirmed complaint rate approaching seven out of every ten complaints, and larger dollar recoveries for consumers at more than \$20,000 per confirmed complaint, life insurance practices are a significant concern for the Division.

Reasons for life insurance complaints, in order of frequency, for FY11-12 and previous years were:

Top Ten Life Insurance Complaint Reasons

		FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
1.	Information Requested (PS)	11%	10%	14%	5%	10%
2.	Misrepresentation (MS)	11%	7%	12%	24%	9%
3.	Premium Refund (PS)	8%	4%	5%	5%	8%
4.	Coverage Question (PS)	*	*	*	*	7%
5.	Premium Notice & Billing (PS)	*	8%	9%	8%	6%
6.	Delay (CH)	*	*	*	*	5%
	Cash Value (PS)	6%	4%	3%	3%	5%
	Delays/No Response (PS)	5%	7%	6%	3%	5%
7.	Agent Handling (MS)	*	4%	6%	13%	4%
8.	Denial of Claim (CH)	*	*	*	*	4%
9.	Premium and Rating (UW)	*	*	*	*	4%
10.	Suitability (MS)	4%	5%	5%	4%	3%
	Surrender Problems (PS)	*	3%	3%	3%	3%
	PERCENT OF TOTAL REASONS	45%	52%	63%	68%	73%

Note: Color signifies the functional area the reason falls under: Underwriting, Claims Handling, Policyholder Services, Marketing and Sales. Please note the top ten reasons for the current year are listed, and an asterisk for a reason in a prior year denotes that the reason was not included in the top ten reasons previously.

Life Insurance Complaint Reports

Complaint ratios and indices based on life insurance carriers' market share, premium, total complaints and confirmed complaints are listed below. As for other lines of insurance, the full standard and interactive reports can be found on the Division's website at askdora.colorado.gov, click on "Division of Insurance," then on "Consumer Assistance" and then on "Complaint Index & Ratio Information."

Complaint Ratios illustrate how some carriers generate more complaints per \$1 million of premium than others. The ratio provides helpful information to consumers interested in evaluating their insurance carriers, and to State regulators in targeting companies requiring closer review. In contrast, complaint indices provide a calculation of the number of a specific carrier's complaints compared to the industry average. They are calculated by dividing a company's share of complaints by its share of premium. An index higher than 1.0 indicates that a company's complaint counts are higher than average, while an index lower than 1.0 indicates that a company's complaint counts are lower (better) than average.

Consumers should not rely **only** on the Complaint Ratio and/or the Complaint Index when evaluating companies. Other things to be considered include: premiums, benefits, carriers' financial condition, and level of service.

**Complaint Ratios and Indices – 2011
Top Twenty Life Insurance Companies**

Company Name	Industry Group	Market Share	Premium (\$Millions)	Total Complaints	Confirmed Complaints	Complaint Ratio	Complaint Index
Northwestern Mutual Life Insurance Company	Northwestern Mutual	8.90%	\$188.48M	1	1	0.01	0.06
New York Life Insurance Company	New York Life Group	4.18%	\$88.49M	2	1	0.02	0.26
Metropolitan Life Insurance Company (MetLife)	Metropolitan Group	4.14%	\$87.76M	5	5	0.06	0.65
Lincoln National Life Insurance Company	Lincoln National	3.67%	\$77.72M	1	0	0.01	0.15
State Farm Life Insurance Company	State Farm	3.63%	\$76.96M	4	2	0.05	0.60
Prudential Insurance Company of America	Prudential Of America	3.52%	\$74.57M	4	1	0.05	0.61
John Hancock Life Insurance Company (U.S.A.)	John Hancock Group	3.30%	\$70.00M	0	0	0.00	0.00
Minnesota Life Insurance Company	Minnesota Mutual	1.97%	\$41.64M	1	0	0.02	0.27
Thrivent Financial for Lutherans	Thrivent Financial For Lutherans	1.96%	\$41.47M	0	0	0.00	0.00
Massachusetts Mutual Life Insurance Company	Mass Mutual Life Ins Co	1.95%	\$41.24M	0	0	0.00	0.00
Transamerica Life Insurance Company	Aegon US Holding Group	1.86%	\$39.31M	6	4	0.15	1.75
Pacific Life Insurance Company	Pacific Life Ins Co	1.81%	\$38.35M	1	0	0.03	0.30
American General Life Insurance Company (AIG)	American International Group	1.77%	\$37.51M	7	2	0.19	2.14
Guardian Life Insurance Company of America	Guardian Life Group	1.68%	\$35.57M	1	1	0.03	0.32
AXA Equitable Life Insurance Company	Axa Ins Group	1.63%	\$34.48M	1	1	0.03	0.33

Company Name	Industry Group	Market Share	Premium (\$Millions)	Total Complaints	Confirmed Complaints	Complaint Ratio	Complaint Index
Farmers New World Life Insurance Company (Farmers)	Zurich Ins Group	1.59%	\$33.70M	1	1	0.03	0.34
ReliaStar Life Insurance Company	ING America Ins Holding Group	1.50%	\$31.80M	2	2	0.06	0.72
Hartford Life and Annuity Insurance Company	Hartford Fire & Casualty Group	1.47%	\$31.04M	5	2	0.16	1.84
Hartford Life and Accident Insurance Company	Hartford Fire & Casualty Group	1.43%	\$30.22M	1	1	0.03	0.38
Life Insurance Company of North America	Cigna Health Group	1.41%	\$29.97M	0	0	0.00	0.00

Title Insurance

FAST FACTS – Title

• Total Colorado Premiums in 2011	\$229 M
• Number of Carriers Comprising 90% of Market	10
• Number of Closed Complaints in FY 2011-12	39
• Percent of Confirmed Complaints	51%
• Amount of Dollars Recovered for Consumers	\$44,571

When a house, building or other property is bought and sold, all the parties involved want to be sure the “title” or transfer of ownership is clear. Title insurance protects the owner and the lender against loss arising from problems connected to the title to the property.

Consumer complaints for title insurance comprise about one percent of the total complaints lodged with the Division. In FY 11-12, for consumer title complaints, the major issues were:

Top Title Insurance Complaint Reasons

		FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
1.	Agent Handling (MS)	*	*	*	10%	22%
2.	Fiduciary (MS)	*	3%	13%	4%	18%
3.	Delay of Claim (CH)	7%	4%	21%	10%	14%
4.	Pre-ownership Underwriting (UW)	*	6%	12%	12%	10%
5.	Denial of Claim (CH)	4%	13%	15%	26%	8%
	Delay (MS)	*	*	*	*	8%
6.	Adjuster Not Responding (CH)	*	*	*	6%	4%
	Delay/No Response (PS)	10%	13%	7%	2%	4%
7.	Adjuster Handling (CH)	*	*	*	6%	2%
	Failure to Place (MS)	*	*	*	*	2%
	Policy Delivery (PS)	*	*	*	2%	2%
	Delay (UW)	*	*	*	*	2%
	Policy Delivery (UW)	*	*	*	*	2%
	Premium & Rating (UW)	*	*	*	*	2%
	PERCENT TOTAL OF REASONS	21%	39%	68%	78%	100%

Note: Color signifies the functional area the reason falls under: Underwriting, Claims Handling, Policyholder Services, Marketing and Sales. Please note the top ten reasons are listed for each year, and an asterisk for a reason in a prior year denotes that the reason was not included in the top ten reasons in that year.

As can be seen from the chart above, the reasons for title complaints are volatile from year to year. Title insurance is a unique line of business, and because of this, the issues raised in title insurance complaints are not as easily categorized into the coding scheme as for other lines of insurance. Five of the reason categories listed in FY 11-12 do not appear in prior years. Compared to five years ago, eleven of the current reasons were not included in the top reasons in FY 06-07.

Because title insurance represents only one percent of complaints filed with the Division, complaint ratios and indices are not prepared for this line of insurance.

2011 Complaint Ratio and Complaint Index Reports

We have included the 2011 Complaint Ratio and Complaint Index reports for the major lines of insurance – annuity, auto, health, homeowners, and life insurance. The complete online and interactive 2011 Complaint Ratio and Complaint Index Reports are available on the Division’s website at askdora.colorado.gov, click on “Division of Insurance,” then on “Consumer Assistance”, and then on “Complaint Index & Ratio Information.”

Consumers can use the Complaint Ratio and Complaint Index reports when looking to compare insurance companies and carriers. The 2011 Complaint Ratio and Index Reports provide consumers with information about the number of complaints and questions lodged against the various insurance companies and health carriers. These reports are provided on a calendar year basis.

Standard reports are available for the major consumer lines noted above and list all carriers with at least five complaints or a market share of at least 0.10 percent.

The interactive reports provide information on the same lines of insurance, but include carriers with fewer than five complaints and less than 0.10 percent market share. These interactive reports permit searches by line of business or company name. The results can be sorted on the web by premium written, market share, total complaints, confirmed complaints, complaint ratio and complaint index, and the results may be downloaded into a spreadsheet.

Additional Consumer Materials

Also available on the Division’s website are a wide variety of information and materials for consumers to use in identifying insurance coverage needs, selecting types of insurance coverage, comparing insurance companies and carriers, some comparative information about insurance premiums, and Tips, Tools, and Frequently Asked Questions (FAQs) on current insurance issues. Please see the Division’s website at askdora.colorado.gov, click on “Division of Insurance,” and then on “Consumer Information.”

A complaint about an insurance company, health carrier or producer may be filed by completing the online complaint form at askdora.colorado.gov; click on “Division of Insurance” and then on “Consumer Assistance.” You can find whether an insurance company or producer (agent or broker) is licensed to conduct business in Colorado by going to the Division website and click on “Find a Licensed Company or Producer”.

About the Division of Insurance

The Colorado Division of Insurance is located in the Colorado Department of Regulatory Agencies (DORA) and is charged with regulation of the state's insurance industry, as well as assisting consumers and other stakeholders with insurance issues.

Division of Insurance staff respond to telephone calls, emails, letters, on-line complaint submissions, and walk-in visits from consumers, providing information and education, and investigating consumer complaints.

The Division performs both market conduct and financial examinations on insurance companies licensed to conduct business in the state. The examinations determine compliance with Colorado insurance laws by identifying violations and ensuring company solvency.

The Division also licenses individual insurance producers (agents and brokers) and insurance agencies. In licensing these professionals, the Division requires pre-licensure education and continuing education and compliance with business competency requirements.

Available from the Division are tips, statistics, comparison guides and other informational/educational materials to help consumers compare companies and options, and make informed decisions about insurance purchases.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado.

Consumer protection is our mission

