

# **2004 Insurance Complaints and Administrative Actions**

**Office of the Commissioner of Insurance  
State of Wisconsin**

The OCI mission:

Leading the way in informing  
and protecting the public and  
responding to their insurance needs.

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## Complaint Information

The Office of the Commissioner of Insurance (OCI) defines a complaint as “a written communication received by the Commissioner’s Office that indicates dissatisfaction with an insurance company or agent.” There are four categories of contacts: direct response, referrals, requests for information and further investigation complaints. Only the further investigation complaints are used to calculate the ratios used in this report. Referrals involve complaints that are regulated by another jurisdiction such as the federal government. Requests for information are general questions about insurance that do not refer to a specific company or agent. Direct response complaints involve questions that OCI can answer directly without contacting the insurer such as whether a company is licensed or a rate has been filed. Listed below is a summary of the types of complaints filed in 2004.

Direct response	2
Further investigation	5,795
Referrals	900
Requests for information	1,241
<b>Total</b>	<b>7,938</b>

Complaints are categorized by both the type of coverage and the reason for the complaint:

### Type of Coverage

Auto	1,049
Property and Casualty	1,644
Accident and Health	3,861
Life and Annuities	799

### Complaint Reasons

Underwriting	1,212
Marketing and Sales	1,368
Claim Handling	6,070
Policyholder Service	1,876
Other	169

### Amounts Recovered for Complainants

2004	\$3,933,212
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**Note:** There may be more than one type of insurance and more than one reason involved in each complaint.

## Administrative Actions

All complaints are investigated to determine if any Wisconsin laws have been violated. In cases of serious violations administrative actions are taken.

The following administrative actions were taken in 2004.

### Companies

Total Number of Actions	76
Forfeitures Demanded	\$293,928

### Agents

Licenses Denied	95
Licenses Revoked	80
Licenses Surrendered	3
Licenses Suspended	6
Total Number of Actions	205
Forfeitures Demanded	\$37,800

## Complaint Summaries

The Complaint Summaries are prepared annually by OCI to provide more information to consumers. The lists include companies with 6 or more complaints received in 2004 in relation to the premiums the company wrote in Wisconsin in 2003. Only companies with an above-average ratio of complaints per \$100,000 of premium volume appear on the list. Complaints against agents are assigned to the company that the agent represents.

After determining that an insurance product is suitable for their needs, consumers should consider the following items before selecting an insurer:

- Cost;
- The company’s reputation for claims payment and customer service; and
- The competence of agents.

The number of complaints about a company is a limited, although useful, measuring device in the insurance selection process.

The number of complaints does not reflect the office's final determination on whether there has been a violation of the law. However, even when complaints do not involve violations of law, they may indicate something about company communications with policyholders, deficiencies in policy design (i.e., "too much fine print"), or agent training. The office receives many complaints that involve factual disputes where, in the absence of a court determination, definitive judgments on the factual dispute and violations of law cannot be made.

Consumers having problems with their insurance should first contact the agent and/or company involved. If they are unable to settle the problem at that level, they are encouraged to contact the Insurance Commissioner's Office.

**For information on how to file an  
insurance complaint call:**

**Telephone Message System  
INSURANCE COMPLAINT HOTLINE**

**1-800-236-8517 (Outside Madison)**

**266-0103 (Madison)**

**or visit the OCI Web site at:  
[oci.wi.gov](http://oci.wi.gov)**



## 2004 Complaint Summary Homeowner's, Farmowner's and Tenant's Insurance

This list is comprised of all companies with a premium volume of at least \$1 million, 6 or more complaints in 2004, and a complaint ratio above the average. The Wisconsin average is .06 complaints/\$100,000 of written premium for all homeowners and tenants business in the state.

Name of Insurance Company	Number of Complaints 2004	Premiums Written 2003	Ratio	Rank 2003*
1. Auto Club Ins. Assoc.	20	\$ 6,696,300	0.30	1
2. Sentry Ins. a Mutual Co.	19	11,153,900	0.17	7
3. Erie Ins. Exchange	8	5,716,700	0.14	NL
4. Foremost Ins. Co.	12	8,669,100	0.14	NL
5. Hawkeye Security Ins. Co.	10	8,433,800	0.12	NL
6. Mt. Morris Mutual Ins. Co.	8	6,954,400	0.12	5
7. Germantown Mutual Ins. Co.	14	13,024,200	0.11	NL
8. Allstate Indemnity Co.	8	7,311,500	0.11	NL
9. Badger Mutual Ins. Co.	10	12,209,700	0.08	13
10. Standard Fire Ins. Co., The	6	7,635,700	0.08	12
11. Cincinnati Ins. Co., The	6	7,103,300	0.08	NL
12. Economy Premier Assurance Co.	6	8,394,000	0.07	NL

\* NL = Not listed in 2003.



## 2004 Complaint Summary Automobile Insurance

This list is comprised of all companies with a premium volume of at least \$1 million, 6 or more complaints in 2004, and a complaint ratio above the average. The Wisconsin average is .04 complaints/\$100,000 of written premium for all automobile business in the state.

Name of Insurance Company	Number of Complaints 2004	Premiums Written 2003	Ratio	Rank 2003*
1. AIU Ins. Co.	11	\$ 3,780,100	0.29	5
2. Alpha Property & Casualty Ins. Co.	16	6,538,600	0.24	9
3. Auto Club Ins. Assoc.	70	31,270,400	0.22	6
4. Founders Ins. Co.	7	3,241,700	0.22	NL
5. Hartford Underwriters Ins. Co.	14	12,658,900	0.11	11
6. Erie Ins. Exchange	12	11,749,700	0.10	NL
7. Liberty Mutual Fire Ins. Co.	15	14,317,100	0.10	NL
8. Sentry Ins. a Mutual Co.	33	33,783,600	0.10	14
9. National General Ins. Co.	8	8,991,000	0.09	1
10. Mid-Century Ins. Co.	9	10,716,200	0.08	16
11. Guaranty National Ins. Co.	9	13,138,700	0.07	17
12. Safeco Ins. Co. of Illinois	12	19,954,200	0.06	19
13. Auto-Owners Ins. Co.	10	16,187,600	0.06	NL
14. Hastings Mutual Ins. Co.	8	12,519,200	0.06	13
15. State Auto Ins. Co. of Wisconsin	13	21,798,200	0.06	NL
16. AMCO Ins. Co.	7	13,894,100	0.05	NL
17. Hawkeye Security Ins. Co.	10	21,374,500	0.05	2

\* NL = Not listed in 2003.



## 2004 Complaint Summary Life and Annuities Insurance

This list is comprised of all companies with a premium volume of at least \$1 million, 6 or more complaints in 2004, and a complaint ratio above the average. The Wisconsin average is .01 complaints/\$100,000 of written premium for all life and annuities business in the state.

Name of Insurance Company	Number of Complaints 2004	Premiums Written 2003	Ratio	Rank 2003*
1. Consec Life Ins. Co.	18	\$ 5,909,200	0.30	3
2. Globe Life & Accident Ins. Co.	15	5,435,400	0.28	4
3. Stonebridge Life Ins. Co.	11	4,453,800	0.25	5
4. Provident Life & Accident Ins. Co.	7	3,916,500	0.18	NL
5. Reassure America Life Ins. Co.	11	5,969,500	0.18	NL
6. American Income Life Ins. Co.	9	10,289,000	0.09	7
7. Pennsylvania Life Ins. Co.	9	16,231,400	0.06	8
8. Bankers Life and Casualty Co.	16	39,276,900	0.04	6
9. American General Life Ins. Co.	20	46,344,900	0.04	9
10. Primerica Life Ins. Co.	9	20,469,000	0.04	10
11. Amerus Life Ins. Co.	11	38,621,200	0.03	13
12. Indianapolis Life Ins. Co.	6	17,865,600	0.03	NL
13. Prudential Ins. Co. of America, The	26	95,269,600	0.03	11
14. Western Reserve Life Assurance Co. of Ohio	6	26,703,800	0.02	NL
15. New York Life Ins. Co.	9	44,340,300	0.02	NL
16. Metropolitan Life Ins. Co.	34	214,660,000	0.02	NL

\* NL = Not listed in 2003.



## 2004 Complaint Summary Individual Accident and Health Insurance

This list is comprised of all companies with a premium volume of at least \$1 million, 6 or more complaints in 2004, and a complaint ratio above the average. The Wisconsin average is .05 complaints/\$100,000 of written premium for all individual accident and health business in the state.

Name of Insurance Company	Number of Complaints 2004	Premiums Written 2003	Ratio	Rank 2003*
1. Humana Ins. Co.	22	\$ 4,100,700	0.54	NL
2. Fortis Ins. Co.	40	14,327,500	0.28	1
3. Pennsylvania Life Ins. Co.	9	3,855,400	0.23	6
4. Penn Treaty Network America Ins. Co.	6	2,908,400	0.21	5
5. Conseco Senior Health Ins. Co.	12	5,652,500	0.21	3
6. United Teacher Associates Ins. Co.	11	8,464,600	0.13	11
7. Continental Casualty Co.	12	9,728,500	0.12	4
8. Conseco Health Ins. Co.	24	21,865,100	0.11	7
9. National States Ins. Co.	7	11,728,100	0.06	NL
10. Blue Cross Blue Shield of Wisconsin	105	164,361,200	0.06	NL
11. Combined Ins. Co. of America	13	21,611,700	0.06	10

\* NL = Not listed in 2003.



## 2004 Complaint Summary Group Accident and Health Insurance

This list is comprised of all companies with a premium volume of at least \$1 million, 6 or more complaints in 2004, and a complaint ratio above the average. The Wisconsin average is .02 complaints/\$100,000 of written premium for all group accident and health business in the state.

Name of Insurance Company	Number of Complaints 2004	Premiums Written 2003	Ratio	Rank 2003*
1. Life Ins. Co. of North America	13	\$ 4,232,500	0.31	NL
2. Mega Life & Health Ins. Co., The	63	24,698,100	0.26	5
3. Midwest National Life Ins. Co. of Tennessee	25	10,299,600	0.24	1
4. Avemco Ins. Co.	11	5,221,600	0.21	10
5. Connecticut General Life Ins. Co.	25	13,225,400	0.19	7
6. John Alden Life Ins. Co.	11	13,112,300	0.08	6
7. American Medical Security Life Ins. Co.**	29	46,653,200	0.06	16
8. Fortis Benefits Ins. Co.	17	30,467,800	0.06	20
9. Jefferson Pilot Financial Ins. Co.	9	15,871,100	0.06	NL
10. Aetna Life Ins. Co.	14	24,154,900	0.06	9
11. Guardian Life Ins. Co. of America, The	7	10,845,200	0.06	NL
12. Midwest Security Life Ins. Co.	67	111,846,900	0.06	15
13. Federated Mutual Ins. Co.	15	24,688,900	0.06	NL
14. Golden Rule Ins. Co.	32	67,591,700	0.05	11
15. United HealthCare Ins. Co.	107	198,276,600	0.05	NL
16. Metropolitan Life Ins. Co.	11	22,495,700	0.05	13
17. Principal Life Ins. Co.	32	95,201,100	0.03	NL
18. Unitedhealthcare of Wisconsin, Inc.	162	520,237,000	0.03	22
19. Compcare Health Services Ins. Corp.	97	386,430,400	0.03	21
20. Wisconsin Physicians Service Ins. Corp.	62	225,118,000	0.03	19
21. Humana Ins. Co.	45	164,504,200	0.03	17
22. Blue Cross Blue Shield of Wisconsin	97	329,787,800	0.03	NL

\* NL = Not listed in 2003.

\*\* Formerly United Wisconsin Life Ins. Co.

The Office of the Commissioner of Insurance does not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or the provision of services.