

2005 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 2005.

Direct response	2
Further investigation	6,027
Referrals	671
Requests for information	<u>1,486</u>
Total	8,186

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

Type of Coverage

Auto	955
Property and Casualty	1,500
Accident and Health	3,857
Life and Annuities	759

Complaint Reasons

Underwriting	893
Marketing and Sales	951
Claim Handling	5,069
Policyholder Service	1,239
Other	211

Amounts Recovered for Complainants

2005	\$3,391,010
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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 2005.

Companies

Total Number of Actions	137
Forfeitures Demanded	\$868,994

Agents

Licenses Denied	91
Licenses Revoked	15
Licenses Surrendered	4
Licenses Suspended	5
Total Number of Actions	137
Forfeitures Demanded	\$91,750

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 2005 in relation to the premiums the company wrote in Wisconsin in 2004. 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**



2005 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 2005, and a complaint ratio above the average. The Wisconsin average is .05 complaints/\$100,000 of written premium for all homeowners and tenants business in the state.

	Name of Insurance Company	Number of Complaints 2005	Premiums Written 2004	Ratio	Rank 2004*
1	AUTO CLUB INS ASSOC	11	\$ 9,440,400	0.12	1
2	STATE AUTO INS CO OF WISCONSIN	9	8,469,500	0.11	NL
3	BADGER MUTUAL INS CO	11	14,164,300	0.08	9
4	ERIE INSURANCE EXCHANGE	6	8,252,700	0.07	3
5	ACUITY A MUTUAL INS CO	17	29,906,100	0.06	NL
6	ALLSTATE INDEMNITY CO	7	11,079,800	0.06	8

* NL = Not listed in 2004.



2005 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 2005, and a complaint ratio above the average. The Wisconsin average is .03 complaints/\$100,000 of written premium for all automobile business in the state.

	Name of Insurance Company	Number of Complaints 2005	Premiums Written 2004	Ratio	Rank 2004*
1	AIG NATIONAL INS CO INC	13	\$ 5,512,400	0.24	NL
2	AIU INS CO	6	3,737,200	0.16	1
3	NATIONAL GENERAL INS CO	8	8,127,600	0.10	9
4	HARTFORD UNDERWRITERS INS CO	10	11,751,000	0.09	5
5	AUTO CLUB INS ASSOC	31	38,556,600	0.08	3
6	GEICO INDEMNITY CO	6	7,752,600	0.08	NL
7	DAIRYLAND INS CO	8	11,837,000	0.07	NL
8	PROGRESSIVE CLASSIC INS CO	15	22,518,500	0.07	NL
9	ERIE INSURANCE EXCHANGE	11	14,929,600	0.07	6
10	ECONOMY PREMIER ASSURANCE CO	6	10,270,500	0.06	NL
11	USAA CASUALTY INS CO	6	10,201,600	0.06	NL
12	ALLSTATE PROPERTY & CASUALTY INS CO	12	19,612,700	0.06	NL
13	GENERAL CASUALTY CO OF WI	23	50,809,600	0.05	NL
14	GUARANTY NATIONAL INS CO	6	12,990,400	0.05	11
15	HAWKEYE SECURITY INS CO	8	16,492,900	0.05	17
16	SENTRY INS A MUTUAL CO	15	30,655,200	0.05	8
17	PARTNERS MUTUAL INS CO	6	11,543,500	0.05	NL
18	INTEGRITY MUTUAL INS CO	7	18,116,200	0.04	NL
19	STATE AUTO INS CO OF WISCONSIN	9	23,513,300	0.04	15
20	ALLSTATE INS CO	23	54,010,700	0.04	NL
21	WILSON MUTUAL INS CO	6	15,491,300	0.04	NL
22	AUTO OWNERS INS CO	6	15,315,400	0.04	13
23	SAFECO INS CO OF IL	7	19,288,400	0.04	12

* NL = Not listed in 2004.



2005 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 2005, 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 2005	Premiums Written 2004	Ratio	Rank 2004*
1	WASHINGTON NATIONAL INS CO	10	\$ 1,093,200	0.91	NL
2	GLOBE LIFE & ACCIDENT INS CO	17	5,836,800	0.29	2
3	REASSURE AMERICA LIFE INS CO	13	5,742,000	0.23	5
4	CONSECO LIFE INS CO	9	5,043,900	0.18	1
5	AMERICAN INVESTORS LIFE INS CO	11	13,572,800	0.08	NL
6	AMERICAN GENERAL LIFE INS CO	25	43,591,600	0.06	9
7	PRUDENTIAL INS CO OF AMERICA THE	44	92,565,000	0.05	13
8	PROTECTIVE LIFE INS CO	6	16,932,300	0.04	NL
9	JOHN HANCOCK LIFE INSURANCE CO	7	16,777,500	0.04	NL
10	NORTH AMERICAN CO FOR LIFE & HEALTH INS	8	20,730,000	0.04	NL
11	AMERUS LIFE INS CO	10	39,282,400	0.03	11
12	PENNSYLVANIA LIFE INS CO	6	18,658,800	0.03	7
13	BANKERS LIFE & CASUALTY CO	14	44,689,400	0.03	8
14	SUN LIFE ASSUR CO OF CANADA U S	10	65,108,800	0.02	NL
15	MIDLAND NATIONAL LIFE INS CO	12	74,290,900	0.02	NL

* NL = Not listed in 2004.



2005 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 2005, and a complaint ratio above the average. The Wisconsin average is .06 complaints/\$100,000 of written premium for all individual accident and health business in the state.

	Name of Insurance Company	Number of Complaints 2005	Premiums Written 2004	Ratio	Rank 2004*
1	GUARANTEE TRUST LIFE INS CO	15	\$ 3,852,900	0.39	NL
2	PENNSYLVANIA LIFE INS CO	11	4,312,400	0.26	3
3	CONSECO HEALTH INS CO	52	20,776,800	0.25	8
4	CONSECO SENIOR HEALTH INS CO	13	5,114,300	0.25	5
5	WORLD INS CO	7	3,389,600	0.21	NL
6	TIME INS CO**	12	7,084,000	0.17	2
7	UNITED TEACHER ASSOCIATES INS CO	9	6,213,000	0.14	6
8	HUMANA INS CO	38	56,042,200	0.07	1

* NL = Not listed in 2004.

** Formerly Fortis Ins Co.



2005 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 2005, 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 2005	Premiums Written 2004	Ratio	Rank 2004*
1	LIFE INSURANCE CO OF NORTH AMERICA	12	\$ 4,129,300	0.29	1
2	MIDWEST NATIONAL LIFE INS CO OF TN	25	11,303,800	0.22	3
3	MEGA LIFE & HEALTH INS CO THE	46	27,199,400	0.17	2
4	CENTRAL RESERVE LIFE INS CO	7	4,562,000	0.15	NL
5	TIME INSURANCE CO**	75	56,678,100	0.13	NL
6	HARTFORD LIFE GROUP INS CO	7	6,663,800	0.11	NL
7	CONNECTICUT GENERAL LIFE INS CO	8	7,912,800	0.10	5
8	AVEMCO INS CO	6	6,980,000	0.09	4
9	JOHN ALDEN LIFE INS CO	13	16,093,500	0.08	6
10	JEFFERSON PILOT FINANCIAL INS CO	10	18,112,300	0.06	9
11	UNITED HEALTHCARE INS CO	166	261,166,400	0.06	15
12	AMERICAN MEDICAL SECURITY LIFE INS CO	20	39,434,800	0.05	7
13	AETNA LIFE INS CO	14	27,104,300	0.05	10
14	UNICARE LIFE & HEALTH INS CO	6	11,521,600	0.05	NL
15	UNION SECURITY INS CO***	15	32,575,600	0.05	8
16	MIDWEST SECURITY LIFE INS CO	35	95,250,700	0.04	12
17	GOLDEN RULE INS CO	29	68,074,400	0.04	14
18	METROPOLITAN LIFE INS CO	9	27,252,600	0.03	16
19	PRINCIPAL LIFE INS CO	35	104,580,400	0.03	17
20	TRUSTMARK LIFE INS CO	9	28,146,800	0.03	NL
21	HUMANA INSURANCE COMPANY	53	183,517,800	0.03	21
22	UNITEDHEALTHCARE OF WISCONSIN, INC.	135	411,373,200	0.03	18
23	FEDERATED MUTUAL INS CO	10	29,418,300	0.03	13

* NL = Not listed in 2004.

** Formerly Fortis Ins Co.

*** Formerly Fortis Benefits Ins Co.

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