

2007 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 2007.

Direct response	23
Further investigation	5,314
Referrals	1,501
Requests for information	<u>1,357</u>
Total	8,195

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

Type of Coverage

Auto	797
Property and Casualty	1,576
Accident and Health	4,032
Life	433
Annuities	250

Complaint Reasons

Underwriting	579
Marketing and Sales	807
Claim Handling	4,783
Policyholder Service	962
Other	163

Amounts Recovered for Complainants

2007	\$8,051,856
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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 2007.

Companies

Total Number of Actions	63
Forfeitures Demanded	\$229,750

Agents

Licenses Denied	98
Licenses Revoked	106
Licenses Surrendered	2
Licenses Suspended	4
Total Number of Actions	224
Forfeitures Demanded	\$165,050

Complaint Summaries

The Complaint Summaries are prepared annually by OCI to provide more information to consumers. The lists include companies with 5 or more complaints received in 2007 in relation to the premiums the company wrote in Wisconsin in 2006. 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**



2007 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, 5 or more complaints in 2007, 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.

Ranking	Name of Insurance Company	Number of Complaints 2007	Premiums Written 2006	Ratio	Rank 2006*
1	PROGRESSIVE NORTHERN INS CO	7	\$ 1,543,300	0.45	NL
2	PARTNERS MUTUAL INS CO	8	5,408,300	0.15	2
3	STATE AUTO INS CO OF WISCONSIN	8	8,995,000	0.09	3
4	COUNTRY MUTUAL INS CO	6	7,007,800	0.09	4
5	ERIE INS EXCHANGE	9	10,998,800	0.08	11
6	GERMANTOWN MUTUAL INS CO	9	12,288,300	0.07	NL
7	ALLSTATE INS CO	13	17,610,300	0.07	9
8	GENERAL CASUALTY CO OF WI	16	23,852,400	0.07	7
9	AMERICAN FAMILY MUTUAL INS CO	139	230,819,400	0.06	NL
10	AUTO CLUB INS ASSOC	8	12,371,200	0.06	6
11	FIRE INS EXCHANGE	12	19,420,700	0.06	10
12	INTEGRITY MUTUAL INS CO	5	7,841,400	0.06	NL

* NL = Not listed in 2006.



2007 Complaint Summary Automobile Insurance

This list is comprised of all companies with a premium volume of at least \$1 million, 5 or more complaints in 2007, 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.

Ranking	Name of Insurance Company	Number of Complaints 2007	Premiums Written 2006	Ratio	Rank 2006*
1	PROGRESSIVE DIRECT INS CO	5	\$ 1,041,600	0.48	NL
2	BRISTOL WEST INS CO	7	4,747,600	0.15	NL
3	PROP & CAS INS CO OF HARTFORD	13	10,989,900	0.12	7
4	AIG NATIONAL INS CO INC	14	17,081,700	0.08	4
5	VIKING INS CO OF WI	8	11,136,900	0.07	5
6	ALLSTATE INS CO	30	46,463,400	0.06	8
7	HARTFORD UNDERWRITERS INS CO	6	9,651,800	0.06	NL
8	GEICO INDEMNITY CO	5	8,876,900	0.06	6
9	GEICO GENERAL INS CO	8	16,957,800	0.05	NL
10	LIBERTY MUTUAL FIRE INS CO	12	25,802,800	0.05	NL
11	FARMERS INS EXCHANGE	21	42,167,600	0.05	14
12	INTEGRITY MUTUAL INS CO	9	18,717,400	0.05	NL
13	AUTO OWNERS INS CO	6	12,588,600	0.05	NL
14	PROGRESSIVE CLASSIC INS CO	36	78,365,900	0.05	NL
15	AUTO CLUB INS ASSOC	20	41,965,700	0.05	15
16	BADGER MUTUAL INS CO	12	25,980,000	0.05	NL
17	GENERAL CASUALTY CO OF WI	19	49,354,400	0.04	NL
18	ERIE INS EXCHANGE	7	18,290,400	0.04	NL
19	PROGRESSIVE UNIVERSAL INS CO	19	48,018,800	0.04	12

* NL = Not listed in 2006.



2007 Complaint Summary Life and Annuities Insurance

This list is comprised of all companies with a premium volume of at least \$1 million, 5 or more complaints in 2007, 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.

Ranking	Name of Insurance Company	Number of Complaints 2007	Premiums Written 2006	Ratio	Rank 2006*
1	UNITED INVESTORS LIFE INS CO	6	\$ 1,330,400	0.45	NL
2	UNITED INS CO OF AMERICA	6	2,555,600	0.23	1
3	PENNSYLVANIA LIFE INS CO	5	2,153,000	0.23	NL
4	STANDARD LIFE INS CO OF IN	5	2,463,400	0.20	NL
5	REASSURE AMERICA LIFE INS CO	8	4,855,800	0.16	4
6	GLOBE LIFE & ACCIDENT INS CO	10	6,676,600	0.15	2
7	STONEBRIDGE LIFE INS CO	6	4,021,300	0.15	NL
8	CONSECO LIFE INS CO	6	4,348,800	0.14	3
9	PHYSICIANS LIFE INS CO	5	6,171,700	0.08	NL
10	BANKERS LIFE & CASUALTY CO	43	54,225,100	0.08	10
11	WASHINGTON NATIONAL INS CO	5	7,123,900	0.07	NL
12	WESTERN RESERVE LIFE ASSUR CO OF OH	6	16,283,000	0.04	NL
13	KNIGHTS OF COLUMBUS	5	11,884,900	0.04	NL
14	NORTH AMERICAN CO FOR LIFE & HEALTH INS	11	27,885,200	0.04	11
15	OM FINANCIAL LIFE INS CO	15	47,658,000	0.03	NL
16	JEFFERSON PILOT FINANCIAL INS CO	5	18,747,500	0.03	6
17	PROTECTIVE LIFE INS CO	9	32,335,900	0.03	NL
18	LINCOLN BENEFIT LIFE CO	14	65,006,700	0.02	NL
19	NEW YORK LIFE INS CO	10	66,481,200	0.02	NL
20	PRIMERICA LIFE INS CO	5	23,385,200	0.02	NL
21	PRUDENTIAL INS CO OF AMERICA THE	21	99,289,500	0.02	9
22	AMERICAN EQUITY INVESTMENT LIFE INS CO	8	50,037,300	0.02	NL
23	AMERICAN INVESTORS LIFE INS CO	5	30,161,000	0.02	8

* NL = Not listed in 2006.



2007 Complaint Summary Individual Accident and Health Insurance

This list is comprised of all companies with a premium volume of at least \$1 million, 5 or more complaints in 2007, 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.

Ranking	Name of Insurance Company	Number of Complaints 2007	Premiums Written 2006	Ratio	Rank 2006*
1	CONSECO SENIOR HEALTH INS CO	14	\$ 4,350,500	0.32	6
2	CONSECO INS CO	5	2,037,900	0.25	NL
3	WORLD INS CO	5	2,083,800	0.24	NL
4	ORDER OF UNITED COMMERCIAL TRAVELERS OF AMER	5	3,420,400	0.15	NL
5	GUARANTEE TRUST LIFE INS CO	6	4,785,000	0.13	NL
6	BANKERS LIFE & CASUALTY CO	55	46,220,100	0.12	10
7	BLUE CROSS BLUE SHIELD OF WI	238	198,932,800	0.12	11
8	CONSTITUTION LIFE INS CO	14	15,642,300	0.09	7
9	CONTINENTAL CASUALTY CO	7	9,180,300	0.08	NL
10	CONSECO HEALTH INS CO	5	8,014,400	0.06	4

* NL = Not listed in 2006.



2007 Complaint Summary Group Accident and Health Insurance

This list is comprised of all companies with a premium volume of at least \$1 million, 5 or more complaints in 2007, 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.

Ranking	Name of Insurance Company	Number of Complaints 2007	Premiums Written 2006	Ratio	Rank 2006*
1	MEGA LIFE & HEALTH INS CO THE	45	\$ 26,606,400	0.17	1
2	LIFE INS CO OF NORTH AMERICA	8	6,213,800	0.13	NL
3	BLUE CROSS BLUE SHIELD OF WI	270	237,658,300	0.11	6
4	STANDARD SECURITY LIFE INS CO OF NY	15	14,731,900	0.10	NL
5	AMERITAS LIFE INS CORP	7	7,600,000	0.09	2
6	PRUDENTIAL INS CO OF AMERICA THE	5	7,115,000	0.07	NL
7	TIME INS CO	38	54,095,700	0.07	3
8	CLARENDON NATIONAL INS CO	10	17,847,600	0.06	NL
9	AETNA LIFE INS CO	21	35,324,000	0.06	12
10	GUARDIAN LIFE INS CO OF AMER THE	8	13,415,200	0.06	NL
11	MIDWEST NATIONAL LIFE INS CO OF TN	8	12,811,000	0.06	NL
12	AMERICAN MEDICAL SECURITY LIFE INS CO	12	24,395,600	0.05	8
13	UNITEDHEALTHCARE OF WISCONSIN INC	108	292,489,500	0.04	16
14	UNITED HEALTHCARE INS CO	286	813,695,700	0.04	11
15	HUMANA WISCONSIN HEALTH ORGANIZATION INS CORP	59	173,925,900	0.03	13
16	PRINCIPAL LIFE INS CO	43	136,675,500	0.03	9

* NL = Not listed in 2006.

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