

# **2008 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 2008.

Direct response	13
Further investigation	5,591
Referrals	1,786
Requests for information	<u>1,424</u>
<b>Total</b>	<b>8,814</b>

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

### Type of Coverage

Auto	707
Property and Casualty	1,751
Accident and Health	4,755
Life	455
Annuities	260

### Complaint Reasons

Underwriting	518
Marketing and Sales	836
Claim Handling	5,595
Policyholder Service	855
Other	203

### Amounts Recovered for Complainants

2008	\$5,121,475
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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 2008.

### Companies

Total Number of Actions	81
Forfeitures Demanded	\$1,628,742

### Agents

Licenses Denied	141
Licenses Revoked	86
Licenses Surrendered	5
Licenses Suspended	2
Total Number of Actions	248
Forfeitures Demanded	\$89,750

## 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 2008 in relation to the premiums the company wrote in Wisconsin in 2007. 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)**



## 2008 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 2008, 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.

Ranking	Name of Insurance Company	Number of Complaints 2008	Premiums Written 2007	Ratio	Rank 2007*
1	HOMESITE INSCO	8	\$ 1,417,900	0.56	NL
2	FARMERS INSEXCHANGE	10	2,554,200	0.39	NL
3	PROGRESSIVE NORTHERN INSCO	6	1,624,900	0.37	1
4	STATE AUTO INSCO OF WISCONSIN	14	8,561,300	0.16	3
5	FOREMOST INSCO	10	8,660,000	0.12	NL
6	COUNTRY MUTUAL INSCO	9	7,528,300	0.12	4
7	AUTO CLUB INS ASSOC	16	13,797,600	0.12	10
8	SENTRY INS A MUTUAL CO	13	13,509,900	0.10	NL
9	SAFECO INS CO OF AMERICA	5	4,816,600	0.10	NL
10	BADGER MUTUAL INSCO	13	14,315,600	0.09	NL
11	ALLSTATE INSCO	15	16,469,500	0.09	7
12	WISCONSIN MUTUAL INSCO	14	15,706,300	0.09	NL
13	GERMANTOWN MUTUAL INSCO	10	11,836,000	0.08	6
14	ERIE INSEXCHANGE	10	12,597,600	0.08	5
15	AMCO INSCO	6	9,046,600	0.07	NL
16	FIRE INSEXCHANGE	13	19,677,300	0.07	11
17	GENERAL CASUALTY CO OF WI	17	24,001,100	0.07	8
18	ALLSTATE PROP & CASUALTY INSCO	6	8,178,500	0.07	NL

\* NL = Not listed in 2007.



## 2008 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 2008, 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 2008	Premiums Written 2007	Ratio	Rank 2007*
1	AIG CENTENNIAL INS CO	6	\$ 1,393,100	0.43	NL
2	FOUNDERS INS CO	8	3,355,600	0.24	NL
3	ICM INS CO	8	3,404,200	0.24	NL
4	AUSTIN MUTUAL INS CO	6	2,889,800	0.21	NL
5	PROP & CAS INS CO OF HARTFORD	11	11,616,300	0.09	3
6	MID CENTURY INS CO	7	9,000,300	0.08	NL
7	COUNTRY MUTUAL INS CO	6	7,410,200	0.08	NL
8	GEICO INDEMNITY CO	7	10,485,800	0.07	8
9	HARTFORD UNDERWRITERS INS CO	6	8,609,000	0.07	7
10	ALLSTATE INS CO	29	42,667,700	0.07	6
11	TRAVELERS HOME AND MARINE INS CO THE	5	8,532,900	0.06	NL
12	BRISTOL WEST INS CO	7	11,966,900	0.06	2
13	FIRST AUTO & CASUALTY INS CO	7	11,394,700	0.06	NL
14	SAFECO INS CO OF IL	8	13,414,000	0.06	NL
15	AIG NATIONAL INS CO INC	9	14,491,300	0.06	4
16	AUTO CLUB INS ASSOC	27	42,980,000	0.06	15
17	KEMPER INDEPENDENCE INS CO	5	11,103,500	0.05	NL
18	PROGRESSIVE UNIVERSAL INS CO	18	50,191,600	0.04	19
19	GENERAL CASUALTY CO OF WI	19	46,711,100	0.04	17
20	ERIE INS EXCHANGE	8	21,656,400	0.04	18
21	GEICO GENERAL INS CO	7	19,770,300	0.04	9
22	FARMERS INS EXCHANGE	20	44,853,000	0.04	11

\* NL = Not listed in 2007.



## 2008 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 2008, 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 2008	Premiums Written 2007	Ratio	Rank 2007*
1	PENNSYLVANIA LIFE INS CO	13	\$ 1,070,200	1.21	3
2	CONSECO LIFE INS CO	12	3,882,900	0.31	8
3	UNITED INS CO OF AMERICA	6	2,473,000	0.24	2
4	GLOBE LIFE & ACCIDENT INS CO	9	6,956,200	0.13	6
5	PHYSICIANS LIFE INS CO	5	4,875,400	0.10	9
6	WASHINGTON NATIONAL INS CO	9	8,644,000	0.10	11
7	BANKERS LIFE & CASUALTY CO	40	43,934,900	0.09	10
8	REASSURE AMERICA LIFE INS CO	9	17,182,700	0.05	5
9	WESTERN RESERVE LIFE ASSURANCE CO OF OH	7	19,539,700	0.04	12
10	AMERICAN GENERAL LIFE INS CO	16	46,423,200	0.03	NL
11	AMERICAN EQUITY INVESTMENT LIFE INS CO	16	57,289,600	0.03	22
12	TRANSAMERICA OCCIDENTAL LIFE INS CO	5	17,665,600	0.03	NL
13	OM FINANCIAL LIFE INS CO	11	39,866,900	0.03	15
14	PRIMERICA LIFE INS CO	6	24,757,900	0.02	20
15	JOHN HANCOCK LIFE INS CO	6	35,838,100	0.02	NL
16	NORTH AMERICAN CO FOR LIFE & HEALTH INS	5	32,392,300	0.02	14
17	UNITED OF OMAHA LIFE INS CO	6	31,246,700	0.02	NL
18	UNUM LIFE INS CO OF AMERICA	5	27,038,400	0.02	NL
19	PROTECTIVE LIFE INS CO	9	57,964,300	0.02	17
20	NATIONAL GUARDIAN LIFE INS CO	6	25,766,500	0.02	NL
21	PRUDENTIAL INS CO OF AMERICA THE	25	131,747,822	0.02	21
22	NEW YORK LIFE INS CO	10	46,155,800	0.02	19

\* NL = Not listed in 2007.



## 2008 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 2008, and a complaint ratio above the average. The Wisconsin average is .04 complaints/\$100,000 of written premium for all individual accident and health business in the state.

Ranking	Name of Insurance Company	Number of Complaints 2008	Premiums Written 2007	Ratio	Rank 2007*
1	CONSECO INSCO	8	\$ 2,125,800	0.38	2
2	GUARANTEE TRUST LIFE INSCO	9	5,075,400	0.18	5
3	BANKERS LIFE & CASUALTY CO	60	43,367,000	0.14	6
4	SENIOR HEALTH INS CO OF PA	5	4,065,000	0.12	NL
5	ORDER OF UNITED COMMERCIAL TRAVELERS OF AMER	6	7,338,400	0.08	4
6	CONSECO HEALTH INSCO	6	6,129,400	0.10	10
7	BLUE CROSS BLUE SHIELD OF WI	184	175,858,800	0.10	7
8	CONSTITUTION LIFE INSCO	13	12,673,800	0.10	8
9	LIFE INVESTORS INS CO OF AMERICA	7	10,166,000	0.07	NL
10	GENWORTH LIFE INSCO	20	26,720,400	0.07	NL

\* NL = Not listed in 2007.



## 2008 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 2008, 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 2008	Premiums Written 2007	Ratio	Rank 2007*
1	STONEBRIDGE LIFE INS CO	9	\$ 4,602,900	0.20	NL
2	MEGA LIFE & HEALTH INS CO THE	49	30,034,600	0.16	1
3	BLUE CROSS BLUE SHIELD OF WI	260	229,546,100	0.11	3
4	LIFE INS CO OF NORTH AMERICA	6	7,291,400	0.08	2
5	CLARENDON NATIONAL INS CO	10	16,368,700	0.06	8
6	TIME INS CO	24	52,250,200	0.05	7
7	GUARDIAN LIFE INS CO OF AMER THE	5	13,493,100	0.04	10
8	UNITED HEALTHCARE INS CO	341	922,634,800	0.04	14
9	AETNA LIFE INS CO	15	52,932,300	0.03	9
10	UNICARE LIFE & HEALTH INS CO	5	17,302,800	0.03	NL
11	HUMANA WISCONSIN HEALTH ORGANIZATION INS CORP	67	260,463,000	0.03	15
12	HUMANA INS CO	58	221,402,400	0.03	NL
13	UNITEDHEALTHCARE OF WISCONSIN INC	57	215,613,000	0.03	13
14	FEDERATED MUTUAL INS CO	12	39,011,500	0.03	NL

\* NL = Not listed in 2007.

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