



Reasons Why Closed Confirmed Consumer Complaints Were Reported As of June 27, 2011

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Report Description: The Reasons Why Closed Confirmed Consumer Complaints Were Reported report provides the counts and percentages of the reasons consumers complain about their coverage (claim delays, claim denials, cancellation, premium increases, etc.). The Top 10 Reasons section of the report provides a listing of the top 10 reasons with counts and percentages of total counts. The All Reasons section provides the counts for all reasons from the NAIC's Complaint Database System. The data codes identified are based on the NAIC Standard Complaint Data Form.

A **Closed Complaint** is a complaint that has been investigated by the state insurance department, and given a resolution code.

A **Confirmed complaint** is a complaint in which the state department of insurance determines:

- a) The insurer, licensee, producer, or other regulated entity committed any violation of:
 - 1) an applicable state insurance law or regulation;
 - 2) a federal requirement that the state department of insurance has the authority to enforce; or
 - 3) the term/condition of an insurance policy or certificate; or
- b) The complaint and entity's response, considered together, indicate that the entity was in error.

Confirmed Complaints include those complaints in which one of the complaint resolution codes used by the state, also known as the "complaint disposition," upheld the consumer's complaint position. Complaint resolutions that uphold a consumer's complaint position are as follows (implemented on 12/13/2010): Compromised Settlement/Resolution; Claim Reopened; Claim Settled; Fine; Referred for Disciplinary Action; Company Position Overturned.

Top 10 Reasons

2011		
Reason for Complaint	Count	% of All Reasons
Claim Handling - Delays	4,415	24.22%
Claim Handling - Denial of Claim	2,567	14.09%
Claim Handling - Unsatisfactory Settlement/Offer	2,277	12.49%
Claim Handling - State Specific	1,163	6.38%
Underwriting - Cancellation	1,053	5.78%
Underwriting - Premium & Rating	770	4.22%
PolicyHolder Service - State Specific	607	3.33%
PolicyHolder Service - Premium Refund	568	3.12%
PolicyHolder Service - Premium Notice/Billing	514	2.82%
PolicyHolder Service - Delays/No Response	450	2.47%

2010		
Reason for Complaint	Count	% of All Reasons
Claim Handling - Delays	11,999	21.83%
Claim Handling - Denial of Claim	8,297	15.09%
Claim Handling - Unsatisfactory Settlement/Offer	7,120	12.95%
Claim Handling - State Specific	3,328	6.05%
Underwriting - Cancellation	3,038	5.53%
Underwriting - Premium & Rating	2,571	4.68%
PolicyHolder Service - Premium Refund	2,185	3.97%
PolicyHolder Service - Premium Notice/Billing	1,578	2.87%
PolicyHolder Service - Coverage Question	1,547	2.81%
PolicyHolder Service - Delays/No Response	1,419	2.58%

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2009		
Reason for Complaint	Count	% of All Reasons
Claim Handling - Delays	15,504	25.29%
Claim Handling - Denial of Claim	8,931	14.57%
Claim Handling - Unsatisfactory Settlement/Offer	8,749	14.27%
Claim Handling - State Specific	3,471	5.66%
Underwriting - Cancellation	3,057	4.99%
PolicyHolder Service - Premium Refund	2,629	4.29%
Underwriting - Premium & Rating	2,049	3.34%
PolicyHolder Service - Coverage Question	1,867	3.05%
PolicyHolder Service - Premium Notice/Billing	1,584	2.58%
PolicyHolder Service - Delays/No Response	1,583	2.58%

2008		
Reason for Complaint	Count	% of All Reasons
Claim Handling - Delays	14,538	25.69%
Claim Handling - Denial of Claim	8,727	15.42%
Claim Handling - Unsatisfactory Settlement/Offer	7,540	13.33%
Underwriting - Cancellation	2,940	5.20%
Claim Handling - State Specific	2,898	5.12%
PolicyHolder Service - Premium Refund	2,425	4.29%
PolicyHolder Service - Coverage Question	1,942	3.43%
Underwriting - Premium & Rating	1,793	3.17%
PolicyHolder Service - Delays/No Response	1,467	2.59%
PolicyHolder Service - Premium Notice/Billing	1,328	2.35%

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Reasons Why Closed Confirmed Consumer Complaints Were Reported As of June 27, 2011

All Reasons

Code	Reason for Reporting Complaint		2011	2010	2009	2008
805	Underwriting	Premium & Rating	770	2,571	2,049	1,793
810	Underwriting	Refusal to Insure	95	299	285	230
815	Underwriting	Cancellation	1,053	3,038	3,057	2,940
816	Underwriting	Nonrenewal	364	1,276	1,034	1,093
818	Underwriting	Credit Report	24	52	100	42
819	Underwriting	Redlining	0	0	2	1
820	Underwriting	Delays	62	214	279	244
821	Underwriting	Forced Placement	8	13	11	19
822	Underwriting	Audit Dispute	16	77	99	102
825	Underwriting	Unfair Discrimination	6	13	32	39
828	Underwriting	Rescission	11	59	71	63
829	Underwriting	Surcharge	292	1,149	1,142	968
830	Underwriting	Endorsement/Rider	20	73	55	72
835	Underwriting	Group Conversion	9	20	19	13
836	Underwriting	CLUE Reports	11	24	19	14
837	Underwriting	MIB Reports	1	0	1	1
840	Underwriting	Continuation of Benefits	39	105	162	113
845	Underwriting	State Specific	150	442	344	370
1101	PolicyHolder Service	Inadequate Provider Network	9	14	16	15
1103	PolicyHolder Service	Class Action	0	4	5	3
1104	PolicyHolder Service	1035 Exchange	4	20	33	19
1105	PolicyHolder Service	Premium Notice/Billing	514	1,578	1,584	1,328
1107	PolicyHolder Service	Surrender Problems	55	229	274	215
1110	PolicyHolder Service	Cash Value	42	156	202	153
1113	PolicyHolder Service	Accelerated Benefits	1	1	2	0
1115	PolicyHolder Service	Delays/No Response	450	1,419	1,583	1,467
1118	PolicyHolder Service	Policy Delivery	47	132	122	121
1120	PolicyHolder Service	Premium Refund	568	2,185	2,629	2,425
1121	PolicyHolder Service	Nonforfeiture	8	12	14	6
1122	PolicyHolder Service	Viatical Settlement	0	3	1	0
1123	PolicyHolder Service	Payment Not Credited	91	209	169	165
1125	PolicyHolder Service	Coverage Question	432	1,547	1,867	1,942
1126	PolicyHolder Service	Access to Care	16	72	69	68
1129	PolicyHolder Service	Abusive Service	47	192	179	156
1130	PolicyHolder Service	State Specific	607	1,076	1,220	816
1131	PolicyHolder Service	Credentialing Delay	0	0	0	0
1132	PolicyHolder Service	Involuntary Termination by Plan	0	0	0	0
1133	PolicyHolder Service	Provider Listing Dispute	0	0	0	0
1134	PolicyHolder Service	Delayed Appeal Consideration	0	0	0	0
1135	PolicyHolder Service	Delayed Authorization Decision	0	0	0	0
1136	PolicyHolder Service	Access to Fee Schedule/Rates	0	0	0	0
1137	PolicyHolder Service	Inadequate Reimbursement Rates	0	0	0	0
1138	PolicyHolder Service	Unfair Negotiation	0	0	0	0

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Reasons Why Closed Confirmed Consumer Complaints Were Reported As of June 27, 2011

All Reasons

Code	Reason for Reporting Complaint		2011	2010	2009	2008
1001	Claim Handling	Adjuster Handling	332	899	844	844
1002	Claim Handling	Prompt Pay	75	286	356	381
1003	Claim Handling	Willing Provider	1	3	3	8
1004	Claim Handling	Provider Availability	4	14	10	17
1005	Claim Handling	Unsatisfactory Settlement/Offer	2,277	7,120	8,749	7,540
1006	Claim Handling	Preexisting Condition	47	157	169	148
1007	Claim Handling	Medical Necessity	128	387	310	340
1009	Claim Handling	Fraud	9	15	7	11
1010	Claim Handling	PostClaim Underwriting	11	42	65	46
1012	Claim Handling	Subrogation	21	58	71	77
1013	Claim Handling	Comparative Negligence	71	158	132	148
1015	Claim Handling	Denial of Claim	2,567	8,297	8,931	8,727
1017	Claim Handling	Usual, Customary, Reasonable Charges	38	129	175	188
1018	Claim Handling	Out-of-Network Benefits	101	317	350	244
1019	Claim Handling	Co-pay Issues	126	194	235	172
1020	Claim Handling	Coordination of Benefits	92	297	347	325
1021	Claim Handling	No Preauthorization	41	126	149	130
1022	Claim Handling	PCP Referrals	4	27	28	21
1025	Claim Handling	Delays	4,415	11,999	15,504	14,538
1028	Claim Handling	Assignment of Benefits	16	51	56	54
1030	Claim Handling	Cost Containment	45	166	193	162
1035	Claim Handling	State Specific	1,163	3,328	3,471	2,898
1036	Claim Handling	Appeal Non-Compliance	0	0	0	0
1037	Claim Handling	Claim Recoding/Bundling	0	0	0	0
1038	Claim Handling	Recoupment	1	0	0	0
902	Marketing & Sales	Unfair Discrimination	1	3	2	1
903	Marketing & Sales	Suitability	35	154	134	116
904	Marketing & Sales	Financial Privacy	2	2	2	2
905	Marketing & Sales	Misleading Advertising	28	90	79	90
906	Marketing & Sales	Health Privacy	1	1	1	4
908	Marketing & Sales	Replacement	20	84	78	77
911	Marketing & Sales	Unauthorized Entity	19	22	22	21
913	Marketing & Sales	Fiduciary/Theft	18	73	79	84
915	Marketing & Sales	Misrepresentation	160	712	711	726
918	Marketing & Sales	Misappropriation of Premium	17	41	41	71
919	Marketing & Sales	Not Appointed w/Company	13	0	0	1
922	Marketing & Sales	High Pressure Tactics	11	50	45	61
923	Marketing & Sales	Duplication of Coverage	21	41	21	47
924	Marketing & Sales	Rebating	1	1	5	1
926	Marketing & Sales	Misstatement on Application	5	13	17	16
929	Marketing & Sales	Fraud/Forgery	13	45	34	51
930	Marketing & Sales	State Specific	443	1,254	1,093	1,132
931	Marketing & Sales	Excess Compensation Without Agreement	0	0	0	0
933	Marketing & Sales	Failure to Submit Application	10	47	46	49
934	Marketing & Sales	Premiums Misquoted	0	0	0	0
935	Marketing & Sales	Other Violation of Insurance Law/Regulation	0	0	0	0
936	Marketing & Sales	Adjuster Working for a Company Not Licensed	0	0	0	0
937	Marketing & Sales	Using an Unlicensed Name	0	0	0	0

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