

2006 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 2006.

Direct response	17
Further investigation	5,644
Referrals	911
Requests for information	<u>1,522</u>
Total	8,094

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

Type of Coverage

Auto	768
Property and Casualty	1,484
Accident and Health	3,893
Life and Annuities	763

Complaint Reasons

Underwriting	534
Marketing and Sales	762
Claim Handling	4,474
Policyholder Service	929
Other	217

Amounts Recovered for Complainants

2006	\$4,585,515
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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 2006.

Companies

Total Number of Actions	58
Forfeitures Demanded	\$723,000

Agents

Licenses Denied	156
Licenses Revoked	117
Licenses Surrendered	2
Licenses Suspended	8
Total Number of Actions	305
Forfeitures Demanded	\$490,500

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 2006 in relation to the premiums the company wrote in Wisconsin in 2005. 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**



2006 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 2006, and a complaint ratio above the average. The Wisconsin average is .04 complaints/\$100,000 of written premium for all homeowners and tenants business in the state.

Ranking	Name of Insurance Company	Number of Complaints 2006	Premiums Written 2005	Ratio	Rank 2005*
1	MANITOWOC MUTUAL INS CO	5	\$ 4,141,300	0.12	NL
2	PARTNERS MUTUAL INS CO	6	5,520,400	0.11	NL
3	STATE AUTO INS CO OF WI	9	9,368,000	0.10	2
4	COUNTRY MUTUAL INS CO	6	7,296,700	0.08	NL
5	WISCONSIN MUTUAL INS CO	11	14,677,000	0.07	NL
6	AUTO CLUB INS ASSOC	8	11,025,800	0.07	1
7	GENERAL CASUALTY CO OF WI	14	23,793,900	0.06	NL
8	FOREMOST INS CO	5	8,852,400	0.06	NL
9	ALLSTATE INS CO	10	19,168,900	0.05	NL
10	FIRE INS EXCHANGE	10	18,309,900	0.05	NL
11	ERIE INS EXCHANGE	5	9,593,100	0.05	4

* NL = Not listed in 2005.



2006 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 2006, 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 2006	Premiums Written 2005	Ratio	Rank 2005*
1	TRAVELERS HOME AND MARINE INS CO	6	\$ 2,452,700	0.24	NL
2	FOUNDERS INS CO	5	2,357,000	0.21	NL
3	NATIONAL GENERAL INS CO	10	6,904,100	0.14	3
4	AIG NATIONAL INS CO INC	15	14,988,800	0.10	1
5	VIKING INSURANCE CO OF WI	10	12,406,100	0.08	NL
6	GEICO INDEMNITY CO	6	9,218,900	0.07	6
7	PROPERTY & CASUALTY INS CO OF HARTFORD	6	9,270,700	0.06	NL
8	ALLSTATE INS CO	31	50,553,300	0.06	20
9	MID CENTURY INS CO	6	9,308,600	0.06	NL
10	WILSON MUTUAL INS CO	9	17,129,200	0.05	21
11	PROGRESSIVE NORTHERN INS CO	44	84,723,700	0.05	NL
12	PROGRESSIVE UNIVERSAL INS CO	8	17,153,500	0.05	NL
13	FIRST AUTO & CASUALTY INS CO	6	13,154,200	0.05	NL
14	FARMERS INS EXCHANGE	15	41,549,000	0.04	NL
15	AUTO CLUB INS ASSOC	18	41,002,300	0.04	5

* NL = Not listed in 2005.



2006 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 2006, 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 2006	Premiums Written 2005	Ratio	Rank 2005*
1	UNITED INS CO OF AMERICA	6	\$ 2,494,300	0.24	NL
2	GLOBE LIFE & ACCIDENT INS CO	13	6,300,200	0.21	2
3	CONSECO LIFE INS CO	6	4,596,300	0.13	4
4	REASSURE AMERICA LIFE INS CO	6	5,162,200	0.12	3
5	AMERICAN INCOME LIFE INS CO	6	12,818,100	0.05	NL
6	JEFFERSON PILOT FINANCIAL INS CO	7	19,531,700	0.04	NL
7	AETNA LIFE INS CO	6	15,956,400	0.04	NL
8	AMERICAN INVESTORS LIFE INS CO	8	23,081,900	0.03	5
9	PRUDENTIAL INS CO OF AMERICA	30	96,346,400	0.03	7
10	BANKERS LIFE & CASUALTY CO	17	56,555,600	0.03	13
11	NORTH AMERICAN CO FOR LIFE & HEALTH INS	5	19,265,900	0.03	10

* NL = Not listed in 2005.



2006 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 2006, 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.

Ranking	Name of Insurance Company	Number of Complaints 2006	Premiums Written 2005	Ratio	Rank 2005*
1	CELTIC INS CO	6	\$ 2,034,000	0.29	NL
2	UNITED TEACHER ASSOCIATES INS CO	9	4,780,000	0.19	7
3	COMPCARE HEALTH SERVICES INS CORP	5	2,647,200	0.19	NL
4	CONSECO HEALTH INS CO	23	13,101,700	0.18	3
5	PENNSYLVANIA LIFE INS CO	6	4,651,000	0.13	2
6	CONSECO SENIOR HEALTH INS CO	5	4,658,200	0.11	4
7	CONSTITUTION LIFE INS CO	19	19,446,200	0.10	NL
8	CONTINENTAL GENERAL INS CO	5	5,703,500	0.09	NL
9	NATIONAL STATES INS CO	8	9,612,400	0.08	NL
10	BANKERS LIFE & CASUALTY CO	37	47,318,700	0.08	NL
11	BLUE CROSS BLUE SHIELD OF WI	141	200,579,700	0.07	NL

* NL = Not listed in 2005.



2006 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 2006, 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 2006	Premiums Written 2005	Ratio	Rank 2005*
1	MEGA LIFE & HEALTH INS CO	32	\$ 25,410,000	0.13	3
2	AMERITAS LIFE INS CORP	5	6,454,500	0.08	NL
3	TIME INS CO	44	56,799,400	0.08	5
4	CONNECTICUT GENERAL LIFE INS CO	6	9,840,900	0.06	7
5	MADISON NATIONAL LIFE INS CO	8	14,668,600	0.05	NL
6	BLUE CROSS BLUE SHIELD OF WI	131	273,669,900	0.05	NL
7	HUMANA INS CO	77	174,247,600	0.04	21
8	AMERICAN MEDICAL SECURITY LIFE INS CO	12	33,630,800	0.04	12
9	PRINCIPAL LIFE INS CO	43	114,990,600	0.04	19
10	MIDWEST SECURITY LIFE INS CO	25	69,546,500	0.04	16
11	UNITED HEALTHCARE INS CO	231	592,735,000	0.04	11
12	AETNA LIFE INS CO	9	32,661,200	0.03	13
13	HUMANA WIS HEALTH ORGANIZATION INS CORP	69	242,168,000	0.03	NL
14	UNICARE LIFE & HEALTH INS CO	6	21,774,000	0.03	14
15	GOLDEN RULE INS CO	22	65,365,700	0.03	17
16	UNITEDHEALTHCARE OF WI	93	370,643,500	0.03	22

* NL = Not listed in 2005.

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