



COLORADO

**Department of
Regulatory Agencies**

Division of Insurance

Annual Report
on
Complaints Against Insurers

Fiscal Year 2014-2015

October 1, 2015



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Regulatory Agencies**

Division of Insurance

Marguerite Salazar
Commissioner of Insurance

October 1, 2015

Dear Friends,

The Division of Insurance is pleased to submit this Annual Report of the Commissioner of Insurance on Complaints Against Insurers for Fiscal Year 2014-2015. Submitted pursuant to § 10-16-128, C.R.S., this report provides data and analysis of the previous fiscal year and one prior year of trends in consumer complaints received by the Division. The report includes the types most commonly sold to consumers: annuity, automobile, health, homeowners, liability, life, and title insurance.

The report has been condensed to provide clear and concise information concerning consumer complaints. For more information related to complaint trends and the number of complaints submitted by insurer, please visit the Brochures/Reports page on the Division's website at www.dora.colorado.gov/insurance.

The mission of the Department of Regulatory Agencies and Division of Insurance is consumer protection. This report summarizes one area of how we approach this mission. This report on the types of questions and complaints we receive, and the trends demonstrated in the analysis of them, is an important component of our consumer protection work.

If you have any questions, please contact me at the Division.

Regards,

Marguerite Salazar
Commissioner of Insurance





Complaints Against Insurers for the Fiscal Year 2014-2015

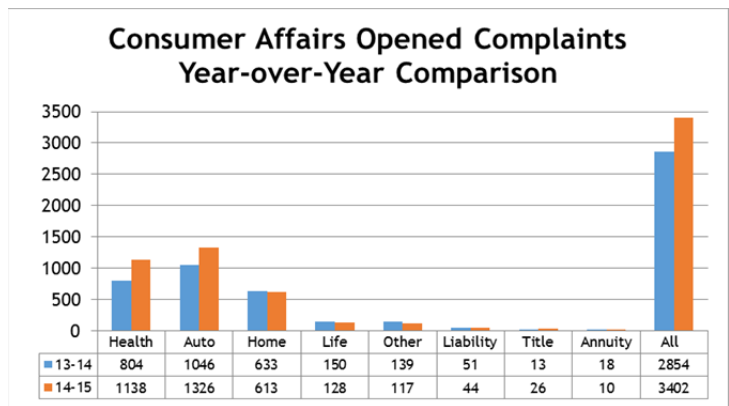
Colorado law at § 10-16-128, C.R.S., requires an annual report on the number, nature, and outcome of complaints against insurers during the preceding twelve months to be presented to the House of Representatives Business Affairs and Labor Committee and the Senate Business, Labor and Technology Committee of the General Assembly. The following information complies with this requirement.

Number of complaints *opened* against insurers in FY 14-15:

The number of complaints *opened* by the Consumer Affairs Section of the Division of Insurance (Division) in FY 14-15 increased by 16% as compared to FY 13-14.

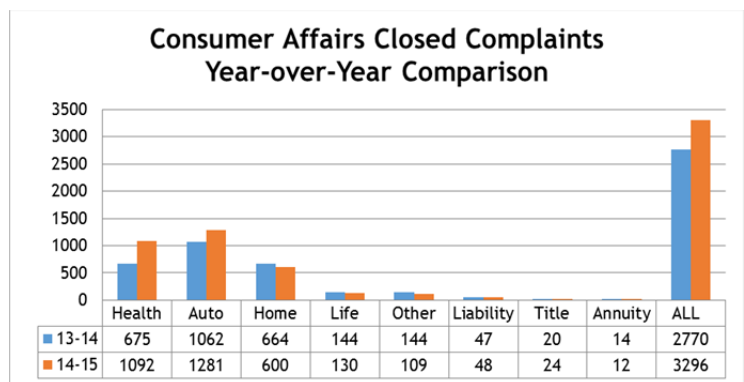
Health related complaints experienced the largest increase, with 29% more Health complaints opened in FY 14-15 than in FY 13-14.

Auto complaints also experienced a significant increase, with 21% more Auto complaints opened in FY 14-15 than in FY 13-14.



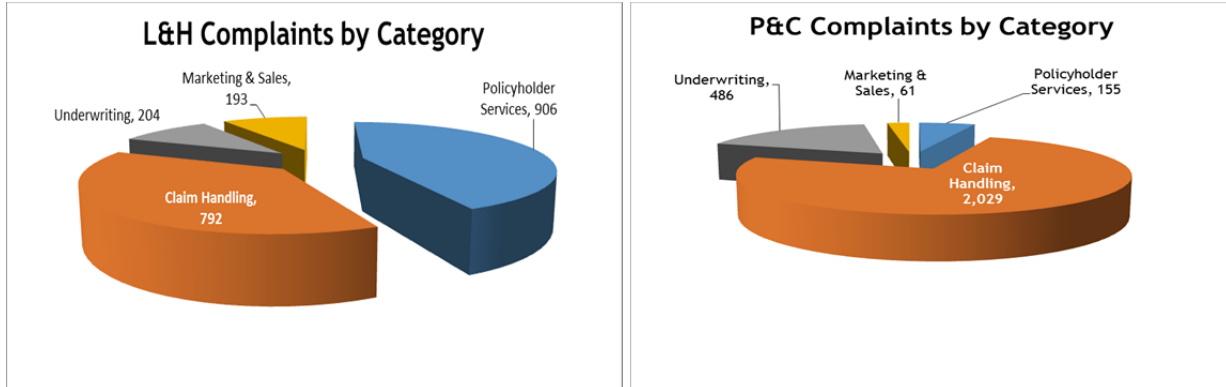
Number of complaints against insurers *closed* in FY 14-15:

The number of complaints *closed* in FY 14-15 increased by 16%. Again, Health and Auto complaints led the increases with 38% and 17% consecutively.



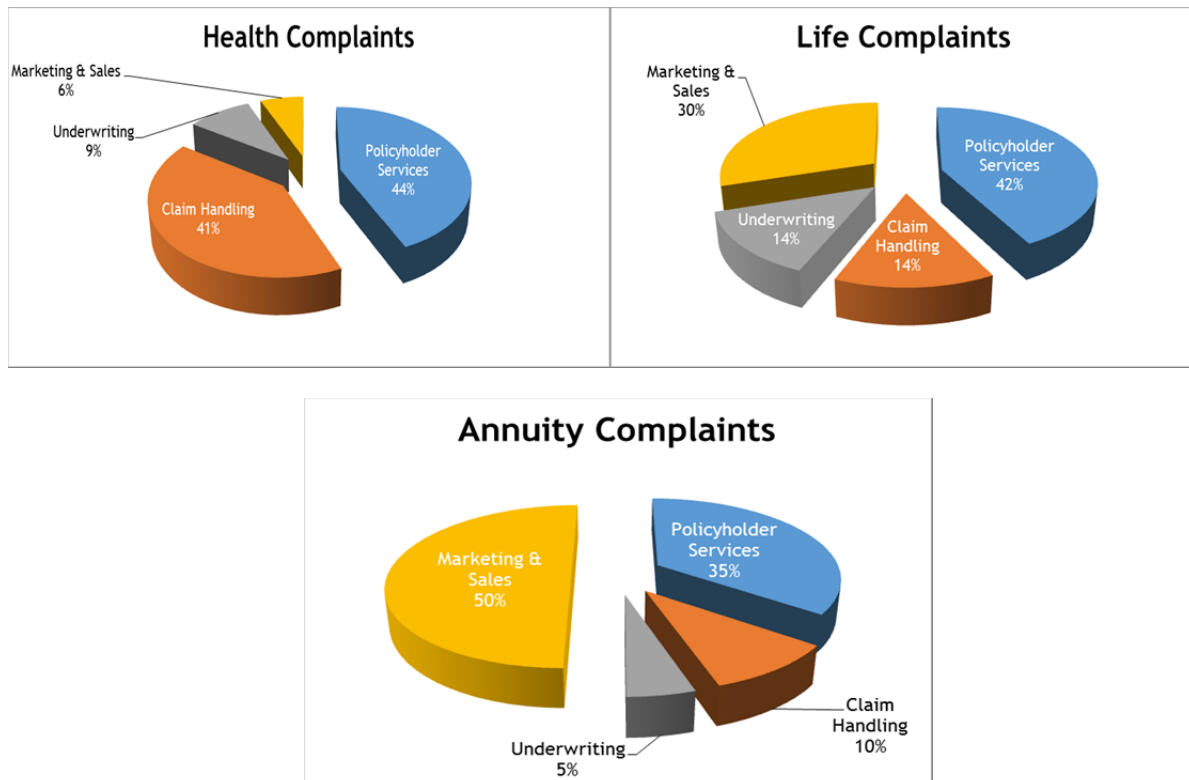
Nature of complaints against insurers closed during FY 14-15:

The Division categorizes complaints into four complaint categories: Claim Handling, Marketing & Sales, Policyholder Services and Underwriting. The charts below provide numeric detail on complaints by category by section: Life and Health (L&H) and Property and Casualty (P&C).



The following charts provide additional information on the percentage of complaints by section, category and coverage type.

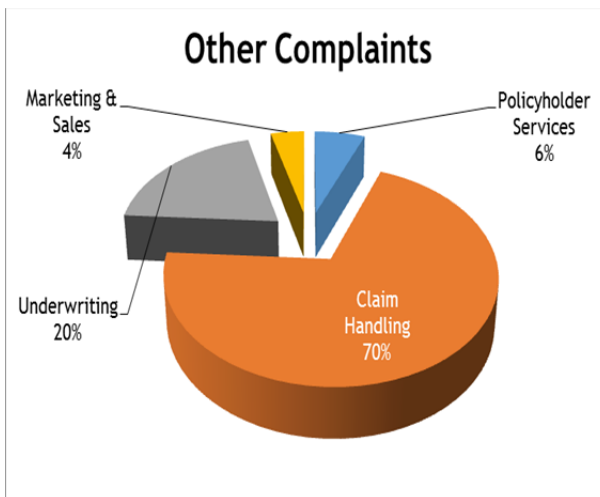
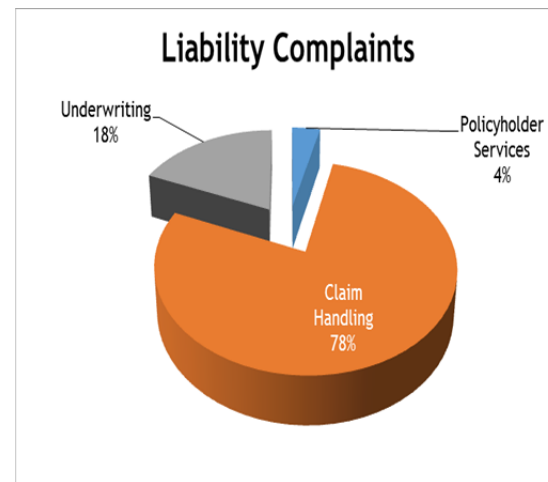
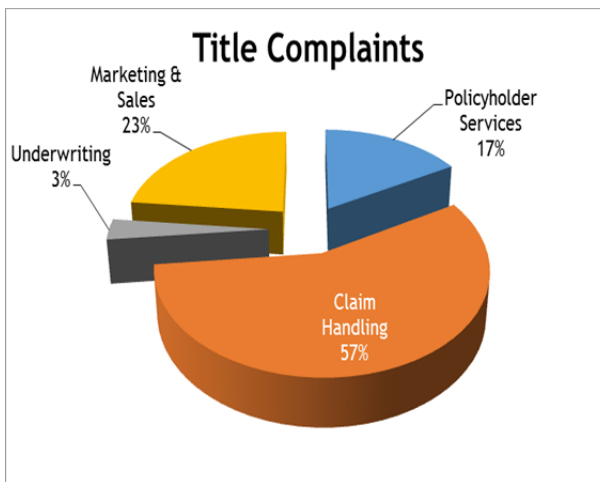
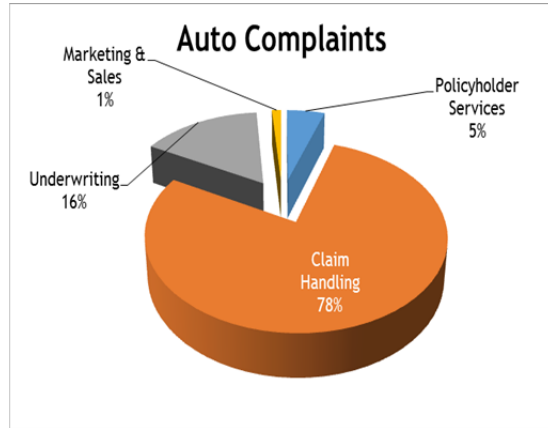
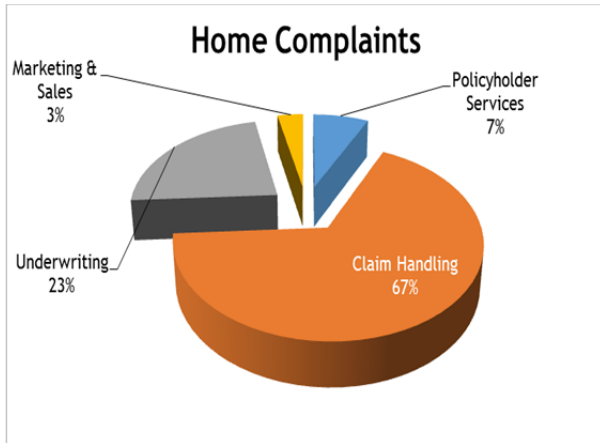
Percentage of L&H complaints closed during FY 14-15 by category and insurance type:



For more information regarding Life and Health complaint trends, please visit the Division's "Insurance Brochures, Fact Sheets and Reports" webpage at www.colorado.gov/pacific/dora/insurance-brochures-fact-sheets-and-reports.



Percentage of P&C complaints closed during FY 14-15 by category and insurance type:



Other insurance includes:

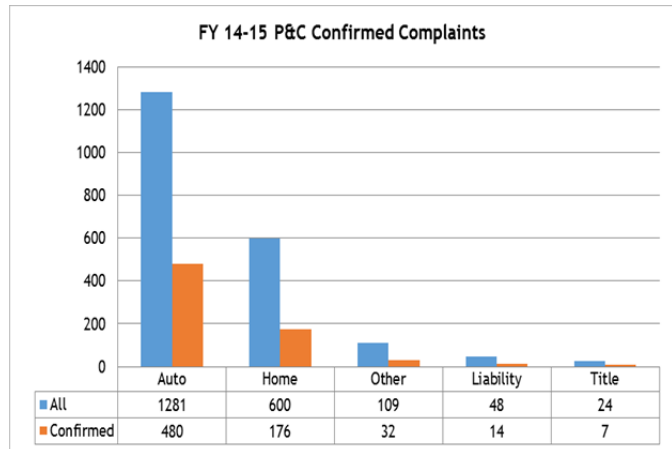
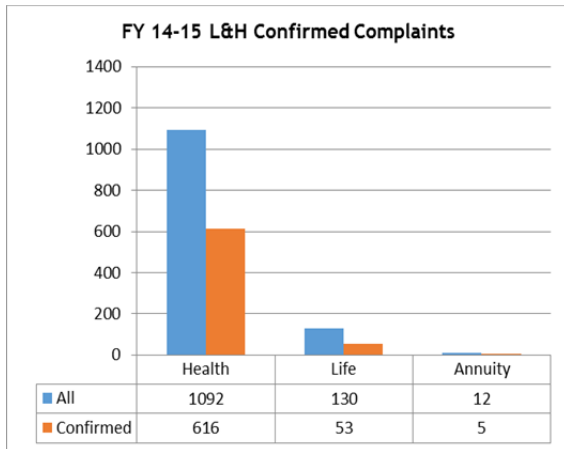
- Commercial Multi-Peril
- Travel
- Warranty/Service Contracts
- Fire/Allied Lines
- Dwelling Fire
- Federal Flood
- Pet Insurance
- Inland Marine

For more information regarding Property & Casualty complaint trends, please visit the Division's "Insurance Brochures, Fact Sheets and Reports" webpage at www.colorado.gov/pacific/dora/insurance-brochures-fact-sheets-and-reports.

Outcomes: Confirmed Complaints

A confirmed complaint is one in which the Division found that the company had not complied with Colorado insurance law, insurance regulation and/or the insurance policy contract.

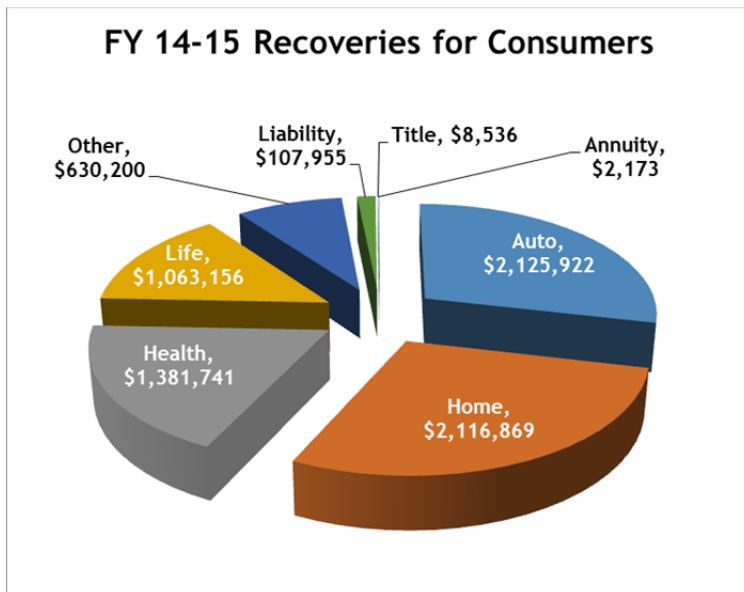
Overall, in FY 14-15, the Division found consumers' complaints confirmed, and the company in violation of law or policy provisions, 42 percent of the time. L&H confirmed rate was 55 percent and P&C was 34 percent.



Outcomes: Recoveries for Consumers

Consumer Affairs' investigations of individual consumer complaints against insurers may result in financial recovery for the consumer. Recoveries come in the form of additional claim payments, overturned denials of policy benefits or other refunds due to the consumer.

In FY 14-15, the Division recovered over \$7 million dollars for Colorado consumers. The following chart provides detail on recovery by insurance type.



Although no dollar value is calculated for Division intervention that results in the reinstatement of coverage after cancellation, or reversal of policy non-renewals, the Division's assistance in these insurance matters provides an invaluable service to Colorado consumers.