



**CO L O R A D O**

**Department of  
Regulatory Agencies**

Division of Insurance

Annual Report  
on  
Complaints Against Insurers

**Fiscal Year 2017-2018**

**October 1, 2018**



**COLORADO**

**Department of  
Regulatory Agencies**

Division of Insurance

Michael Conway  
Commissioner of Insurance

October 1, 2018

Dear Committee Members,

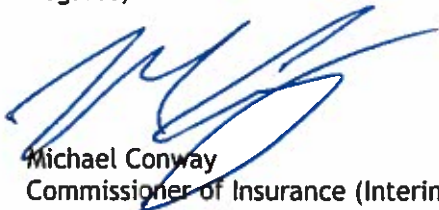
The Division of Insurance is pleased to submit this Annual Report of the Commissioner of Insurance on Complaints Against Insurers for Fiscal Year 2017-2018. Submitted pursuant to § 10-16-128, C.R.S., this report provides data and analysis of the previous fiscal year and one prior year of trends in consumer complaints received by the Division. The report includes information on the types of insurance most commonly sold to consumers: annuity, automobile, health, homeowners, liability, life, and title insurance.

The intent of the report is to provide clear and concise information concerning the number and nature of consumer complaints. More information regarding complaints, including past complaint reports, Complaint Ratios, and Indices of insurers, are available on the "Get Informed" section of the Division's website at [www.dora.colorado.gov/insurance](http://www.dora.colorado.gov/insurance).

The mission of the Department of Regulatory Agencies and Division of Insurance is consumer protection. This report provides insight into one of the ways we approach this mission and demonstrates the number and nature of the consumer complaints the Division has investigated and resolved this past fiscal year. With over \$11 million dollars in consumer recoveries, this report illustrates the importance and value of our consumer protection work.

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

Regards,



Michael Conway  
Commissioner of Insurance (Interim)





## Complaints Against Insurers for the Fiscal Year 2017-2018

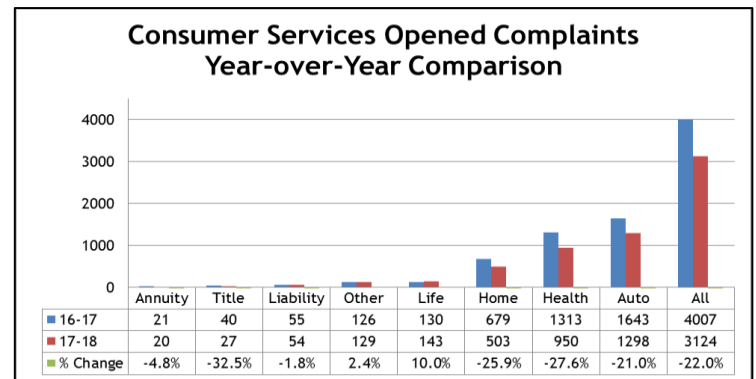
Colorado law at § 10-16-128, C.R.S., requires the Commissioner of Insurance to present an annual report on the number, nature, and outcome of complaints against insurers during the preceding twelve months to the House of Representatives Business Affairs and Labor Committee and the Senate Business, Labor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

### Number of complaints against insurers opened in FY 17-18

The total number of complaints *opened* by the Consumer Services Section of the Division of Insurance (Division) decreased by 22% in FY 17-18 when compared to FY 16-17, from 4,007 to 3,124.

The Life & Health (L&H) Section investigates complaints relating to Health insurance, Life insurance and Annuities. Overall, L&H opened 24% fewer complaints in FY 17-18 when compared to FY 16-17. Health insurance complaints decreased 27.6% and Annuity by 4.8%. Life insurance complaints increased 10% from 130 in FY 16-17 to 143 in FY 17-18.

The Property, Casualty & Title (PC&T) Section investigates complaints relating to Automobile, Homeowner, Liability and Title insurance. Overall, PC&T opened 20.9% fewer complaints in FY 17-18 when compared to FY 16-17, from 2543 to 2011. All but one insurance type experienced a decrease: Auto complaints decreased by 21%, Home by 25.9%, Liability by 1.8% and Title by 32.5%. The number of complaints opened in the Other\* category of insurance increased by 2.4%.



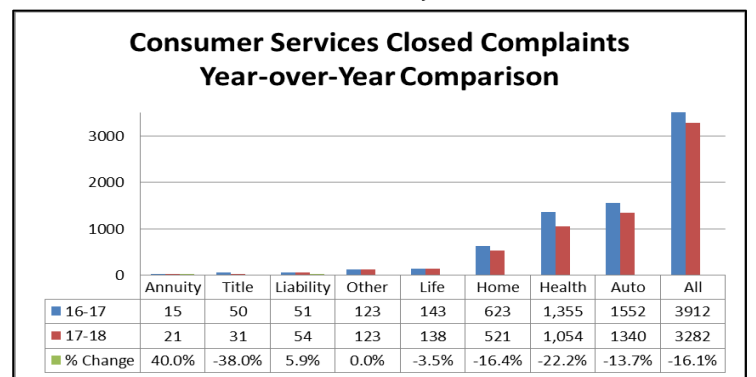
\*The Other category of insurance is comprised of (13) types of insurance: Commercial Multi-Peril, Travel, Warranty/Service Contracts, Fire/Allied Lines, Dwelling Fire, Federal Flood, Pet, and Inland Marine insurance.

### Number of complaints against insurers closed in FY 16-17

The total number of complaints *closed* by the Division's Consumer Services Section decreased by 16.1% in FY 17-18 when compared to FY 16-17, from 3,912 to 3,282.

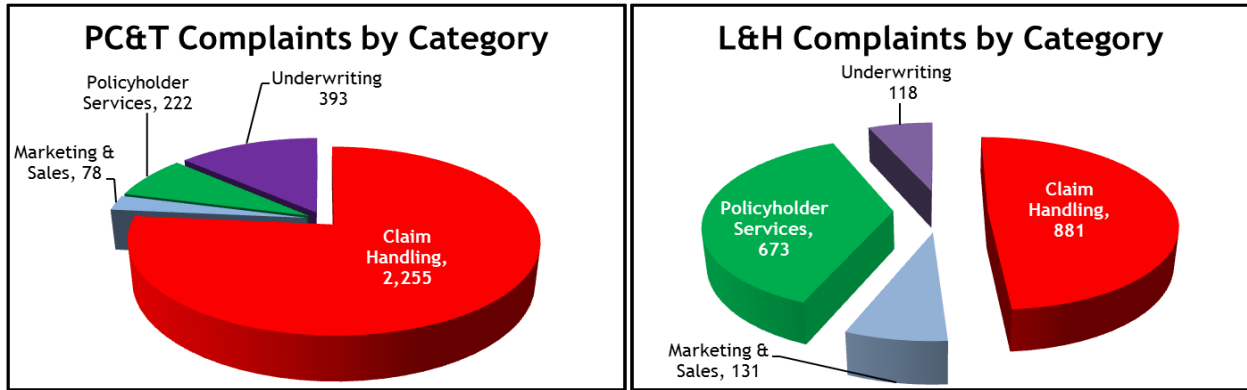
L&H closed 19.8% fewer complaints this fiscal year. Health insurance complaints decreased 22.2% and Life insurance complaints decreased by 3.5%. Annuity complaints increased by 40.0%, from 15 in FY 16-17 to 21 in FY 17-18

PC&T closed 13.8% fewer complaints this fiscal year. All but one insurance type experienced a decrease: Auto complaints decreased by 13.7%, Home by 16.4%, and Title by 38%. The "Other" category stayed the same. Only Liability complaints increased, up 5.9%, from 51 in FY 16-17 to 54 in FY 17-18.

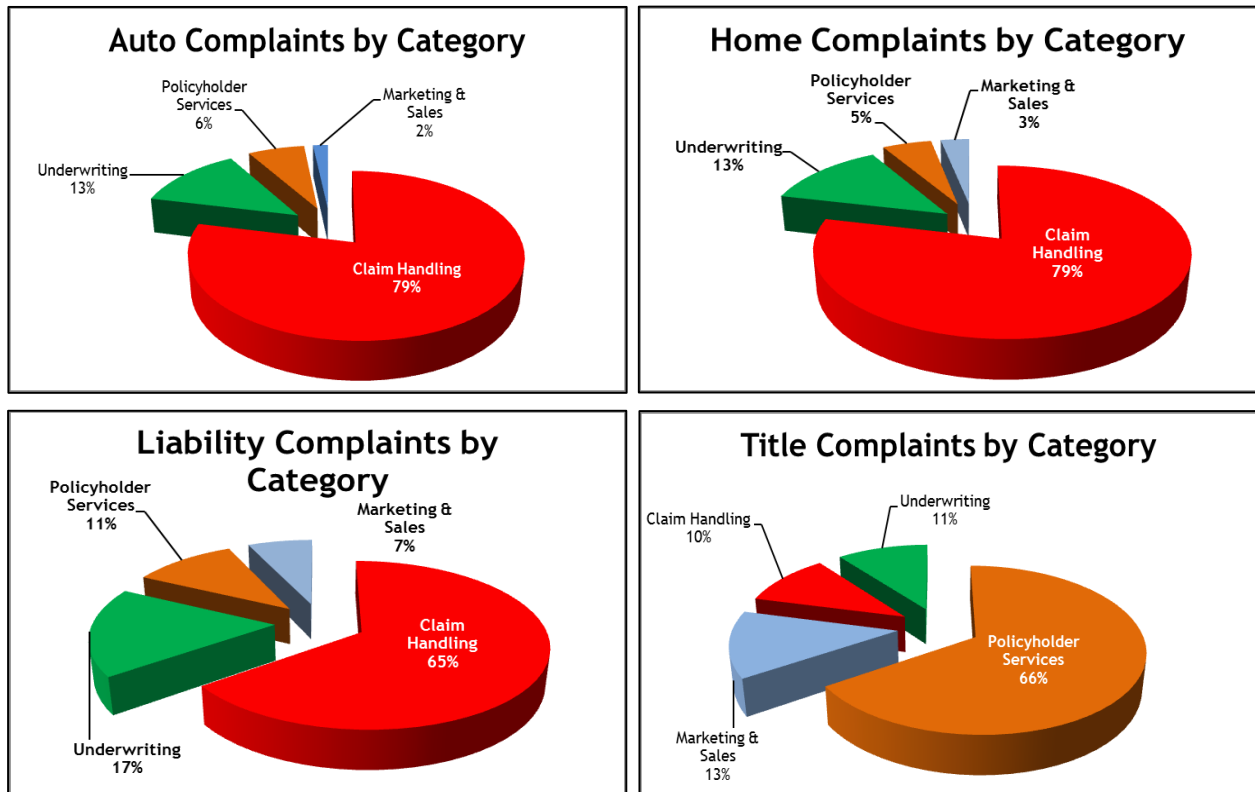


**Nature of complaints against insurers closed during FY 17-18**

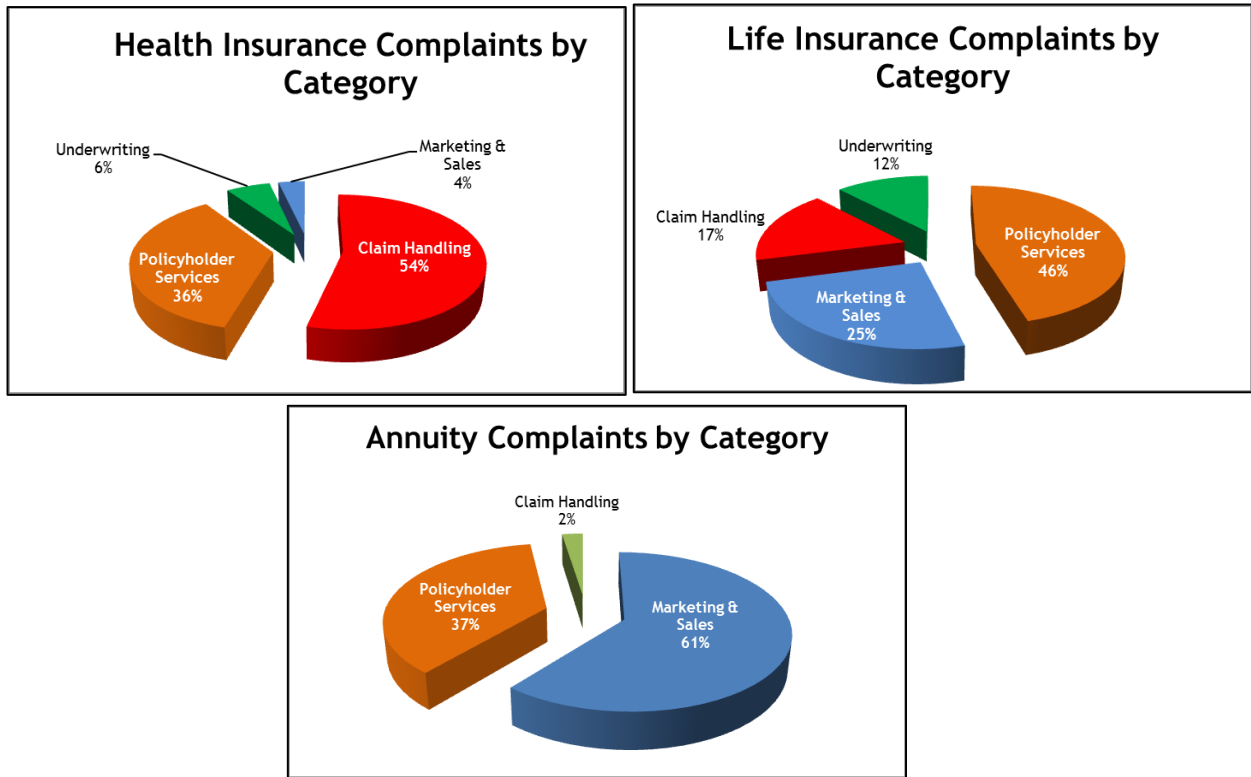
The Division categorizes complaints into four **complaint categories**: Claim Handling, Marketing & Sales, Policyholder Services, and Underwriting. One complaint may have more than one category. The following two charts provide the number of all complaints by category and section:



The following charts provide information on the percentage of PC&T complaints by coverage type and category.



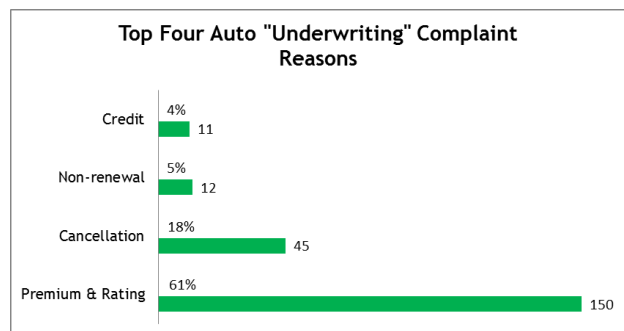
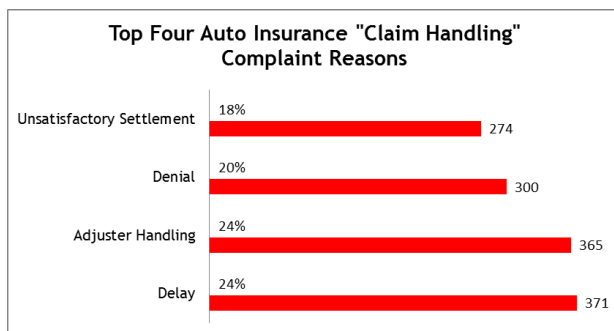
The following charts provide information on the percentage of **L&H** complaints by coverage type and category.

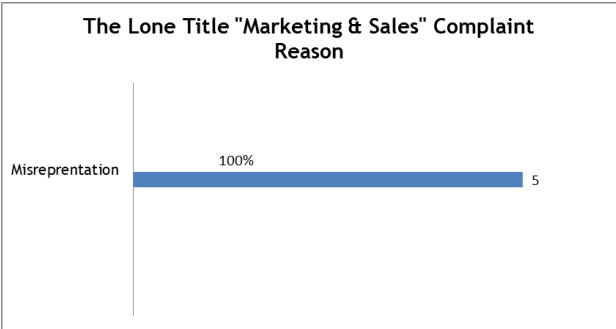
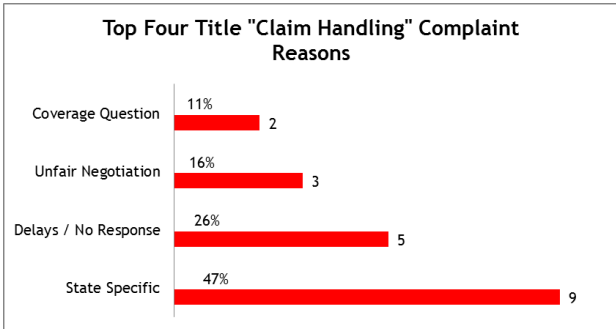
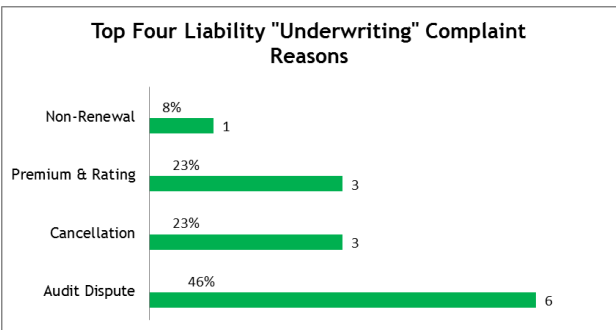
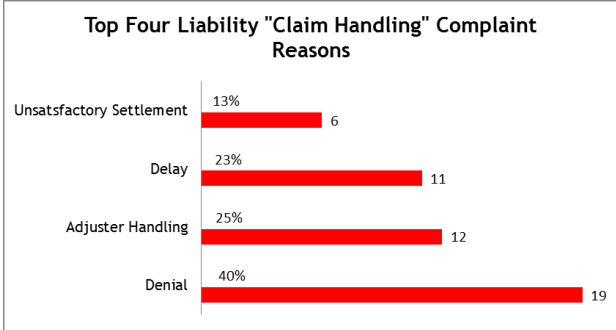
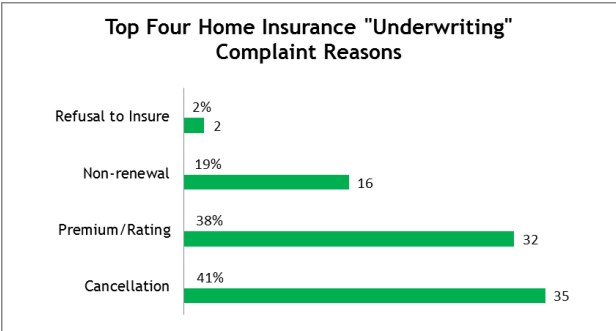
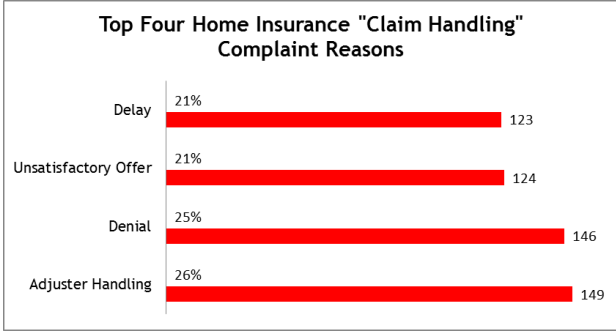


**Complaint reasons by insurance type, category and reason:**

In addition to the four complaint categories explained and illustrated above, the Division identifies further detail; assigning reason codes to each complaint. One complaint may have multiple reason codes.

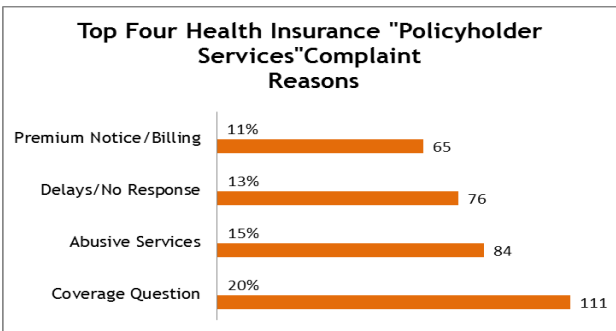
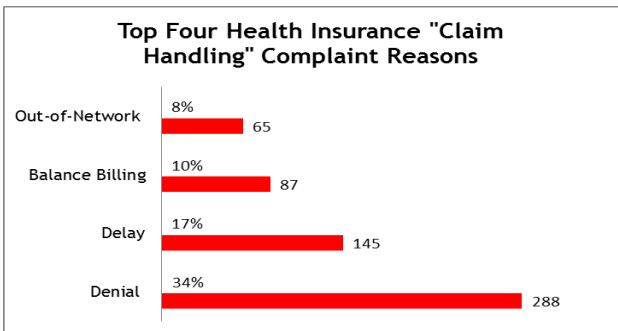
The charts below provide numeric detail for the **top four complaint reasons** for the **top two categories** for each **PC&T insurance type**. The percentage displayed is that reason's portion of all reasons for that particular category:

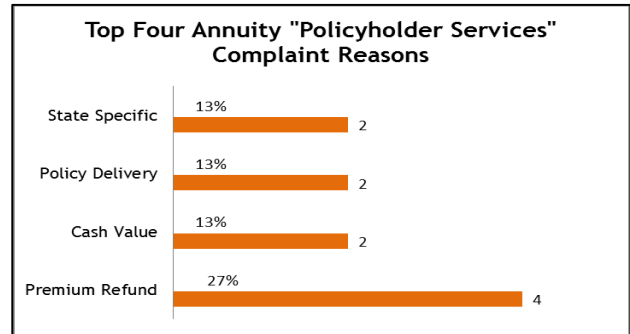
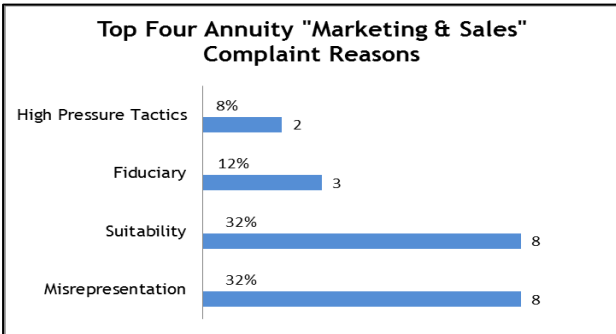
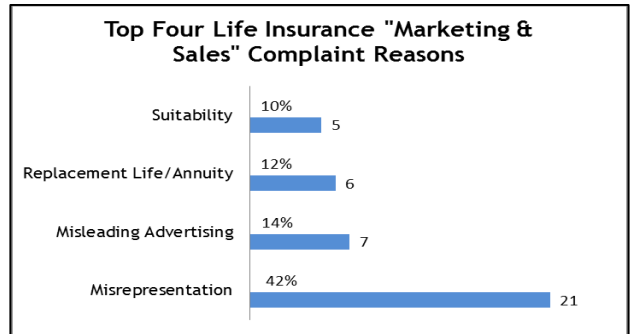
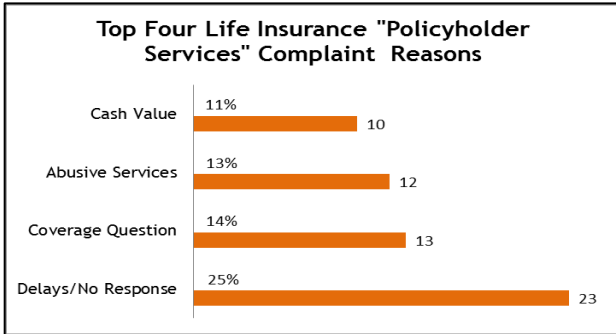




For more information regarding Property, Casualty and Title complaints against insurers, please visit the Division's website at [www.dora.colorado.gov/insurance](http://www.dora.colorado.gov/insurance)

The charts below provide numeric detail for the top four complaint reasons for the top two categories for each L&H insurance type. The percentage displayed is that reason's portion of all reasons for that particular category:



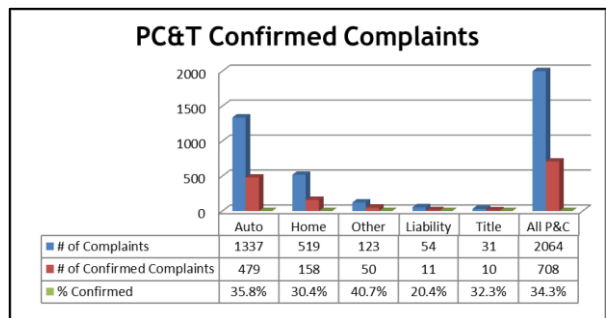
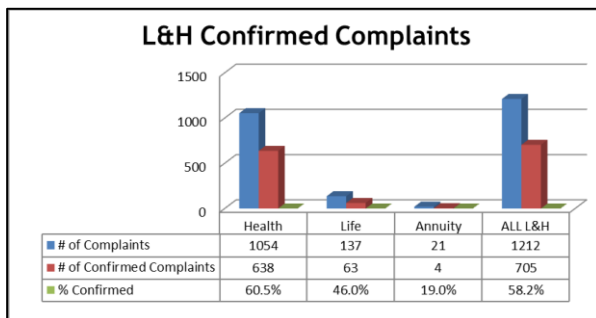


For more information regarding Health, Life and Annuity complaints against insurers, please visit the Division's website at [www.dora.colorado.gov/insurance](http://www.dora.colorado.gov/insurance)

### Outcomes: Confirmed Complaints:

A confirmed complaint is one in which the Division determined that the consumer's allegation against the company had merit.

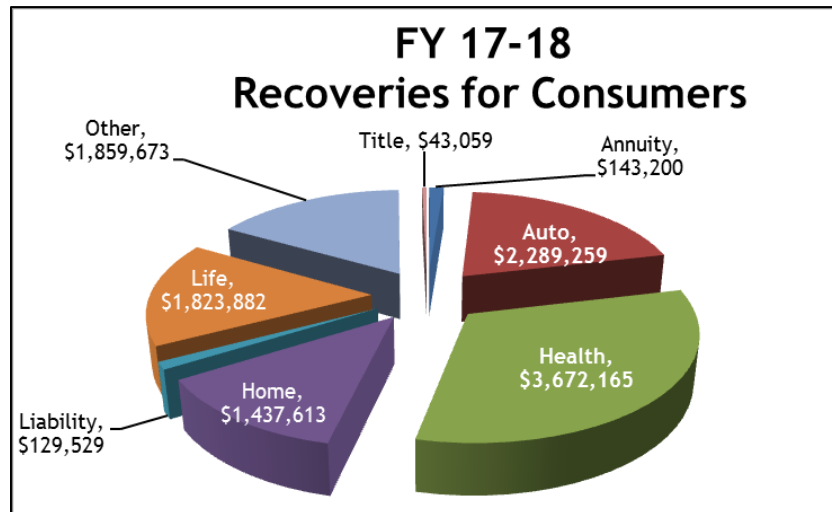
Overall, in FY 17-18, the Division found consumers' complaints confirmed, and the company in violation of law or policy provisions, 43% of the time. The L&H confirmed rate was 58.2% and the PC&T was 34.3%.



## Outcomes: Recoveries for Consumers

Consumer Services' 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.

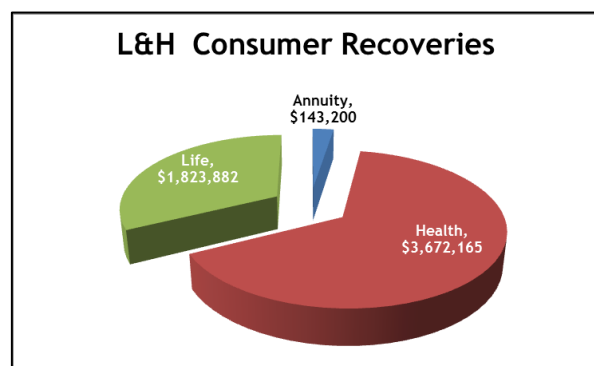
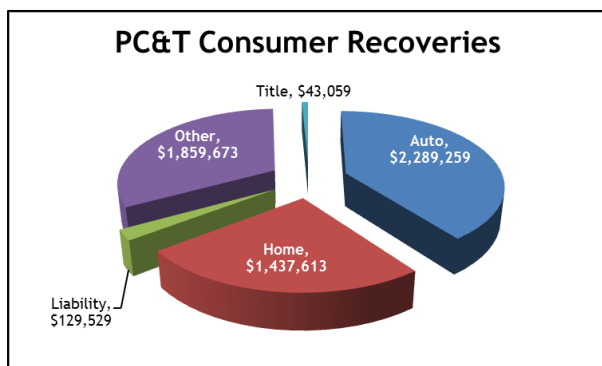
In FY 17-18, the Division recovered a total of \$11,398,379 for Colorado consumers, an increase of 34% when compared to FY 16-17 recoveries of \$8,517,971.



PC&T recovered a total of \$5,759,132.

L&H recovered \$5,639,247.

The charts below provide the amount of recoveries by section and insurance type.



Although the Division cannot calculate a dollar value for Division intervention that results in the reinstatement of coverage after cancellation, or reversal of policy non-renewals, the Division's assistance in these types of insurance issues provides an invaluable service to Colorado consumers.