



**COLORADO**

**Department of  
Regulatory Agencies**

Division of Insurance

Annual Report  
on  
Complaints Against Insurers

**Fiscal Year 2019-2020**

October 1, 2020



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**Department of  
Regulatory Agencies**

Division of Insurance

Michael Conway  
Commissioner of Insurance

October 1, 2020

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 2019-2020. 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 complaint indices of insurers, are available in the "[Reports by DOI](#)" section of the Division's website at [dora.colorado.gov/insurance](http://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 \$8.1 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





## Complaints Against Insurers for the Fiscal Year 2019-2020

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.

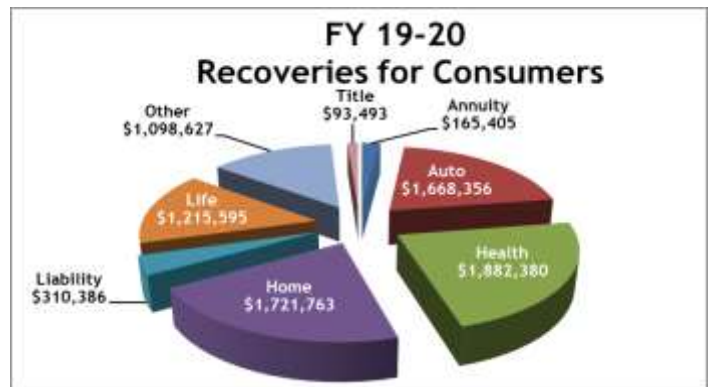
### Outcomes: Recoveries for Consumers

The Division of Insurance Consumer Services sections investigate individual consumer complaints against insurers. These investigations 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.

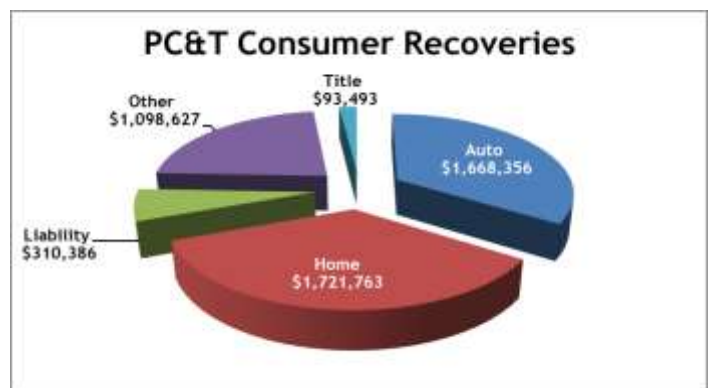
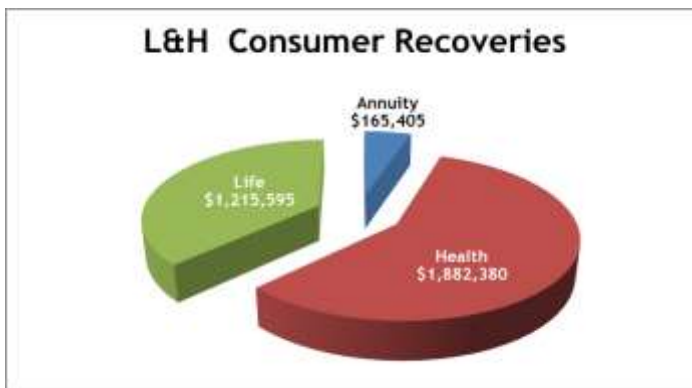
In FY 19-20 the Division recovered a total of \$8,156,004 for Colorado consumers, an increase of 8% when compared to FY 18-19 recoveries of \$7,554,582.

Property, Casualty and Title (PC&T) recovered a total of \$4,892,624.

Life and Health (L&H) recovered a total of \$3,263,380.



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



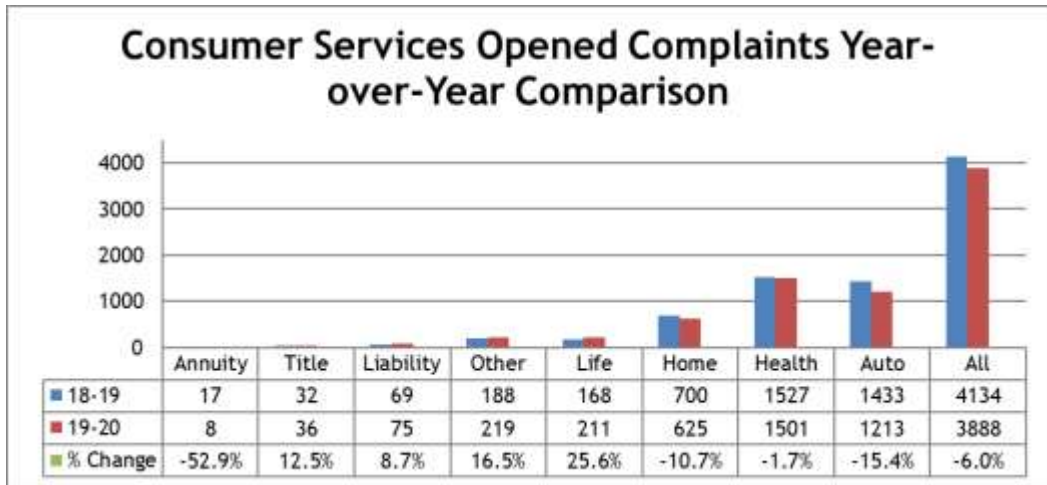
Although the Division cannot calculate a dollar value for Division intervention that results in the reinstatement of coverage after cancellation, or reversal of policy non-renewals, the Division's assistance in these types of insurance issues provides an invaluable service to Colorado consumers.

**Number of complaints against insurers opened in FY 19-20**

The total number of complaints\* *opened* by the Consumer Services Section of the Division of Insurance (Division) decreased by 6% in FY 19-20 when compared to FY 18-19, from 4,134 to 3,888.

The L&H section investigates complaints relating to Health insurance, Life insurance and Annuities. Overall, L&H opened 0.5% more complaints in FY 19-20 when compared to FY 18-19, from 1,712 to 1,720.

Health insurance complaints opened decreased by 1.7% and Annuity complaints by 52.9%. Life insurance complaints opened increased 25.6%.



The PC&T Section investigates complaints relating to Automobile, Homeowner, Liability and Title insurance. Overall, PC&T opened 10.5% fewer complaints in FY 19-20 when compared to FY 18-19, from 2,422 to 2,168. Auto complaints opened decreased by 15.4% and Home by 10.7%. Liability complaints increased 8.7%, Other\*\* by 16.5% and Title by 12.5%.

\* “Complaint” means any written communication primarily expressing a grievance.

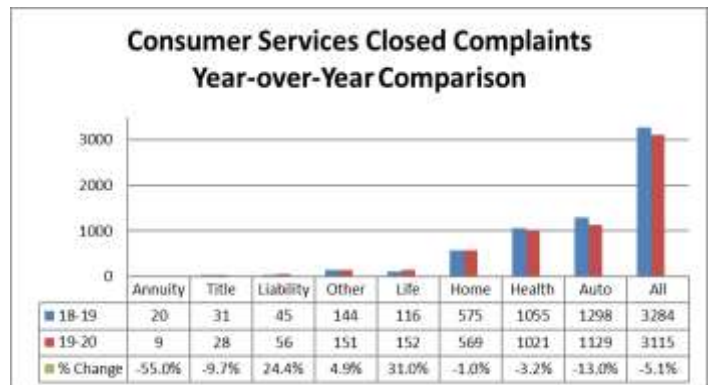
\*\* The Other category of insurance is comprised of (13) types of insurance, including: Commercial Multi-Peril, Dwelling Fire, Federal Flood, Fire/Allied Lines, Pet, Travel, and Workers’ Compensation insurance.

**Number of complaints against insurers closed in FY 19-20**

The total number of complaints *closed* by the Division’s Consumer Services Section decreased by 5.1% in FY 19-20 when compared to FY 18-19, from 3,284 to 3,115.

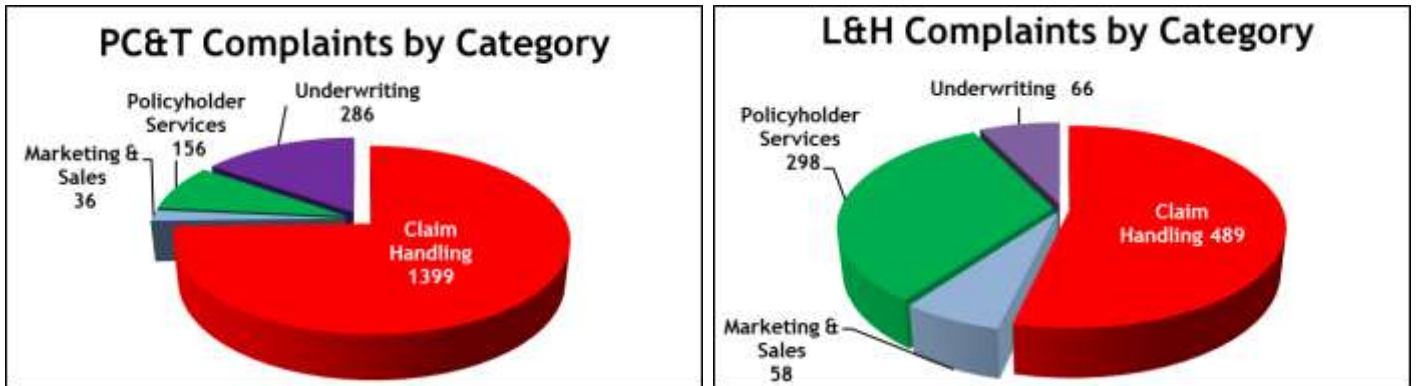
L&H closed 0.8% fewer complaints this fiscal year, from 1,191 to 1,182. Health insurance complaint closures decreased 3.2% and Annuity complaint closures by 55%. The number of Life insurance complaints closed increased by 31%.

PC&T closed 7.6% fewer complaints this fiscal year, from 2,093 to 1,933. Auto complaint closures decreased by 13%, Home by 1% and Title by 9.7%. The “Other” category complaint closures increased by 4.9%, and Liability complaint closures by 24.4%.

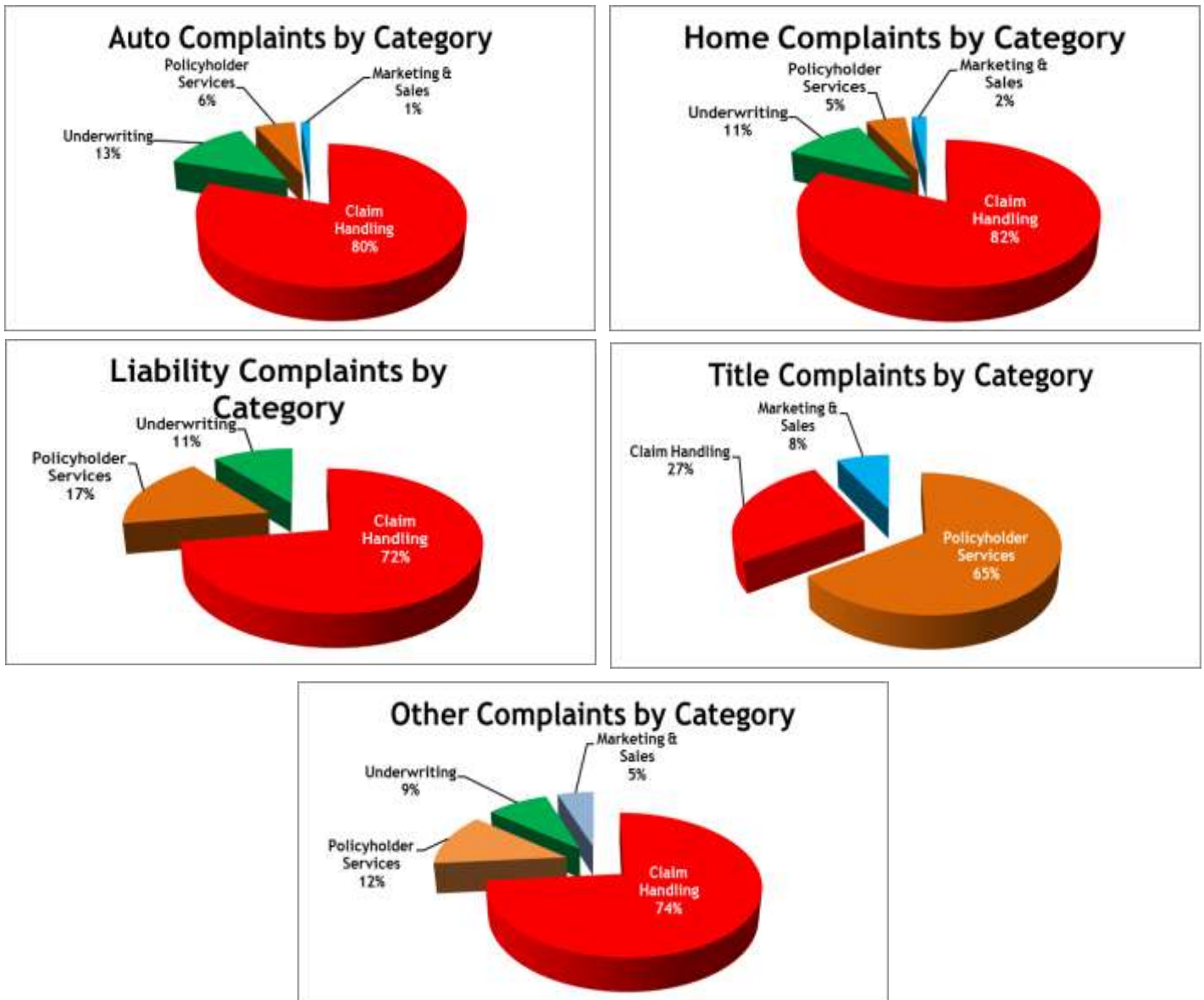


**Nature of complaints against insurers closed during FY 19-20**

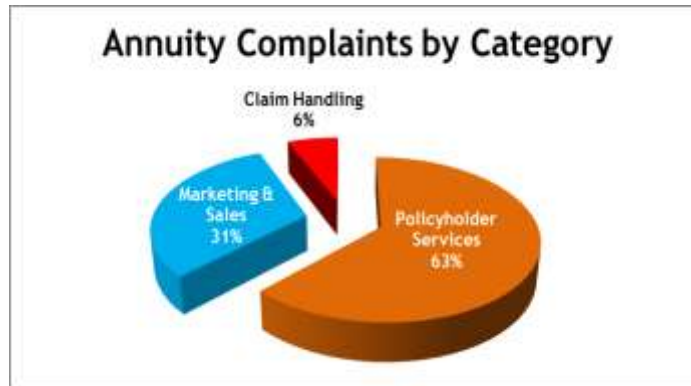
The Division categorizes complaints into four **complaint categories**: Claim Handling, Marketing & Sales, Policyholder Services, and Underwriting. One complaint may have more than one category. The following two charts provide the number of all complaints by category and section:



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



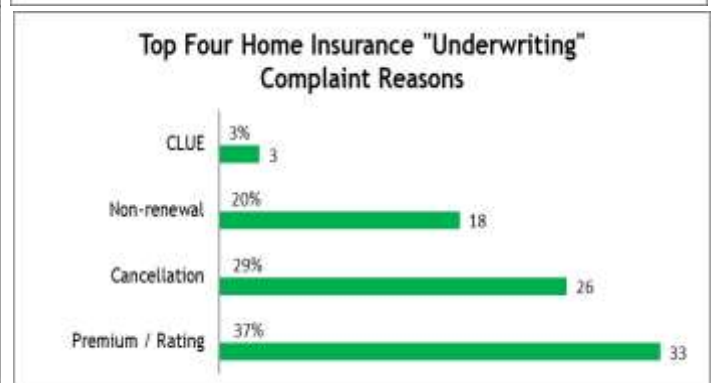
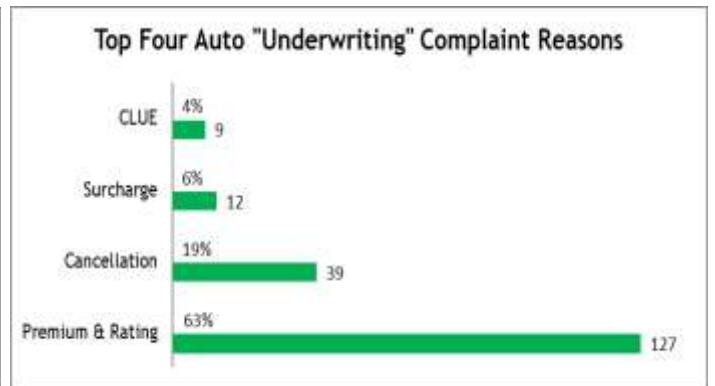
The following charts provide information on the percentage of L&H complaints by coverage type and category:

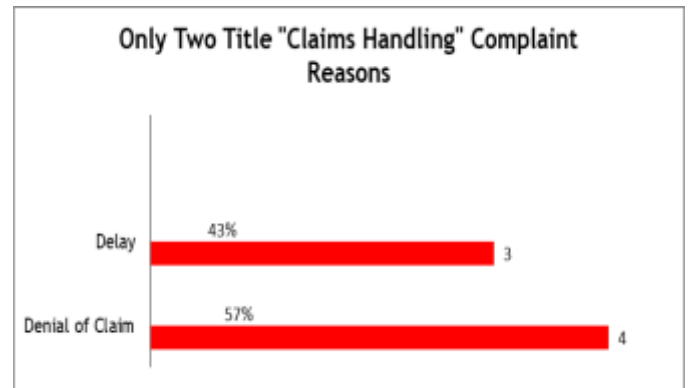
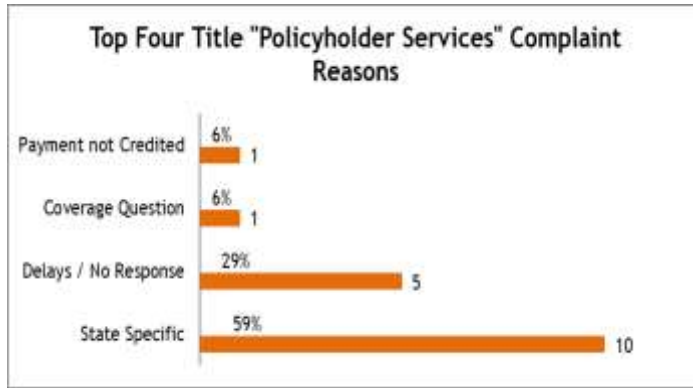


**Complaint reasons by insurance type, category and reason**

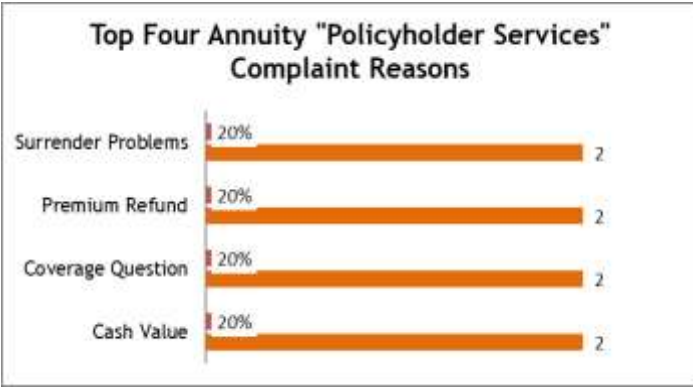
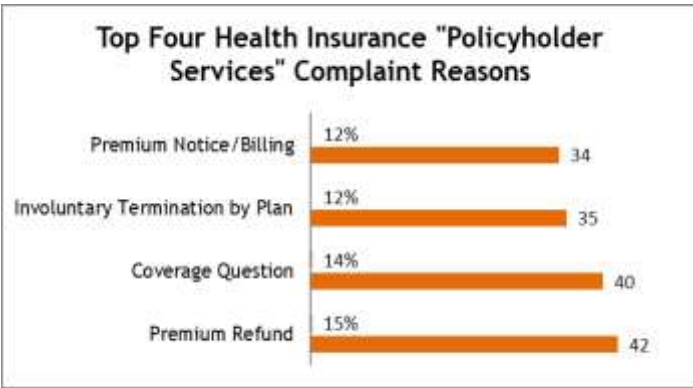
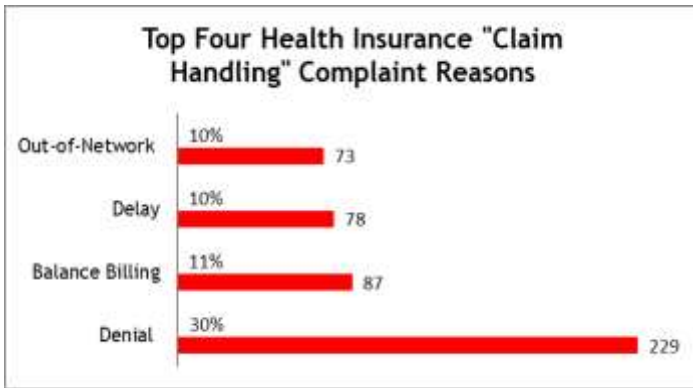
In addition to the four complaint categories explained and illustrated above, the Division identifies further detail; assigning **reason codes** to each complaint. One complaint may have multiple reason codes.

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





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:



### Top Four Life Insurance "Claim Handling" Complaint Reasons



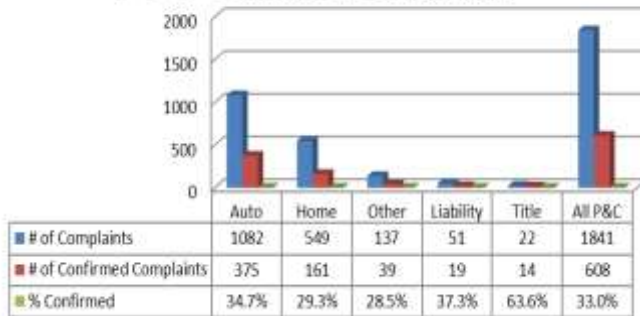
### Top Four Life Insurance "Policyholder Services" Complaint Reasons



### 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 19-20, the Division found consumers' complaints confirmed, and the company in violation of law or policy provisions, 38% of the time. The L&H confirmed rate was 49% and the PC&T rate was 33%.

### PC&T Confirmed Complaints



### L&H Confirmed Complaints

