

Colorado Division of Insurance Annual Complaint and Recoveries Report

FY 2023-24 (July 2023 - June 2024)



COLORADO
Department of
Regulatory Agencies
Division of Insurance

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The Colorado Division of Insurance (DOI), part of the Department of Regulatory Agencies (DORA), regulates insurance in Colorado - the insurance companies as well as insurance agents/brokers. But the DOI is also a resource for Coloradans on insurance matters. We answer consumers' questions, investigate consumers' complaints and generally explain the world of insurance to the public. Most of this work is done by the Consumer Services Team, which is split into two components - Property & Casualty Insurance and Life & Health Insurance. The Consumer Services Team also works with other DOI teams as necessary, especially when systemic issues with insurance companies are identified through complaints received and interactions with consumers.

This report covers the consumer complaints submitted to the DOI, the work in investigating the complaints, and the money recovered for consumers throughout the **2023-24 fiscal year (FY 2023-24; July 2023 - June 2024)**. During that fiscal year, the Consumer Services Team received more complaints as compared to the previous year, and recovered more money for Coloradans.

For the Property & Casualty section, complaints were mostly centered around homeowners and auto insurance. This group not only investigated and resolved these complaints, but also worked to educate consumers regarding the current challenges in the homeowners insurance market and served as a valuable resource by providing assistance to consumers in Colorado.

The Life & Health group received fewer complaints compared to the previous year. However, they investigated nearly 2,000 complaints while helping consumers navigate their health insurance.

Ensuring access to care for Colorado consumers continued to be top of mind for the DOI in working through consumers' questions and complaints.

Money Recovered for Colorado Consumers

Facts and Figures



Total Money Recovered for Colorado Consumers

\$26,487,192

(an increase over the previous year's total of \$21,523,066)

This is money that goes to consumers in situations where the DOI finds that an insurance company improperly denied a claim, or did not initially pay the correct claim amount. Recoveries can also come about when a company is delaying payment on a claim or has not followed State insurance law and regulations.

Property & Casualty Insurance

Money recovered on homeowners insurance complaints

\$10,601,710

Money recovered on auto insurance complaints

\$4,995,340

\$19,253,299

total recovered

Life & Health Insurance

Money recovered on health insurance complaints

\$4,080,002

Money recovered on life insurance and annuity complaints

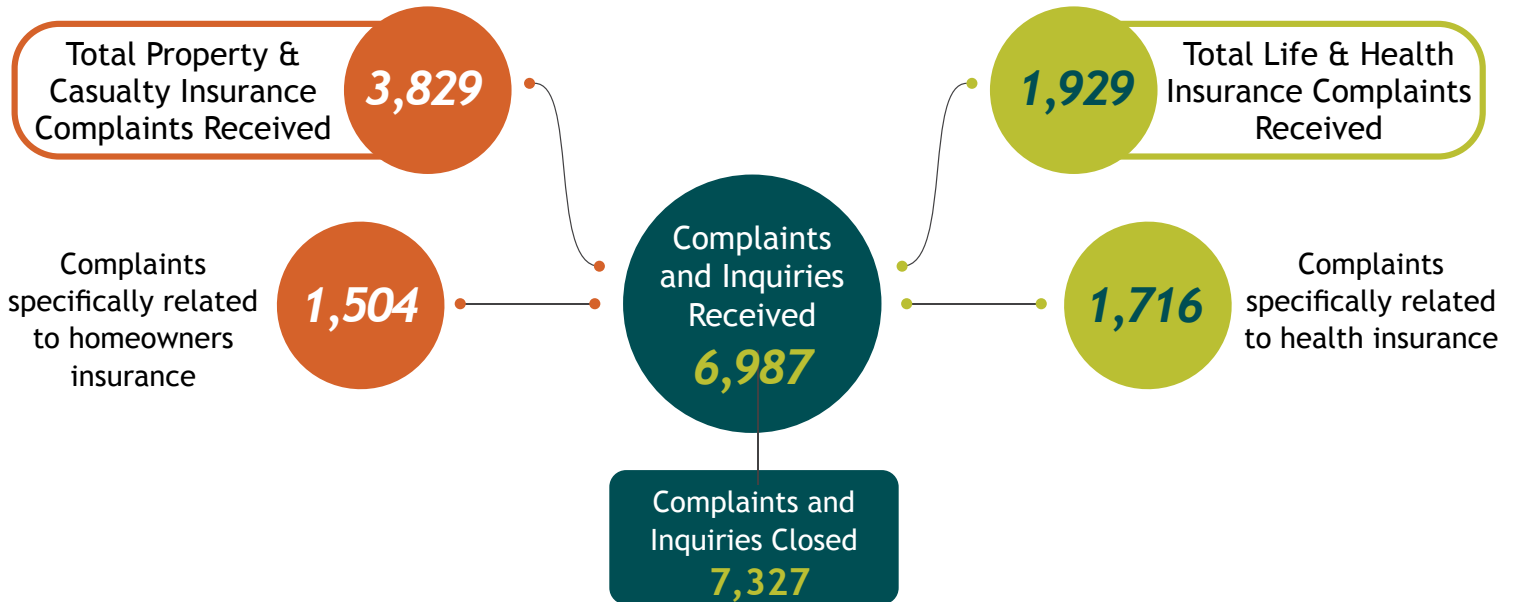
\$3,152,428

\$7,232,430

total recovered

Property & Casualty Insurance Complaints

Life & Health Insurance Complaints



Note: Some complaints take longer than others to fully investigate, so not all complaints are resolved in the year they are received. This figure also includes 2,218 inquiries, which are instances when a consumer's complaint involves an easily resolved question or falls outside of the DOI's authority to regulate. These complaints still require the Consumer Services Team to contact the consumer to answer their questions and educate them on their options.



Telephone Calls: 14,741

Calls to the Consumer Services Team can include simple questions regarding a claim or insurance policy, inquiries about a company's actions which may violate State insurance laws or how to submit a formal complaint to the DOI



Digging Deeper Into Issues

Helping Coloradans Navigate Homeowners Insurance

Across the country, including here in Colorado, people are working through challenges with their homeowners insurance. The DOI has been implementing a number of ways to address these issues, including legislation like the FAIR Plan (an insurer of last resort), market studies and regular stakeholder meetings to hear from consumers and share information about the DOI's efforts. Our Consumer Services Team has also been working through these challenges with individual consumers.



Digging Deeper Into Issues



Answers and Education

In the last year, the Team fielded about 570 calls and emails from Colorado consumers concerned about the affordability and availability of homeowners insurance, as well as non-renewals, which represented about 35% of all the calls and emails the team received specifically related to homeowners insurance.

With each of these inquiries, a Team member takes the time necessary to educate the consumer about the factors leading to premium increases, the underwriting decisions of insurance companies, and the claims process, while also providing resources to help find coverage and suggestions to possibly lower premiums.



Digging Deeper Into Issues

Providing a Better Understanding of Health Insurance

In recent years, the DOI developed various programs that increase access to health insurance and save people money on health care. However people can still run into problems and roadblocks when using that health insurance. The Consumer Services Team strives to not only answer people's questions and investigate their complaints, but also works to help people gain a better understanding of their coverage and benefits, and help them navigate the health care system.



Out-of-Network Labs

Over the last year, the Consumer Services Team has seen an uptick in complaints about physicians sending blood draws and other lab work to out-of-network labs. Generally, this shouldn't occur, as in-network physicians are required by their contract with insurance companies to use labs that are also in-network. In addition to investigating each consumer complaint to ensure that consumers are receiving the benefits promised by their insurance policies, the Team is currently working with insurance companies to address this challenge and ensure members' labs are being sent to in-network providers by their contracted care teams.



Helping Consumers Understand Long-Term Care Insurance Policy Options

In this past year, the Consumer Services Team successfully helped many consumers understand their Long-Term Care (LTC) policies, as well as what options are available to them when they experience a rate increase. The Team also worked to gain a deeper knowledge about how LTC insurance companies interpret their policies and determine payouts to their policyholders. Through this effort, the Team identified a specific policy option that could help many Coloradans. An “Alternate Plan of Care” option is designed to provide consideration for care that would not normally be covered under LTC policies. And while this policy option can only be accessed in very specific circumstances, the Team was able to identify it as an option for specific consumers that had filed complaints concerning coverage that was dependent on the type of facility in which the care was received. In some cases this allowed the policyholders to access policy benefits without having to change the facility in which they were residing.



Consumers' Stories



Delay in Hail Damage Claim

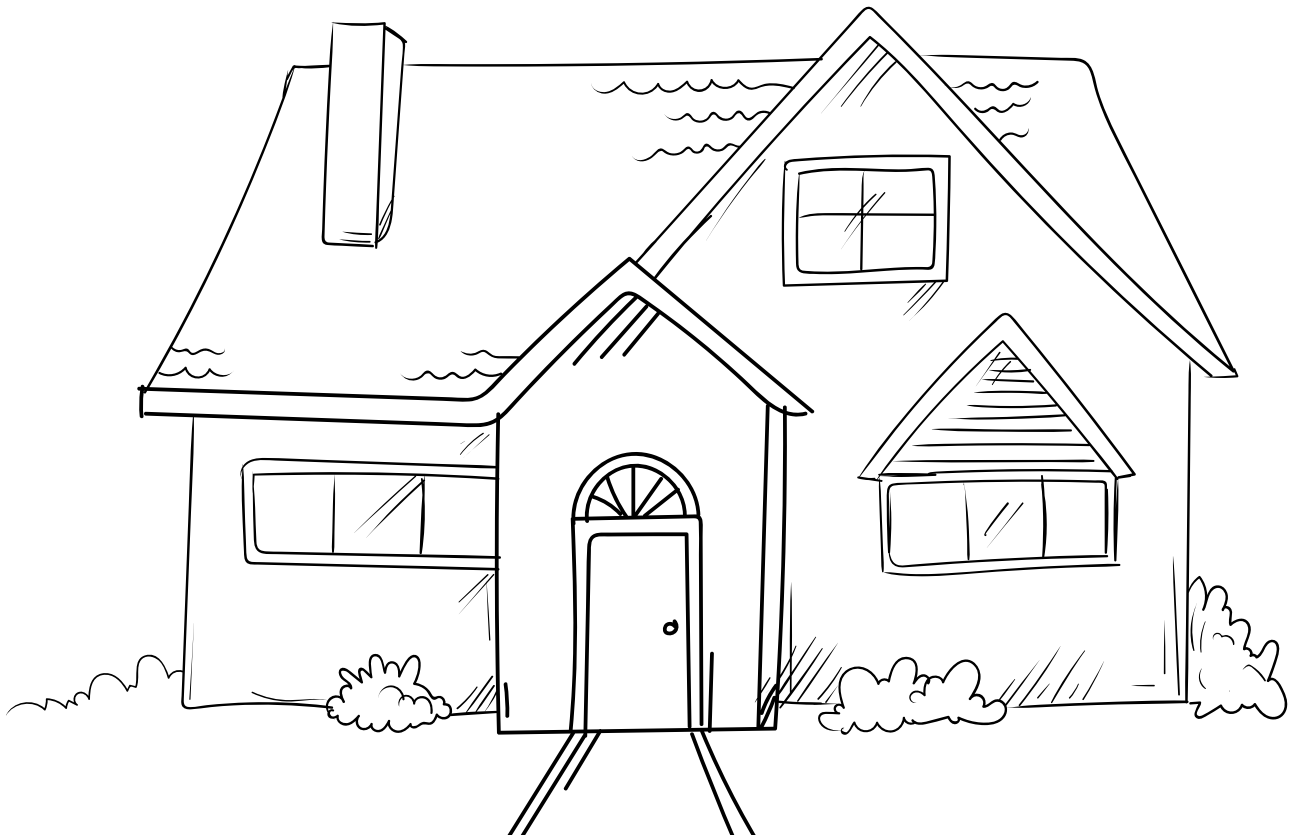
The owners of an apartment complex filed a complaint after an extensive delay in getting payment on a claim regarding extensive hail damage to the complex. The hail claim was filed on July 24, 2023, yet as of November 2023, the insurance company had still not paid the settlement amount. After the apartment complex filed a complaint with the DOI on November 1, the DOI contacted the insurance company, prompting the company to start working with the complex to negotiate the settlement. By November 22, 2023, the insurance company had paid the settlement amount of \$2,657,730.

Transplant Results in Out-of-Network Billing

The Team worked with a consumer with medical bills over \$420,000 due to a transplant. The consumer had been insured by Friday Health, and even though the company had made the appropriate arrangements with the out-of-network health care providers, Friday Health had been liquidated throughout the country and put into receivership. The Consumer Services Team worked with the providers to pause bills to the consumer while working through the transplant claims and provider payments. The Team also worked with an outside advocacy agency, and ultimately the consumer was not billed for anything over in-network charges.

Smoke Damage from Marshall Fire

Unfortunately, some consumers are still working through issues resulting from the December 2021 Marshall Fire. One consumer filed a complaint in November 2022, as their insurance company had still not remediated the smoke damage to their home. While the company did agree to do some cleaning, it was not to the extent the consumer needed. With the Consumer Services Team's involvement, the company eventually paid an additional \$122,197 to properly clean and remediate the smoke damage to the home, and the Team was able to close the complaint in August 2023.

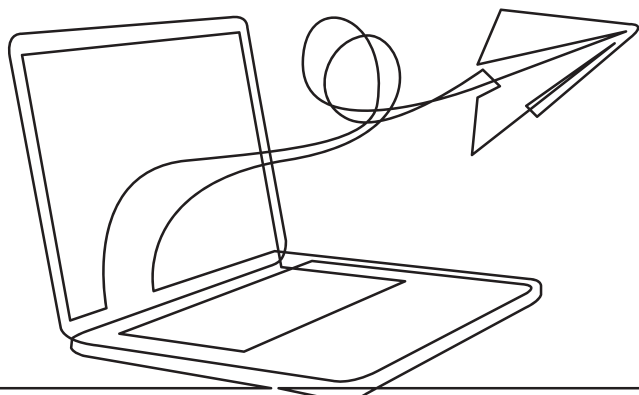


Following Through on Network Exception

With health insurance, issues around provider networks are common. When Coloradans run into problems with a provider network being inadequate in rural areas or regarding speciality care and speciality providers, consumers will often require what is called a *Provider Network Gap Exception* so they can get the care they need. The Consumer Services Team makes sure the insurance companies follow through and approve these exceptions as necessary. In the last year, the Team worked through a consumer's exception that had been approved by Oscar Health. However, this exception was complicated by the fact that Oscar had not set up the appropriate agreement, called a *Single Case Agreement (SCA)*, with the out-of-network speciality provider. Additionally, Oscar Health had exited the Colorado market. As a result, the consumer was billed for over \$30,000. The Team intervened to ensure that Oscar Health processed the claim correctly, and the consumer was covered at no greater cost to the consumer than if the services and treatment were obtained from an in-network provider.

Improper Delay for Life Insurance Claim

The DOI often needs to intervene when a life insurance policy payout is delayed. In one particular case, a person was expecting a payout of over \$2 million from two policies. The claims were filed on March 10, 2023, and the consumer battled with the insurance company over the next three months to get this settled. Even after the company received a coroner report, it did not issue the payout. Finally, the consumer filed a complaint with the DOI on July 14, 2023. After a DOI investigation, the company processed the claim and made the payments by July 26, including over \$14,000 in interest.



Travel Insurance Not Paying Hospital Bill

A Colorado consumer purchased travel insurance, which included medical coverage, for an overseas trip. A health emergency occurred early in the trip. In January 2023, the foreign hospital billed for services in the amount of \$48,656. Yet, as of November 2023, the travel insurance had still not paid for this bill. The consumer submitted a complaint to the DOI on November 28. The travel insurance company was attempting to renegotiate the bill, however, based on the DOI's involvement, they wrapped up their review of the claim and paid the full amount to the hospital by late December 2023.



Getting Medical Claims Paid

For many people, struggling with traumatic medical problems can mean they do not have the energy to navigate the health care system. The Consumer Services Team worked with a consumer whose wife was involved in a car accident that resulted in a traumatic brain injury. She had been moved multiple times from one facility to another and was having claims denied. The Team worked with the insurance company to get a better understanding of the claims, as well as the claim denials. Eventually, our Team ensured the claims were paid, providing an immense sense of relief for the family.



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Contact the Colorado Division of Insurance

If you have questions, concerns or complaints about your insurance, insurance company or insurance agent, or you just need an explanation of terminology, processes or the world of insurance in general, please contact the Colorado Division of Insurance Consumer Services Team.

303-894-7490

DORA_Insurance@state.co.us

doi.colorado.gov (click on “File a Complaint”)