



Colorado Division of Insurance Annual Complaint and Recoveries Report

FY 2024-25 (July 2024-June 2025)



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. The DOI is also a resource for Coloradans on insurance matters. We answer consumer questions, investigate consumer complaints and 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. They are the face of our mission: consumer protection. The Consumer Services Team also works with other DOI teams, 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 2024-25 fiscal year (FY 2024-25; July 2024 - June 2025).

During the fiscal year, the Consumer Services Team received fewer complaints as compared to the previous year. 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. The Life & Health group received fewer complaints compared to the previous year. However, they investigated over 1,000 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

This is money restored 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.



Total Money Recovered for Colorado Consumers

\$17,607,341

Money recovered on homeowners insurance complaints

\$5,764,272

Money recovered on auto insurance complaints

\$3,880,700

\$10,430,250

total recovered

Other Property & Casualty

\$785,278

Money recovered on health insurance complaints

\$3,011,033

Money recovered on life insurance and annuity complaints

\$4,165,805

\$7,176,838

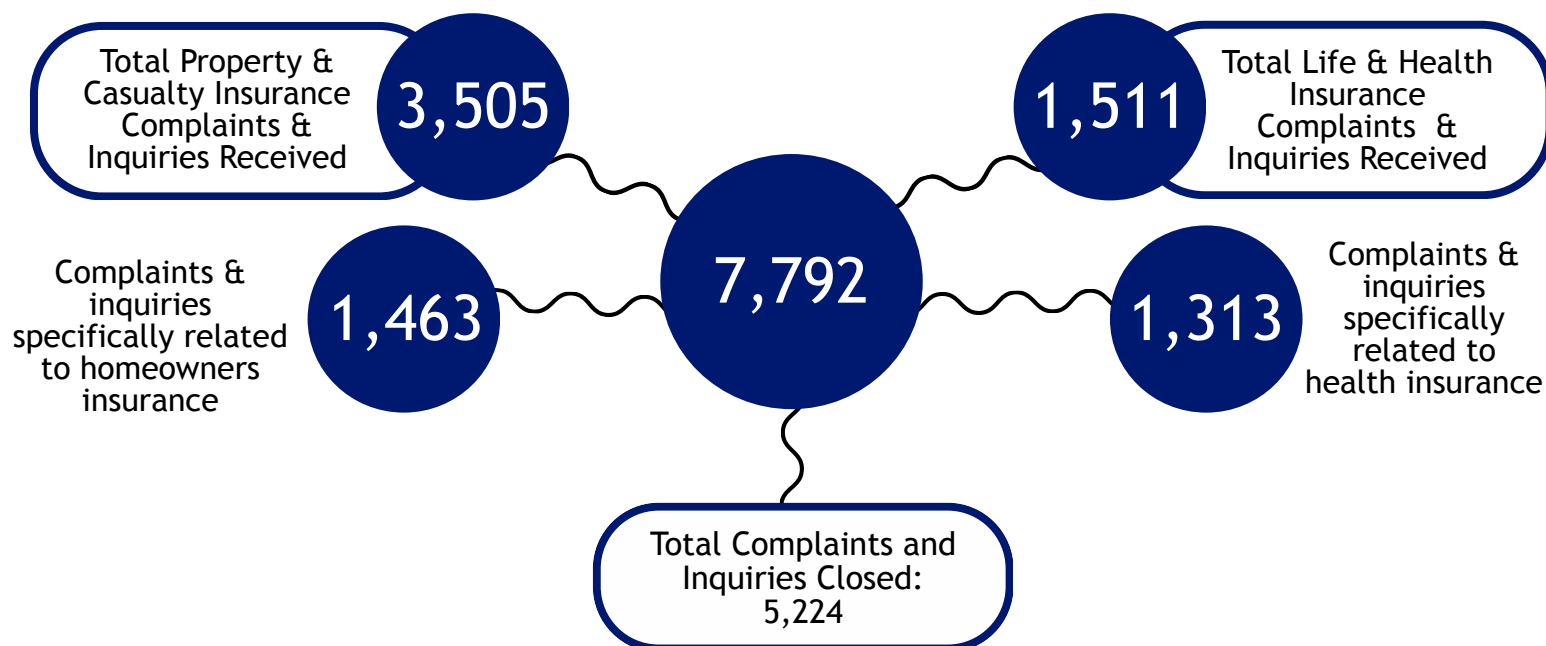
total recovered

Note: \$253 was recovered in the Other category

Facts and Figures

Property & Casualty Insurance Complaints & Inquiries

Life & Health Insurance Complaints & Inquiries



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 222 inquiries, that involve an easily resolved question or fall outside of the DOI's authority to regulate. These inquiries still require the Consumer Services Team to contact the consumer to answer their questions and educate them on their options.

13,000

Telephone calls: Approximately 13,000

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

| Diabetic Supplies Coverage

Colorado Option Standardized health benefit plans were created to meet the needs of Coloradans, and this includes free diabetic supplies and low cost education. The Division has worked hard to help people understand coverage of diabetic supplies with Colorado Option plans. To help in this process, carriers have received guidance needed to comply with the requirements, and consumers can find more information on our [Colorado Option](#) page. Teams at the Division worked closely together to clarify the benefits for the consumers and provide carrier guidance, resulting in a significant reduction in complaints.



| Breast Imaging Billing

Over the last year, the Division has seen an uptick in Coloradans filing complaints related to Colorado House Bill 19-1301 - Concerning Health Insurance Coverage For Breast Imaging and Colorado Senate Bill 25-296 Insurance Coverage for Breast Cancer Examinations. The complaints are typically around situations where the original screening mammogram is not able to evaluate the breast tissue due to breast density. The law states that covered patients are not responsible for any cost-sharing amounts for any noninvasive, preventative breast imaging that is recommended by the patient's provider. The Division has worked with several providers to recover funds incorrectly charged to patients.

Consumers' Stories

Reimbursement for Car Repair Troubles

A consumer brought their car to an auto shop for repairs, but the shop was unable to come to an agreement with the insurance company on labor rates, so the consumer needed to bring their car to another shop. In order to remove the vehicle from shop one, the consumer had to pay \$500 to shop one for a completed tear down and administrative fees, which the insurance company initially refused to pay.

The P&C Consumer Services team argued that because the consumer's vehicle needed to be torn down to fully assess the extent of damage, to which the insurance company issued a supplemental payment, and then re-assembled to move the vehicle to a repair shop that would agree to work with the insurance company's labor rates, the insurance company should reimburse the consumer. This argument resulted in \$500 back in the consumer's pocket. The insurance company issued a \$500 payment to the complainant based on this argument.



Discount Dispute

A consumer had a hail resistant roof installed and provided the receipt to their insurance agent to receive the associated discount, but the discount was never applied. The consumer contacted the Consumer Services Team. When the team got involved, the Insurance Company confirmed that the Agent had received and forwarded the documentation in 2020. The Insurance Company backdated the discount effective January 2020, resulting in a refund of \$2,251.58 plus interest in the amount of \$193.42.

Consumers' Stories

Denied Loss Assessment Claim

A family submitted a loss assessment claim to their insurance company and were denied because of the date the assessment was made by the HOA. The family contacted the Consumer Services Team, who found that the policy language did not specify whether the assessment was paid based on date of loss or date of assessment. Thanks to the team's diligence, the company agreed to pay the claim based on the date of loss and \$9,271.00 was recovered for the family.

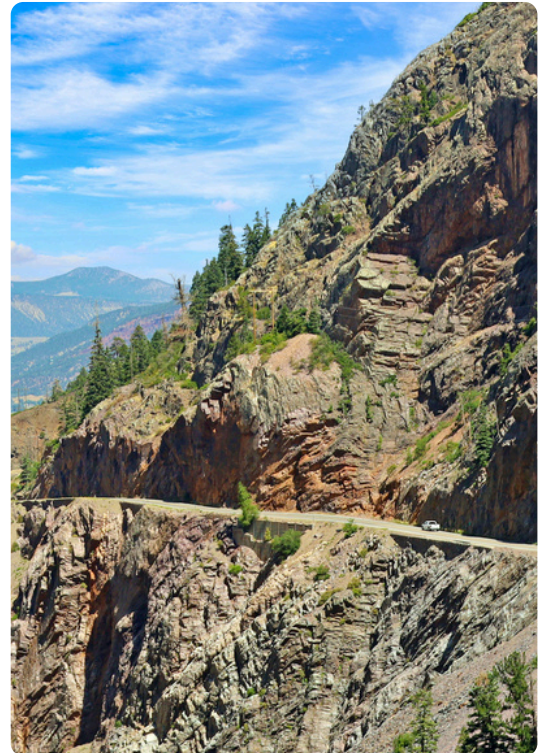


Out-of-Network Error

A consumer was billed \$171,000 for a hospital stay that their insurance company processed as an out-of-network facility, without any out-of-network benefits. This resulted in the entire hospital claim being denied. The consumer filed a complaint with the Division of Insurance, prompting the insurance company to review the complaint and recognize the error. The hospital was determined to be in-network, and the consumer was not billed.

Medical Necessity Review

A full-time student drove themselves to the emergency room with an unusual and persistent headache that was diagnosed as a stroke. The student returned for follow-up visits. Their insurance company denied their claim because the care requested was determined to be "Not Medically Necessary." The consumer filed an appeal, but the decision was upheld. The student sought additional assistance from the Division. Although the Division does not make decisions regarding medical necessity, we are able to make sure consumers receive their rights to appeals and external reviews. We worked with the complainant on how to request an Independent External Review (IER). The IER was requested and the Independent Review Organization overturned the Medical Necessity denial and the claims were processed with in-network benefits resulting in the recovery of \$104,292.

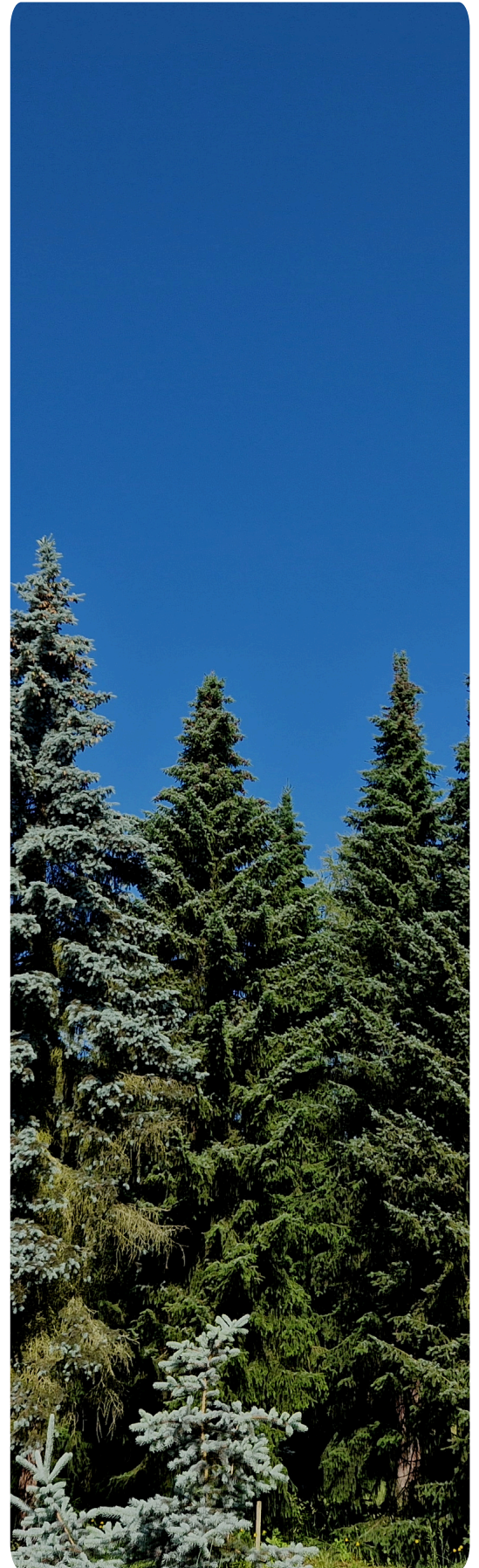


| Lapsed Life Insurance Policies

The Division often is asked to step in and assist Coloradans with life insurance policies either due to a lapse in the policy due to carrier error or a delay in a payout during the loss of a family member. Our team works diligently to make sure the policyholder is made whole if there is carrier mishandling.

A \$1,730,142 life insurance policy lapsed due to misinformation from the company about whether monthly payments could be made versus a lump sum payment to continue the policy, and the company not applying premium payments received. The policyholder reached out for the Division's help in getting the policy reinstated. After the Division's inquiry, the company reinstated the policy by applying the prior payments of \$3,436.00 and \$26,461.45. This was completed without the need for the policyholder to pass underwriting requirements initially passed in 1992.

In another case, a \$1,000,000 flexible premium adjustable life insurance policy was going to lapse. The policyholder had made the premium payment, and it was received and cashed, but the company stated, due to an "isolated processing error, this payment was misdirected and not immediately applied to the policy." The policyholder filed a complaint with the Division as the carrier was unresponsive and failed to resolve the issue, putting the policy in danger of lapsing. After the Division inquiry, the carrier resolved the issue so there was no lapse in the policy.



Consumer Feedback

Consumers who call the Division of Insurance Consumer Services Team are often frustrated with or confused by their insurance. We can help with all types of insurance issues, and while we can't fix everything, especially what's out of our regulatory zone, our Consumer Services Team works to get each caller a resolution. Here's what some consumers have had to say about working with the Consumer Services Team:

"Amazing help with my situation, as soon as you stepped in everything was resolved within a few days! Thank you so much!"

"{Consumer Services Representative Name} kept me well informed along the way and went above and beyond to assist with the bureaucracy of {insurance company} to get a resolution even after I had to reopen the case."

"{Consumer Services Representative} is incredible! I had a very difficult situation and she skillfully and professionally addressed my issue. Great outcome!"

"The service and information I received from DORA was excellent. Thank you for your help!"

"Response and communication was first class!"

"Thank you so much. I really appreciate all the services offered as a citizen of the State of Colorado. You all were fantastic!"

"If it wasn't for you, I would have not got the insurance company to come through."

"Thank you for the diligence. This was not an easy claim to solve due to incorrect billing on the part of the provider."





COLORADO

**Department of
Regulatory Agencies**

Division of Insurance



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”)