



North Dakota
Insurance Department
Adam Hamm, Commissioner

Consumer Assistance,
Enforcement Action
and Fraud Report
2011

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Summary of total relief

Consumer assistance and enforcement action

Total relief from all sources

Source	Relief
2011	
Company complaints	\$1,150,882.61
Agent complaints	\$104,783.00
SHIC and Prescription Connection	\$3,611,212**
Consumer assistance hotline	\$702,117.47
Agent enforcement investigation*	0
Company enforcement investigation*	0
2011 total	\$5,568,995.08

2010	
Company complaints	\$565,938.69
Agent complaints	0
SHIC and Prescription Connection	\$4,834,624**
Consumer assistance hotline	\$101,205.11
Agent administrative investigation*	0
Company administrative investigation*	0
2010 total	\$5,501,767.80

Combined 2010-2011 total	\$11,070,762.88
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*Does not include fines resulting from administrative actions.

**2011 SHIC relief is based upon prior three years' average. 2011 Prescription Connection relief is based on national averages for prescription costs. 2010 SHIC relief is based in on national averages provided by CMS. 2010 Prescription Connection relief is based on a national average calculated by PhRMA.

2011 combined company and agent complaint statistics

Year	2011 complaints closed	Relief*
2011	214	\$1,255,665.61

Complaints are further categorized into seven different groups based on related types of coverage. They are: auto, fire, allied and commercial multi-peril, homeowner, life and annuity, accident and health, liability and miscellaneous.

2011 company complaints

Type	2011 complaints closed	Relief*
Auto	75	\$66,118.78
Fire, Allied/CMP	5	\$59,309.39
Homeowners	53	\$69,706.60
Life/annuity	13	\$18,449.45
Accident/health	28	\$40,551.65
Liability	12	\$44,694.00
Miscellaneous	11	\$52,052.74
Total	197	\$1,150,882.61

2011 agent complaints

Type	2011 complaints closed	Relief*
Auto	2	0
Fire, Allied/CMP	0	0
Homeowners	0	0
Life/annuity	6	\$104,000.00
Accident/health	6	\$783.00
Liability	1	0
Miscellaneous	2	0
Total	17	\$104,783.00

*Relief equals that amount which the Department's intervention helped in getting for the consumers.

Agent complaint statistics 2001-2011

Year	Closed complaints	Relief*
2001	52	\$4,589.82
2002	51	\$22,447.20
2003	56	\$14,093.10
2004	33	\$55,730.99
2005	44	\$386,861.77
2006	25	\$26,365.65
2007	32	\$32,647.98
2008	34	\$44,778.30
2009	28	\$34,294.31
2010	24	0
2011	17	\$104,783.00
Total	458	\$779,051.75

Company complaint statistics 2001-2011

Year	Closed complaints	Relief*
2001	379	\$376,501.52
2002	378	\$829,627.21
2003	310	\$867,895.37
2004	278	\$373,651.94
2005	220	\$437,139.32
2006	205	\$434,564.99
2007	201	\$422,665.85
2008	241	\$521,251.11
2009	236	\$656,361.44
2010	211	\$565,938.69
2011	197	\$1,150,882.61
Total	3,033	\$7,222,362.49

*Relief equals that amount which the Department's intervention helped in getting for the consumers.

Consumer assistance hotline statistics

Year	Walk-ins	Incoming calls	Outgoing calls	Total calls	Relief
2001	315	2,125	12,166	14,291	284,631.38
2002	283	1,449	11,423	12,872	1,047,218.54
2003	99	862	6,394	7,256	\$653,922.66
2004	171	1,534	8,135	9,669	\$1,030,267.58
2005	171	2,027	8,272	10,299	\$589,114.85
2006	167	1,808	8,308	10,116	\$629,222.47
2007	183	1,785	8,298	10,083	\$581,652.38
2008	132	1,556	7,214	8,902	\$295,098.38
2009	157	1,813	6,680	8,493	\$659,519.08
2010	110	2,046	6,251	8,297	\$101,205.11
2011	115	2,050	5,165	7,215	\$702,117.47

Note: These figures do not include correspondence/material sent to consumers by staff members in these positions.

State Health Insurance Counseling Program (SHIC)

Year	Number of contacts	Relief
2001	776	\$32,785
2002	450	\$52,500
2003	493	n/a ^a
2004	651	n/a ^a
2005	3,198 ^b	\$841,161
2006	6,351 ^b	\$1,607,450
2007	9,484	\$2,397,363 ^c
2008	15,907	\$4,034,031 ^c
2009	18,529	\$4,541,977 ^c
2010	13,194	\$3,068,776 ^c
2011	12,270	\$3,006,150 ^d
Total	81,303	\$19,582,193

- a. Due to reporting system changes, relief information is not available.
- b. Increase in calls due to introduction of Medicare Part D drug benefit.
- c. Relief is an estimate based upon national averages provided by CMS.
- d. Relief is an estimate based upon prior three years' average.

Prescription Connection

2011	
Persons helped*	393
Total estimated relief (discount)**	\$605,062

2010	
Persons helped*	2,122
Total estimated relief (discount)***	\$1,765,848

*Helped means applicant was eligible for at least one assistance program.

**Based on national averages for prescription costs.

***PhRMA uses aggregate national information for all programs to calculate a national average amount per person. Due to a lag in data availability, the most current average available is for the year 2004, which is used in the 2010 calculation. The calculation for 2004 is \$645 per person helped.

Agent and company enforcement investigation relief

	Agent	Company	Total
2005	\$375,887.45	\$25,586.44	\$401,473.89
2006	\$65,715.00	\$246,052.00	\$311,767.00
2007	\$675,577.13	0	\$675,577.13
2008	\$353,132.54	0	\$353,132.54
2009	\$14,555.79	0	\$14,555.79
2010	0	0	0
2011	0	0	0
Total	\$1,484,867.91	\$271,638.44	\$1,756,506.35

Agent enforcement actions—fines

	2005	2006	2007	2008	2009	2010	2011
Cease and desist	2	3	3	0	3	3	6
Fines	3	1	0	2	18	21	1
Probations	4	1	1	5	20	19	14
Revocations	3	7	7	2	10	8	15
Suspensions	1	0	0	1	1	1	0
Other	5	12	4	5	40	18	11
Total number of actions*	18	24	15	15	92	70	47
Total \$ amount of fines	\$11,890	\$2,000	0	\$3,000	\$7,850	\$8,950	\$1,000

*The total number of actions may reflect multiple penalties of an individual action.

Note: These administrative actions do not reflect the suspensions/revocations for noncompliance with continuing education requirements in the state of North Dakota.

Company enforcement actions—fines

	2005	2006	2007	2008	2009	2010	2011
Cease and desist	2	3	1	0	1	0	0
Fines	3	7	2	2	2	2	0
Revocations	0	0	0	7	2	2	6
Suspensions	0	0	2	1	5	5	2
Other	4	3	1	3	10	12	0
Total number of actions*	9	13	4	5	13	14	8
Total \$ amount of fines	\$17,078	\$66,600	\$753,978.62	\$22,795.00	\$35,000	\$7,063	0

*The total number of actions may reflect multiple penalties of an individual action.

Fraud actions

	2008	2009	2010	2011
Insurance fraud referrals received	23	48	94	120
Closed by arrest	0	1	4	11
Closed by exception (death of suspect)	0	2	3	1
Closed due to jurisdiction	0	1	2	3
Closed due to statute of limitation	12	4	3	5
Declined by prosecutor	0	0	2	0
Referred to other agency	3	5	9	1
Suspended—lack of investigative leads	1	20	13	4
Unfounded	4	4	7	10
Cases still under investigation	3	11	51	79
Amount of suspicious claims*	\$28,938.27	\$20,220,566.16**	\$1,061,114.69	\$1,450,033.63

*This number reflects only those amounts that were reported by insurance companies; not all companies report the claim amount with their referral.

**\$20 million of this amount is from one case that is being investigated by a federal agency.