



North Dakota  
Insurance Department

Adam Hamm, Commissioner

Consumer Assistance,  
Enforcement Action  
and Fraud Report  
2015

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Summary of total relief  
 Consumer assistance and enforcement actions

Source	Relief
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<b>2015</b>	
Company complaints	\$815,135.27
Agent complaints	\$77,402.29
SHIC and Prescription Connection	\$2,123,746.80
Consumer assistance hotline	\$395,559.20
<b>2015 Total</b>	<b>\$3,411,843.56</b>

<b>2014</b>	
Company complaints	\$757,964.28
Agent complaints	\$31,042.40
SHIC and Prescription Connection	* \$2,907,019.00
Consumer assistance hotline	\$714,034.48
<b>2014 Total</b>	<b>\$4,410,060.16</b>

<b>Combined 2014-2015 Total</b>	<b>\$7,821,903.72</b>
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\*SHIC relief is based upon prior three years' average

## 2015 Combined company and agent complaints

<b>Year</b>	<b>Complaints closed</b>	<b>Relief</b>
2015	150	\$892,537.56

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.

## 2015 Company complaints

<b>Type</b>	<b>Complaints closed</b>	<b>Relief</b>
Auto	55	\$55,421.98
Fire, Allied/CMP	5	\$1,743.00
Homeowners	23	\$224,861.63
Life/annuity	5	\$337,565.00
Accident/health	18	\$142,584.27
Liability	9	\$51,901.19
Miscellaneous	3	\$1,058.20
<b>Total</b>	<b>118</b>	<b>\$815,135.27</b>

## 2015 Agent complaints

<b>Type</b>	<b>Complaints closed</b>	<b>Relief</b>
Auto	5	0
Fire, Allied/CMP	0	0
Homeowners	4	0
Life/annuity	7	\$64,030.39
Accident/health	9	\$13,371.90
Liability	0	0
Miscellaneous	7	0
<b>Total</b>	<b>32</b>	<b>\$77,402.29</b>

Agent complaints  
2005 – 2015

<b>Year</b>	<b>Complaints closed</b>	<b>Relief</b>
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
2012	25	\$224,381.98
2013	26	\$7,282.91
2014	31	\$31,042.40
2015	32	\$77,402.29
<b>Total</b>	<b>318</b>	<b>\$969,840.59</b>

Company complaints  
2005 – 2015

<b>Year</b>	<b>Complaints closed</b>	<b>Relief</b>
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
2012	180	\$626,162.86
2013	169	\$2,560,183.84
2014	141	\$757,964.28
2015	118	\$815,135.27
<b>Total</b>	<b>2,119</b>	<b>\$8,948,250.26</b>

## Consumer assistance hotline statistics

Year	Walk-ins	Incoming calls	Outgoing calls	Total calls	Relief
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
2012	119	2,093	6,196	8,289	\$294,301.79
2013	212	4,092	11,011	15,103	\$4,118,807.71
2014	161	3,534	10,121	13,655	\$714,034.48
2015	257	3,308	9,635	12,943	\$395,559.20

## State Health Insurance Counseling Program (SHIC)

Year	Number of contacts	Relief
2005	3,198	\$841,161
2006	6,351	\$1,607,450
2007	9,484	\$2,397,363
2008	15,907	\$4,034,031
2009	18,529	\$4,541,977
2010	13,194	\$3,068,776
2011	12,270	\$3,006,150
2012	11,372	\$2,739,387
2013	9,758	\$2,336,943
2014	9,694	\$2,275,030
2015	8,716	\$1,433,024.03
Total	118,473	\$28,281,292.03

### Notes:

- An increase in calls in 2005 and 2006 was due to the introduction of Medicare Part D drug benefit.
- 2007–2009: relief is an estimate based upon national averages provided by Centers for Medicare & Medicaid Services (CMS).
- 2010–2013: relief is an estimate based upon prior three years' average.

## Prescription Connection

<b>2015</b>	
Persons assisted*	169
Total estimated relief	\$690,722.77

<b>2014</b>	
Persons assisted*	188
Total estimated relief	\$531,989

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

Prescription Connection relief is based on national averages for prescription costs.

## Agent enforcement actions – fines

	2011	2012	2013	2014	2015
Cease and desist	6	6	3	2	4
Fines	1	24	22	38	66
Probations	14	15	18	22	31
Revocations	15	19	22	26	31
Suspensions	0	0	1	0	0
Other	11	41	123	94	67
Total number of actions*	47	105	189	182	184
Total \$ amount of fines	\$1,000	\$27,625	\$32,500	\$75,000	\$48,950

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

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

## Company enforcement actions – fines

	2011	2012	2013	2014	2015
Cease and desist	0	0	0	0	0
Fines	0	11	8	11	8
Revocations	6	2	8	2	3
Suspensions	2	7	3	2	2
Other	0	5	9	26	16
Total number of	8	25	28	41	13
Total \$ amount of fines	0	\$1,229,736	\$954,287	\$729,852	\$489,605

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



## Fraud actions

	2010	2011	2012	2013	2014	2015
Insurance Fraud Cases	101	126	96	159	192	189
Investigative Criteria Not Met	14	8	17	46	48	41
No Jurisdiction	2	3	5	31	20	31
No Evidence of a Crime	9	10	10	12	19	13
Waiting Prosecution Decision	0	0	0	0	0	8
Declined by Prosecutor	0	1	1	4	0	0
Prosecuted	7	21	13	10	18	3
No Further Review (Regulatory Only)	1	4	1	10	6	8
Prosecution Not Appropriate	4	1	3	9	29	10
Referred Inside DOI	1	6	5	8	13	12
Referred Outside DOI	9	2	2	3	3	7
Statute of Limitations	48	60	21	7	10	2
Unable to Prove Beyond a Reasonable Doubt	6	10	18	19	26	19
Open	0	0	0	0	0	35
Amount of Actual Loss	\$1,890,392.80	\$2,015,392.23	\$689,103.78	\$321,915.65	\$818,865.88	\$1,045,515.10

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