



North Dakota  
Insurance Department  
Adam Hamm, Commissioner

Consumer Assistance,  
Enforcement Action  
and Fraud Report  
2010

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# Summary of total relief

## Consumer assistance and enforcement action

Total relief/previous relief from all sources

Source	Relief	Previous relief	Total
<b>2010</b>			
Company complaints	\$565,938.69	\$84,053.74	\$649,992.43
Agent complaints	0	0	0
SHIC and Prescription Connection	\$4,834,624**		\$4,834,624**
Consumer assistance hotline	\$101,205.11	0	\$101,205.11
Agent enforcement investigation*	0	0	0
Company enforcement investigation*	0	0	0
<b>2010 total</b>	<b>\$5,501,767.80</b>	<b>\$84,053.74</b>	<b>\$5,585,821.54</b>

<b>2009</b>			
Company complaints	\$656,361.44	\$59,667.49	\$716,028.93
Agent complaints	\$34,294.31	0	\$34,294.31
SHIC and Prescription Connection	\$6,153,832.00**		\$6,153,832.00**
Consumer assistance hotline	\$659,519.08		\$659,519.08
Agent administrative investigation*	\$14,555.79		\$14,555.79
Company administrative investigation*	0		0
<b>2009 total</b>	<b>\$7,518,562.62</b>	<b>\$59,667.49</b>	<b>\$7,578,230.11</b>

<b>Combined 2009-2010 total</b>	<b>\$13,020,330.42</b>	<b>\$143,721.23</b>	<b>\$13,164,051.65</b>
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\*Does not include fines resulting from administrative actions.

\*\*SHIC relief is based on national averages provided by CMS. Prescription Connection relief is based on a national average calculated by PhRMA.

## 2010 combined company and agent complaint statistics

Year	Complaints received	2009 complaints closed	Relief*	Previous files closed	Previous relief**	Total
2010	235	196	\$565,938.69	35	\$84,053.74	\$649,992.43

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.

## 2010 company complaints

Type	Received	2010 complaints closed	Relief*	Previous files closed	Previous relief**	Total
Auto	81	74	\$103,642.71	7	\$2,519.52	\$106,162.23
Fire, Allied/CMP	8	6	\$30,637.28	0	0	\$30,637.28
Homeowners	67	63	\$173,439.14	13	\$54,403.22	\$227,842.36
Life/annuity	11	10	\$175,560.12	1	0	\$175,560.12
Accident/health	31	26	\$73,124.80	10	\$24,531.00	\$97,655.80
Liability	9	8	\$9,434.64	0	0	\$9,434.64
Miscellaneous	4	4	\$100.00	1	\$2,600.00	\$2,700.00
Total	211	191	\$565,938.69	32	\$84,053.74	\$649,992.43

## 2010 agent complaints

Type	Received	2010 complaints closed	Relief*	Previous files closed	Previous relief**	Total
Auto	0	0	0	0	0	0
Fire, Allied/CMP	0	0	0	0	0	0
Homeowners	1	0	0	0	0	0
Life/annuity	11	2	0	2	0	0
Accident/health	6	1	0	1	0	0
Liability	1	0	0	0	0	0
Miscellaneous	5	2	0	0	0	0
Total	24	5	0	3	0	0

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

\*\*Previous relief equals relief collected in that year for a file opened in an earlier year.

## Agent complaint statistics 2000-2010

Year	Complaints	Relief*	Previous relief**	Total
2000	62	\$52,459.63	\$159,208.67	\$211,668.30
2001	52	\$4,589.82	\$68,923.40	\$73,513.22
2002	51	\$22,447.20	\$626.86	\$23,074.06
2003	56	\$14,093.10	0	\$14,093.10
2004	33	\$55,730.99	\$1,417.81	\$57,148.80
2005	44	\$386,861.77	\$9,003.64	\$395,865.41
2006	25	\$26,365.65	\$497,756.11	\$524,121.76
2007	32	\$32,647.98	0	\$32,647.98
2008	34	\$44,778.30	0	\$44,778.30
2009	28	\$34,294.31	0	\$34,294.31
2010	24	0	0	0
<b>Total</b>	<b>441</b>	<b>\$674,268.75</b>	<b>\$736,936.49</b>	<b>\$1,411,205.24</b>

## Company complaint statistics 2000-2010

Year	Complaints	Relief*	Previous relief**	Total
2000	374	\$585,882.44	\$276,953.19	\$862,835.63
2001	379	\$376,501.52	\$32,496.90	\$408,998.42
2002	378	\$829,627.21	\$352,477.29	\$1,182,104.50
2003	310	\$867,895.37	\$91,664.79	\$959,560.16
2004	278	\$373,651.94	\$55,248.16	\$428,900.10
2005	220	\$437,139.32	\$117,323.05	\$554,462.37
2006	205	\$434,564.99	\$59,411.59	\$493,976.758
2007	201	\$422,665.85	\$2,292,899.53	\$2,715,565.38
2008	241	\$521,251.11	\$574,993.10	\$1,096,244.21
2009	236	\$656,361.44	\$59,667.49	\$716,028.93
2010	211	\$565,938.69	\$84,053.74	\$649,992.43
<b>Total</b>	<b>3,033</b>	<b>\$6,071,479.88</b>	<b>\$3,997,188.83</b>	<b>\$10,068,668.71</b>

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

\*\*Previous relief equals relief collected in that year for a file opened in an earlier year.

## Consumer assistance hotline statistics

Year	Walk-ins	Incoming calls	Outgoing calls	Total calls	Relief
1995	329	5,965	3,520	9,485	\$10,634.27
1996	325	4,611	7,080	11,691	\$120,610.40
1997	294	1,621	11,855	13,476	\$19,872,158.97*
1998	237	1,577	10,797	12,374	\$320,550.77
1999	209	1,316	10,399	11,715	\$325,696.48
2000	218	1,414	9,731	11,145	\$260,213.63
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

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

\*This reflects \$19,348,916 that was directly related to flood/sewer.

## State Health Insurance Counseling Program (SHIC)

<b>Year</b>	<b>Number of contacts</b>	<b>Relief</b>
2001	776	\$32,785.00
2002	450	\$52,500.00
2003	493	n/a*
2004	651	n/a*
2005	3,198**	\$841,161.00
2006	6,351**	\$1,607,450.00
2007	9,484	\$2,397,363.00***
2008	15,907	\$4,034,031.00***
2009	18,529	\$4,541,977.00***
2010	13,194	\$3,068,776.00***
<b>Total</b>	<b>69,033</b>	<b>\$16,576,043.00</b>

\*Due to reporting system changes, relief information is not available.

\*\*Increase in calls due to introduction of Medicare Part D drug benefit.

\*\*\*Relief is an estimate based upon national averages provided by CMS.

# Prescription Connection

<b>2009</b>	
Persons helped*	
Telephone assisted	701
Web assisted	1,798
<b>Total persons helped</b>	<b>2,499</b>
Estimated relief (discount)**	
Telephone assisted	\$452,145.00
Web assisted	\$1,159,710.00
<b>Total estimated relief</b>	<b>\$1,611,855.00</b>

<b>2010</b>	
Persons helped*	
Telephone assisted	657
Web assisted	1,465
<b>Total persons helped</b>	<b>2,122</b>
Estimated relief (discount)	
Telephone assisted	\$820,923
Web assisted**	\$944,925
<b>Total estimated relief</b>	<b>\$1,765,848</b>

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

\*\*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 both 2009 and 2010 calculations. The calculation for 2004 is \$645 per person helped.



## Agent and company enforcement investigation relief

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

## Agent enforcement actions—fines

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

\*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
Cease and desist	2	3	1	0	1	0
Fines	3	7	2	2	2	2
Other	4	3	1	3	10	12
Total number of actions	9*	13*	4*	5*	13*	14*
Total dollar amount of fines	\$17,078	\$66,600	\$753,978.62	\$22,795.00	\$35,000	\$7,063

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

## Fraud actions

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

\*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.