



North Dakota
Insurance Department
Adam Hamm, Commissioner

Consumer Assistance,
Enforcement Action
and Fraud Report
2012

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Summary of total relief

Consumer assistance and enforcement action

Total relief from all sources

Source	Relief
2012	
Company complaints	\$626,162.86
Agent complaints	\$224,381.98
SHIC and Prescription Connection	\$3,191,089.00**
Consumer assistance hotline	\$294,301.79
Agent administrative investigation*	0
Company administrative investigation*	0
2012 total	\$4,335,935.63

2011	
Company complaints	\$1,150,882.61
Agent complaints	\$104,783.00
SHIC and Prescription Connection	\$3,611,212.00**
Consumer assistance hotline	\$702,117.47
Agent enforcement investigation*	0
Company enforcement investigation*	0
2011 total	\$5,568,995.08

Combined 2011-2012 total	\$9,904,930.71
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*Does not include fines resulting from administrative actions.

**2012 SHIC relief is based upon prior three years' average. 2012 Prescription Connection relief is based on national averages for prescription costs.

2012 combined company and agent complaint statistics

Year	2012 complaints closed	Relief*
2012	205	\$850,544.84

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.

2012 company complaints

Type	2012 complaints closed	Relief*
Auto	77	\$96,263.28
Fire, Allied/CMP	9	\$47,180.54
Homeowners	31	\$42,972.95
Life/annuity	7	\$14,643.88
Accident/health	36	\$86,197.01
Liability	7	\$66,401.06
Miscellaneous	13	\$272,504.14
Total	180	\$626,162.86

2012 agent complaints

Type	2012 complaints closed	Relief*
Auto	4	0
Fire, Allied/CMP	1	0
Homeowners	5	0
Life/annuity	8	\$223,879.99
Accident/health	4	\$501.99
Liability	1	0
Miscellaneous	2	0
Total	25	\$224,381.98

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

Agent complaint statistics 2002-2012

Year	Closed complaints	Relief*
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
2012	25	\$224,381.98
Total	483	\$946,384.28

Company complaint statistics 2002-2012

Year	Closed complaints	Relief*
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
2012	180	\$626,162.86
Total	3,213	\$6,886,141.39

*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
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
2012	119	2,093	6,196	8,289	\$294,301.79

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
2002	450	\$52,500
2003	493	n/a
2004	651	n/a
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
Total	92,675	\$22,321,580

Notes:

- Due to reporting system changes, relief information is not available for 2003 and 2004.
- 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 CMS.
- 2010–2012: relief is an estimate based upon prior three years' average.

Prescription Connection

2012	
Persons helped*	360
Total estimated relief	\$451,702

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

*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 (\$645 per person helped).

2012 Prescription Connection relief is based on national averages for prescription costs.

Agent and company enforcement investigation relief

	Agent	Company	Total
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
2012	0	0	0
Total	\$1,108,980.46	\$246,052.00	\$1,355,032.46

Agent enforcement actions—fines

	2006	2007	2008	2009	2010	2011	2012
Cease and desist	3	3	0	3	3	6	6
Fines	1	0	2	18	21	1	24
Probations	1	1	5	20	19	14	15
Revocations	7	7	2	10	8	15	19
Suspensions	0	0	1	1	1	0	0
Other	12	4	5	40	18	11	41
Total number of actions*	24	15	15	92	70	47	105
Total \$ amount of fines	\$2,000	0	\$3,000	\$7,850	\$8,950	\$1,000	\$27,625

*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

	2006	2007	2008	2009	2010	2011	2012
Cease and desist	3	1	0	1	0	0	0
Fines	7	2	2	2	2	0	11
Revocations	0	0	7	2	2	6	2
Suspensions	0	2	1	5	5	2	7
Other	3	1	3	10	12	0	5
Total number of actions*	13	4	5	13	14	8	25
Total \$ amount of fines	\$66,600	\$753,978.62	\$22,795.00	\$35,000	\$7,063	0	\$1,229,736

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

Fraud actions

	2008	2009	2010	2011	2012
Insurance fraud referrals received	23	48	94	120	94
Closed by arrest	0	1	4	11	4
Closed by exception (death of suspect)	0	2	3	1	1
Closed due to jurisdiction	0	1	2	3	12
Closed due to statute of limitation	12	4	3	5	75
Declined by prosecutor	0	0	2	0	1
Referred to other agency	3	5	9	1	34
Suspended—lack of investigative leads	1	20	13	4	52
Unfounded	4	4	7	10	32
Cases still under investigation	3	11	51	79	151
Amount of actual loss*	\$28,938.27	\$20,220,566.16**	\$2,190,236.80	\$2,021,392.23	\$714,103.78

*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.