



North Dakota  
Insurance Department  
Jon Godfread, Commissioner

Consumer Assistance,  
Enforcement Action  
and Fraud Report  
2019

## Table of Contents

|   |   |
|---|---|
| Summary of Total Relief for Consumer Assistance and Enforcement Actions | 1 |
| 2019 Agent and Company Complaints                                       | 2 |
| 2007-2019 Agent and Company Complaints                                  | 3 |
| Consumer Assistance Hotline   | 4 |
| State Health Insurance Counseling (SHIC) Program                        | 4 |
| Prescription Connection   | 6 |
| Agent and Companies Actions and Fines                                   | 7 |
| Fraud Actions   | 8 |

## Summary of Total Relief for Consumer Assistance and Enforcement Actions

| <b>Source</b> | <b>Relief</b> |
|---------------|---------------|
|---------------|---------------|

| <b>2019</b>                      |                    |
|----------------------------------|--------------------|
| Company Complaints               | \$498,134          |
| Agent Complaints                 | \$22,395           |
| SHIC and Prescription Connection | \$2,101,850        |
| Consumer Assistance Inquiry      | \$2,239,298        |
| <b>2019 Total</b>                | <b>\$4,861,677</b> |

| <b>2018</b>                      |                    |
|----------------------------------|--------------------|
| Company Complaints               | \$188,317          |
| Agent Complaints                 | \$30,536           |
| SHIC and Prescription Connection | \$1,849,720        |
| Consumer Assistance Inquiry      | \$923,068          |
| <b>2018 Total</b>                | <b>\$2,991,641</b> |

|                                 |                    |
|---------------------------------|--------------------|
| <b>Combined 2018-2019 Total</b> | <b>\$7,853,318</b> |
|---------------------------------|--------------------|

## 2019 Combined Company and Agent Complaints

| Year | Complaints Closed | Relief    |
|------|-------------------|-----------|
| 2019 | 142               | \$520,529 |

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.

### 2019 Company Complaints

| Type             | Complaints Closed | Relief           |
|------------------|-------------------|------------------|
| Auto             | 50                | \$73,758         |
| Fire, Allied/CMP | 18                | \$274,224        |
| Homeowners       | 38                | \$28,291         |
| Life/Annuity     | 3                 | \$80,658         |
| Accident/Health  | 11                | \$41,203         |
| Liability        | 5                 | \$0              |
| Miscellaneous    | 3                 | \$0              |
| <b>Total</b>     | <b>128</b>        | <b>\$498,134</b> |

### 2019 Agent Complaints

| Type             | Complaints Closed | Relief          |
|------------------|-------------------|-----------------|
| Auto             | 1                 | \$0             |
| Fire, Allied/CMP | 2                 | \$2,963         |
| Homeowners       | 2                 | \$19,432        |
| Life/Annuity     | 1                 | \$0             |
| Accident/Health  | 8                 | \$0             |
| Liability        | 0                 | \$0             |
| Miscellaneous    | 0                 | \$0             |
| <b>Total</b>     | <b>14</b>         | <b>\$22,395</b> |

## Agent Complaints 2007 – 2019

| <b>Year</b>  | <b>Complaints Closed</b> | <b>Relief</b>         |
|--------------|--------------------------|-----------------------|
| 2007         | 32                       | \$32,647.98           |
| 2008         | 34                       | \$44,778.30           |
| 2009         | 28                       | \$34,294.31           |
| 2010         | 24                       | \$0                   |
| 2011         | 17                       | \$104,783             |
| 2012         | 25                       | \$224,381.98          |
| 2013         | 26                       | \$7,282.91            |
| 2014         | 31                       | \$31,042.40           |
| 2015         | 32                       | \$77,402.29           |
| 2016         | 12                       | \$666,322.46          |
| 2017         | 31                       | \$267,556.64          |
| 2018         | 19                       | \$30,536              |
| 2019         | 14                       | \$22,395              |
| <b>Total</b> | <b>325</b>               | <b>\$1,543,423.27</b> |

## Company Complaints 2007 – 2019

| <b>Year</b>  | <b>Complaints Closed</b> | <b>Relief</b>          |
|--------------|--------------------------|------------------------|
| 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           |
| 2016         | 117                      | \$2,492,692.86         |
| 2017         | 115                      | \$1,363,812.68         |
| 2018         | 144                      | \$188,318              |
| 2019         | 128                      | \$498,134              |
| <b>Total</b> | <b>2,198</b>             | <b>\$12,619,503.49</b> |

## Consumer Assistance Hotline Statistics

| Year | Walk-ins | Incoming Calls | Outgoing Calls | Total Calls | Relief         |
|------|----------|----------------|----------------|-------------|----------------|
| 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   |
| 2016 | 502      | 2,574          | 8,394          | 10,968      | \$380,139.56   |
| 2017 | 497      | 277            | 8,416          | 11,193      | \$565,534.31   |
| 2018 | 521      | 2,947          | 7,405          | 10,352      | \$923,068      |
| 2019 | 636      | 8,189          | 5,856          | 14,045      | \$2,452,859    |

## State Health Insurance Counseling Program (SHIC)

| Year | Number of Contacts | Relief       |
|------|--------------------|--------------|
| 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  |
| 2016 | 9,359              | \$1,619,720  |
| 2017 | 5,198              | \$416,250.47 |
| 2018 | 5,521              | \$1,324,357  |
| 2019 | 6,513              | \$1,766,582  |

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.
- Sept. 2018: the NDID computer system database was upgraded to a different platforms and the transition is reflected in the 2017 data as the Department was unable pull all data; therefore, the data presented for 2017 is not a complete look.

## Prescription Connection

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

| <b>2019</b>            |           |
|------------------------|-----------|
| Persons Assisted*      | 54        |
| Total Estimated Relief | \$335,268 |

| <b>2018</b>            |           |
|------------------------|-----------|
| Persons Assisted*      | 100       |
| Total Estimated Relief | \$525,363 |

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



## Agent Enforcement Actions – Fines

|                       | 2015            | 2016             | 2017            | 2018            | 2019           |
|-----------------------|-----------------|------------------|-----------------|-----------------|----------------|
| Cease and Desist      | 4               | 4                | 0               | 0               | 1              |
| Fines                 | 66              | 107              | 31              | 26              | 10             |
| Probations            | 31              | 30               | 13              | 34              | 16             |
| Revocations           | 31              | 31               | 14              | 6               | 13             |
| Suspensions           | 0               | 0                | 1               | 0               | 0              |
| Other                 | 67              | 30               | 33              | 22              | 15             |
| <b>Total Actions*</b> | <b>184</b>      | <b>175</b>       | <b>92</b>       | <b>88</b>       | <b>55</b>      |
| <b>Total Fines</b>    | <b>\$48,950</b> | <b>\$229,550</b> | <b>\$22,400</b> | <b>\$13,600</b> | <b>\$4,800</b> |

\*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

|                       | 2015             | 2016             | 2017            | 2018            | 2019             |
|-----------------------|------------------|------------------|-----------------|-----------------|------------------|
| Cease and Desist      | 0                | 0                | 0               | 0               | 0                |
| Fines                 | 8                | 11               | 10              | 4               | 7                |
| Probations            | 3                | 0                | 0               | 0               | 0                |
| Revocations           | 2                | 3                | 9               | 0               | 0                |
| Suspensions           | 16               | 1                | 2               | 0               | 1                |
| Other                 | 13               | 8                | 2               | 1               | 0                |
| <b>Total Actions*</b> | <b>13</b>        | <b>18</b>        | <b>23</b>       | <b>5</b>        | <b>8</b>         |
| <b>Total Fines</b>    | <b>\$489,605</b> | <b>\$255,704</b> | <b>\$72,602</b> | <b>\$10,200</b> | <b>\$147,970</b> |

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

## Fraud Actions

|   | 2014         | 2015           | 2016         | 2017         | 2018         | 2019           |
|---|--------------|----------------|--------------|--------------|--------------|----------------|
| Insurance Fraud Cases                     | 192          | 190            | 228          | 235          | 265          | 338            |
| Investigative Criteria Not Met            | 48           | 57             | 87           | 105          | 86           | 135            |
| Jurisdiction                              | 20           | 32             | 33           | 22           | 44           | 28             |
| No Evidence of a Crime                    | 19           | 15             | 37           | 22           | 33           | 77             |
| Declined by Prosecutor                    | 0            | 1              | 0            | 1            | 0            | 0              |
| Prosecuted                                | 18           | 9              | 14           | 8            | 18           | 6              |
| For Information Only                      | -            | -              | 21           | 31           | 36           | 43             |
| Prosecution Not Appropriate               | 29           | 13             | 6            | 17           | 20           | 4              |
| Statute of Limitations                    | 10           | 2              | 4            | 6            | 6            | 5              |
| Unable to Prove Beyond a Reasonable Doubt | 26           | 31             | 26           | 24           | 22           | 30             |
| Open                                      | 0            | 1              | 0            | 0            | 0            | 10             |
| Amount of Actual Loss                     | \$818,865.88 | \$1,045,515.10 | \$545,728.96 | \$148,616.86 | \$140,473.66 | \$1,189,788.05 |