



North Dakota
Insurance Department
Adam Hamm, Commissioner

Consumer Assistance,
Enforcement Action
and Fraud Report
2013

Table of contents

Summary of total relief for consumer assistance and enforcement action (does not include fines)	1
Complaints	2
Consumer assistance hotline	4
State Health Insurance Counseling Program (SHIC)	5
Prescription Connection	6
Enforcement investigation relief	7
Enforcement actions/fines	7
Fraud actions	8

Summary of total relief

Consumer assistance and enforcement action

Total relief from all sources

Source	Relief
2013	
Company complaints	\$2,560,183.84
Agent complaints	\$7,282.91
SHIC and Prescription Connection	\$2,929,756**
Consumer assistance hotline	\$783,663.49
Agent enforcement investigation*	0
Company enforcement investigation*	0
2013 total	\$ 6,280,886.24
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
Combined 2012-2013 total	\$10,616,821.87

*Does not include fines resulting from administrative actions.

**2013 SHIC relief is based upon prior three years' average. 2013 Prescription Connection relief is based on national averages for prescription costs.

2013 combined company and agent complaint statistics

Year	2013 complaints closed	Relief*
2013	195	\$2,567,466.75

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.

2013 company complaints

Type	2013 complaints closed	Relief*
Auto	79	\$105,900.20
Fire, Allied/CMP	1	0
Homeowners	41	\$175,700.18
Life/annuity	3	0
Accident/health	22	\$114,595.81
Liability	12	\$2,118,267.79
Miscellaneous	0	\$45,719.86
Total	169	\$2,560,183.84

2013 agent complaints

Type	2013 complaints closed	Relief*
Auto	4	0
Fire, Allied/CMP	0	0
Homeowners	2	0
Life/annuity	10	\$2,803.15
Accident/health	8	2,000.57
Liability	0	0
Miscellaneous	2	\$2,479.19
Total	26	\$7,282.91

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

Agent complaint statistics 2003-2013

Year	Closed complaints	Relief*
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
2013	26	\$7,282.91
Total	344	\$931,219.99

Company complaint statistics 2003-2013

Year	Closed complaints	Relief*
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
2013	169	\$2,560,183.84
Total	2,448	\$8,616,698.02

*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
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
2013	212	4,092	11,011	15,103	\$4,118,807.71

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
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
2013	9,758	\$2,336,943
Total		

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.
- 2010–2013: relief is an estimate based upon prior three years' average.

Prescription Connection

2013	
Persons helped*	292
Total estimated relief	\$592,813

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

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

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

Agent and company enforcement investigation relief

	Agent	Company	Total
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
2013	0	0	0
Total	\$1,043,265.46	0	\$1,043,265.46

Agent enforcement actions—fines

	2007	2008	2009	2010	2011	2012	2013
Cease and desist	3	0	3	3	6	6	3
Fines	0	2	18	21	1	24	22
Probations	1	5	20	19	14	15	18
Revocations	7	2	10	8	15	19	22
Suspensions	0	1	1	1	0	0	1
Other	4	5	40	18	11	41	123
Total number of actions*	15	15	92	70	47	105	189
Total \$ amount of fines	0	\$3,000	\$7,850	\$8,950	\$1,000	\$27,625	\$32,500

*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

	2007	2008	2009	2010	2011	2012	2013
Cease and desist	1	0	1	0	0	0	0
Fines	2	2	2	2	0	11	8
Revocations	0	7	2	2	6	2	8
Suspensions	2	1	5	5	2	7	3
Other	1	3	10	12	0	5	9
Total number of actions*	4	5	13	14	8	25	28
Total \$ amount of fines	\$753,978.62	\$22,795.00	\$35,000	\$7,063	0	\$1,229,736	\$954,287

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

Fraud actions

	2009	2010	2011	2012	2013
Insurance fraud referrals received	50	99	126	94	158
Closed by arrest	1	7	21	9	10
Closed by exception	2	4	1	1	2
Closed due to jurisdiction	1	2	3	5	32
Closed due to statute of limitations	12	48	60	15	3
Lack of resources	24	14	8	11	3
Unable to prove	5	9	12	2	5
No evidence of crime	5	10	14	7	16
Declined by prosecutor	0	0	1	1	1
Referred	6	13	8	7	9
Open		0	0	30	78
Amount of actual loss*	\$161,057.97	\$2,190,236.80	\$2,021,392.23	\$714,103.78	\$321,379.65

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