



North Dakota
Insurance Department

Adam Hamm, Commissioner

Consumer Assistance,
Enforcement Action
and Fraud Report
2014

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Summary of total relief
Consumer assistance and enforcement actions

Source	Relief
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2014	
Company complaints	\$757,964.28
Agent complaints	\$31,042.40
SHIC and Prescription Connection	\$2,907,019.00**
Consumer assistance hotline	\$714,034.48
2014 total	\$4,410,060.16

2013	
Company complaints	\$2,560,183.84
Agent complaints	\$7,282.91
SHIC and Prescription Connection	\$2,929,756.00**
Consumer assistance hotline	\$783,663.49
2013 total	\$6,280,886.24

Combined 2013-2014 total	\$10,690,946.40
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*SHIC relief is based upon prior three years average

2014 combined company and agent complaints

Year	Complaints closed	Relief
2014	172	\$789,006.68

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.

2014 company complaints

Type	Complaints closed	Relief
Auto	65	\$160,879.44
Fire, Allied/CMP	4	\$28,459.82
Homeowners	35	\$101,879.26
Life/annuity	5	\$81,629.12
Accident/health	14	\$355,706.26
Liability	13	\$28,910.38
Miscellaneous	5	\$500.00
Total	141	\$757,964.28

2014 agent complaints

Type	Complaints closed	Relief
Auto	4	\$2,090.47
Fire, Allied/CMP	1	0
Homeowners	3	0
Life/annuity	5	0
Accident/health	10	\$28,951.93
Liability	0	0
Miscellaneous	8	0
Total	31	\$31,042.40

Agent complaints
2004 . 2014

Year	Complaints closed	Relief
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
2014	31	\$31,042.40
Total	319	\$948,169.29

Company complaints
2004 . 2014

Year	Complaints closed	Relief
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
2014	141	\$757,964.28
Total	2,279	\$8,506,766.93

Consumer assistance hotline statistics

Year	Walk-ins	Incoming calls	Outgoing calls	Total calls	Relief
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
2014	161	3,534	10,121	13,655	\$714,034.48

State Health Insurance Counseling Program (SHIC)

Year	Number of contacts	Relief
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
2014	9,694	\$2,275,030
Total	110,408	\$26,848,268

Notes:

- Due to reporting system changes, relief information is not available for 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

2014	
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Persons assisted*	188
Total estimated relief	\$531,989

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

*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

	2010	2011	2012	2013	2014
Cease and desist	3	6	6	3	2
Fines	21	1	24	22	38
Probations	19	14	15	18	22
Revocations	8	15	19	22	26
Suspensions	1	0	0	1	0
Other	18	11	41	123	94
Total number of actions*	70	47	105	189	182
Total \$ amount of fines	\$8,950	\$1,000	\$27,625	\$32,500	\$75,000

*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

	2010	2011	2012	2013	2014
Cease and desist	0	0	0	0	0
Fines	2	0	11	8	11
Revocations	2	6	2	8	2
Suspensions	5	2	7	3	2
Other	12	0	5	9	26
Total number of	14	8	25	28	41
Total \$ amount of fines	\$7,063	0	\$1,229,736	\$954,287	\$729,852

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

Fraud actions

	2010	2011	2012	2013	2014
Insurance fraud	99	126	94	158	190
Closed by arrest	7	21	9	10	13
Closed by exception	4	1	1	2	0
Closed due to jurisdiction	2	3	5	32	34
Closed due to statute of limitations	48	60	15	3	8
Lack of resources	14	8	11	3	39
Unable to prove	9	12	2	5	11
No evidence of crime	10	14	7	16	18
Declined by prosecutor	0	1	1	1	0
Referred	13	8	7	9	14
Open	0	0	30	78	43
Amount of actual loss*	\$2,190,236.80	\$2,021,392.23	\$714,103.78	\$321,379.65	\$831,465.88

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