



North Dakota
Insurance Department
Jon Godfread, Commissioner

Consumer Assistance,
Enforcement Action
and Fraud Report
2016

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Summary of Total Relief for Consumer Assistance and Enforcement Actions

Source	Relief
2016	
Company Complaints	\$2,492,692.86
Agent Complaints	\$666,322.46
SHIC and Prescription Connection	\$2,261,076.00
Consumer Assistance Hotline	\$380,139.56
2016 Total	\$5,800,230.88
2015	
Company Complaints	\$815,135.27
Agent Complaints	\$77,402.29
SHIC and Prescription Connection	\$2,123,746.80
Consumer Assistance Hotline	\$395,559.20
2015 Total	\$3,411,843.56
Combined 2015-2016 Total	\$9,212,074.44

2016 Combined Company and Agent Complaints

Year	Complaints Closed	Relief
2016	130	\$3,159,015.32

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.

2016 Company Complaints

Type	Complaints Closed	Relief
Auto	31	\$34,281.83
Fire, Allied/CMP	7	\$1,816,136.80
Homeowners	36	\$136,630.65
Life/Annuity	4	\$252,705.48
Accident/Health	19	\$93,963.13
Liability	7	\$71,323.33
Miscellaneous	13	\$87,651.64
Total	117	\$2,492,692.86

2016 Agent Complaints

Type	Complaints Closed	Relief
Auto	4	\$0.00
Fire, Allied/CMP	0	\$0.00
Homeowners	2	\$2,400.00
Life/Annuity	0	\$0.00
Accident/Health	4	\$1,499.81
Liability	0	\$0.00
Miscellaneous	2	\$662,422.65
Total	12	\$666,322.46

**Agent Complaints
2006 – 2016**

Year	Complaints Closed	Relief
2006	25	\$26,365.65
2007	32	\$32,647.98
2008	34	\$44,778.30
2009	28	\$34,294.31
2010	24	\$0.00
2011	17	\$104,783.00
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
Total	286	\$1,249,301.28

**Company Complaints
2006 – 2016**

Year	Complaints Closed	Relief
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
2015	118	\$815,135.27
2016	117	\$2,492,692.86
Total	2,016	\$11,003,803.80

Consumer Assistance Hotline Statistics

Year	Walk-ins	Incoming Calls	Outgoing Calls	Total Calls	Relief
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
2015	257	3,308	9,635	12,943	\$395,559.20
2016	502	2,574	8,394	10,968	\$380,139.56

State Health Insurance Counseling Program (SHIC)

Year	Number of Contacts	Relief
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
2015	8,716	\$1,433,024
2016	9,359	\$1,619,720

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.

Prescription Connection

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

2016	
Persons Assisted*	132
Total Estimated Relief	\$641,356.00

2015	
Persons Assisted*	169
Total Estimated Relief	\$690,722.77

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

Agent Enforcement Actions – Fines

	2012	2013	2014	2015	2016
Cease and Desist	6	3	2	4	4
Fines	24	22	38	66	107
Probations	15	18	22	31	30
Revocations	19	22	26	31	31
Suspensions	0	1	0	0	0
Other	41	123	94	67	30
Total Actions*	105	189	182	184	175
Total Fines	\$27,625	\$32,500	\$75,000	\$48,950	\$229,550

*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

	2012	2013	2014	2015	2016
Cease and Desist	0	0	0	0	0
Fines	11	8	11	8	11
Probations	2	8	2	3	0
Revocations	7	3	2	2	3
Suspensions	5	9	26	16	1
Other	25	28	41	13	8
Total Actions*	25	28	41	13	18
Total Fines	\$1,229,736	\$954,287	\$729,852	\$489,605	\$255,704

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

Fraud Actions

	2011	2012	2013	2014	2015	2016
Insurance Fraud Cases	126	96	159	192	190	227
Investigative Criteria Not Met	8	17	46	48	57	76
No Jurisdiction	3	5	31	20	32	29
No Evidence of a Crime	10	10	12	19	15	32
Waiting Prosecution Decision	0	0	0	0	1	4
Declined by Prosecutor	1	1	4	0	1	1
Prosecuted	21	13	10	18	9	7
No Further Review (Regulatory Only)	4	1	10	6	0	9
Prosecution Not Appropriate	1	3	9	29	13	4
Referred Inside DOI	6	5	8	13	22	11
Referred Outside DOI	2	2	3	3	6	2
Statute of Limitations	60	21	7	10	2	1
Unable to Prove Beyond a Reasonable Doubt	10	18	19	26	31	12
Open	0	0	0	0	1	39
Amount of Actual Loss	\$2,015,392.23	\$689,103.78	\$321,915.65	\$818,865.88	\$1,045,515.10	\$502,886.81

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