

Reasons Why Closed Confirmed Consumer Complaints Were Reported As of July 30, 2018

Data reflected in this report is voluntarily submitted to the NAIC proprietary Complaints Database System (CDS) by state insurance departments. Not all states provide all of their complaint data to the NAIC. Aggregate report data retrieved is specific only to risk bearing entities within the database and does not include information on specific agents/brokers. Complaints retrieved are those states deemed confirmed. The NAIC does not guarantee the truth, accuracy, quality or completeness of the data and is not responsible for errors, omissions or for results of further use.

Report Description: The Reasons Why Closed Confirmed Consumer Complaints Were Reported report provides the counts and percentages of the reasons consumers complain about their coverage (claim delays, claim denials, cancellation, premium increases, etc.). The Top 10 Reasons section of the report provides a listing of the top 10 reasons with counts and percentages of total counts. The All Reasons section provides the counts for all reasons from the NAIC's Complaint Database System. The data codes identified are based on the NAIC Standard Complaint Data Form.

A **Closed Complaint** is a complaint that has been investigated by the state insurance department, and given a resolution code.

A **Confirmed complaint** is a complaint in which the state department of insurance determines:

- a) The insurer, licensee, producer, or other regulated entity committed any violation of:
 - 1) an applicable state insurance law or regulation;
 - 2) a federal requirement that the state department of insurance has the authority to enforce; or
 - 3) the term/condition of an insurance policy or certificate; or
- b) The complaint and entity's response, considered together, indicate that the entity was in error.

Top 10 Reasons

2018		
Reason for Complaint	Count	% of All Reasons
Claim Handling - Delays	9,358	20.19%
Claim Handling - Unsatisfactory Settlement/Offer	6,999	15.10%
Claim Handling - Denial of Claim	6,392	13.79%
Claim Handling - Prompt Pay	3,353	7.23%
PolicyHolder Service - Coverage Question	1,678	3.62%
Underwriting - Cancellation	1,490	3.21%
PolicyHolder Service - Inadequate Reimbursement	1,334	2.88%
PolicyHolder Service - Delays/No Response	1,277	2.75%
PolicyHolder Service - Premium Refund	1,201	2.59%
PolicyHolder Service - Premium Notice/Billing	1,193	2.57%

2017		
Reason for Complaint	Count	% of All Reasons
Claim Handling - Delays	14,063	17.97%
Claim Handling - Denial of Claim	12,080	15.44%
Claim Handling - Unsatisfactory Settlement/Offer	9,063	11.58%
Underwriting - Cancellation	3,643	4.66%
PolicyHolder Service - Coverage Question	3,561	4.55%
Claim Handling - Prompt Pay	3,248	4.15%
PolicyHolder Service - Delays/No Response	3,053	3.90%
PolicyHolder Service - Premium Notice/Billing	3,029	3.87%
PolicyHolder Service - Premium Refund	2,634	3.37%
Claim Handling - Adjuster Handling	2,195	2.81%

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2016		
Reason for Complaint	Count	% of All Reasons
Claim Handling - Delays	14,512	15.68%
Claim Handling - Denial of Claim	13,379	14.46%
Claim Handling - Unsatisfactory Settlement/Offer	8,597	9.29%
Underwriting - Surcharge	8,457	9.14%
PolicyHolder Service - Coverage Question	4,341	4.69%
Underwriting - Cancellation	4,222	4.56%
PolicyHolder Service - Premium Notice/Billing	3,943	4.26%
PolicyHolder Service - Delays/No Response	3,491	3.77%
PolicyHolder Service - Premium Refund	3,325	3.59%
Claim Handling - Prompt Pay	2,571	2.78%

2015		
Reason for Complaint	Count	% of All Reasons
Claim Handling - Delays	14,270	17.67%
Claim Handling - Denial of Claim	12,866	15.93%
Claim Handling - Unsatisfactory Settlement/Offer	8,265	10.23%
Underwriting - Surcharge	5,451	6.75%
Underwriting - Cancellation	4,025	4.98%
PolicyHolder Service - Premium Refund	3,243	4.01%
PolicyHolder Service - Coverage Question	3,204	3.97%
PolicyHolder Service - Premium Notice/Billing	2,859	3.54%
Claim Handling - State Specific	2,773	3.43%
PolicyHolder Service - Delays/No Response	2,555	3.16%

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All Reasons

Code	Reason for Reporting Complaint		2018	2017	2016	2015
805	Underwriting	Premium & Rating	1,039	2,006	2,310	2,293
807	Underwriting	Dependent Age	1	5	7	10
808	Underwriting	Pre-existing Condition	9	21	21	21
809	Underwriting	Waiting Periods	2	6	12	19
810	Underwriting	Refusal to Insure	78	171	190	186
815	Underwriting	Cancellation	1,490	3,643	4,222	4,025
816	Underwriting	Nonrenewal	616	1,083	1,064	830
818	Underwriting	Credit Report	13	28	28	25
819	Underwriting	Redlining	1	1	1	1
820	Underwriting	Delays	83	226	368	346
821	Underwriting	Forced Placement	3	21	33	29
822	Underwriting	Audit Dispute	47	88	113	123
825	Underwriting	Unfair Discrimination	2	21	16	17
828	Underwriting	Rescission	35	54	56	32
829	Underwriting	Surcharge	335	709	8,457	5,451
830	Underwriting	Endorsement/Rider	47	98	109	83
835	Underwriting	Group Conversion	45	18	12	10
836	Underwriting	CLUE Reports	57	70	62	82
837	Underwriting	MIB Reports	5	32	13	11
840	Underwriting	Continuation of Benefits	50	122	111	144
845	Underwriting	State Specific	188	415	432	352
1101	PolicyHolder Service	Inadequate Provider Network	21	47	77	76
1103	PolicyHolder Service	Class Action	1	2	8	7
1104	PolicyHolder Service	1035 Exchange	12	24	48	23
1105	PolicyHolder Service	Premium Notice/Billing	1,193	3,029	3,943	2,859
1107	PolicyHolder Service	Surrender Problems	110	268	346	304
1110	PolicyHolder Service	Cash Value	162	312	313	253
1113	PolicyHolder Service	Accelerated Benefits	4	5	8	7
1115	PolicyHolder Service	Delays/No Response	1,277	3,053	3,491	2,555
1118	PolicyHolder Service	Policy Delivery	111	245	347	374
1120	PolicyHolder Service	Premium Refund	1,201	2,634	3,325	3,243
1121	PolicyHolder Service	Nonforfeiture	14	17	12	15
1122	PolicyHolder Service	Viatical Settlement	0	1	1	0
1123	PolicyHolder Service	Payment Not Credited	235	729	1,119	752
1125	PolicyHolder Service	Coverage Question	1,678	3,561	4,341	3,204
1126	PolicyHolder Service	Access to Care	98	229	308	357
1129	PolicyHolder Service	Abusive Service	153	310	416	292
1130	PolicyHolder Service	State Specific	964	1,685	1,789	1,510
1131	PolicyHolder Service	Credentialing Delay	41	37	92	41
1132	PolicyHolder Service	Involuntary Termination by Plan	63	160	266	225
1133	PolicyHolder Service	Provider Listing Dispute	60	100	123	94
1134	PolicyHolder Service	Delayed Appeal Consideration	17	24	23	24
1135	PolicyHolder Service	Delayed Authorization Decision	28	52	82	62
1136	PolicyHolder Service	Access to Fee Schedule/Rates	7	11	17	20
1137	PolicyHolder Service	Inadequate Reimbursement Rates	1,334	1,474	558	149
1138	PolicyHolder Service	Unfair Negotiation	9	15	25	14
1139	PolicyHolder Service	Premium Subsidy	19	81	171	145
1140	PolicyHolder Service	Wellness Program	3	7	8	1
1141	PolicyHolder Service	Essential Community Provider	0	0	7	0
1142	PolicyHolder Service	Choice of PCP (Primary Care Provider)	5	19	26	28
1143	PolicyHolder Service	Disabled Individuals' Access	2	3	5	2
1144	PolicyHolder Service	MLR (Medical Loss Ratio) Rebate	0	0	0	0
1145	PolicyHolder Service	Language Access	1	2	2	1
1146	PolicyHolder Service	Notice Requirements	86	276	278	99
1147	PolicyHolder Service	Continuity of Care	18	30	48	49



Reasons Why Closed Confirmed Consumer Complaints Were Reported As of July 30, 2018

All Reasons

Code	Reason for Reporting Complaint	2018	2017	2016	2015
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Reasons Why Closed Confirmed Consumer Complaints Were Reported As of July 30, 2018

All Reasons

Code	Reason for Reporting Complaint		2018	2017	2016	2015
1001	Claim Handling	Adjuster Handling	1,067	2,195	2,373	2,037
1002	Claim Handling	Prompt Pay	3,353	3,248	2,571	1,264
1003	Claim Handling	Willing Provider	3	9	8	5
1004	Claim Handling	Provider Availability	55	131	154	135
1005	Claim Handling	Unsatisfactory Settlement/Offer	6,999	9,063	8,597	8,265
1006	Claim Handling	Preexisting Condition	40	76	60	106
1007	Claim Handling	Medical Necessity	495	717	595	622
1009	Claim Handling	Fraud	26	79	64	50
1010	Claim Handling	PostClaim Underwriting	34	48	81	53
1012	Claim Handling	Subrogation	73	102	133	105
1013	Claim Handling	Comparative Negligence	188	352	351	346
1015	Claim Handling	Denial of Claim	6,392	12,080	13,379	12,866
1017	Claim Handling	Usual, Customary, Reasonable Charges	226	271	325	102
1018	Claim Handling	Out-of-Network Benefits	476	888	1,016	865
1019	Claim Handling	Co-pay Issues	374	753	865	831
1020	Claim Handling	Coordination of Benefits	141	322	306	288
1021	Claim Handling	No Preauthorization	219	393	511	301
1022	Claim Handling	PCP Referrals	9	33	117	68
1025	Claim Handling	Delays	9,358	14,063	14,512	14,270
1028	Claim Handling	Assignment of Benefits	55	99	124	149
1030	Claim Handling	Cost Containment	50	87	138	154
1035	Claim Handling	State Specific	935	1,637	1,807	2,773
1036	Claim Handling	Appeal Non-Compliance	67	84	99	72
1037	Claim Handling	Claim Recoding/Bundling	46	59	87	51
1038	Claim Handling	Recoupment	288	538	446	238
1039	Claim Handling	Annual Limit	13	13	28	28
1040	Claim Handling	Essential Health Benefit	10	17	40	25
1041	Claim Handling	External Review	25	47	40	26
1042	Claim Handling	Internal Appeal	86	84	106	43
1043	Claim Handling	Lifetime Limit	3	1	0	3
1044	Claim Handling	Preventive Care	89	208	198	125
1045	Claim Handling	Pharmacy Benefits	196	412	577	421
1046	Claim Handling	Maternity and Newborn Care	29	50	65	56
1047	Claim Handling	Emergency Services	254	355	334	221
1048	Claim Handling	Mental Health Parity	79	32	33	31
1049	Claim Handling	Maximum Out of Pocket	33	71	88	103
1050	Claim Handling	Ambulatory Patient Services	18	34	44	17
1051	Claim Handling	Hospitalization	49	43	41	54
1052	Claim Handling	Rehabilitative/habilitative Care	288	54	40	41
1053	Claim Handling	Pediatric Care	47	24	30	34
1054	Claim Handling	Laboratory Services	56	62	65	56
Marketing & Sales						
902	Marketing & Sales	Unfair Discrimination	1	11	7	9
903	Marketing & Sales	Suitability	60	112	184	154
904	Marketing & Sales	Financial Privacy	4	3	4	15
905	Marketing & Sales	Misleading Advertising	57	71	93	93
906	Marketing & Sales	Health Privacy	7	14	17	13
908	Marketing & Sales	Replacement	34	64	112	87
911	Marketing & Sales	Unauthorized Entity	6	10	11	19
913	Marketing & Sales	Fiduciary/Theft	22	30	45	40
915	Marketing & Sales	Misrepresentation	252	527	776	656
918	Marketing & Sales	Misappropriation of Premium	25	61	55	72
919	Marketing & Sales	Not Appointed w/Company	10	14	20	10
922	Marketing & Sales	High Pressure Tactics	52	79	88	108
923	Marketing & Sales	Duplication of Coverage	47	62	113	76
924	Marketing & Sales	Rebating	3	12	7	11
926	Marketing & Sales	Misstatement on Application	23	55	108	45
929	Marketing & Sales	Fraud/Forgery	39	81	108	88
930	Marketing & Sales	State Specific	313	735	794	811
931	Marketing & Sales	Excess Compensation Without Agreement	11	28	44	56
933	Marketing & Sales	Failure to Submit Application	12	46	67	36

**Reasons Why Closed Confirmed Consumer Complaints Were Reported
As of July 30, 2018**

All Reasons

Code	Reason for Reporting Complaint		2018	2017	2016	2015
934	Marketing & Sales	Premiums Misquoted	34	50	83	104
935	Marketing & Sales	Other Violation of Insurance Law/Regulation	28	55	76	57
936	Marketing & Sales	Adjuster Working for a Company Not Licensed	0	1	1	1
937	Marketing & Sales	Using an Unlicensed Name	0	1	2	1
938	Marketing & Sales	Summary of Benefits	3	15	16	40

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