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NEWS RELEASE

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DORA's Division of Insurance Recovers \$7 Million for Insurance Consumers in First Six Months of 2008

Denver, CO -- DORA's Colorado Division of Insurance reported that it has recovered \$7,093,149.51 for consumers in the first half of 2008.

The total represents premium savings and recovered benefits to consumers including:

- \$4.7 million from insurers following 2,000 received written consumer complaints that were in the first six months of this year, including refunds and restored benefits from the Life & Health, Property & Casualty, and Compliance and Investigations sections;
- \$2.2 million was saved for consumers following rate reviews by the Division's Rates, Forms and Actuarial team -- the team had the companies use lower rates after reviewing the initial submissions for rate increases;
- \$99,000 restored to consumers by six insurers in March, 2008, after being ordered by the Market Conduct Examinations section to perform self-audits, which showed consumers were overcharged or had been denied covered benefits.

"Our staff has been diligent and aggressive about protecting consumer rights," said Marcy Morrison, Colorado's Commissioner of Insurance. "We encourage consumers to let us know when there is a problem they can't resolve with their insurance company. We'll review all the documents and help guide consumers through tough insurance questions."

The total recovered consumer money, just over \$7 million, does not include other actions taken to benefit consumers, such as the Kaiser Permanente of Colorado agreement, HealthMarkets settlement, nor any fines and penalties assessed toward companies following market conduct or financial examinations and compliance investigations.

The \$4.7 million in consumer savings and restitution represents more than 2,000 cases prompted by written consumer complaints that were opened in the first half of 2008, and represents refunds, restored benefits and other recovered monies that will directly impact consumers who initiated a complaint against an insurer. Analysts in the Consumer Affairs section review consumer complaints, request company responses to the complaints, and help interpret insurance policies and covered benefits so consumers understand their rights and responsibilities. The consumer recovery total also includes title transactions where agencies charged for services not provided or failed to follow closing instructions; and bail bond actions that included return of collateral, and refunds on overcharged premiums.

While the Division of Insurance can't resolve every complaint, most consumers complete the complaint process with a better understanding of the insurance industry. "Often, our role is to explain insurance law or help decipher a policy question for consumers," Morrison said. "While our process may not always result in a restoration of benefits or a refund to the consumer, we work to educate consumers so they make informed decisions in the future."

Between January and June, 2008, the Division's Rates, Forms and Actuarial team reviewed submitted rates and companies reduced their rates by more than \$2.2 million. In some cases, the team had the companies use lower rates after reviewing the submissions for rate increases.

Of nearly 2,000 consumer complaints in the first half of 2008, the division said 639 complaints reflected concerns about life insurance, annuities, and health products. Those include HMOs and other medical insurance, as well as accident, disability and dental insurance.

Another nearly 800 consumer complaints were directed at property-casualty insurance companies, (which includes homeowners and car insurance) between January and June, 2008. Auto protests (which are tallied separately) accounted for another 501 consumer complaints. A consumer has the right to file an automobile protest if an insurer increases the rates, reduces the coverage, or cancels or non-renews the consumer's personal automobile policy.

Consumers who have an insurance question or problem can contact the Colorado Division of Insurance at (800) 930-3745 – Toll Free (outside Denver) or (303) 894-7490 - Consumer Information in the Denver metro area.

Helpful information and consumer tips on all types of insurance are available on the web at www.dora.state.co.us/insurance.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.

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