



Kansas Insurance Department

Sandy Praeger

COMMISSIONER OF INSURANCE

FOR IMMEDIATE RELEASE

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Commissioner Sandy Praeger Issues Complaint Ratio Report *Guide Reviews Insurance Complaints for Calendar Year 2004*

TOPEKA, KS -- Kansas Insurance Commissioner Sandy Praeger today released the 2004 Consumer Complaint Ratio Report which tracks complaints and questions about insurance companies licensed to do business in the State of Kansas. During 2004, the Kansas Insurance Department closed 5,012 complaints involving insurance companies. A "complaint" is a written expression of grievance against an insurance company.

"The information contained in this report, along with price considerations, coverage availability, service and financial stability can help consumers make informed buying decisions," Commissioner Praeger said. "Complaints also help us identify companies or agents that may need to be investigated for violation of Kansas insurance laws or rules." Consumers should not rely solely on the complaint ratios when purchasing insurance; however, they should be considered as one component in insurance buying decisions. Questions about insurance can be answered by contacting local insurance agents, as well as by calling the Kansas Insurance Department.

Seven major types of insurance are reflected in this report: Accident and Health, Annuity, Auto, Health Maintenance Organizations (HMO), Homeowner, Life and Long Term Care.

The report lists any company that had a minimum of 10 "closed" complaints against them and wrote at least 1% of the total written premium for that type of insurance during the calendar year, unless noted otherwise. The only exception to this is the ratio for HMOs. Since there are so few companies writing premium for HMO's, all HMOs are represented in the report. A complaint is "closed" when the complaint process is concluded.

The following listing shows that auto complaints were the highest in 2004, followed by accident and health.

- Auto 39%
- Health 29%
- Homeowners 14%
- Life 9%
- HMO 5%
- Long Term Care 3%
- Annuity 2%

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Sixty-three percent (63%) of the total complaints dealt with problems relating to claims handling. Other problem areas were underwriting (18%), policyholder services (15%) and marketing and sales (4%). Claims handling problems were identified as unsatisfactory claim settlement/offer (46%); denial of the claim (27%); and claim delays (21%).

A copy of the Complaint Ratio Report can be downloaded by visiting the Insurance Department website at www.ksinsurance.org or received free of charge by calling 1-800-432-2484.

Kansans are encouraged to contact Commissioner Praeger's Consumer Assistance Hotline at 1-800-432-2484 if they have insurance questions or need assistance with a dispute with their insurance company. The hotline is available Monday through Friday from 8:00 a.m. to 5:00 p.m.

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About the Kansas Insurance Commissioner

Sandy Praeger, Kansas Insurance Commissioner, oversees the activities of the Kansas Insurance Department (KID) which is headquartered in Topeka, Kansas. The overriding objective of Commissioner Praeger and KID is to protect consumers, and help maintain the financial stability of the insurance industry. KID regulates and monitors the activities of 23,000 resident agents, 42,000 non-resident agents and 1684 insurance companies licensed to do business in the state of Kansas. The Department offers financial, actuarial, legal, computer, research, market conduct and economic expertise. For more information, visit www.ksinsurance.org.