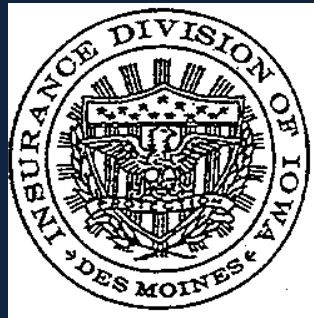


The State of Iowa  
2015

# Annual Consumer Advocate Bureau Report



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Insurance Division of Iowa

## I. Background

The Consumer Advocate Bureau (the Bureau) was established in 2008 under Iowa Code section 505.8, subsection 6, paragraph “b” and requires an annual report on the activities and statics of the Bureau. This report is filed in compliance with that annual report requirement.

The Bureau is currently comprised of the Consumer Advocate and four contract attorneys funded through federal grant funds for the Health Insurance Marketplace. The Consumer Advocate, Angel Robinson, was appointed in November 2008. The Consumer Advocate Bureau is required to provide assistance to consumers in all lines of insurance, securities, and regulated industries.

## II. 2014 Activities

The functions of the Bureau include outreach, assisting with or providing policy recommendations, aiding consumers with insurance inquires and complaints, and recommending cases for administrative action. To further these functions, the activities of the Bureau in 2014 have focused on two main areas: 1) Outreach and Education on a Health Insurance Marketplace grant and assisting consumers with the health insurance rate review process.

### A. Outreach and Education to the Health Insurance Marketplace

In the area of outreach and education, the Consumer Advocate Bureau has focused on assisting consumers with the implementation of the most significant portions of the Affordable Care Act. This included the individual and employer mandate, guaranteed access to health care coverage, and open enrollment periods. The outreach and education included in-person presentations, training conferences for affected organizations and stakeholder groups, webinars, tabling events at the state fair and other public events, partnering with consumer and community based organizations to provide outreach to their specific constituency, the creation of educational documents, receiving inquiries and questions from the public and organizations, and bi-weekly conference calls with all interested parties across the state of Iowa. In 2014 the Bureau provided services directly and through contractors. The Bureau was able to assistance to approximately 192,343.

### B. The Health Insurance Rate Review Process

The Consumer Advocate Bureau participated and assisted consumers with their notice and hearing rights associated with health insurance rate increases. Iowa law provides for a policyholder’s right to notice and the right for a public hearing when a rate increase is requested above the average annual health spending growth rate (as established by the Centers of Medicare and Medicaid Services). Five such proposed rate

increases met this criterion in 2014. The Consumer Advocate worked with all five insurers to review and approve the final consumer notification letter and with the Division in establishing the Qualified Health Plan timeline for rate submission.

The Consumer Advocate's role in the qualifying rate hearing process is to solicit consumer comments regarding the proposed rate increase and to share the received comments with the public and the Commissioner of Insurance during the public hearing. All public hearings regarding rate increases were held over the ICN videoconferencing network. This allowed affected members of the public from across Iowa to personally participate in the public hearings without driving to one central location. All reports on the public comments and testimony received on the proposed rate increases were provided to the Commissioner of Insurance and remain available for public review at [iainsuranceca.wordpress.com](http://iainsuranceca.wordpress.com). A total of 71 consumers participated in submitting comments during the five rate hearings in 2014.

C. Other Consumer Advocate Duties and Responsibilities

The Consumer Advocate has participated in weekly conference calls on the planning and implementation of the new health laws and provided public education to consumers directly and through consumer advocacy groups regarding the changes to laws, regulations, and the effects on consumers. Additionally, the Consumer Advocate assists consumers directly with complaint reviews, inquiries, phone calls and emails. There were no new administrative actions from the Bureau this year as all disputes were able to be settled with the insurers without additional action.

### III. Recommendations

a. Budget

The current 2015 budget for the Bureau entails an appropriation for only the Consumer Advocate with a salary and benefits. The grant has allowed for the full funding of four contractors to provide assistance with the health insurance Marketplace questions and needs. The Consumer Advocate has requested and received a no-cost grant extension that will enable the contractors' services to continue through the end of the fiscal year. The budget of the Consumer Advocate Bureau should be reviewed for permanent staffing in the future.

b. Legislation and Administrative Rules

The Consumer Advocate Bureau will continue working with other areas of the Iowa Insurance Division throughout 2015 to file administrative rules as needed. The rules would likely include: updating the current rate review administrative rules,

repayment of duplicative Medicare and Med-advantage coverage, and the updating of the long term care statute to include prompt payment for all proper long term care benefit claims.

#### IV. Conclusion

The work of the Consumer Advocate bureau exists to represent and aid Iowa's policy holders. In 2014 all the serves provided by the bureau have allowed a combined total of 199,705 Iowans to be assist through various programs and functions. The Consumer Advocate, the Consumer Advocate Bureau, and those who work to serve consumers within the Iowa Insurance Division, thanks the Legislature for this opportunity.

Upon request additional information can be provided as to any of the consumer activities of the Consumer Advocate Bureau or any other consumer function or duty of the Iowa Insurance Division.

The following attachments are respectfully submitted for review.

## *Appendix A: 2012 Complaint and Inquiry Statistics for Iowa*

As part of the duties of the Consumer Advocate Bureau, assistance was provided to consumers individually with questions or problems with insurance, securities, and regulated industries. Statistics for the Consumer Advocate Bureau are incorporated into the Division's statics for other bureaus as the Consumer Advocate generally works with closed complaints or monitors the complaints of others. The Consumer Advocate complaints are closed complaints that the consumer has requested an appeal for additional assistance or are pursued as a new complaint upon the discretion of the Consumer Advocate.

The following statistics are the total services provided to consumers in all areas serviced by the Division. For convenience, combined statistics showing the efforts of all bureaus handling complaints is provided. The Consumer Advocate Bureau statistics have been identified specifically, but are not counted separately in the complaint totals in order to avoid duplication and provide accuracy.

### **Total Summary of Division Complaints and Inquiries**

Total Complaints:	1,722
Total Inquiries:	857
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Total Consumer Complaints / Inquiries Served:	2,579

## 2014 Insurance Complaints

### 2014 Market Regulation Closed Complaint/Inquiry Report

Line of Insurance	Closed Complaints	Closed Inquiries
Auto	283	23
Fire, Allied Lines	35	5
Homeowners	194	10
Life, Annuity	246	53
Accident, Health	726	206
Liability	21	4
Miscellaneous	72	13
Other: Regulated Industries	112	241
Other: Securities	35	75
Other	-2	227
<b>TOTAL</b>	<b>1722</b>	<b>857</b>

Note: Each withdrawn case is counted as -1.

Reason	Auto	Fire, Allied Lines	Homeowners	Life, Annuity	Accident, Health	Liability	Miscellaneous
Underwriting	59	9	64	12	13	2	19
Marketing and Sales	24	5	38	97	86	1	28
Claim Handling	273	35	207	76	558	21	54
Policyholder Service	33	11	27	231	324	8	15
<b>TOTAL</b>	<b>389</b>	<b>60</b>	<b>336</b>	<b>416</b>	<b>981</b>	<b>32</b>	<b>116</b>

Disposition	Auto	Fire, Allied Lines	Homeowners	Life, Annuity	Accident, Health	Liability	Miscellaneous
Claim Reopened	1	0	0	0	13	0	0
Claim Settled	18	1	3	13	47	1	1
Company Position Overturned	0	2	3	1	4	0	1
Company Position Substantiated	91	27	121	165	280	8	16
Complaint Withdrawn	2	0	1	5	1	0	1
Compromised Settlement	58	5	32	70	194	3	12
Contract Provision/Legal Issue	88	23	59	0	21	6	19
Fine	0	0	0	0	0	0	0
Insufficient Information	8	0	5	23	12	0	1
No Action Requested/Required	123	9	67	13	3	14	37
No Jurisdiction	9	0	4	19	215	0	17
Referred for Disciplinary Action	0	0	1	2	2	0	6
Referred to Another Dept	1	0	0	1	6	0	3
Referred to Proper Agency	1	0	1	0	7	0	1
State Specific	7	0	1	11	27	0	3
<b>TOTAL</b>	<b>407</b>	<b>67</b>	<b>298</b>	<b>323</b>	<b>832</b>	<b>32</b>	<b>118</b>

## *Appendix B: Comparative Complaint Data for Selected States*

Based on various characteristics, such as location and data bases system used, other states were asked to share complaint statistics. 2012 complaint data was supplied as courtesy to the Iowa Insurance Division from the states of Missouri and Kansas. Missouri and Kansas' complaint statistics provide a picture of the annual complaints from neighboring states.

Special thanks are given to the insurance departments from the participating states, whose assistance aided in the completion of this report.



## Missouri 2014 Insurance Complaints

Line of Insurance	Closed Complaints
Auto	776
Fire, Allied Lines	95
Homeowners	539
Life, Annuity	376
Accident, Health	975
Liability	46
Miscellaneous	769
Other: Regulated Industries	0
Other: Securities	0
Other	5
<b>TOTAL</b>	<b>3581</b>

Reason	Auto	Fire, Allied Lines	Homeowners	Life, Annuity	Accident, Health	Liability	Miscellaneous
Underwriting	105	25	123	33	144	4	48
Marketing and Sales	45	6	78	165	149	17	739
Claim Handling	836	104	465	109	895	38	95
Policyholder Service	98	11	78	251	729	3	15
<b>TOTAL</b>	<b>1084</b>	<b>146</b>	<b>744</b>	<b>558</b>	<b>1917</b>	<b>62</b>	<b>897</b>

<b>Disposition</b>	<b>Auto</b>	<b>Fire, Allied Lines</b>	<b>Homeowners</b>	<b>Life, Annuity</b>	<b>Accident, Health</b>	<b>Liability</b>	<b>Miscellaneous</b>
Claim Reopened	1	0	1	1	6	0	0
Claim Settled	139	11	51	54	76	7	35
Company Position Overturned	98	5	36	27	158	0	7
Company Position Substantiated	430	51	298	168	221	19	44
Complaint Withdrawn	0	0	2	2	1	0	1
Compromised Settlement	115	25	68	50	235	5	18
Contract Provision/Legal Issue	72	26	95	8	353	16	31
Fine	0	0	1	3	3	1	108
Insufficient Information	1	1	1	0	6	9	12
No Action Requested/Required	27	3	23	90	115	6	205
No Jurisdiction	10	4	39	4	32	3	12
Referred for Disciplinary Action	0	0	37	7	32	0	143
Referred to Another Dept	0	0	1	3	3	0	0
Referred to Proper Agency	1	0	0	5	6	0	0
State Specific	20	0	4	16	42	1	257
<b>TOTAL</b>	<b>914</b>	<b>126</b>	<b>657</b>	<b>438</b>	<b>1289</b>	<b>67</b>	<b>873</b>

Kansas 2014 Insurance Complaints

Line of Insurance	Closed Complaints	Closed Inquiries
Auto	684	38
Fire, Allied Lines	78	5
Homeowners	367	29
Life, Annuity	298	34
Accident, Health	1457	54
Liability	39	4
Miscellaneous	83	28
Other: Regulated Industries	0	0
Other: Securities	0	0
Other	1	1699
<b>TOTAL</b>	<b>3007</b>	<b>1891</b>

Reason	Auto	Fire, Allied Lines	Homeowners	Life, Annuity	Accident, Health	Liability	Miscellaneous
Underwriting	137	13	166	21	126	10	48
Marketing and Sales	39	10	45	117	136	3	23
Claim Handling	707	85	288	133	1253	41	92
Policyholder Service	179	36	102	295	807	6	21
<b>TOTAL</b>	<b>1062</b>	<b>144</b>	<b>601</b>	<b>566</b>	<b>2322</b>	<b>60</b>	<b>184</b>

<b>Disposition</b>	<b>Auto</b>	<b>Fire, Allied Lines</b>	<b>Homeowners</b>	<b>Life, Annuity</b>	<b>Accident, Health</b>	<b>Liability</b>	<b>Miscellaneous</b>
Claim Reopened	8	0	6	0	0	1	0
Claim Settled	147	11	22	25	135	3	10
Company Position Overturned	43	5	16	31	184	0	3
Company Position Substantiated	461	54	302	175	362	29	42
Complaint Withdrawn	2	0	1	1	12	0	0
Compromised Settlement	75	15	25	43	197	4	17
Contract Provision/Legal Issue	55	20	49	0	4	9	27
Fine	0	0	0	0	0	0	0
Insufficient Information	2	0	1	17	8	0	1
No Action Requested/Required	3	2	4	108	323	0	2
No Jurisdiction	10	3	6	20	452	0	11
Referred for Disciplinary Action	3	2	2	9	15	0	2
Referred to Another Dept	0	0	1	3	84	0	1
Referred to Proper Agency	1	0	0	0	0	0	1
State Specific	96	10	52	10	53	7	11
<b>TOTAL</b>	<b>906</b>	<b>122</b>	<b>487</b>	<b>442</b>	<b>1829</b>	<b>53</b>	<b>128</b>