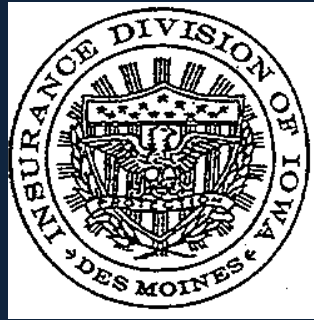


The State of Iowa
2018

Annual Consumer Advocate Bureau Report



Prepared and Submitted to the 87th Iowa General Assembly

January 16, 2018

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 statistics of the Bureau. This report is filed in compliance with that annual report requirement.

The Consumer Advocate is required to provide assistance to consumers in all lines of insurance, securities, and regulated industries under the jurisdiction of the Commissioner. Long time Consumer Advocate, Angel Robinson, was initially appointed in November 2008, and resigned in December, 2017. Until the position can be filled, complaint reviews will be handled outside of the Market Regulation Bureau under the direction of the Second Deputy Insurance Commissioner.

II. 2017 Activities

The work of the Consumer Advocate in 2017 focused on the following activities.

A. The Health Insurance Rate Review Process

The Consumer Advocate 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). All health insurers requesting rate increases which met this criteria included the following:

Company Name	Percentage of Increase Requested	Covered Policies
Golden Rule	27%	2,344
Medica	56.7%	14,002
Wellmark	9.4 or 14.2%	38,228

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 <https://iid.iowa.gov/2018-health-rate-increases>. A total of 139 consumers participated in submitting comments during the 2018 rate increase hearings.

B. Other Consumer Advocate Duties and Responsibilities

In 2017 the Consumer Advocate participated in ongoing conference calls at the national level on the planning and implementation of health laws.

Additionally, the Consumer Advocate assists consumers directly with complaint reviews, inquiries, phone calls and emails.

In 2017, the Consumer Advocate recommended a statutory change to the Long Term Care Independent review fee requirement. The fee was required by law but was being waived by the Division (the checks were being returned). To make the law consistent with actual practice the fee was removed from law.

There were no new administrative actions from the Bureau in 2017 as all disputes were able to be resolved with the insurers without additional action.

III. Recommendations

a. Legislation and Administrative Rules

The Consumer Advocate submitted two Administrative Rule changes in 2017. The first rule would allow long term care independent review rules to be made consistent with Iowa statutes. The second was an extension of Medicare sales protections to Medicare Part C policyholders regarding duplicative coverage.

IV. Conclusion

The mission of the Consumer Advocate is to provide an additional resource to represent and aid Iowa's policy holders. The Consumer Advocate, and those who work to serve consumers within the Iowa Insurance Division, thank 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 data attachments are respectfully submitted for review.

Appendix A: 2017 Complaint and Inquiry Statistics for Iowa

Part of the duties of the Consumer Advocate is to assist consumers individually with questions or problems with insurance, securities, and regulated industries. Statistics for the Consumer Advocate Bureau are incorporated into the Division's overall statistics as the Consumer Advocate generally works with closed complaints. The Consumer Advocate complaints are closed complaints that consumers have 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.

Total Summary of Division Complaints and Inquiries

Total Complaints:	1745
Total Inquiries:	585
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Total Consumer Complaints / Inquiries Served:	2,330

2017 Insurance Complaints

2017 Market Regulation Closed Complaint/Inquiry Report

Line of Insurance	Closed Complaints	Closed Inquiries	Closed Consumer Assistance
Auto	344	31	
Fire, Allied Lines	26	0	
Homeowners	208	14	
Life, Annuity	332	67	
Accident, Health	643	212	
Liability	18	3	
Miscellaneous	73	23	
Other: Regulated Industries	50	16	
Other: Securities	48	37	
Other	3	182	14
TOTAL	1745	585	14

Reason	Auto	Fire, Allied Lines	Homeowners	Life, Annuity	Accident, Health	Liability	Miscellaneous
Underwriting	78	11	49	3	13	5	18
Marketing and Sales	16	6	4	109	111	0	10
Claim Handling	377	26	251	59	560	23	68
Policyholder Service	27	0	20	388	248	1	9
TOTAL	498	43	324	559	932	29	105

Disposition

Auto	Fire, Allied	Homeowners	Life, Annuity	Accident,	Liability
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	Lines				Health		Miscellaneous
Claim Reopened	13	1	19	0	8	3	4
Claim Settled	51	5	20	3	8	4	18
Company Position Overturned	2	0	0	0	1	0	1
Company Position Substantiated	128	18	60	137	297	3	9
Complaint Withdrawn	4	0	0	3	2	0	0
Compromised Settlement	66	3	46	195	194	5	14
Contract Provision/Legal Issue	93	6	80	0	28	3	26
Fine	0	0	0	0	0	0	0
Insufficient Information	6	0	2	9	34	0	4
No Action Requested/Required	26	0	13	45	5	3	3
No Jurisdiction	4	1	3	27	198	0	3
Referred for Disciplinary Action	0	0	1	2	1	0	0
Referred to Another Dept	0	0	0	4	15	0	0
Referred to Proper Agency	1	0	1	5	25	0	3
State Specific	8	0	1	5	10	0	2
TOTAL	402	34	246	435	826	21	87

Appendix B: Comparative Complaint Data

Comparative complaint statistics are provided from the States of Missouri and Kansas.

2017 Missouri Market Regulation Closed Complaint/Inquiry Report

Line of Insurance	Closed Complaints	Closed Inquiries	Closed Consumer Assistance
Auto	707	236	
Fire, Allied Lines	44	32	
Homeowners	374	99	
Life, Annuity	423	111	
Accident, Health	1279	880	
Liability	22	14	
Miscellaneous	847	581	
Other: Regulated Industries	0	0	
Other: Securities	0	0	
Other	0	909	13883
TOTAL	3696	2862	13883

Reason	Auto	Fire, Allied Lines	Homeowners	Life, Annuity	Accident, Health	Liability	Miscellaneous
Underwriting	158	13	99	42	157	4	33
Marketing and Sales	25	3	21	107	97	0	875
Claim Handling	739	56	377	136	1460	24	87
Policyholder Service	72	2	47	307	681	7	37
TOTAL	994	74	544	592	2395	35	1032

Disposition	Auto	Fire, Allied Lines	Homeowners	Life, Annuity	Accident, Health	Liability	Miscellaneous
Claim Reopened	1	0	2	0	37	0	0
Claim Settled	154	5	41	30	50	2	16
Company Position Overturned	83	5	28	42	296	3	32
Company Position Substantiated	450	31	266	156	380	22	40
Complaint Withdrawn	0	0	0	0	1	0	0
Compromised Settlement	23	2	13	54	193	1	39
Contract Provision/Legal Issue	7	7	12	81	470	2	12
Fine	1	0	1	3	3	0	90
Insufficient Information	3	0	0	3	2	0	5
No Action Requested/Required	22	3	11	94	41	1	307
No Jurisdiction	14	4	17	17	419	2	7
Referred for Disciplinary Action	0	0	0	10	8	0	128
Referred to Another Dept	2	0	1	0	0	0	2
Referred to Proper Agency	3	1	0	2	6	0	7
State Specific	27	2	17	15	41	1	408
TOTAL	790	60	409	507	1947	34	1093

2017 Kansas Market Regulation Closed Complaint/Inquiry Report

Line of Insurance	Complaints
Auto	1908
Fire, Allied Lines	129
Homeowners	1106
Life, Annuity	790
Accident, Health	2807
Liability	39
Miscellaneous	173
Other: Regulated Industries	0
Other: Securities	0
Other	3
TOTAL	6955

Reason	Fire, Allied						
	Auto	Lines	Homeowners	Life, Annuity	Accident, Health	Liability	Miscellaneous
Underwriting	219	21	96	38	102	0	30
Marketing and Sales	79	0	97	165	246	5	11
Claim Handling	1342	66	743	190	1520	29	85
Policyholder Service	267	42	170	397	939	5	47
TOTAL	1907	129	1106	790	2807	39	173

Disposition

Auto	Fire, Allied	Homeowners	Life, Annuity	Accident, Health	Liability
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	Lines				Miscellaneous		
Claim Reopened	2	1	0	14	2	0	0
Claim Settled	270	9	93	174	199	4	20
Company Position Overturned	165	2	67	64	135	0	0
Company Position Substantiated	770	79	587	211	620	16	77
Complaint Withdrawn	4	6	4	3	8	0	3
Compromised Settlement	381	23	156	108	305	7	29
Contract Provision/Legal Issue	8	0	4	30	99	0	2
Fine	0	0	0	0	0	0	0
Insufficient Information	6	0	4	30	66	2	10
No Action Requested/Required	240	1	169	109	589	8	14
No Jurisdiction	32	0	5	16	624	0	9
Referred for Disciplinary Action	4	5	2	5	28	0	1
Referred to Another Dept	6	1	3	8	23	0	2
Referred to Proper Agency	0	0	0	9	37	1	2
State Specific	19	2	12	8	71	1	4
TOTAL	1907	129	1106	789	2806	39	173