

2012 Program Report Card: Consumer Affairs (CA) Program, Connecticut Insurance Department (CID)

Quality of Life Result: All Connecticut residents have access to information and services to help protect their health and assets.

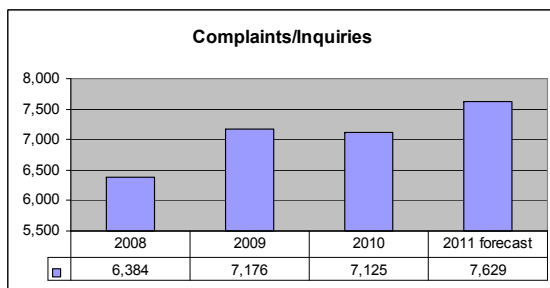
Contribution to the Result: The Consumer Affairs program investigates insurance-related complaints to resolve disputes, recover consumers' funds and enforce insurance laws and regulations. Program also serves as a resource to consumers to get answers to insurance-related questions and to enable better insurance purchasing decisions.

Program Expenditures	State Funding	Federal Funding	Other Funding	Total Funding
Actual FY 11	\$0	\$0	\$2.3M	\$2.3M
Estimated FY 12	\$0	\$0	\$2.4M	\$2.4M

Partners: Connecticut residents, National Association of Insurance Commissioners (NAIC), Insurance Carriers, Producers and other licensees.

How Much Did We Do?

Annual # of Complaints & Inquiries



Story behind the baseline:

This represents the number of complaints and written inquiries reported to CA and handled during the year about or against Insurance entities licensed by CID.

Investigation of complaints is a primary function of the unit as part of our regulatory role to ensure that consumers are treated fairly and are protected from unfair practices. Inquiries are an important tool to gauge consumer understanding and assist the department with determining what information is needed on our web-site, and how to focus our outreach activities.

There has been a 20% increase in volume since 2008. Complaint volume can be heavily influenced by events such as Health Care Reform or weather catastrophes. In 2011, the latter proved to be the case as Connecticut experienced record winter snowfalls, Tropical Storm Irene and the October nor'easter.

Also driving the increase are our efforts to increase visibility through relevant and reliable information via Internet, press releases and social media, as well as positive consumer interaction and 'word-of-mouth'.

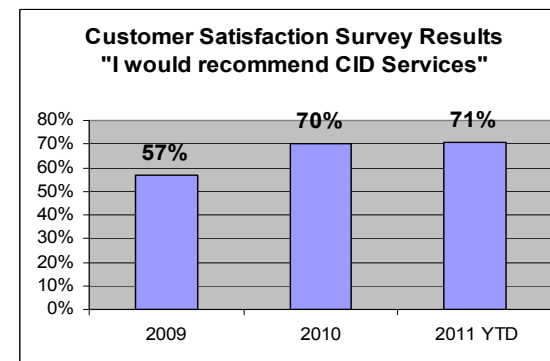
Complaints are investigated in an attempt to reach resolution and ensure that actions by the insurers and any other licensee (e.g. producer or adjuster) are in compliance with CT laws or regulations. Often our involvement can expedite resolution of the problem; we can offer dispute resolution alternatives, or at a minimum, provide additional explanation to the complainant.

Consumer Affairs data by company and type of complaint is provided to our Market Conduct Unit for their analysis and examinations of insurance companies.

Trend ▲

How Well Did We Do It?

Percentage of Survey Respondents who would recommend CID services to others



Story behind the baseline:

We introduced a customer satisfaction survey in the second half of 2009. Over the last year, we achieved a 26% rate of return to our survey questionnaire. The simple 8 question web-based survey is sent to complainants after their complaint has been resolved and closed. Surveys are sent to those complainants where we have a valid email address. The purpose of the survey is to track our performance as well as to determine if our service met the consumers' expectations.

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Responses to the survey question “I would recommend the Insurance Department’s services to others.” is an indicator of how the complainant valued the interactions with our CA staff, even if the overall outcome was not in their favor.

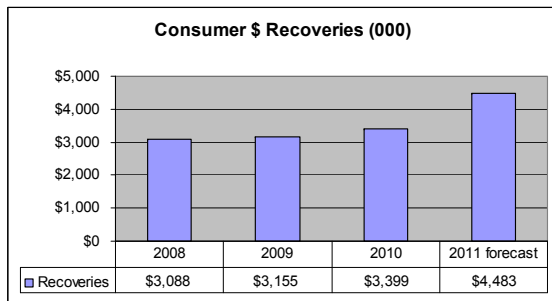
Survey responses to the other 7 questions dealing with timeliness, responsiveness and completeness of explanation have shown a direct correlation to overall consumer satisfaction and willingness to recommend to others. To increase positive responses to the questions, examiners have been trained to provide better and timelier responses.

Survey results and feedback are shared with each examiner. We have seen a 25% improvement in this rating since the survey process started which we attribute to increased focus by our staff to meeting consumer expectations.

Trend ▲

Is Anyone Better Off?

Financial Recoveries for Consumers



Story behind the baseline:

These recovered funds are the direct result of consumer complaints that have been handled

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by CA where we identified additional money owed to the consumer. Recoveries come in various forms, but a few examples include: reimbursement for denied medical treatment, an improper claim denial or an improperly rescinded life insurance policy.

CA works to identify inappropriate behavior on the part of the insurer and require them to make proper restitution for all consumers who may have been harmed not just those that have proactively complained. Our oversight efforts and interactions also have a positive “sentinel effect” on the behavior of the industry.

The amount of recoveries we are able to achieve is heavily influenced by outside forces such as federal and/or state legislative changes, new legal decisions, new products or individual company organizational or system changes.

Trend ▲

Proposed Actions to Turn the Curve:

Feedback from outreaches and comments from individuals dealing with the Department for the first time is that they were previously unaware of our existence. By increasing awareness of CA’s capabilities and results through a variety of methods including positive word-of-mouth referrals, we seek to positively impact all three of our measures. By reaching more people, we will be able to address more of the industry’s issues and at the same time, the insurance industry will function better.

CID’s Communications Director will continue to increase the visibility of the CA Program through television/radio interviews, press releases, public service announcements, community outreach events, social media and other collaborative partnerships.

Our Department website has been significantly upgraded to keep it current and useful to consumers. Timely information placed on our web site for issues such as Healthcare Reform and weather events has made our web site and the Department the “go to” source for information and assistance.

During Tropical Storm Irene and the October nor’easter we partnered with 2-1-1 to provide their trained helpline staff with storm resources from our website. By extension, that gave the department a much greater consumer reach.

Other important partnerships we can continue to tap into are those we have with lawmakers and municipal officials. We recognized that our storm resource information was easily disseminated through their mailings and websites to their constituents.

Through this increased visibility, we will receive more complaints and inquiries.

The higher complaint volume will allow us to send out more surveys. We will also be increasing our distribution percentage by obtaining a higher number of e-mail addresses from complainants. We are pursuing several low-cost and no-cost ways to increase the response rate.

Financial recoveries will also increase due to higher complaint volume. Recently we have implemented a process to review all closed complaints with a justified or questionable finding to assure capture of recovery dollars. We also continue to quality check all documented recoveries to ensure that they were a direct result of CA intervention.