

TDI Insur**ED**

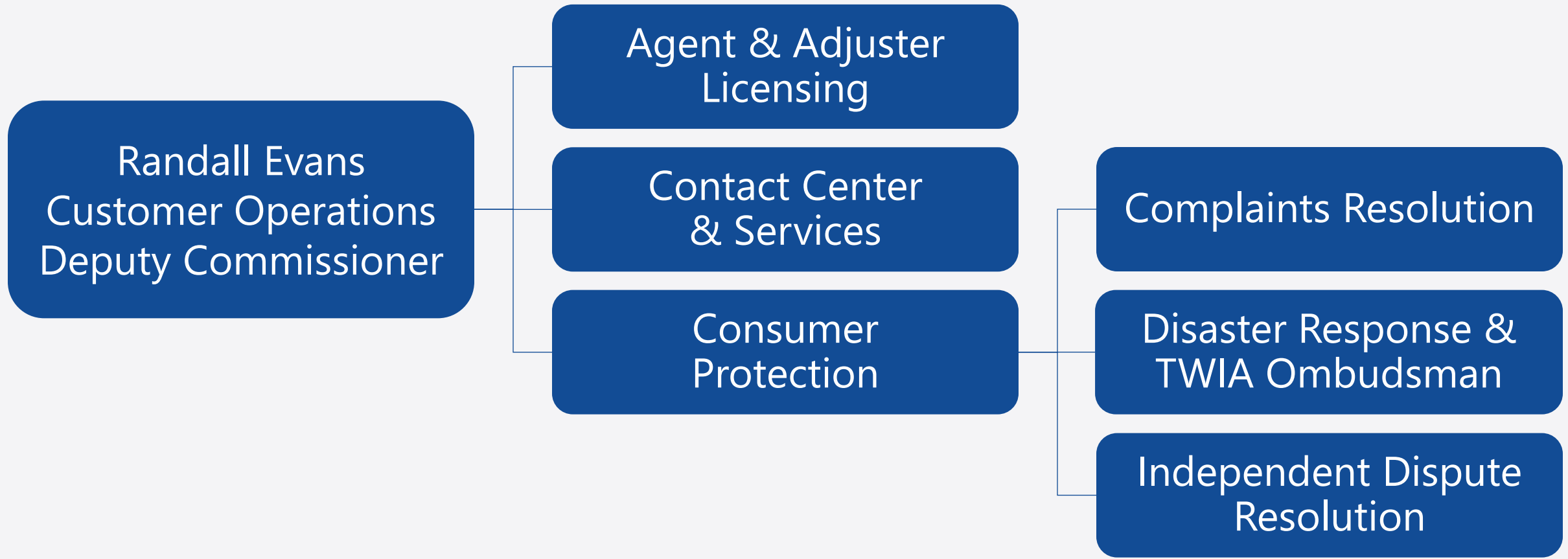
Consumer complaints

February 9, 2023

The Texas Department of Insurance mission is to protect insurance consumers by:

- Regulating the insurance industry fairly and diligently.
- Promoting a stable and competitive market.
- Providing information that makes a difference.

TDI | Consumer Operations



TDI | Complaints Resolution overview

- Staff helps TDI fulfill its mission by resolving complaints from consumers about:
 - Auto insurance.
 - Homeowners insurance.
 - Life insurance.
 - Health insurance.
 - Title insurance.
 - And other lines of insurance.
- Staff works to ensure that consumers receive the benefits they are entitled to under their policies and that companies and agents follow Texas laws and rules.

TDI | Ways to submit complaints

Complaint portal

- Online, real-time submission.
- Allows online communication with TDI specialists.
- Prompt notification of response.
- Preferred method of submission.

Phone

Help Line staff coordinates with Complaints Resolution staff when there's an issue accessing the complaint portal.

Mail

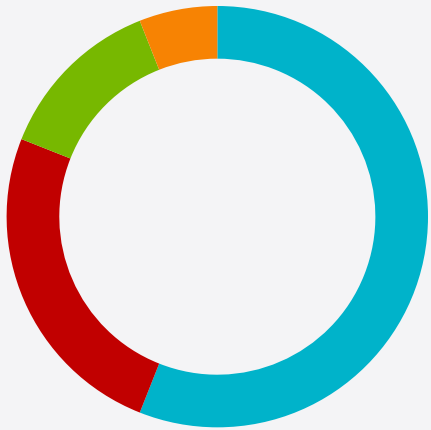
- Can delay handling.
- Less convenient for the consumer.

In person

TDI | How are complaints received?

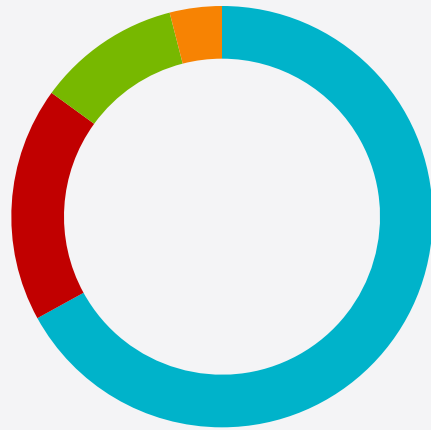
CR continues to encourage paperless reception of complaints - nearly 9 out of 10 complaints in 2022 were received via the Complaint Portal.

2019



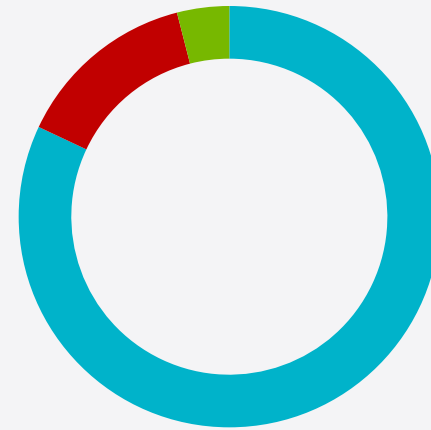
Portal	56%
Mail	25%
Email	13%
Fax	6%

2020



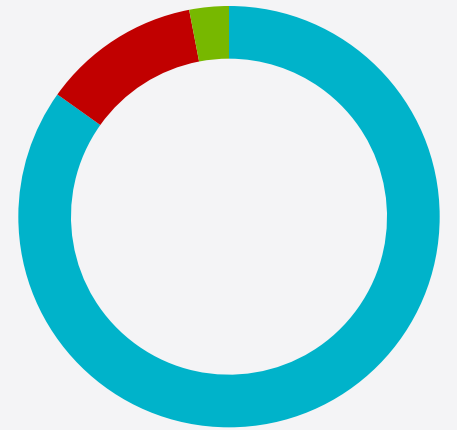
Portal	67%
Mail	18%
Email	11%
Fax	4%

2021



Portal	82%
Mail	14%
Email	4%
Fax	0%

2022



Portal	90%
Mail	8%
Email	2%
Fax	0%

TDI | Complaint submission process

Complaint received.
Letter sent to
Insurance.

Within 15 days:
Company responds
or requests a 10-day
extension.

Within 15 days:
Specialist processes
documents,
analyzes complaint,
and company
responses.

After analysis,
responses are sent
to complainant and
case is either closed
or escalated.

Process takes an average of 30-40 days.

TDI | Complaint response times

Response times have decreased dramatically due to process improvements and focus on paperless complaints.

FY 2020	Year total	Monthly average
Total received	22,035	1,836
Cases pending		5,764
Cases 60+ days		3,547
Cases closed	32,995	2,750
Avg. response time	156.12	156.12

FY 2022	Year total	Monthly average
Total received	19,767	1,647
Cases pending		1,650
Cases 60+ days		114
Cases closed	18,445	1,537
Avg. response time	35.28	35.2

Life, accident, and health

Claim handling:

- Denial or delay of claim payment
- Marketing and sales
- Prompt payment of claims

Policy holder services:

- Customer service
- Access to care
- Inaccurate provider listing
- Premiums and premium refunds

Property and casualty

Claim handling:

- Third-party auto claims
- Homeowners - prompt payment of claims
- Homeowners - valuation of claims / adjuster issues

Policy issues:

- Premium increases
- Policy denial / cancellation
- Policy coverage (rentals, storage, etc.)

Life, Accident, and Health

- When I try to reach them by phone, I have to hold for 1 to 3 hours to get through to a person.
- Payment of the annuity funds due as soon as possible and a written apology from the CEO of the company. This is no way one of America's WWII veterans or anyone else should be treated.
- I paid \$8,000 to the IRS last year because he did not advise me that we were taking funds out of tax-sheltered accounts to invest in an account he promised would return 10% to my new investment with him. Only found out the \$8,000 liability when filing taxes in April 2021! This is 6 months past doing "business".
- An appeal was sent with all the appropriate documentation, however, the charges still are denied.

Property and Casualty

- I have called the adjuster multiple times to get an update regarding the claim. All of my calls have been unreturned.
- We have left messages for the adjuster and supervisor and sent emails since June 2022 and have not received a response to date.
- A fair resolution would be for 3rd party insurance to pay for diminished value on my vehicle as the hit and run was not my fault.
- I need my 1000 other deductible back that I paid for. The information on claim report is not correct at all . I also need the claim paperwork updated and listed correctly as everything on report is false other then date of loss...

TDI | The bottom line

- Insurance is complicated.
- Consumers are under stress.
- People and systems make mistakes.
- Customer service often seems lacking.
- Frustration leads to complaints.

Consumer detail of complaint:

- Excessive auto insurance premium increase
 - Premium increase of 50%.
 - No claims history.
 - Excellent credit.
 - Perfect driving record.
 - No change in autos covered.
- Contacted company and was told the increase was due to inflation.

Consumer's desired resolution:

Protection against excessive increases without justification.

TDI | Sample response 1

"This is in response to your letter received November 18, 2022. We reviewed the policy for a better understanding of the concern. The policy was issued in Texas and no refunds were due. The policy findings are noted below.

The policy term effective May 18, 2022 was in the amount of \$762.84, while the renewal term effective November 18, 2022 was in the amount of \$1,160.20 (copies enclosed). The premium was impacted due to the rating revisions taken by [REDACTED] for renewals effective on or after September 1, 2022 and November 1, 2022.

There are many factors that affect insurance premiums such as but not limited to age, driving history, location, and the increasing cost of vehicle repairs. When one or more of these factors change, it may impact the policy premium. Any rate conversions taken by [REDACTED] are due to the increasing costs associated with claims payments. Once a rate revision is approved by the Texas Department of Insurance, the revision is implemented statewide for all policyholders in the state with that same company placement.

More complex cars are being driven which makes repairs much more expensive. Recent natural disasters have caused catastrophic losses in major states across the US. We also consider the shortage of replacement vehicles and parts, increased cost of parts or parts supply disruptions and mechanic labor or shortages. The number of accidents and the costs associated with the accidents including medical expenses and healthcare costs are increasing which is what led to the recent rate adjustments.

We hope this information clarifies the concern. If you need additional information, please contact [REDACTED].

Consumer detail of complaint:

- A computer "glitch" changed premium from \$1,284.44 to \$19,816.26.
- Policy was paid in full for the \$1,284.44 upon receipt of initial statement.
- Received a check for \$6,761.01 (they voided this check). Agent said the matter was resolved.
- Received a demand letter for \$6,641.40.
- Agent won't return calls.
- Filed a complaint with company.
- Company isn't communicating.

Consumer's desired resolution:

- Wants the matter resolved.
- Wants written acknowledgement.
- If it was reported to a collection agency, they want proof it was not reported to any of the three credit agencies.
- Will retrain an attorney if it affects their credit.
- Have been patient, need some assistance.

TDI | Sample response 2

"Dear Texas Department of Insurance,

Thank you for your letter dated October 17, 2022 regarding [REDACTED] policy.

The Texas policy was effective June 30, 2014 and was terminated effective May 27, 2022 per the insured's request.

We apologize for the delay in removing the collection balance. When [REDACTED] requested termination was processed on June 13, 2022, an incorrect termination credit of \$676.01 posted to the policy and a refund check issued for this incorrect amount on June 14, 2022. On September 13, 2022, the credit of \$676.01 was reversed and the amount on the June 14, 2022 check was owed back to [REDACTED]. The June 14, 2022 refund check was voided on October 12, 2022 and reapplied to the policy as a credit. This completely removed the balance, and the collection balance has been cleared. A new refund check for \$119.61 was issued to the customer on October 14, 2022.

During our investigation, we contacted [REDACTED], agent [REDACTED]. [REDACTED] advised her staff has spoke with the insured several times in the month of October and previously confirmed for [REDACTED] the policy was corrected.

We appreciate the opportunity to address [REDACTED] concerns. If you have any further questions, please feel free contact me at [REDACTED]."

Consumer detail of complaint:

- Transported to the ER and admitted to an in-network hospital.
- Wasn't told the doctor's medical group was out-of-network.
- Called the insurer about OON/balance billing protection.
- Insurer payed doctor's discharge day claim (claim listed as protected circumstance.)
- The insurer said the three denied claims were for service at an in-network hospital.
- Company is slow to respond and only responds with "under review".

Consumer's desired resolution:

Wants insurer to pay these claims as in-network or otherwise coordinate with the doctor's office, so that the amount they have to pay is no more than the in-network amount.

TDI | Sample response 3

“In reviewing the contact between [REDACTED] and [REDACTED], we found initial outreach was made to us on November 1, 2022 via web chat. [REDACTED] provided additional information through our secure messaging feature on November 2, 2022. Items are worked in the order they are received, and due to staffing issues and inventory, sometimes it takes a little longer to respond. [REDACTED] followed up via secure messaging on November 16, 2022, to check the status of our review. We advised we were still looking into it.

During a November 17, 2022, phone call with the patient, [REDACTED] mentions the No Surprise Act (NSA). [REDACTED] was not familiar with this and explained they would do further checking into the status of the claims and their relationship to NSA. On November 18, 2022, all claims were adjusted to allow at the in-network benefit level. The member was notified of reprocessing. The Explanation of Benefits (EOB) for the reprocessed claims are attached.

Based on our review, the claims are not eligible for prompt pay, as services were rendered by an out-of-network provider. Their services are also not eligible for arbitration, as they were non-emergent.

Further questions may be directed to [REDACTED].”

TDI | Advice to respondents

- Answer the complaint
 - Directly address each issue the consumer has.
 - Write clearly and concisely.
 - Be brief.
 - Proofread your work.
 - Issue timelines such as claim details and payments should be included and accurate.
- Work with TDI
 - Reach out with questions.
 - Respond timely.
 - Maintain your complaint contacts.

TDI | Complaint Resolution by the numbers

In fiscal year 2022:

- 18,445 complaints resolved.
- \$55,798,399 returned to consumers.
- Average response time for resolution was 35 days.

TDI | Complaint data availability

The Texas Open Data Portal, also known as the ODP, is the official State of Texas repository for publicly accessible open data published by state agencies and institutions of higher education. This data can be viewed, analyzed, visualized and exported all on one platform.

<https://data.texas.gov>

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