

FOR IMMEDIATE RELEASE

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Consumer Complaints Against Insurance Companies Increase; HMO Complaints Decline in 2001

Springfield, IL -- Illinois consumers filed more complaints about their insurance companies, but fewer against their HMOs, according to the 2001 consumer complaint statistics released today by Director of Insurance Nat Shapo. The Illinois Department of Insurance investigated 12,269 written complaints against insurance companies in 2001 compared to 10,781 in 2000, an overall increase of 14 percent. Total complaints against health maintenance organizations dropped by 19 percent from 1,761 in 2000 to 1,430 in 2001.

Despite the decrease in HMO complaints, health insurance lines continued to receive the largest portion (42 percent) of all consumer grievances, in part because the Department's Office of Consumer Health Insurance has initiated community outreach programs that have increased public visibility about Department services and because more health care providers are filing complaints.

Property and casualty lines accounted for nearly one-third (32 percent) of total complaints, with homeowners insurance complaints escalating by an unprecedented 59 percent. Other significant complaint increases included: auto insurance, +11 percent; individual accident and health insurance, +21 percent; and group accident and health, +15 percent.

Director Shapo said he is not surprised by the growing number of homeowners and auto insurance complaints. "The Illinois property and casualty insurance industry has been hit hard on a number of fronts, including staggering losses from storm damage claims in 2000 and 2001; rising repair costs; declines in investment income; and to some extent, loss of reinsurance following the events of September 11. Those factors are now spilling over to policyholders, resulting in tighter underwriting standards, changes in coverage, and higher rates," he said. "Illinois is certainly not unique in that regard, but the good news for consumers is that, as these market cycles play out, our state continues to have one of the most competitive insurance markets in the nation."

Claim handling and underwriting were the top reasons for consumer complaints in 2001. "The average person pays the most attention to an insurance policy at the time of application for coverage and later, if there's a need to file a claim," Shapo said. "When questions or concerns arise, the Department stands as a resource to help consumers."

Illinois residents can contact the Department of Insurance through the following toll-free numbers: the Consumer Assistance Hotline at 866-445-5364 or the Office of Consumer Health Insurance at 877-527-9431.

The Department of Insurance calculates complaint ratios for all licensed HMOs regardless of the number of complaints and for auto, homeowners, life and accident and health insurance companies that receive ten or more complaints in a calendar year. Ratios measure the number of written grievances in relation to Illinois premium volume, policies or certificates in force, or membership. A rank of 1 is the lowest ratio of all companies listed for a line of coverage.

Composite of Insurance Complaints
 Total Complaints Investigated in Year 2001

HMO Complaints 1,430

Insurance Company Complaints 12,269
 13,699

Not Categorized 2,280

Totals: 15,979

Complaints by Line of Coverage

Auto 3,888 (24%) 32%

Homeowners 1,257 (8%)

Individual Accident & Health 1,340 (8%)

Group Accident & Health 3,971 (25%) 42%

HMOs 1,430 (9%)

Individual Life 950 (6%)

Group Credit Accident & Health 75 (1%)

Individual Annuity 142 (1%)

All Other Coverages 646 (4%)

Not Categorized 2,280 (14%)

Totals: 15,979 (100%)

Major Reasons for Complaints

Insurance Companies HMOs

Claim Handling 8,932 (73%) 1,393 (97%)

Underwriting 1,818 (15%) 24 (2%)

Policyholder Service 1,258 (10%) 13 (1%)

Marketing and Sales 261 (3%) 0 (0%)

Totals: 12,269 (100%) 1,430 (100%)

Distribution of Complaints by Zip Code

Insurance Companies HMOs

Metro Cook County (600-605) 4,854 (40%) 637 (45%)

Chicago (606) 2,472 (20%) 222 (16%)

Downstate (607-629) 3,844 (31%) 490 (34%)

Outside Illinois 1,099 (9%) 81 (5%)

Totals: 12,269 (100%) 1,430 (100%)

Comparison of Complaints by Coverage & Reason 2000-2001

Coverage	Underwriting	Marketing & Sales	Claim Handling	Policyholder Service	Total	Change%
Auto (2000)	492	78	2,809	120	3,499	
Auto (2001)	665	68	2,987	168	3,888	+11%
Homeowners (2000)	275	18	473	26	792	
Homeowners (2001)	389	20	806	42	1,257	+59%
Individual Life (2000)	99	110	159	460	870	
Individual Life (2001)	109	86	309	446	950	+ 9%
Individual Annuity (2000)	3	44	16	109	172	
Individual Annuity (2001)	3	22	31	86	142	-17%
Individual A&H (2000)	268	28	660	156	1,112	
Individual A&H (2001)	294	26	840	180	1,340	+21%
Group A&H (2000)	236	16	3,010	184	3,446	
Group A&H (2001)	202	11	3,550	208	3,971	+15%
Group Credit A&H (2000)	4	1	55	20	80	
Group Credit A&H (2001)	3	0	58	14	75	- 6%
HMOs (2000)	20	3	1,715	23	1,761	
HMOs (2001)	24	0	1,393	13	1,430	-19%

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**2001 Complaint Ratio per \$1 Million of Direct Premiums Written in Illinois
Insurance Companies Showing 10 or More Complaints
For Coverage Type – Private Passenger Automobile**

Name	Complaints	2001 Written Premium	2001 Complaint Ratio	2001 Ranking
ALLSTATE INSURANCE COMPANY	256	427,439,338	.59	18
AMERICAN ACCESS CASUALTY COMPANY	47	18,006,617	2.61	30
AMERICAN AMBASSADOR CASUALTY COMPANY	143	51,789,641	2.76	31
AMERICAN FAMILY MUTUAL INSURANCE COMPANY	108	213,896,987	.50	12
AMERICAN FREEDOM INSURANCE COMPANY	52	8,096,325	6.42	43
AMERICAN HEARTLAND INSURANCE COMPANY	31	10,255,570	3.02	33
AMERICAN HORIZON PROPERTY AND CASUALTY CO*	11	1,344,650	8.18	44
AMERICAN INTERNATIONAL INSURANCE CO THE	14	7,548,700	1.85	27
AMERICAN SERVICE INSURANCE COMPANY INC	227	39,144,082	5.79	42
AMERICAN STANDARD INSURANCE CO OF WI	17	31,269,712	.54	16
APOLLO CASUALTY COMPANY	108	21,809,045	4.95	40
CONSTITUTIONAL CASUALTY COMPANY	23	13,856,749	1.65	25
COUNTRY MUTUAL INSURANCE COMPANY	60	294,487,822	.20	2
ECONOMY FIRE & CASUALTY COMPANY	23	33,183,188	.69	20
ECONOMY PREFERRED INSURANCE COMPANY	49	50,596,733	.96	24
FARMERS AUTOMOBILE INSURANCE ASSN THE	14	52,549,547	.26	4
FOUNDERS INSURANCE COMPANY	135	37,126,586	3.63	35
GALLANT INSURANCE COMPANY*	107			
GEICO CASUALTY COMPANY	11	11,607,201	.94	23
GEICO GENERAL INSURANCE COMPANY	31	60,898,149	.50	13
GENERAL CASUALTY COMPANY OF ILLINOIS	12	29,343,170	.40	8
GOVERNMENT EMPLOYEES INSURANCE COMPANY	13	27,501,112	.47	11
HARTFORD INSURANCE CO OF THE MIDWEST	30	43,883,992	.68	19
ILLINOIS FARMERS INSURANCE COMPANY	91	257,334,954	.35	5
ILLINOIS NATIONAL INSURANCE CO	25	14,391,007	1.73	26
INDIANA INSURANCE COMPANY	10	11,780,190	.84	22
INTERSTATE BANKERS CASUALTY COMPANY	41	9,305,574	4.40	38
MEDMARC CASUALTY INSURANCE COMPANY	44	11,310,132	3.89	36
NATIONAL HERITAGE INSURANCE COMPANY	24	4,174,407	5.74	41
NATIONWIDE MUTUAL INSURANCE COMPANY	12	47,411,687	.25	3
OAK CASUALTY INSURANCE COMPANY	37	7,794,858	4.74	39
PROGRESSIVE PREMIER INS CO OF ILLINOIS	14	32,308,517	.43	9
PRUDENTIAL PROPERTY & CASUALTY INS CO	13	25,623,478	.50	14
SAFECO INSURANCE COMPANY OF AMERICA	11	4,412,739	2.49	29
SAFECO INSURANCE COMPANY OF ILLINOIS	24	63,329,471	.37	7
SAFEWAY INSURANCE COMPANY	83	20,888,709	3.97	37
STANDARD MUTUAL INSURANCE COMPANY	11	19,275,160	.57	17
STATE FARM MUTUAL AUTOMOBILE INSURANCE C	220	1,461,246,258	.15	1
UNIQUE INSURANCE COMPANY	39	13,431,986	2.90	32
UNITED AUTOMOBILE INSURANCE COMPANY	22	10,239,093	2.14	28
UNITED EQUITABLE INSURANCE COMPANY	29	9,118,947	3.18	34
UNITED SERVICES AUTOMOBILE ASSOCIATION	16	43,815,545	.36	6
UNIVERSAL CASUALTY COMPANY	475	42,913,869	11.06	45
USAA CASUALTY INSURANCE COMPANY	14	30,621,452	.45	10
VALOR INSURANCE COMPANY*	165			
WEST AMERICAN INSURANCE COMPANY	18	22,636,409	.79	21
WESTERN STATES INSURANCE COMPANY	12	22,471,689	.53	15

*No longer actively writing new business.

For Coverage Type – Homeowners

Name	Complaints	2001 Written Premium	2001 Complaint Ratio	2001 Ranking
ALLSTATE INSURANCE COMPANY	143	158,797,350	.90	3
AMERICAN FAMILY MUTUAL INSURANCE COMPANY	101	78,568,283	1.28	9
AUTO OWNERS INSURANCE COMPANY	11	11,407,583	.96	6
COUNTRY MUTUAL INSURANCE COMPANY	36	91,200,013	.39	1
ECONOMY FIRE & CASUALTY COMPANY	19	18,976,993	1.00	7
ECONOMY PREFERRED INSURANCE COMPANY	28	29,520,361	.94	4
HARTFORD UNDERWRITERS INSURANCE COMPANY	13	12,834,055	1.01	8
ILLINOIS FARMERS INSURANCE COMPANY	96	101,830,242	.94	5
PRUDENTIAL PROPERTY & CASUALTY INS CO	31	13,276,651	2.33	13
SAFECO INSURANCE COMPANY OF ILLINOIS	45	34,007,867	1.32	10
STANDARD MUTUAL INSURANCE COMPANY	18	9,552,109	1.88	12
STATE FARM FIRE & CASUALTY COMPANY	196	445,834,624	.43	2
WESTERN STATES INSURANCE COMPANY	16	9,553,706	1.67	11

**2001 Complaint Ratio per 10,000 Policies in Force for Illinois Business
Insurance Companies Showing 10 or More Complaints
For Coverage Type – Individual A & H**

Name	Complaints	Policies In Force 12/31/01	2001 Complaint Ratio	2001 Ranking
AMERICAN COMMUNITY MUTUAL INSURANCE CO	53	5,391	98.31	24
AMERICAN FAMILY LIFE ASSR CO OF COLUMBUS	27	250,534	1.07	2
AMERICAN FAMILY MUTUAL INSURANCE COMPANY	17	13,723	12.38	13
AMERICAN HERITAGE LIFE INSURANCE COMPANY	18	4,620	38.96	20
AMERICAN REPUBLIC INSURANCE COMPANY	43	15,955	26.95	19
BANKERS LIFE & CASUALTY COMPANY	24	23,996	10.00	8
COMBINED INSURANCE COMPANY OF AMERICA	23	226,151	1.01	1
CONSECO HEALTH INSURANCE COMPANY	23	18,640	12.33	12
CONSECO SENIOR HEALTH INSURANCE COMPANY	28	14,302	19.57	16
CONTINENTAL CASUALTY COMPANY	10	23,741	4.21	6
CONTINENTAL GENERAL INSURANCE COMPANY	13	5,993	21.69	17
COUNTRY LIFE INSURANCE COMPANY	18	58,840	3.05	4
FORTIS INSURANCE COMPANY	30	6,860	43.73	22
HEALTH CARE SERVICE CORP MUT LEG RES CO	296	361,663	8.18	7
MUTUAL OF OMAHA INSURANCE COMPANY	11	28,276	3.89	5
PHYSICIANS MUTUAL INSURANCE COMPANY	38	35,778	10.62	9
PIONEER LIFE INSURANCE COMPANY	14	11,783	11.88	10
RIGHTCHOICE INSURANCE COMPANY	12	8,044	14.91	15
STATE FARM MUTUAL AUTOMOBILE INSURANCE C	10	67,776	1.47	3
TRUSTMARK INSURANCE COMPANY	17	3,939	43.15	21
UNICARE HEALTH INSURANCE CO OF THE MW	38	31,271	12.15	11
UNITED AMERICAN INSURANCE COMPANY	22	17,256	12.74	14
UNITED TEACHER ASSOCIATES INSURANCE CO	13	5,783	22.47	18
WORLD INSURANCE COMPANY	20	2,236	89.44	23

**2001 Complaint Ratio per 10,000 Certificates in Force for Illinois Business
Insurance Companies Showing 10 or More Complaints
For Coverage Type – Group A & H**

Name	Complaints	Certificates in Force 12/31/01	2001 Complaint Ratio	2001 Ranking
AETNA LIFE INSURANCE COMPANY	42	217,299	1.93	7
AMERICAN BANKERS LIFE ASSURANCE CO OF FL	10	650,267	.15	3
AMERICAN COMMUNITY MUTUAL INSURANCE CO	28	4,751	58.93	21
BANKERS LIFE & CASUALTY COMPANY	12	30,661	3.91	11
CELTIC INSURANCE COMPANY	27	3,409	79.20	24
CENTRAL RESERVE LIFE INSURANCE COMPANY	13	2,067	62.89	22
CONNECTICUT GENERAL LIFE INSURANCE CO	87	272,471	3.19	9
CONSECO MEDICAL INSURANCE COMPANY	86	4,440	193.69	25
CONTINENTAL CASUALTY COMPANY	17	3,068,911	.05	1
FORTIS BENEFITS INSURANCE COMPANY	14	128,234	1.09	6
FORTIS INSURANCE COMPANY	24	22,151	10.83	16
GOLDEN RULE INSURANCE COMPANY	30	9,912	30.26	20
GUARDIAN LIFE INSURANCE COMPANY OF AM	53	96,851	5.47	13
HEALTH CARE SERVICE CORP MUT LEG RES CO	208	359,706	5.78	14
HUMANA INSURANCE COMPANY	58	192,146	3.01	8
LIFE INSURANCE COMPANY OF NORTH AMERICA	13	38,928	3.33	10
METROPOLITAN LIFE INSURANCE COMPANY	11	787,227	.13	2
PRINCIPAL LIFE INSURANCE COMPANY	54	70,973	7.60	15
PROVIDENT AMERICAN LIFE & HEALTH INS CO	12	487	246.40	26
PRUDENTIAL INSURANCE COMPANY OF AMERICA	36	544,654	.66	5
TRUSTMARK INSURANCE COMPANY	138	259,047	5.32	12
UNICARE HEALTH INSURANCE CO OF THE MW	95	39,562	24.01	19
UNICARE LIFE & HEALTH INSURANCE COMPANY	104	3,139	331.31	27
UNITED HEALTHCARE INSURANCE CO OF IL	113	68,977	16.38	17
UNITED HEALTHCARE INSURANCE COMPANY	48	28,762	16.68	18
UNITED SECURITY LIFE INSURANCE CO OF IL	25	3,596	69.52	23
UNUM LIFE INSURANCE COMPANY OF AMERICA	25	785,435	.31	4

2001 Complaint Ratio per 10,000 Policies in Force for Illinois Business Insurance Companies Showing 10 or More Complaints For Coverage Type – Individual Life

Name	Complaints	Policies In Force 12/31/01	2001 Complaint Ratio	2001 Ranking
AMERICAN GENERAL LIFE & ACCIDENT INS CO	40	131,381	3.04	8
AMERICAN GENERAL LIFE INSURANCE COMPANY	10	11,702	8.54	11
ATLANTA LIFE INSURANCE COMPANY	19	79,895	2.37	7
CONSECO LIFE INSURANCE COMPANY	16	22,691	7.05	10
GLOBE LIFE & ACCIDENT INSURANCE COMPANY	20	196,283	1.01	3
GUARANTEE RESERVE LIFE INSURANCE COMPANY	12	20,500	5.85	9
METROPOLITAN LIFE INSURANCE COMPANY	42	808,596	.51	2
MONUMENTAL LIFE INSURANCE COMPANY	57	345,811	1.64	4
PRIMERICA LIFE INSURANCE COMPANY	16	81,982	1.95	5
PRUDENTIAL INSURANCE COMPANY OF AMERICA	90	1,833,332	.49	1
UNITED AMERICAN INSURANCE COMPANY	13	6,934	18.74	12
UNITED INSURANCE COMPANY OF AMERICA	49	245,782	1.99	6

For Coverage Type – Group Credit A & H

Name	Complaints	Policies In Force 12/31/01	2001 Complaint Ratio	2001 Ranking
CUNA MUTUAL INSURANCE SOCIETY	19	169,288	1.12	1

For Coverage Type – Individual Annuity

Name	Complaints	Policies 12/31/01	2001 Complaint Ratio	2001 Ranking
CONSECO ANNUITY ASSURANCE COMPANY	13	17,181	7.56	1

2001 Complaint Ratio per 10,000 Members for Illinois Business Health Service Organizations

Name	Complaints	Total Illinois Members as of 12/31/01	In Force	Non-Medicaid/ Non-Medicare Members* as of 12/31/01	2001** Complaint Ratio	2001 Ranking
DELTA DENTAL PLAN OF ILLINOIS	7	420,809		420,809	.16	1
FIRST COMMONWEALTH HEALTH SERVICES CORP	3	577		577	51.99	3
UNIVERSAL HEALTH SERVICES INC	1	3,603		3,603	2.77	2

–*Total Adjusted to delete Medicaid/Medicare Members

–**Complaint Ratio Based on “Adjusted” Members

2001 Complaint Ratio per 10,000 Members for Illinois Business Limited Health Service Organizations

Name	Complaints	Total Illinois Members as of 12/31/01	In Force	Non-Medicaid/ Non-Medicare Members* as of 12/31/01	2001** Complaint Ratio	2001 Ranking
COMPDENT OF ILLINOIS INC	30	176,801		176,801	1.69	1
DENTAL BENEFIT PROVIDERS OF ILLINOIS INC	1	673		673	14.85	3
FIRST COMMONWEALTH LTD HEALTH SERV CORP	3	2,761		2,761	10.86	2

–*Total adjusted to delete Medicaid/Medicare members

–**Complaint ratio based on “adjusted” members

2001 Complaint Ratio per 10,000 Members for Illinois Business Health Maintenance Organizations

Name	Complaints	Total Illinois Members as of 12/31/01	Non-Medicaid/Non-Medicare Members* as of 12/31/01	2001** Complaint Ratio	2001 Ranking
AETNA HEALTH OF ILLINOIS INC	75	110,495	110,495	6.78	7
CIGNA HEALTHCARE OF ILLINOIS INC	15	11,080	11,080	13.53	14
COUNTRY MEDICAL PLANS INC	2	830	830	24.09	17
GROUP HEALTH PLAN INC	32	53,122	47,005	6.80	8
HEALTH ALLIANCE MEDICAL PLANS INC	116	147,011	141,273	8.21	9
HEALTH CARE SERVICE CORP MUT LEG RES CO	302	826,156	826,156	3.65	4
HUMANA HEALTH PLAN INC	184	395,168	299,040	6.15	6
JOHN DEERE HEALTH PLAN INC	8	38,345	38,344	2.08	1
MERCY HEALTH PLANS OF MISSOURI INC	2	7,876	5,941	3.36	3
NEVADACARE INC	1	118	118	84.74	18
ONE HEALTH PLAN OF ILLINOIS INC	13	23,418	23,418	5.55	5
OSF HEALTH PLANS INC	129	60,609	57,421	22.46	16
PERSONALCARE INSURANCE OF ILLINOIS INC	78	72,524	72,524	10.75	12
PRUDENTIAL HEALTH CARE PLAN INC	9	10,213	10,213	8.81	10
ROCKFORD HEALTH PLANS INC	50	44,552	44,552	11.22	13
UNICARE HEALTH PLANS OF THE MIDWEST INC	177	167,831	167,831	10.54	11
UNITED HEALTHCARE OF THE MIDWEST INC	10	38,168	30,141	3.31	2
UNITEDHEALTHCARE OF ILLINOIS INC	131	137,233	73,116	17.91	15

–*Total adjusted to delete Medicaid/Medicare members

–**Complaint ratio based on “adjusted” members

HMOs with No Illinois Enrollment at Year End 2001

Name	Complaints
ACCORD HEALTH PLAN(voluntarily dissolved December 31, 2001)	4
COMMUNITY HEALTH PLAN OF SBL INS CO	3
HMO MISSOURI, INC.	0
HUMANA HEALTHCHICAGO, INC. (merged into Humana Health Plan 9/30/01.)	4
ILLINOIS MASONIC COMMUNITY HEALTH PLAN CORPORATION (voluntarily dissolved 12/28/01)	1
THE MEDICAL CENTER HEALTH PLAN	5
MERCYCARE INSURANCE COMPANY	0
PREMIER MEDICAL INSURANCE GROUP INC.	0
UIHMO INC. (voluntarily dissolved 9/30/01)	3
UNITY HMO OF ILLINOIS, INC. (voluntarily dissolved 12/31/01)	1

Illinois Licensed Health Maintenance Organizations Having Commercial Enrollment but No Complaints

Name	Total Illinois Members as of 12/31/01	Non-Medicaid/Non-Medicare Members as of 12/31/01
AMERIGROUP ILLINOIS, INC. *	39,238	0
BCI HMO INC	131	131
CIGNA HEALTHCARE OF ST. LOUIS, INC.	1,924	1,924
HARMONY HEALTH PLAN OF ILLINOIS, INC*	43,733	0
HEALTH ALLIANCE MIDWEST INC	828	828
HEALTHLINK HMO INC	2,230	2,230
MEDICAL ASSOCIATES HEALTH PLAN INC	3,091	2,450
UNION HEALTH SERVICE, INC	24,715	23,127
WELLMARK HEALTH PLAN OF IOWA, INC.	70,410	70,410

*Medicaid only HMO. Complaints are handled by Illinois Department of Public Aid.