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# NEWS

## Illinois Department of Insurance

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## Department of Insurance Announces \$10 Million Dollars in Market Conduct Fines

### *Illinois ramping up participation in multi-state efforts to protect consumers*

**CHICAGO - February 7, 2013.** Illinois Department of Insurance (DOI) Director Andrew Boron today announced more than \$10.3 million in market conduct fines was collected by the Department in calendar year 2012. This amount represents a significant increase in fines collected over the past several years as a result of DOI's more active participation and enforcement efforts in multi-state examinations in order to protect Illinois consumers. DOI will continue to ramp up market conduct examinations and enforcement efforts in 2013 by investigating business and regulatory practices in life and health, property and casualty, workers' compensation, and automotive insurance, among other areas.

"We hold companies accountable to comply with Illinois requirements in providing protections for consumers," said DOI Director Boron. "DOI is taking a more proactive effort to use its enforcement authority through the use of market conduct examinations which is one of the tools the Department has to foster a level playing field for the people in Illinois and to ensure that insurance companies are playing by the rules."

DOI has participated in several multi-state examinations including the previously announced settlements in 2012 with American International Group Inc., (AIG), MetLife Inc., and Prudential Insurance Company of America (Prudential). The Department's increased participation and enforcement efforts have resulted in a rise of the amount of market conduct fines collected. These fines are deposited into the Insurance Administration Producer Fund and used towards the DOI appropriation.

- 2012 - \$10,314,976
- 2011 - \$322,000
- 2010 - \$217,000
- 2009 - \$363,630

A multistate investigation of AIG and several of its workers' compensation affiliates for underreporting premiums resulted in the largest portion of the fines collected in 2012. As part of the settlement, Illinois collected \$3.7 million from AIG. The investigations of MetLife and Prudential looked into the companies' practices and procedures for identifying and paying proceeds to beneficiaries of life insurance policies and annuities. Under these agreements, the companies are implementing business reforms to promote a timely and efficient search for the beneficiaries of its in-force life insurance policies and annuities through regular matches of its insureds and annuitants against the Social Security Administration's Death Master File.

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**About the Illinois Department of Insurance**

The Department's mission is to protect consumers by providing assistance and information, by efficiently regulating the insurance industry's market behavior and financial solvency, and by fostering a competitive insurance marketplace. The Department assists consumers with all insurance complaints, including health, auto, life, and homeowner. Consumers who have any questions or concerns about their insurance may contact the Department's Consumer Division at <http://insurance.illinois.gov> or call 866-445-5364.

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