

The Colorado

Regulator

Commissioner Morrison Recognized for Consumer Advocacy by NAIC Consumer Representatives

Insurance Commissioner Marcy Morrison has received the Excellence in Consumer Advocacy award, presented by the National Association of Insurance Commissioners (NAIC) Consumer Representatives, at NAIC's national meeting in Orlando, FL. Commissioner Morrison was recognized for her work on behalf of insurance consumers.

"Marcy Morrison has been a consistent champion for consumers, both in Colorado and

nationally, for many years," said Barbara Yondorf, a consumer representative to the NAIC from the Colorado Consumer Health Initiative. "She's shown that maintaining a fair and competitive business environment and ensuring strong consumer protections are both possible."

Morrison was recognized for providing valued support to insurance consumers in the State of Colorado as well as at the NAIC, and ensuring that

both Colorado consumers and consumers nationwide are afforded full consumer protections. Commissioner Morrison is responsible for legislation making the Colorado Consumer Insurance Council a statutory advisory body; the Division of Insurance also

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Bill Ritter, Jr.
*Governor
State of Colorado*

Barbara Kelley
*Executive Director
Department of
Regulatory Agencies*

Marcy Morrison
*Commissioner
of Insurance*



Brenda Cude, Consumer Representative to the National Association of Insurance Commissioners, and Commissioner Marcy Morrison, as the "Excellence in in Consumer Advocacy Award" was announced at the NAIC national meeting.

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Commissioner's Column

Change is hard and can be confusing. There is no better example of this statement than what we see occurring with federal health care reform. The federal legislation touches a wide variety of health areas in both the private and public sector, and we all continue to try and understand the details.

I have watched the debate over health care reform ebb and flow throughout state and federal government over many decades. While the Affordable Care Act is not perfect, I firmly believe a significant change needed to be made in order to create a sustainable system. We now are obligated to move forward by adjusting how we do our day-to-day business in a new regulatory framework.

At the Division of Insurance, our first priorities were to assist in establishing the new federal high risk pool, Getting US Covered, and applying for available grant funding to enhance our rate review process. I am pleased the high risk pool is in place and the Division was awarded a \$1 million dollar grant to improve our rate review process and educate consumers. This grant will give us the ability to look at rates more rigorously and improve technical expertise.

We continue to sort through the lengthy federal regulations that provide guidance on how implementation should take shape. There are many moving parts and we will be diligent in our efforts to ensure our deadlines are met. We continue to work closely with the National Association of Insurance Commissioners and our many state partners to develop policies and regulations that make sense for Colorado.

Implementation is no easy task, but, in the final analysis, we need to stay focused on the consumer. Our assistance must be clear and honestly presented. When federal health care reform changes occur in the next few years, consumers hopefully will understand their choices and be able to make informed decisions. The Division will continue to support efforts to provide better access, higher quality and cost efficiencies in our future health care system. The pay off is healthier Coloradans in the decades ahead.



*Marcy Morrison,
Commissioner*

- Marcy Morrison

Gov. Ritter Applauds \$1 Million Grant to Enhance Health Insurance Premium Rate Review, Consumer Education

The Division of Insurance will receive a \$1 million federal grant to improve the oversight of proposed health insurance premium increases, take action against insurers seeking unreasonable rate hikes, and ensure consumers receive fair value for their premium dollars. The District of Columbia and 45 states, including Colorado, received grants from the U.S. Department of Health and Human Services (HHS) totaling \$46 million.

"This grant will provide Colorado with additional tools to review rates and educate consumers about health insurance," said Gov. Bill Ritter. The grant is part of the Federal Affordable Care Act, which provides states with \$250 million in Health Insurance Premium Review Grants over a five year period. It will help create a more level playing field by improving how states review proposed health insurance premium increases, as well as hold insurance companies accountable for unjustified premium increases.

"It is a good first step to enhance how the Division of Insurance reviews rates and will help us make information on premium rates more understandable to consumers," said Colorado Insurance Commissioner Marcy Morrison. "Our focus is, and will continue to be, about protecting consumers."

Twenty six states – including Colorado – currently have the authority to reject a proposed increase that is excessive, lacks justification or otherwise exceeds state standards. Colorado gained that authority in 2008 with the passage of HB1389. In its grant proposal, the Colorado Division of

Insurance proposed hiring additional rate financial analysts and actuaries to review rate filings; hiring additional staff in Consumer Complaints and outreach; and web enhancements to make rate filings more accessible and understandable to consumers. The grant is for one year, with the possibility of an additional year added.

The Affordable Care Act includes a wide variety of provisions designed to promote a high-quality, high-value, health care system for all Americans and to make the health insurance market more consumer-friendly and transparent. Details can be found at www.HealthCare.gov.



Gov. Bill Ritter

“Frequently Asked Questions on Health Rate Review” Web Page Published by Division of Insurance

Ever wonder what steps are involved in the review and approval process of health rates? Do you know how often companies must submit health premium rates for review?

Many questions about health rate review are answered in a new document and webpage created by the Colorado Division of Insurance.

“Generally, the system we use to review health premium rates in Colorado has been understood only by the few people who do the reviews. We have received many questions on the process and wanted to make it more transparent,” said Marcy Morrison, Commissioner of Insurance. “We hope this document will provide information to help understand how rates are reviewed and used in Colorado.”

Division of Insurance staff collected and answered questions on health rate review, premium rate increases, and included answers



to many questions asked by the media during interviews. The result is a “frequently asked questions” format that explains the Health Rate Review process in Colorado at a basic level. Colorado is one of the first states to put together comprehensive information on rate review in this manner to

help people (consumers, agents, carriers and the media) understand what is involved in the rate review process.

The Division plans to continue building on this document to stay current with consumer questions, as well as changes in state and federal law.

“Our goal is to provide understandable, solid information on the review of health rates, whether you are an average citizen, an agent for an insurance carrier, or an industry representative,” Morrison said. “We welcome any additional questions you may have.”

“Frequently Asked Questions on Health Rate Review” is available on the Division of Insurance website at <http://www.dora.state.co.us/insurance/consumer/HealthRateFAQs.htm>

Commissioner Morrison Recognized for Consumer Advocacy

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has a Producer Advisory Council. She demonstrates how to balance the interests of business with those of the consumer so that the entire insurance market works in the best interest of all.

Commissioner Morrison is a former NAIC consumer representative and currently serves as the vice-chair of the NAIC Consumer Participation Board of Trustees.

Seeking to promote consumer interests in insurance regulations, the NAIC annually selects individuals who have submitted applications to serve as NAIC consumer liaison representatives. It is this group that presented Commissioner Morrison with the award.

Commissioner Morrison came to the Colorado Division of Insurance with a wealth of experience. She served as an El Paso County Commissioner from 1984 to 1992 and in the Colorado House of Representatives from 1992 to 2000. Commissioner Morrison chaired the

Health Environment, Welfare and Institutions Committee (HEWI). The HEWI committee debated bills concerning public health, children’s insurance, Medicaid, and the regulation of health care professions. Further, the HEWI committee had legislative oversight for the Colorado Departments of Human Services, Public Health and Environment, and Health Care Policy and Financing. As a Representative in the House, she also chaired the Health Care Task Force and the Intractable Pain Task Force. In November 2000, the people of Manitou Springs elected Ms. Morrison as Mayor. Prior to becoming Insurance Commissioner, Ms. Morrison served as the chair of the Division of Insurance volunteer Consumer Council.

Previous recipients of the Excellence in Consumer Advocacy award were John Morrison (former chief insurance regulator in Montana), Sean Dilweg (Wisconsin Commissioner of Insurance), and Mike Kreidler (Washington Commissioner of Insurance).

Colorado Senior Medicare Patrol program receives achievement awards

The Colorado Senior Medicare Patrol program received two achievement awards at the Administration on Aging Regional conference in Phoenix. This program focuses on Medicare fraud control.

Awards presented were “Complex Issues Vigilance Award: Highest Total Savings in 2009” and the “Complex Issues Vigilance Award: Highest Dollar Amount Referred for Further Action in 2009.”

In 2009 the Colorado program referred cases for action with a value totaling \$503,194. This work is completed by contractors who review and assess these complex cases. Joy Grinstead has been conducting these reviews for nearly 10 years and in late 2009 was joined by Ed Mendicello. Both have experience reviewing cases to distinguish activities of errors, abuse or fraud.



Ed Mendicello, Joy Grinstead, Sherry Zoltay and Alice Lerley were recognized for work against Medicare fraud. Not pictured: SMP Director Suzanne Sigona, who accepted the award in Phoenix.

\$100,000 Federal Grant Expands Medicare Fraud Prevention Effort

The Colorado Senior Medicare Patrol (SMP) program has been awarded \$100,000 grant to fight Medicare fraud. This is part of the federal mandate to educate seniors and other Medicare beneficiaries about how to prevent fraud in Medicare.

“This grant is one of more than 50 awarded throughout the country to put more feet on the ground in the fight against Medicare fraud,” said CMS Administrator Donald Berwick, M.D. “We want to ramp up our local community resources to educate seniors and people with Medicare about how they can help us stop it.”

The grant will provide funds to increase awareness of Medicare and Medicaid beneficiaries of health care fraud prevention, identification and reporting through expansion of SMP program capacity. The Administration on Aging will administer these state grants in partnership with Center for Medicare & Medicaid Services.

SHIP Offers Senior Counseling

Even if you have been in the insurance business for years, the decisions related to Medicare coverage can be confusing. Colorado has the SHIP (Senior Health Insurance Assistance Program) that offers free and confidential services to individuals who are navigating the world of Medicare programs. The Division of Insurance manages the program that is funded through a grant from the Centers for Medicare and Medicaid Services (CMS).

In the last six months SHIP has experienced a 50% increase in the calls throughout Colorado. The toll free number 1-888-696-7213 will route to a Medicare navigator in your region. For counseling services in Spanish call 888-665-9668.

With assistance of a trained volunteer, seniors can understand options and make informed choices.

SMP Can Assist with Medicare Questions

All the changes in healthcare lead many of us searching for answers. Our elderly population waits to hear how their Medicare programs will be impacted. This time of change quickly can convert to a time of fraud and scams.

Phone calls, sales people, and mailings are reaching our citizens and many are not legitimate. Colorado receives funding from the Administration on Aging to support a program referenced as the Senior Medicare Patrol (SMP). Throughout the state there are volunteers who assist consumers who have received a questionable piece of mail, been disturbed by a call telling them that they must “reapply for the new Medicare program”, or find a charge on their Medicare Summary Notice (MSN) that is not accurate.

If you believe that there may be an issue of Medicare fraud or abuse, we are able to review that matter. Please contact our program at 1-800-503-5190 or send an e-mail to

smp@dora.state.co.us.

For a community presentation, please contact Suzanne Sigona

(Suzanne.sigona@dora.state.co.us) to be

directed to an affiliated agency serving your area.

Division Releases “Complaints Against Insurers” Report for 2009-2010

The complete 2009 Colorado Report on Complaints Against Insurers can be viewed on the web at: <http://www.dora.state.co.us/insurance/consumer/2010%20docs/consComplaintReportLegis09posted100110.pdf>

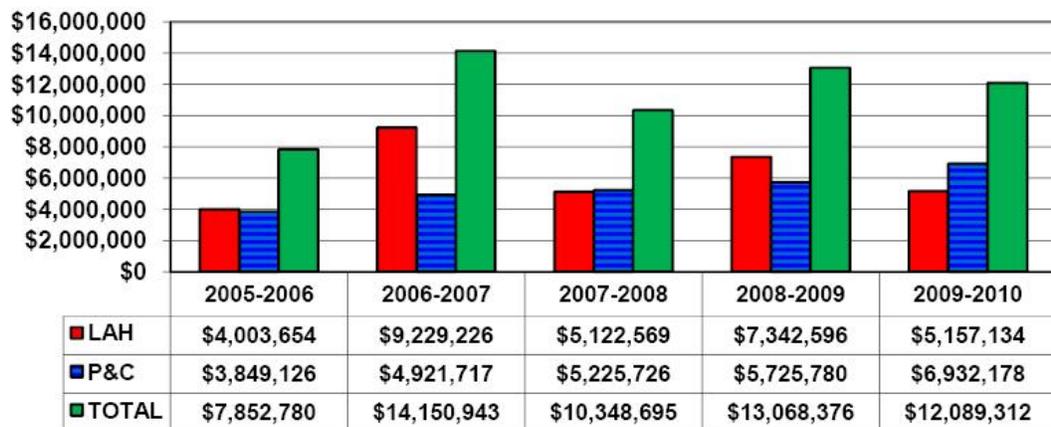
How many people file complaints about their insurance companies? *Nearly 5,000 formal complaints were filed, from more than 26,000 consumer inquiries on insurance questions.*

What was the total amount of money restored to consumers following complaints? *More than \$12 million was restored to consumers, representing additional claims payments, overturned denials of benefits, reinstatements of coverage and cancellation of policies with return of the consumer’s money.*

Are more complaints filed against homeowners, automobile or health carriers? *Combined complaints about automobile insurance and protests about automobile policies account for more than half all complaints received by the Division.*

Each written complaint is logged in, researched by an analyst and the company is contacted for their response. Colorado law dictates who is “in the right” and not every complaint is resolved in favor of the consumer. The Division staff explains why the complaint has been upheld, if that’s the case, or to point out to the insurance company where there may be an error that must be rectified.

Division of Insurance Consumer Affairs
Recoveries For Consumers



LAH is all lines of Life, Accident and Health insurance, including health, life, and annuities.
P&C is Property and Casualty insurance, which includes homeowners, auto, and title insurance.

These, and other complaint statistics for the fiscal year ending in June, 2010, can be found in the recently released annual report to the Colorado Legislature on “Complaints Against Insurers.”

During the 12 months detailed in the report, the Division of Insurance consumer affairs section recovered or restored more than \$12 million in direct benefits to consumers resulting from 4,793 formal consumer complaints against specific insurers. This brings the total of restitution to consumers over the past five years to \$66.4 million. The restitution represents additional claims payments, overturned denials of benefits, reinstatements of coverage and cancellation of policies with return of the consumer’s money.

“The report is a compilation of hundreds of hours of work by Division staff, analyzing complaints and following through to be sure the consumer’s interests are protected,” said Marcy Morrison, Commissioner of Insurance. “We want people to know we are here to help them sort through insurance concerns.”

Errors by the insurance carrier or licensed agent may result in refunds, restoration of benefits or a change in the way they conduct business.

The primary purpose of the Complaint Report is to document the trends in complaints for companies engaged in the business of insurance in Colorado. It includes breakdowns of complaints by type of insurance, type of complaint, the reasons consumers complained, and how often the Division found complaints to be founded in a violation of law, regulation or policy provision.

In addition to the complaint report, the annual statistics are used to create and update the Insurance Complaint Ratio and Complaint Index Information, which uses the number of complaints against a company, its market share and other information to provide a comparison between companies. The complaint ratio and index may be found at:

Looking for Enforcement Actions?

Previously, the Colorado Division of Insurance published notice of all Enforcement Actions against producers, insurance companies and other entities in each issue of **The Colorado Regulator**. With this issue, we depart from that format. In order to best utilize our resources and avoid duplication, the list of current enforcement actions will not be included in future printed issues.

All Enforcement Actions are posted on the Division of Insurance website, where they can be viewed and sorted chronologically, by company, by line of business and by individual names.



To view current and past Enforcement Actions taken by DOI, visit:

www.dora.state.co.us/insurance/enforcement/ea

What is an Enforcement Action?

The Division of Insurance regulates the insurance industry by licensing insurance companies and producers (agents), examining their procedures, reviewing rates and coverage forms, conducting audits, and by sponsoring programs that enhance awareness of and compliance with State laws, rules and regulations. Our mission is consumer protection.

The Division has authority to enforce the State's insurance laws and rules, and can initiate investigations and hold hearings concerning possible infractions.

Some types of alleged misconduct in areas regulated by the Division of Insurance are investigated through our Compliance and Investigation section -- including actions taken by insurance companies, insurance producers (agents), public adjusters, bail bond agents, and health maintenance organizations, as well as unlicensed or unauthorized individuals believed to be involved in the sale or marketing of insurance products in Colorado.

Investigations may involve gathering documentation, interviewing witnesses and affected parties, questioning licensees or unlicensed actors, and reviewing evidence related

to allegations of unfair methods of competition, unfair or deceptive acts or trade practices and other violations of insurance statutes and regulations.

At the completion of an investigation, the Division may take an "enforcement action" against those involved in illegal or unfair practices. These enforcement actions and related Final Agency Orders are published on the Division of Insurance website. Enforcement actions may include, but are not be limited to: cease and desist orders; the establishment of compliance programs; license sanctions, including revocation or suspension; stipulated agreements; restitution and/or the imposition of financial penalties.

When warranted, the Division may pursue additional prosecution of matters following investigative efforts, or combine investigative efforts and disciplinary actions with other states when evidence of wrongdoing extends outside of Colorado. Allegations of wrongdoing which are NOT under the regulatory authority of the Division of Insurance may be referred to other agencies, including the Office of the State Attorney General, for their consideration.

College Students & Insurance Needs—Time for a check-up

Do you have a child who is attending college? Children no longer pack all their belongings in an old trunk and head off to college. They travel to school with a variety of expensive electronics (laptops, phones and even game systems), as well as items such as bedding, refrigerators, microwaves and other dorm room essentials.

Have you checked your homeowner's coverage to ensure you have adequate coverage to protect these items from theft or damage? Make sure your student completes an inventory list of the possessions they take to college in case of loss, damage or theft. Photos, videos and receipts will make everything much easier should it be necessary to file a claim.

Producers – have you contacted your clients to discuss their insurance needs for college students?

Most homeowner policies will extend 10% of contents coverage to anywhere in the world; however, you should always double check with your agent and/or insurer. Coverage may be limited for electronic devices such as laptops; you'll want to make sure you have the appropriate coverage for your college student's belongings.

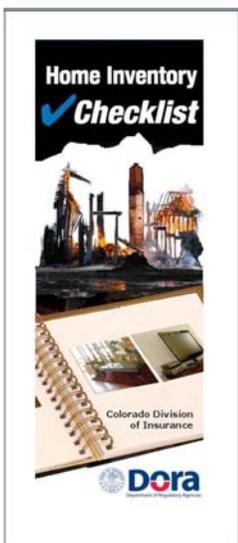


College students often acquire a wide variety of electronic devices for studying, entertainment and communication. Be sure your student's belongings are covered by insurance, in case of loss, damage or theft.

Additionally, if your student is attending school a certain distance from home, you may be able to reduce your automobile premiums. Generally, teens attending school more than 100 or 150 miles from home, without a vehicle at school, may be rated as an occasional operator. Let your agent know whether your child does or does not have a vehicle at school.

Many colleges require that enrolled students are covered by health insurance. Be sure your student looks for any "opt-out" forms that the college may send. In some cases, the University will charge for health insurance if the student has not provided documentation of other health insurance. If you do not prove you have already secured health insurance for your child, the college may add the cost of health coverage to the bill, along with tuition and other student fees.

By being proactive and reviewing your coverage needs, you'll ensure a smooth transition for you and your children. Who knows, you might even save a few dollars.



You can print a free "home inventory checklist" to prompt you to itemize valuables whether for yourself at home, or for a student living away at college. Be sure to store a copy of the list in a safe place (such as on-line in an email) so you can access it easily when there is a need. Remember to update your list when new items are purchased.

To view or print Division of Insurance consumer brochures, visit:

<http://www.dora.state.co.us/insurance/consumer/ConsumerBrochures.html>.

In the News



Division of Insurance news releases are on the web at www.dora.state.co.us/insurance.

Look for the link to "[News Releases](#)."

[Division of Insurance Orders Increase in Workers Compensation Loss Costs](#)

Release date: October 14, 2010

[Division of Insurance Publishes "Frequently Asked Questions on Health Rate Review"](#)

Release date: October 8, 2010

[Division of Insurance Ready to Assist on Child-Only Policies in Colorado](#)

Release date: October 6, 2010

[Public Adjusters – Tips for Locating, Evaluating and Contracting with a Licensed Public Adjuster following a Significant Loss or Damage to Property](#)

Release date: September 24, 2010

[Emergency Regulation Establishes Open Enrollment Periods for "Child Only" Health Policies](#)

Release date: September 23, 2010

[Statement by Colorado Commissioner of Insurance Marcy Morrison Regarding the Availability of Child-Only Policies in the Individual Insurance Market](#)

Release date: September 20, 2010

[World Insurance Company Pays \\$153,000 Fine for Violations of Insurance Law for Individual Sickness and Accident Plans](#)

Release date: September 20, 2010

[Anthem Consumers to Receive Share of \\$20 Million Premium Credit](#)

Release date: September 16, 2010

[Stipulation for Entry of Final Agency Order: September 15, 2010](#)

[International Fidelity Fined \\$442,000 for Bail Bond Violations; Other Bail Bond Insurers Put on Notice](#)

Release date: September 7, 2010

[Ameriprise Insurance Fined \\$71,100 for Steering Violations](#)

Release date: August 30, 2010

[Division of Insurance Assesses Pinnacol \\$80,000 Civil Penalty; Pinnacol to Credit \\$15 Million to Certain Policyholders in 2011](#)

Release date: August 24, 2010

[Public Hearing Cancelled on Pinnacol Assurance](#)

Release date: August 23, 2010

[Public Hearing of Pinnacol Assurance on Aug. 25 Changed to Old Supreme Court Chambers, State Capitol Building, Room 220](#)

Release date: August 16, 2010

[Division of Insurance Will Hold Public Hearing of Pinnacol Assurance on August 25](#)

Release date: Aug. 11, 2010

Supplemental Information: [Notice Of Hearing Pinnacol Assurance Company](#)

[Esurance Fined \\$147,000 for Market Conduct Violations](#)

Release date: Aug. 11, 2010

[COPIC Insurance Fined for Market Conduct Violations by Division of Insurance](#)

Release date: Aug. 4, 2010

[Division of Insurance Issues Order to American Underwriters for Improper Rates;](#)

[Overcharged Colorado Consumers to Receive \\$875,500 in Premium Refunds](#)

Release date: Aug. 2, 2010

Updated: Aug. 12, 2010

[Anthem Market Conduct Examination Extended to Allow Additional Analysis](#)

Release date: July 22, 2010



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**Consumer protection
is our mission**