

SPRINGFIELD – Illinois consumers filed fewer complaints regarding their insurance companies and HMOs in 2006, according to consumer complaint statistics released today by the Illinois Department of Financial and Professional Regulation (IDFPR), Division of Insurance.

IDFPR experienced a 30% decrease in complaints regarding health maintenance organizations (HMOs) in the year 2006, closing 628 HMO complaints compared to 893 HMO complaints the previous year. HMOs reported 77,646 fewer enrolled Illinois residents in 2006, a decline of 5% from the previous year. Of the 1.5 million Illinois members enrolled in HMOs during 2006, approximately 16% are covered through Medicare, Medicaid or other federal programs. Federal laws generally pre-empt Illinois from handling complaint related issues for Medicare and Medicaid members; therefore, complaints related to those members are not reflected in the complaint statistics.

In 2006, most of the remaining major coverage types also experienced a decrease from the prior year: individual life (-5%); individual accident and health (-3%); group credit accident and health (-62%); group accident and health (-6%); private passenger automobile (-4%); homeowner (-5%).

For the second year, individual annuity coverage was the only major coverage type with an increase in complaints. IDFPR closed 165 individual annuity complaints in 2006, in comparison with 119 in 2005, and 108 in 2004, an increase of 39% from the prior year, and an overall increase of 53% since 2004. Of the 165 individual annuity complaints, 95 of them (58%) were regarding policyholder service issues. Examples of policyholder

service issues include cash value and surrender charge disputes and premium notice or billing problems.

In 2006, the Illinois Department of Financial and Professional Regulation, Division of Insurance investigated 9,361 written complaints against insurance companies, in comparison to 9,755 in 2005; 11,107 in 2004; 11,762 in 2003; and 12,019 in 2002. This resulted in a 4% decrease during the past year, and an overall decrease of 22% since 2002.

For a copy of this report, or to obtain the online consumer complaint form, visit the IDFPR Website at www.idfpr.com, where the link to the Division of Insurance web page can be accessed. Illinois consumers may also contact the Illinois Department of Financial and Professional Regulation, Division of Insurance, by calling the Consumer Assistance Hotline toll-free at 866-445-5364 or the Office of Consumer Health Insurance toll-free at 877-527-9431.

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