

INSURANCE LAW

Auto Insurance Complaint Rankings

I am privileged once again to report upon the State of New York Department of Financial Services' most recently published "Auto Insurance Complaint Ranking." The 2015 Ranking, based upon data for the calendar year 2014, is the first such list to be released by the Department since 2013 (the 2012 "Annual Ranking of Automobile Insurance Complaints, based upon data for the calendar years 2010-2011. See Dachs, N. and Dachs, J., "The Insurance 'Top 68' and SUM Legislation Update," N.Y.L.J., May 14, 2013, p. 3, vol. 1).

Copies of the Department annual rankings may be obtained free of charge by calling the department's toll-free telephone number: (800) 342-3736. In addition, the annual rankings are accessible on the department's website. Complaints against insurance companies may be filed on-line at <http://www.dfs.ny.gov>.

2015 Ranking

The 2015 "Annual Ranking of Automobile Insurance Complaints," which, as noted, is based upon data for the calendar year 2014, ranks all 169 automobile insurance companies doing business in New York state. As in the past, this report ranks the individual companies themselves, rather than just the corporate groups of which those companies may be members. This method of listing is intended to give consumers a more accurate picture of their insurer's performance. As in the past, insurers are ranked based upon a complaint ratio, which is determined by the number of private passenger

automobile insurance complaints upheld against them and closed by the Department of Financial Services in 2014, as a percentage of their total private passenger automobile premium volume in New York state.

In 2014, the Department's Consumer Assistance Unit received a total of 3,872 private passenger auto insurance complaints (down from 4,780 in 2011), of which 444 (down from 484 in 2011) were upheld. Neither commercial auto complaints nor complaints made

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directly to the insurer are included in determining the complaint ratios. Complaints not upheld by the department, or withdrawn by the consumer, are also not included in the calculations of the ratios. An upheld complaint occurs when the department agrees with a consumer that an auto insurer made an inappropriate decision. Typical complaints are those involving such issues as delays in the payment of no-fault claims, and nonrenewal of policies. Complaints about the value of monetary settlements and policy terminations are also common.

The 2014 average complaint ratio for all companies was 0.03473 per \$1 million in premiums (down from 0.0471 in 2011). This average ratio was

derived by dividing the number of complaints upheld against all companies in 2014 (444) by the average premium for 2014 for all companies (\$11,016,405 million, or \$11.01 billion) (up from \$10,283,597 or \$10.28 billion in 2011). The average number of upheld complaints per company was 2.6 (down from 2.9 in 2011).

Charts

The first chart included here lists the "Top 71," i.e., the 71 companies with the fewest upheld complaints against them, or the best performers of 2014—each of which achieved a complaint ratio of 0.00. Although these companies all have the same complaint ratio, they are ranked differently because of the differences in their average annual premiums.

The second chart reveals the opposite side of the spectrum; it lists the "Bottom 25," the 25 auto insurers with the worst performance record for the calendar year 2014. In that chart, the company with the highest (worst) ratio is listed first; the company with the lowest ratio is listed last.

The third, and last, chart—The "Big Ten"—separately lists the performance of the 10 largest auto insurers in New York, as measured by their premiums written.

It should be noted that the department urges readers or users of its ranking to consider that "large insurance companies doing a lot of business typically generate more complaints than smaller companies, so while ratios may allow you to compare small companies with large companies by looking at complaints as a percentage of premiums written, only one or two additional upheld complaints per year can have a significant impact on a smaller insurer." The department also notes that "because the ranking includes all of the auto insurers in New York, some

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must be at the bottom of each year's list even if every company is performing well." Finally, the

department advises consumers that "while this ranking might provide information to consider when choosing an insurance company, it should not be your only consideration," and suggests that the consumer visit the

"Automobile Drivers' Resource Center" of its website or more information on shopping for auto insurance.

With those caveats in mind, I present the pertinent charts here:

The Top 71: The 71 Best Performers of 2014

Rank	Ins. Company	2014 Complaint Ratio	2014 Complaint Total	2014 Upheld	2014 Premiums Written (millions)
1	Progressive Max	0.00	29	0	70,055
2	Allmerica Financial Alliance	0.00	9	0	47,319
3	Chubb National	0.00	1	0	37,431
4	Travelers Commercial	0.00	5	0	27,99
5	Foremost Ins. Co. Grand Rapids, Michigan	0.00	10	0	23,589
6	Encompass Home & Auto	0.00	4	0	22,545
7	Progressive Northern	0.00	5	0	21,823
8	Bankers Standard	0.00	0	0	21,683
9	Great Northern	0.00	0	0	20,432
10	National General	0.00	4	0	17,221
11	Erie	0.00	7	0	16,837
12	Main Street America	0.00	7	0	16,761
13	Travelers Personal	0.00	0	0	16,253
14	Essentia	0.00	2	0	14,573
15	Economy Premier	0.00	0	0	13,632
16	LM	0.00	2	0	12,655
17	Encompass Ins. Co. of America	0.00	4	0	12,27
18	Automobile Ins. Co. of Hartford, CT	0.00	0	0	11,961
19	Chubb Indemnity	0.00	1	0	11,814
20	21st Century Advantage	0.00	10	0	11,422
21	TravCo	0.00	1	0	11,362
22	Encompass Indemnity	0.00	3	0	10,969
23	Unitron Direct	0.00	4	0	10,836
24	Electric	0.00	4	0	9,612
25	Travelers Indemnity Co. of CT	0.00	3	0	9,472
26	Maldstone	0.00	5	0	9,312
27	Privilege Underwriters Reciprocal Exchange	0.00	1	0	9,086
28	Integon Casualty	0.00	5	0	7,116
29	National General	0.00	7	0	6,793
30	Progressive Preferred	0.00	5	0	6,765
31	American Bankers	0.00	1	0	6,549
32	Charter Oak Fire	0.00	0	0	6,548
33	Nationwide Prop. & Cas.	0.00	0	0	6,367
34	21st Century Indemnity	0.00	5	0	6,339
35	Countryway	0.00	1	0	5,937
36	Central Mutual	0.00	0	0	5,807
37	American Automobile	0.00	0	0	5,389
38	Truck Ins. Exchange	0.00	0	0	4,976
39	Mid-Century	0.00	2	0	4,602
40	Encompass Prop. & Cas.	0.00	1	0	4,551

41	21st Century Premier	0.00	4	0	4.262
42	Associated Indemnity	0.00	0	0	3.935
43	Nationwide Assurance	0.00	1	0	3.896
44	Travelers Personal Security	0.00	0	0	3.88
45	Unitrin Advantage	0.00	6	0	3.835
46	Vigilant	0.00	0	0	3.481
47	Victoria Fire & Cas.	0.00	5	0	3.265
48	National General	0.00	1	0	3.092
49	Blue Ridge Indemnity	0.00	1	0	2.974
50	Mass. Bay	0.00	3	0	2.91
51	Sterling	0.00	0	0	2.757
52	Integon National	0.00	2	0	2.741
53	Standard Fire	0.00	1	0	2.731
54	Cincinnati	0.00	1	0	2.637
55	Travelers Ins. Co. of Ct.	0.00	0	0	2.589
56	Dairyland	0.00	1	0	2.386
57	Foremost Signature	0.00	3	0	2.35
58	Trumbull	0.00	2	0	2.327
59	American Family Home	0.00	1	0	2.137
60	CSAA General	0.00	0	0	2.116
61	Prop. & Cas. Ins. Co. of Hartford	0.00	1	0	1.94
62	Harleysville Preferred	0.00	2	0	1.876
63	National Surety	0.00	0	0	1.821
64	Harleysville Ins. Co. of NY	0.00	0	0	1.548
65	GEICO Casualty	0.00	71	0	1.456
66	Federal	0.00	0	0	1.436
67	American Reliable	0.00	2	0	1.413
68	Response Worldwide Direct Auto	0.00	0	0	1.333
69	Fireman's Fund	0.00	1	0	1.116
70	21st Century Preferred	0.00	1	0	1.095
71	Harleysville Ins. Co.	0.00	0	0	1.067