

Insurance companies eye federal aid...

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MetLife spokesman Chris Breslin declined to say Wednesday whether the company plans to use TARP money, if needed, to offset any losses. He instead touts the company's \$5 billion in excess capital to meet its obligations.

MetLife has been a bank holding company since 2001, meaning it has been eligible for a loan for some time. But several other insurers have scrambled in recent months to buy small or troubled savings and loans and other bank holding companies to be eligible for government funds.

In November, for example, insurance giant Hartford Financial, which has \$347 billion in assets under management, agreed to purchase troubled Federal Trust Bank, based in Sanford, Fla., with assets of \$602 million. Hartford recently infused \$20 million into the bank as it attempts to complete the acquisition, which is still pending. If the deal is completed, the insurer could get CPP funds of as much as \$3.4 billion.

Lincoln Financial made an even smaller acquisition. In November, the company, with \$178 billion in assets under manage-

ment, announced it would buy Newton County Loan & Savings, with assets of \$6.6 million. Newton is a 115-year-old thrift based in Goodland, Ind. (pop. 1,096). Lincoln could be eligible for \$1.7 billion to \$5.3 billion in CPP funds.

Lincoln is exposed to potentially troubled commercial mortgage loans and securities based on those loans, which is a factor in a recent rating downgrade of the company, says A.M. Best analyst Rosemarie Mirabella.

This week, Lincoln Financial president and CEO Dennis Glass tried to assure policyholders that the company will weather the storm, touting a conservative investment approach. Short-term debt is "at

or below prior years," the company said in a release, highlighting the repayment of \$500 million in mature debt, plus plans to repay \$200 million in short-term borrowings in the next few weeks.

Insurers who partake of government loans will have to abide by the rules – including rules on executive compensation. No CEO of a TARP participant can earn more than \$500,000 in salary.

Last year, C. Robert Henrikson – board chairman, CEO, and president of MetLife – earned \$24.4 million in salary and other compensation. Mr. Glass earned \$17 million.

NAIC CITES TOP INSURANCE COMPLAINTS FOR 2008

WASHINGTON, D.C. (March 6, 2009) — According to data released today by the National Association of Insurance Commissioners (NAIC), the top three reasons consumers filed formal complaints against their insurance companies in 2008 were delays, denials of claims and unsatisfactory settlement offers. Premium/insurance rating and policy cancellation issues completed the top five.

The NAIC collected the data through its centralized electronic Complaint Database System (CDS), through which states voluntarily report "closed" complaints. A closed complaint is a complaint that has been investigated and resolved to the satisfaction of the state or jurisdiction in which it is filed. First established in 1990, the CDS was significantly expanded in 1998 and now houses data on more than 2 million complaints.

A total of 195,669 confirmed consumer complaints on insurance companies were reported to the CDS in the 2008 calendar year. This information is based on the submission of data to the NAIC from the state insurance departments. The CDS is continually updated, as new information is received from the states on an ongoing basis. The NAIC does not collect all complaint data from all states.

Aggregate data compiled from the CDS can be accessed on the NAIC's Web site through the [Consumer Information Source](#). By accessing this program, consumers can obtain company-specific complaint ratios (the ratio of the company's market share of complaints compared to the company's market share of premiums for a specific policy type), as well as aggregate counts of complaints by state and by type of coverage for specific companies.

Below are charts detailing the top five types of complaints and the top five complained about types of insurance coverage for 2008. The charts include the total number of complaints (for complaint type and

line of coverage), followed by the percentage of overall complaints each type represents. (For example, "denial of claim" comprised 18.4 percent of all complaints received by the NAIC in 2008.)

Other useful data is available at these links:

- [Most Common Complaints by Reason for Complaint](#) This report provides a three-year trend regarding the reasons consumers file complaints.
- [Most Common Complaints by Type of Insurance](#) This report provides a three-year trend regarding which types of coverage receive a higher or lower number of complaints.
- [Most Common Complaints by Disposition](#) This report provides a three-year trend regarding how complaints are ultimately resolved.

TOP 5 REASONS FOR COMPLAINTS	Total No.	Percentage
Delays	26,844	19.1%
Denial of Claim	25,851	18.4%
Unsatisfactory Settlement/Offer	20,021	14.2%
Premium and Rating	6,644	4.7%
Cancellation	5,618	4.0%
TOP FIVE COMPLAINTS BY TYPE OF COVERAGE	Total No.	Percentage
Accident and Health	72,351	36.9%
Auto	71,967	36.7%
Homeowners	23,212	11.8%
Life and Annuity	18,594	9.5%
Commercial Multi-Peril	3,741	1.9%