

# CDACL-001-Automobile Insurance Complaints Rankings



**AGNEL SUMITHA A**

# Key Metrics Overview

30,750

Upheld Complaints



\$682k

Premium- Written



156,189

Not - Upheld Complaints



0.05

Complaint Ratio  
(Per Million)



89,574

Question of fact Complaints



276,513

Total Complaints



# Executive Summary

**\$682K**

Total\_premiums\_written

**276,513**

Complaint\_count

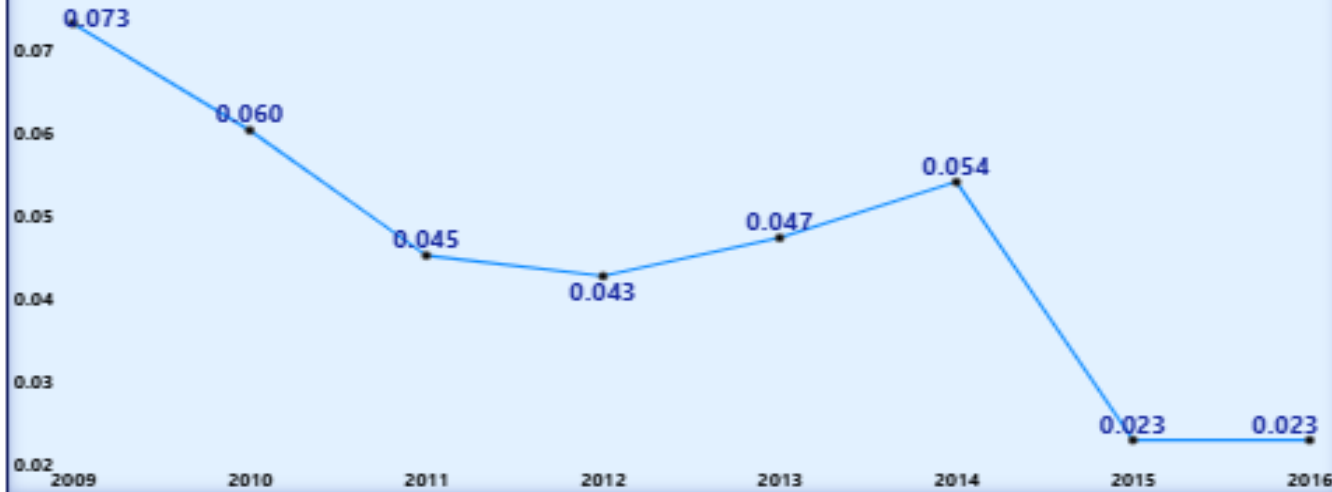
**30,750**

Upheld\_count

**45,121**

Complaint\_Ratio (Per Million)

Complaint\_Ratio



Yearly Premium Trend



Complaint ratios peaked in **2009** during the financial crisis, then trended down before a brief rise in **2014** from post-Sandy claims disputes.

By **2015–2016**, ratios dropped sharply as regulatory and process improvements took effect.

Premiums written rose steadily from **2009** (**\$76K**) to **2015** (**\$93K**) and then plateaued in **2016**, suggesting the growth phase stabilized.”

# Causes Behind Fluctuations (2009–2016)



2008–2010

## ❑ **Economic Recovery Post-2008 Crisis**

After the 2008 crash, vehicle sales dropped and claim volumes were lower. As economy recovered, both premiums and claims increased. Premiums rebounded slowly after 2010

2009–2016

## ❑ **Regulatory Restrictions by NYDFS**

During this time, NYDFS actively reviewed and often rejected or reduced premium rate hikes for auto insurance to protect consumers.

2011–2013

## ❑ **Affordable Care Act (2010)**

Increased scrutiny on insurance company practices; regulators began examining non-driving factors in pricing.

2013–2014

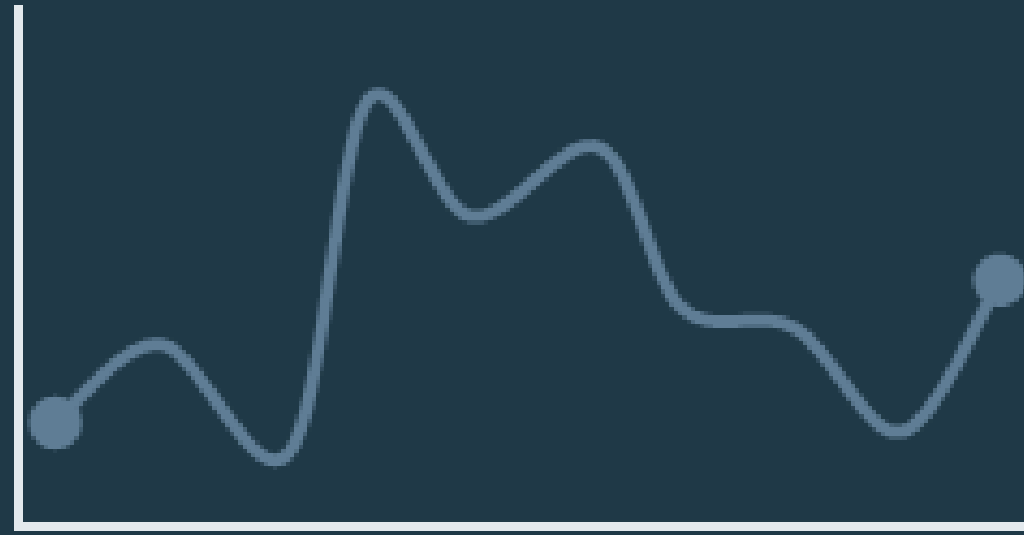
### ❑ Hurricane Sandy (2012)

Caused a massive rise in claims, particularly in downstate New York (NYC, Long Island). Insurers responded with higher premiums in 2013–2014.

2013–2015

### ❑ Rise of Subprime Auto Loans

Higher-risk drivers getting auto loans led to more policies, higher losses, and rising premiums for nonstandard insurers.



**Allstate Insurance Company**

## Allstate Insurance Company

6,080

Upheld\_count

18,408

Not upheld

15,104

Question of Fact Complaints

0.15

Upheld %

Trend of Upheld Complaint Percentage Over the Years



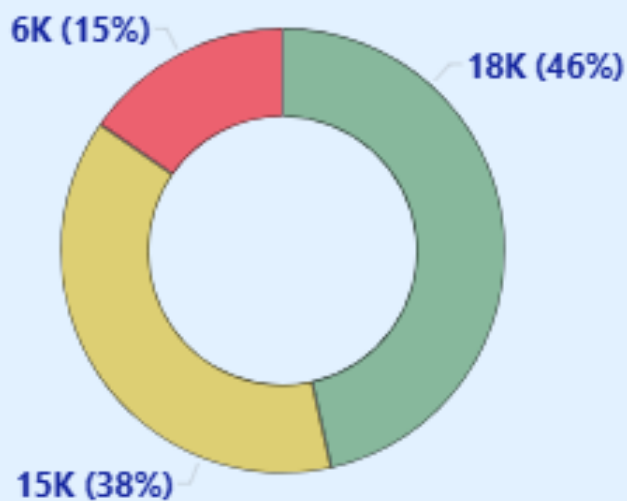
Allstate's upheld complaint percentage peaked at 20.7% in 2013—likely due to catastrophic claims overload.

The subsequent drop to 9.7% by 2015–2016 reflects regulatory pressure and internal process reforms.

While this is a positive improvement, a sustained high ratio in earlier years eroded customer trust.

Complaint Diagnostic

Complaint Type ● Not Upheld ● Question of Fact ● Upheld



### Context

DFS complaint ratio = upheld complaints / 2-year average premiums (\$M).

Lower ratio means better service.

Country-Wide Insurance ranks among the worst, signaling a priority for improvement

## Premium Trend Analysis – Allstate Insurance Company

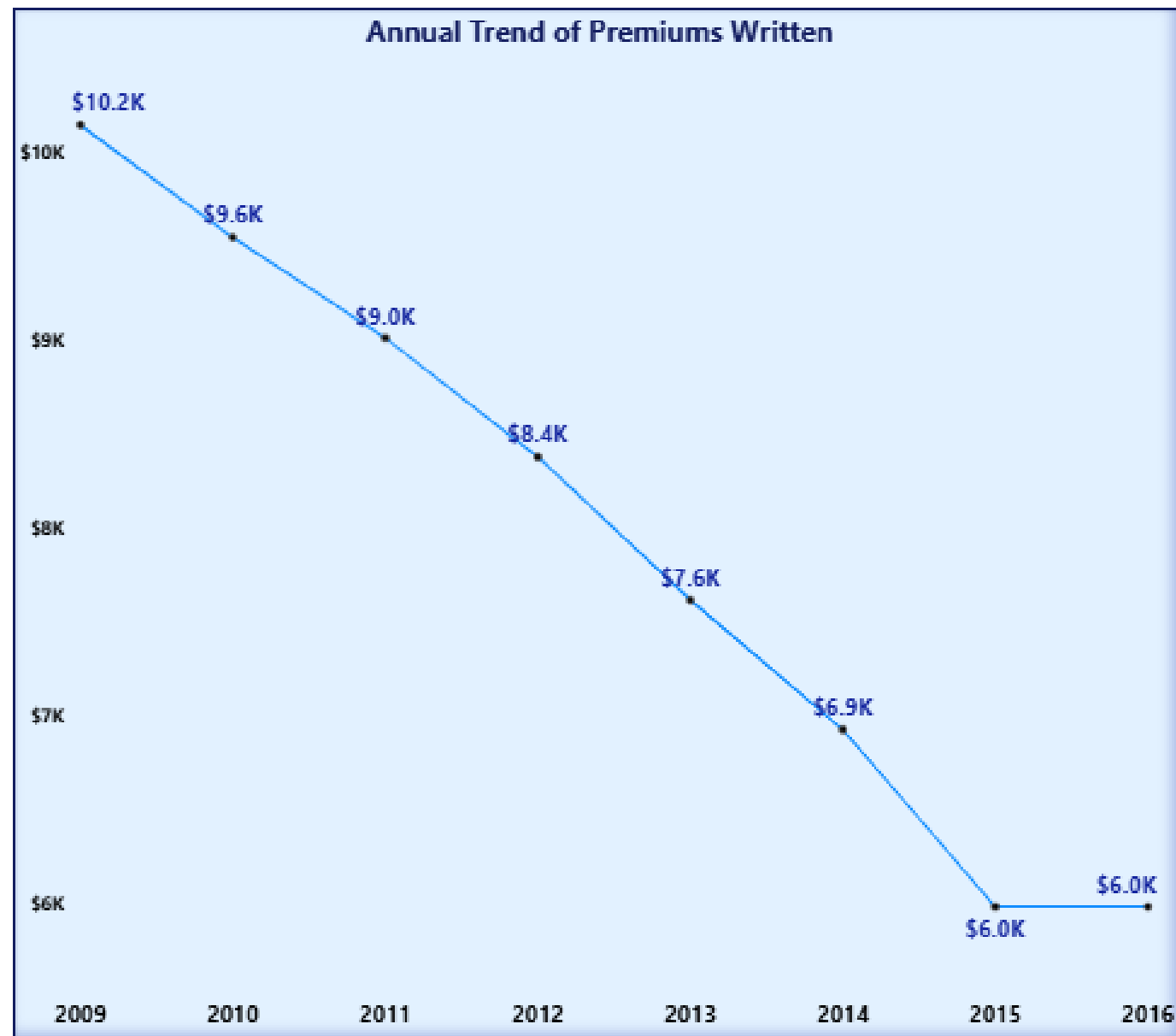
Allstate's total premiums written declined from \$10.2K in 2009 to \$6.0K in 2016, indicating a steady downward trend year over year.

If complaint ratios remain controlled, premiums may stabilize or grow moderately.

However, another spike in upheld complaints could risk stagnation in market share

### Recommendation:

Audit and streamline claims handling processes, improve customer communication to reduce question-of-fact ambiguity, and implement early-warning monitoring for complaint surges





# Year-on-Year Premium Changes: Causes, Trends, and Future Forecasts

Allstate's total premiums written declined from \$10.2K in 2009 to \$6.0K in 2016, indicating a steady downward trend year over year.

## ➤ Increase in Competition (Market Share Erosion)

Between 2010–2016, GEICO and Progressive aggressively gained market share through price focused strategies and digital convenience.

Allstate's slower digital adoption and a reputation for higher premiums contributed to customer migration to competitors.

## ➤ Reduction in Policyholder Base

Analysts noted a decline in personal auto policyholders due to:

Higher premium rates vs. budget insurers.

Customer dissatisfaction (reflected in high complaint ratios for claims handling)

## ➤ **Claims Frequency and Severity**

Allstate reported **higher-than-average claim severities** during 2012–2015.

Severe weather events (2012 hurricanes, 2014 storms) led to **higher claim pay-outs**, impacting profitability and forcing **premium adjustments** or **policy tightening**.

## ➤ **Regulatory & Economic Pressures**

Certain states (e.g., New York, California) implemented **rate restrictions**, preventing Allstate from adjusting premiums adequately in high-risk regions.

During economic recovery (post-2008 crisis), **customer spending behavior shifted** toward lower-cost insurers.

## ➤ **Product and Channel Strategy Lag**

Slow integration of **usage-based insurance (UBI)** and **telematics** placed Allstate behind Progressive’s “Snapshot” and GEICO’s digital tools.

Agents relied more on traditional channels, whereas competitors capitalized on **online policy sales** and **mobile servicing**.

# Future Premium Trend Outlook (Post-2016)

❑ **Forecast (based on historical and industry pattern):**

📈 **Short-term** (2017–2019): Likely continued decline due to lagging tech adoption.

📈 **Recovery Phase** (2020+): Allstate aggressively acquired **Esurance** and launched **Drive wise**, embracing UBI models and digital services.

❑ **Digital transformation success**

May stabilize or reverse the premium decline

❑ **Climate change**

Could improve competitiveness

❑ **Autonomous vehicles**

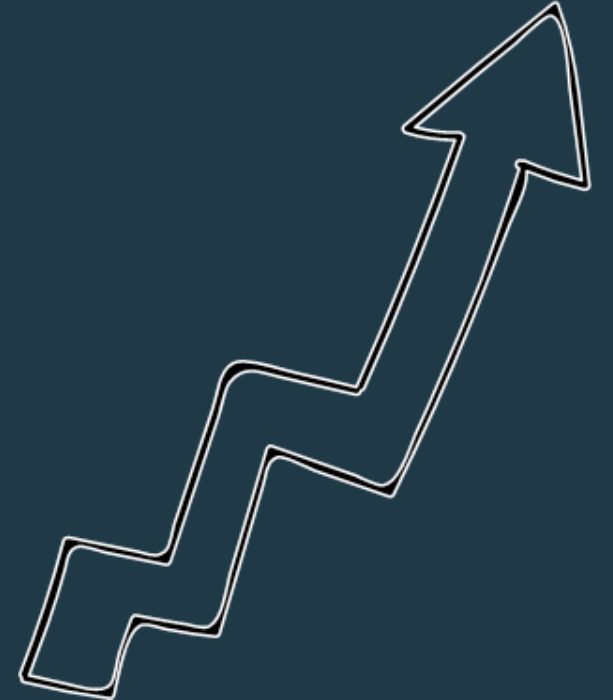
May increase loss ratios, affecting premiums

❑ **AI-based pricing & underwriting**

Potential risk reduction but also product disruption

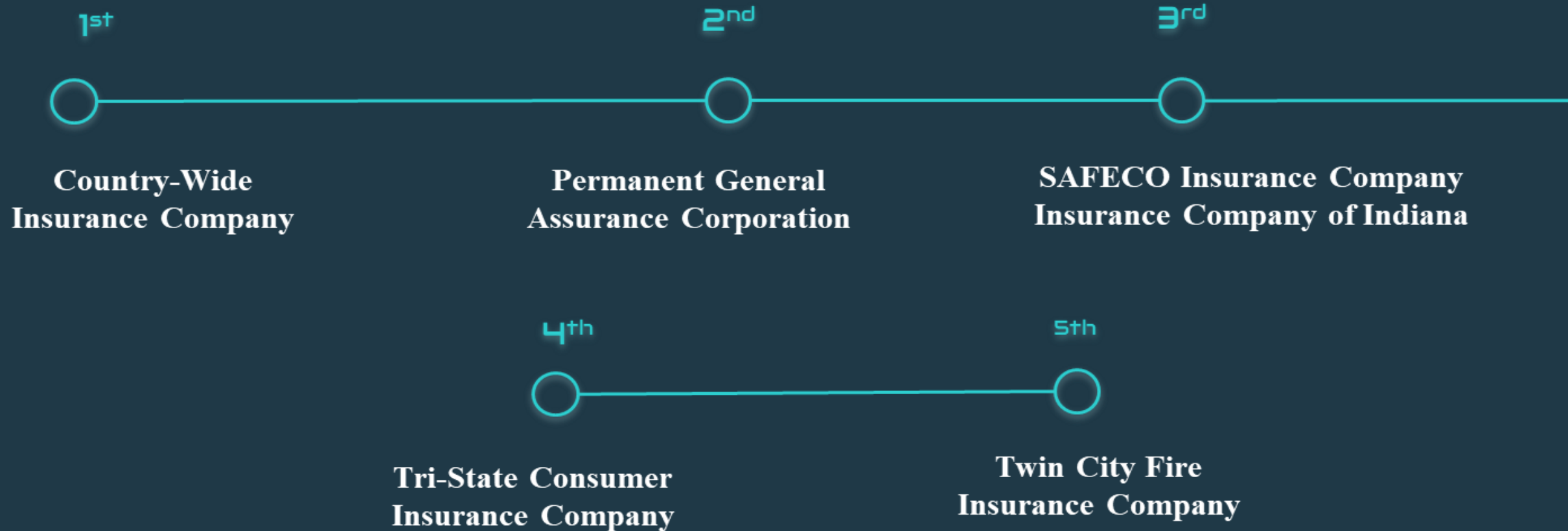
# Strategic Suggestions for Allstate Insurance Company

- **Accelerate digital offerings** (mobile claims, chatbots, self-service portals).
- **Rebrand pricing transparency** to compete with GEICO/Progressive.
- **Segment-based premium models** using AI/ML to price fairly per risk.
- **Proactively manage climate risks** via weather-linked risk models.



# High Complaint Ratio Companies

## Ranked by DFS Metrics



**\$10K**

Total premiums written

**29,616**

Complaint count

**4,192**

Upheld count

**429,929**

Complaint Ratio (Per Million)

Year

2009

2011

2013

2015

2010

2012

2014

2016

Top 5 Companies – Highest Complaint Ratio

- ☐ Country-Wide Insurance Company
- ☐ Permanent General Assurance Corporation
- ☐ SAFECO Insurance Company of Indiana
- ☐ Tri-State Consumer Insurance Company
- ☐ Twin City Fire Insurance Company

Complaint Ratio Over Time

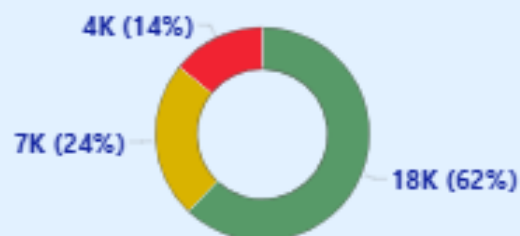


Yearly Premium Trend



Complaint Distribution by Type

Complaint Type ● Not Upheld ● Question of Fact ● Upheld



Company\_Name

Complaint\_Ratio (per million) Total\_premiums\_written Total Upheld Upheld %

Country-Wide Insurance Company	0.42	\$6,979	2944	0.12
Permanent General Assurance Corporation	1.44	\$301	432	0.39
SAFECO Insurance Company of Indiana	0.14	\$1,332	184	0.37
Tri-State Consumer Insurance Company	0.20	\$1,026	208	0.07
Twin City Fire Insurance Company	3.77	\$112	424	0.93
Total	0.43	\$9,750	4192	0.14

# Comparative Analysis Report

**\$7K**

Total premiums written

**24,688**

Complaint count

**2,944**

Upheld count

**421,811**

Complaint Ratio (Per Million)

Year

2009

2011

2013

2015

2010

2012

2014

2016

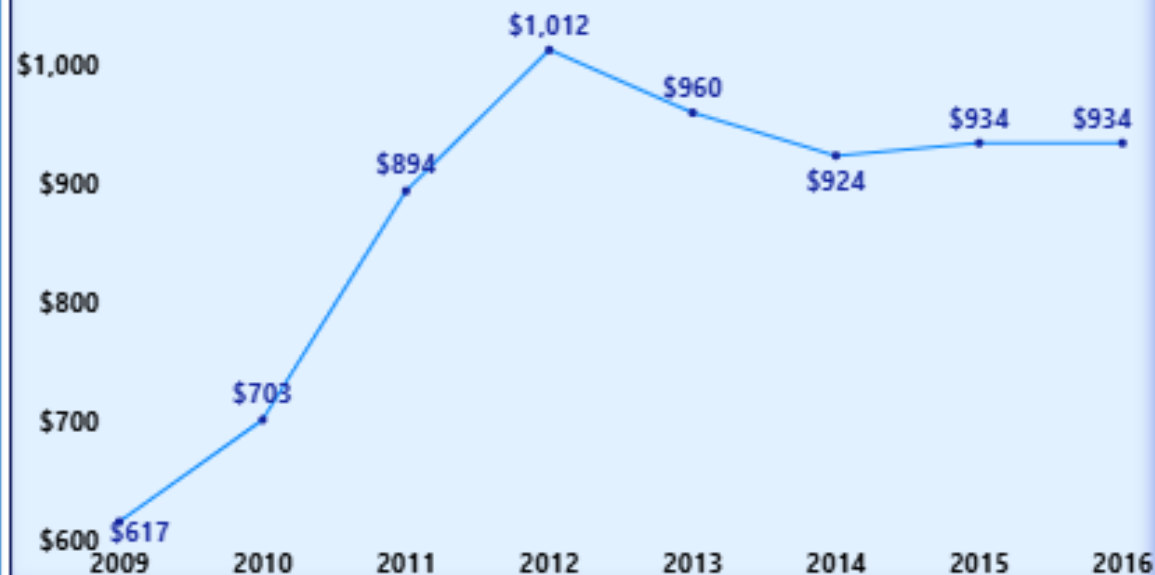
Top 5 Companies – Highest Complaint Ratio

- Country-Wide Insurance Company
- Permanent General Assurance Corporation
- SAFECO Insurance Company of Indiana
- Tri-State Consumer Insurance Company
- Twin City Fire Insurance Company

Complaint Ratio Over Time

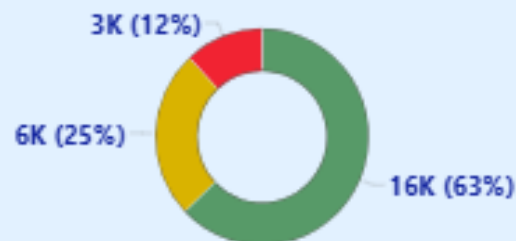


Yearly Premium Trend



Complaint Distribution by Type

Complaint Type ● Not Upheld ● Question of Fact ● Upheld



Company\_Name

Complaint\_Ratio (per million) Total\_premiums\_written Total Upheld Upheld %

Country-Wide Insurance Company

0.42

\$6,979

2944

0.12

Total

0.42

\$6,979

2944

0.12



# Premium Trend Insight – Country-Wide Insurance Company

- ❑ **Ranked #1 in highest complaint volume**, reflecting poor service quality.
- ❑ **Premiums rose sharply** from **\$617K in 2009** to **\$1.012M in 2012**, driven by:
  - Recovery post-2008 recession.
  - Rising medical and vehicle repair costs (NAIC report).
- ❑ **Dip in 2013–2014 premiums** likely caused by:
  - **Hurricane Sandy (2012)** leading to high auto damage claims and increased disputes.
- ❑ **Stabilization from 2015–2016** attributed to:
  - **DFS rate oversight** promoting affordability and limiting excessive premium hikes.
- ❑ Despite stable premiums, **persistently high upheld complaints** highlight:
  - No significant improvement in customer experience or complaint resolution.
- ❑ **Future trends depend on:**
  - Controlling upheld complaints.
  - Avoiding spikes in claim frequency (e.g., weather events, economic stress).
  - Continued regulatory enforcement by DFS.

**\$301**

Total\_premiums\_written

**1,112**

Complaint\_count

**432**

Upheld\_count

**1,437,279**

Complaint\_Ratio (Per Million)

Year

2009

2011

2013

2015

2010

2012

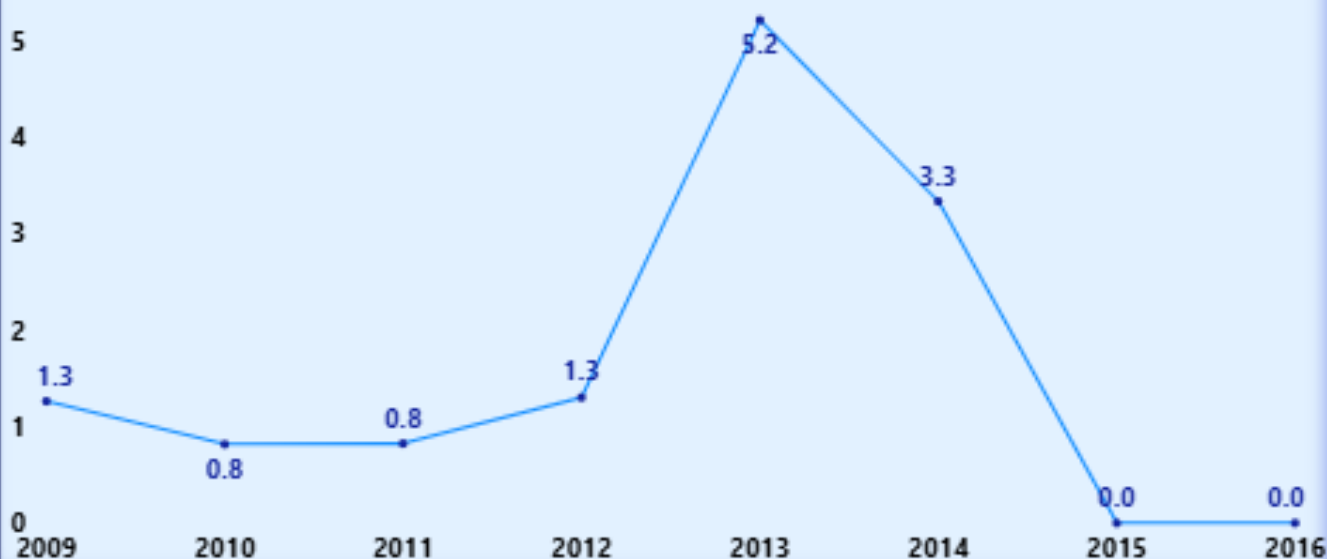
2014

2016

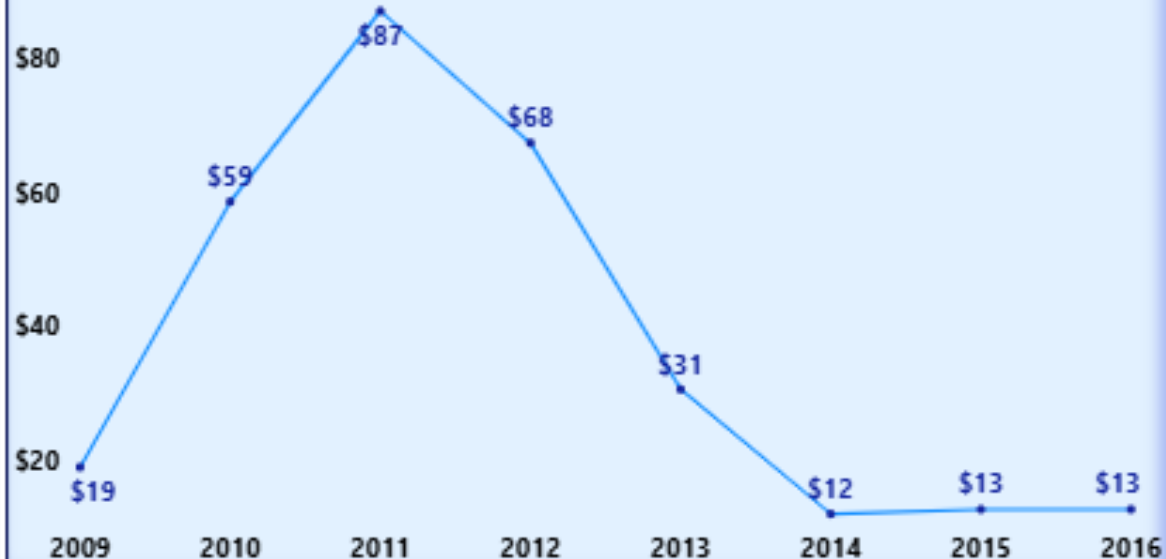
Top 5 Companies – Highest Complaint Ratio

☐ Country-Wide Insurance Company☒ Permanent General Assurance Corporation☐ SAFECO Insurance Company of Indiana☐ Tri-State Consumer Insurance Company☐ Twin City Fire Insurance Company

Complaint Ratio Over Time

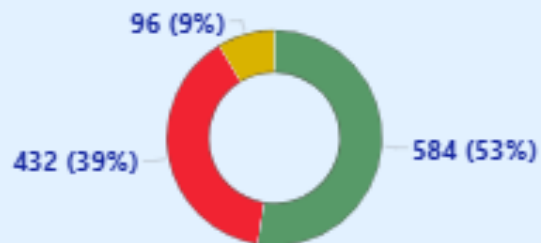


Yearly Premium Trend



Complaint Distribution by Type

Complaint Type ● Not Upheld ● Upheld ● Question of Fact



Company\_Name

Complaint\_Ratio (per million) Total\_premiums\_written Total Upheld Upheld %

Permanent General Assurance Corporation

1.44

\$301

432

0.39

Total

1.44

\$301

432

0.39

# Premium Trend Insight – Permanent General Assurance Corporation

- ❑ **Ranked #2 in complaints** – one of the worst performers with a high upheld complaint ratio despite shrinking business.
- ❑ **Premiums dropped sharply from \$87M in 2011 to \$13M in 2016**
  - Rapid growth from \$19M (2009) to \$87M (2011).
  - Sharp decline to \$12M by 2014, then stagnation at \$13M (2015–2016).
- ❑ **Possible drivers of decline:**
  - Rising complaints and high upheld rate (39%) signaling trust erosion.
  - Negative regulatory actions or unfavorable market positioning.
  - Reduced new policy issuance or strategic withdrawal from segments.
- ❑ **Complaint ratio spiked during mid-years:**
  - Peaked in 2013 (5.2), before reducing to 0.0 in 2016.
  - Reduction likely due to lower policy volumes, not improved service.
- ❑ **Future Outlook:**
  - Declining premiums may temporarily hide complaint growth, but long-term sustainability is questionable.
  - Urgent need for brand rebuilding, service improvement, and transparent customer communication.

**\$1K**

Total\_premiums\_written

**496**

Complaint\_count

**184**

Upheld\_count

**138,112**

Complaint\_Ratio (Per Million)

Year

2009

2011

2013

2015

2010

2012

2014

2016

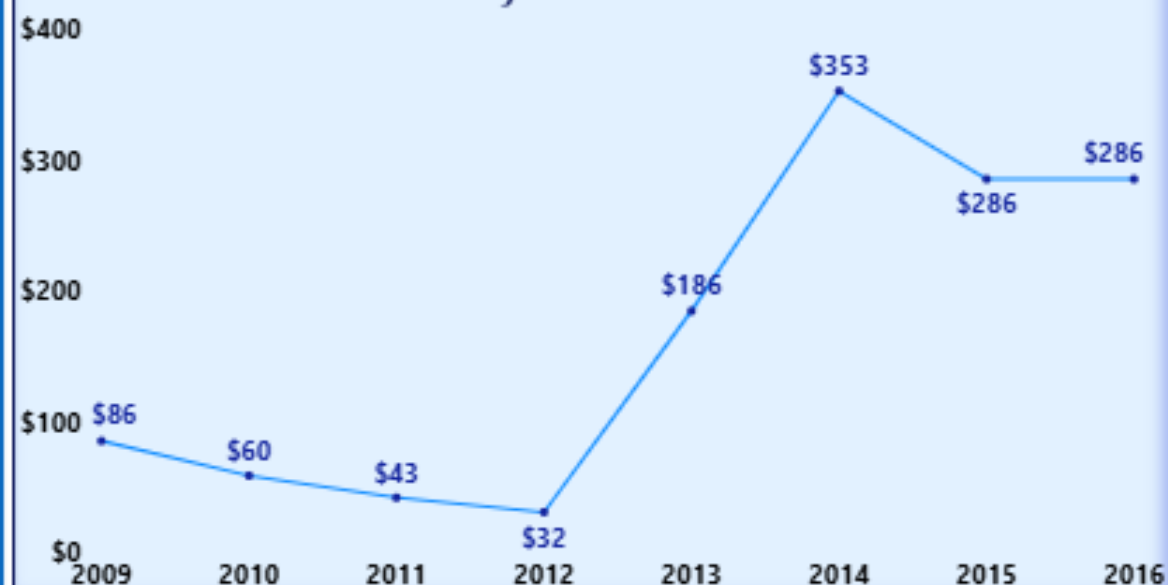
Top 5 Companies – Highest Complaint Ratio

- ☐ Country-Wide Insurance Company
- ☐ Permanent General Assurance Corporation
- ☒ SAFECO Insurance Company of Indiana
- ☐ Tri-State Consumer Insurance Company
- ☐ Twin City Fire Insurance Company

Complaint Ratio Over Time

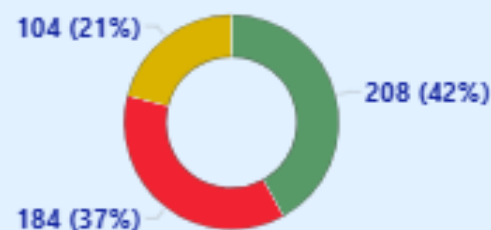


Yearly Premium Trend



Complaint Distribution by Type

Complaint Type ● Not Upheld ● Upheld ● Question of Fact



Company\_Name

Complaint\_Ratio (per million) Total\_premiums\_written Total Upheld Upheld %

SAFECO Insurance Company of Indiana

0.14

\$1,332

184

0.37

Total

0.14

\$1,332

184

0.37

# Premium Trend Insight – SAFECO Insurance Company of Indiana

- ❑ **Ranked #3 in complaints** – among the worst performers, with high upheld complaint count (**184**) and alarming complaint ratio of **138,112 per million**.
- ❑ **Premiums gradually increased from \$32K in 2012 to \$286K in 2016:**
  - Nearly 9x growth in written premiums over 5 years.
  - Indicates renewed underwriting efforts and possible business recovery attempts.
- ❑ **Potential concerns despite premium growth:**
  - High number of upheld complaints (**37%**) indicates persistent service or claims issues.
  - Fast premium growth could risk overextension or quality control issues.
  - Significant portion of complaints not upheld (~**42%**) may reflect communication gaps or policy confusion.

## ❑ Complaint ratio improved over time:

- Dropped from a peak of **0.75 in 2012 to 0.08 by 2016**.
- May reflect better complaint handling, though still ranked among worst.

## ❑ Future Outlook:

- While premium growth signals renewed business confidence, the company must prioritize customer trust, complaint reduction, and transparency.
- Without consistent service improvements, there's a risk of repeating past reputation damage despite business expansion.

**\$1K**

Total\_premiums\_written

**2,864**

Complaint\_count

**208**

Upheld\_count

**202,767**

Complaint\_Ratio (Per Million)

Year

2009

2011

2013

2015

2010

2012

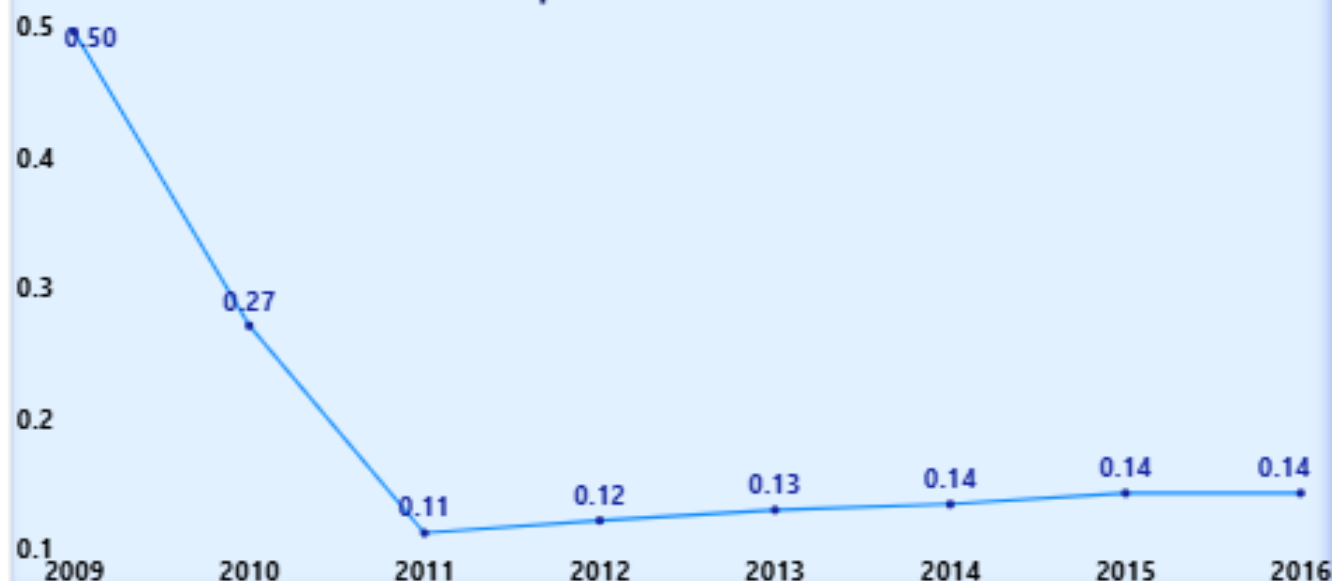
2014

2016

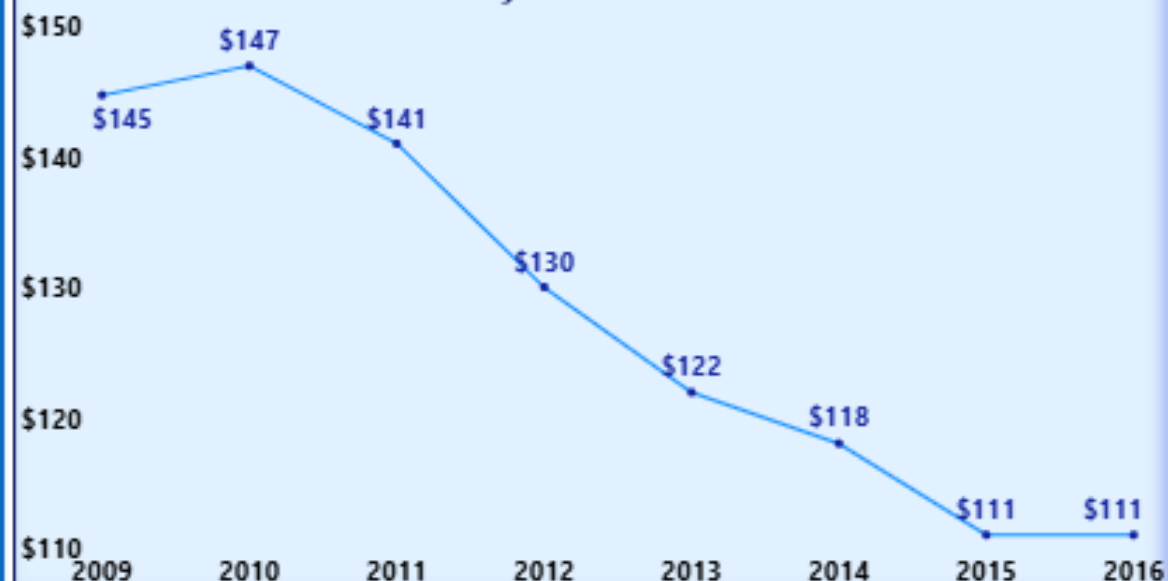
Top 5 Companies – Highest Complaint Ratio

- ☐ Country-Wide Insurance Company
- ☐ Permanent General Assurance Corporation
- ☐ SAFECO Insurance Company of Indiana
- ☒ Tri-State Consumer Insurance Company
- ☐ Twin City Fire Insurance Company

Complaint Ratio Over Time

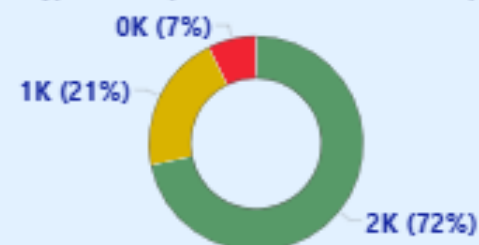


Yearly Premium Trend



Complaint Distribution by Type

Complaint Type ● Not Upheld ● Question of Fact ● Upheld



Company\_Name

Complaint\_Ratio (per million) Total\_premiums\_written Total Upheld Upheld %

Tri-State Consumer Insurance Company

0.20

\$1,026

208

0.07

Total

0.20

\$1,026

208

0.07

# Tri-State Consumer Insurance Company – Insight Summary

- ❑ **Ranked #4 in highest complaints**, indicating major service or operational issues.
- ❑ **Premiums rose significantly from \$750K in 2009 to a peak of \$1.26M in 2012**, before a **sharp decline**:  
2013- \$1.1M ,2014- \$979K, 2015- \$871K, 2016- \$722K.
- ❑ **Reasons for fluctuation:**
  - **Rise (2009–2012)**: Post-recession recovery and rising insurance costs (NAIC Affordability Report).
  - **Drop (2013–2016)**: Aftermath of **Hurricane Sandy**, increased claims → higher payouts, impacting loss ratios and prompting withdrawal or downsizing in NY market (Insurance Journal).
- ❑ DFS rate regulation pressure likely restricted further hikes (NY DFS Rate Review).
- ❑ **Despite falling premiums**, upheld complaint ratios remained high, indicating unresolved consumer issues.
- ❑ **Future trends:**
  - Continued decline or stagnation unless service quality and claims handling improve.
  - High complaint volume may lead to further DFS scrutiny and corrective action.



\$112

Total\_premiums\_written

456

Complaint\_count

424

Upheld\_count

3,772,242

Complaint\_Ratio (Per Million)

Year

2009

2011

2013

2015

2010

2012

2014

2016

Top 5 Companies – Highest Complaint Ratio

- ☐ Country-Wide Insurance Company
- ☐ Permanent General Assurance Corporation
- ☐ SAFECO Insurance Company of Indiana
- ☐ Tri-State Consumer Insurance Company
- ☒ Twin City Fire Insurance Company

Complaint Ratio Over Time

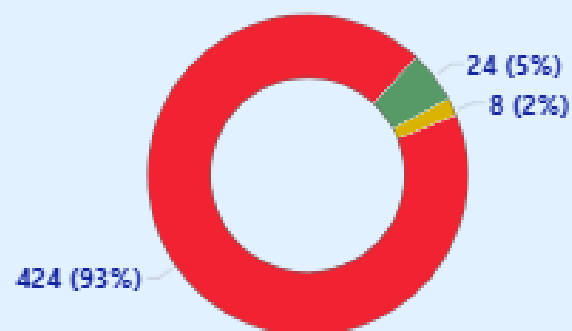


Yearly Premium Trend



Complaint Distribution by Type

Complaint Type ● Upheld ● Not Upheld ● Question of Fact



Company\_Name

Complaint\_Ratio (per million) Total\_premiums\_written Total Upheld Upheld %

Twin City Fire Insurance Company

3.77

\$112

424

0.93

Total

3.77

\$112

424

0.93

# Twin City Fire Insurance Company:

## ❑ Premium Trend Insight – Twin City Fire Insurance Company

❑ **Ranked #5 in complaints** – one of the top worst performers despite **low upheld complaint volume**.

❑ **Premiums remained relatively stable** between **\$535K and \$585K** from 2009 to 2016:

- Small fluctuations year over year, suggesting a consistent risk appetite and underwriting strategy.

## ❑ Factors behind stability:

- Conservative market positioning.
- Fewer auto policies in NY or niche underwriting strategy (inferred from premium consistency).
- DFS oversight ensuring gradual rate changes.

❑ **However**, complaint volume grew disproportionately despite stable business levels:

- Indicates **issues in customer service, claim handling, or policy transparency**.

## ❑ Future outlook:

- Unless service quality improves, even small market exposure can lead to poor public and regulatory perception.
- Stable premiums offer financial consistency, but rising complaint trends need urgent operational attention.

# Future Premium Outlook

## Trend Analysis (2009–2016)

### ❑ Stability Following Regulatory Oversight

Since the post-2014 DFS regulatory interventions, premium levels have stabilized. This suggests that continued oversight and proactive rate reviews are effective levers to maintain predictable pricing and customer confidence.

#### ➤ Implication

Future premium volatility can likely be mitigated through sustained regulatory engagement and compliance monitoring.

### ❑ Modest Growth Expected

Despite the historical impact of Hurricane Sandy, premiums have recovered to pre-2013 levels, indicating resilience in the business model. Barring extraordinary events, modest premium growth is the most probable scenario.

#### ➤ Implication

The company can plan for steady revenue forecasts and focus on incremental growth strategies rather than aggressive rate increases.



## ❑ Weather Events Remain a Key Risk

Severe weather events are the single largest observed driver of premium declines (as seen in 2013–2014). Future climate-related events could quickly erode premium stability if not proactively factored into pricing and reserves.

### ➤ Implication

Consider scenario planning and catastrophe risk buffers to avoid sudden financial stress from large-scale claims.

## ❑ Controlled Complaints Support Rate Stability

Complaint ratios have remained controlled post-2014. This reinforces the link between service quality and rate stability—fewer complaints can help avoid regulatory triggers for rate adjustments.

### ➤ Implication

Prioritizing complaint resolution and customer service improvements will support predictable premium trends and reduce regulatory scrutiny.



# Insight into Future Premium Trends (Based on 2009–2016)

Review underwriting strategy and improve complaint resolution to retain license and avoid penalties.

Strengthen catastrophe claims management, consider reinsurance partnerships.

Invest in disaster preparedness systems and improve customer communication.

Stabilize pricing model, increase risk pool diversity, and improve claim handling transparency.

Explore differentiated pricing tiers within high-risk customer groups to retain competitive edge.

# Conclusion & Strategic Outlook

1. **Allstate Insurance Company** : Declining premiums and high complaint ratios reflect weakened competitiveness despite recent digital efforts.
2. **Country-Wide Insurance Company** : Highest upheld complaints show deep service issues, despite premium stabilization.
3. **Permanent General Assurance Company** : Sharp premium drop and high complaints indicate trust loss and uncertain future stability.
4. **SAFECO Insurance Company of Indiana**: Fast premium growth paired with high complaints signals service gaps needing urgent attention.
5. **Tri-State Consumer Insurance Company** : **Falling** premiums and high complaints reveal unresolved operational weaknesses.
6. **Twin City Fire Insurance Company** : Stable premiums mask rising complaints, hinting at growing service concerns.

# Data Sources & Methodology Disclaimer

- ❑ This report is based on publicly available data from the **New York State Department of Financial Services (NYDFS)**, which ranks automobile insurance companies operating in New York based on upheld consumer complaints per million dollars of premiums written.
- ❑ Premium trends, complaint ratios, and performance rankings were analyzed using DFS complaint reports and company filings from **2009 to 2016**. Supporting insights were drawn from industry publications, including the **National Association of Insurance Commissioners (NAIC)**, **Insurance Journal**, and company-level strategic reports (e.g., Allstate, Progressive, GEICO).
- ❑ All interpretations of complaint patterns, premium fluctuations, and strategic suggestions reflect real market behaviors during the period studied and are intended solely for analytical and academic purposes.

**The analysis and interpretations presented in this report are based on publicly available data and do not reflect official views of NYDFS or the insurance companies mentioned.**

*THANK YOU*