

Count Up to the Ten Worst Insurance Companies and the Games they Love to Play

#5 Conseco

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For an insurance company with \$179.9 million in profits, and \$33.5 billion in assets, Conseco sure doesn't lack funding especially when it comes to the elderly (American Association of Justice). This company sells long-term care policies and earns a profit by well, waiting for its customers to die.

A Conseco policy promises the insured that they will be taken care of and able to afford assisted living care at the end of his or her life. When the insured can no longer take care of themselves and files a claim, Conseco uses delay and deny tactics in the hopes that the insured will die before the company has to pay out on the policy. One former senior executive at NAIC bluntly stated, "The bottom line is that insurance companies make money when they don't pay claims...They'll do anything to avoid paying, because if they wait long enough, they know the policyholders will die" (AAJ).

In 2002 the company fell on hard times as executives realized they underestimated how long people would live once they entered nursing homes. The company decided to ramp up its deny and delay practices. As one agent put it, "Conseco made it so hard to make a claim that people either gave up or died." Another agent stated she was told to not call the nursing homes or physicians to request documents before denying claims. Agents were also told to not pay on claims until certain documents were received. Those "certain" documents weren't even required under the terms of the policy.

In May of 2008, Conseco settled with 39 states over its abusive practices. The company was fined \$2.3 million and ordered to pay \$4 million in restitution to its policyholders. The company also agreed to invest \$26 million in its claims processing system. The company must review and readjust 1,112 denied claims, notify an additional 18,000 policyholders regarding 49,000 claims that were partially denied or completely denied after initial payment was made. Let's just hope the policyholders haven't died yet.

Source: SpeightsFirm.com