

# 2019 Market Conduct Annual Statement Ratios

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## Disability Income

### ***Ratio 1 Percentage of claims denied***

$$\left( \frac{[\text{Number of claims denials during reporting period (21)}]}{[\text{Number of claim denials during reporting period (21)}] + [\text{Number of paid claims closed during reporting period (22)}]} \right)$$

### ***Ratio 2 Percentage of claims processed with initial decision after 45 days Short-Term Only***

$$\left( \frac{[\text{Number of claims processed with initial claim decision over 45 days (28)}]}{[\text{Number of claims processed with initial claim decision within 1-14 days (25)}] + [\text{Number of claims processed with initial claim decision within 15-30 days (26)}] + [\text{Number of claims processed with initial claim decision within 31-45 days (27)}] + [\text{Number of claims processed with initial claim decision over 45 days (28)}]} \right)$$

### ***Ratio 3 Percentage of claims processed with initial decision after 90 days Long-Term Only***

$$\left( \frac{[\text{Number of claims processed with initial claim decision over 90 days (33)}]}{[\text{Number of claims processed with initial claim decision within 1-30 days (30)}] + [\text{Number of claims processed with initial claim decision within 31-60 days (31)}] + [\text{Number of claims processed with initial claim decision within 61-90 days (32)}] + [\text{Number of claims processed with initial claim decision over 90 days (33)}]} \right)$$

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**Ratio 4** *The number of complaints received directly from any entity other than the DOI per 1,000 individual policies in force during the reporting period*

$$\left( \frac{[\text{Number of complaints received directly from any entity other than the DOI (83)}]}{\left( \frac{([\text{Number of policies beginning of the reporting period (67)}]}{+[\text{Number of policies at the end of the reporting period (75)}]} \div 2 \right) \div 1000} \right)$$

**Ratio 5** *The number of complaints received directly from any entity other than the DOI per 1,000 lives covered on group policies*

$$\left( \frac{[\text{Number of complaints received directly from any entity other than the DOI (83)}]}{\left( \frac{([\text{Number of lives covered at the beginning of the reporting period (76)}]}{+[\text{Number of lives covered at the end of the reporting period (82)}]} \div 2 \right) \div 1000} \right)$$

**Ratio 6** *The number of complaints relating to group policies to average number of group policies in force during the reporting period*

$$\left( \frac{[\text{Number of complaints received directly from any entity other than the DOI (83)}]}{\left( \frac{([\text{Number of policies in force at beginning of reporting period (67)}]}{+[\text{Number of policies in force at end of the reporting period (75)}]} \div 2 \right)} \right)$$

**Ratio 7** *The percentage of lawsuits closed with consideration for the consumer*

$$\left( \frac{[\text{Number of lawsuits closed with consideration for consumer (87)}]}{[\text{Total number of lawsuits closed during the period (86)}]} \right)$$

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***Ratio 8 Insurer non-renewals and cancellations to average policies in force***

$$\left( \frac{[\text{Number of insurer non-renewals (71)}] + [\text{Number of insurer cancellations (72)}]}{([\text{Number of policies in force at the beginning of the reporting period (67)}] + [\text{Number of policies in force at the end of the reporting period (75)}]) \div 2} \right)$$

***Ratio 9 Covered lives affected by insurer non-renewals and cancellations to average policies in force***

*Group only*

$$\left( \frac{[\text{Number of lives covered under insurer non-renewals (79)}] + [\text{Number of lives covered under insurer cancellations (80)}]}{([\text{Number of lives covered under policies in force at the beginning of the reporting period (76)}] + [\text{Number of lives covered under policies in force at the end of the reporting period (82)}]) \div 2} \right)$$

***Ratio 10 Average pending benefit determinations to claims received***

$$\left( \frac{([\text{Number of pending benefit determinations, beginning of reporting period (17)}] + [\text{Number of pending benefit determinations, end of reporting period (23)}]) \div 2}{[\text{Number of claims received during the reporting period (19)}]} \right)$$

***Ratio 11 Rescissions after two years from issuance to total rescissions***

$$\left( \frac{[\text{Number of rescissions after two years from policy issue (74)}]}{[\text{Number of rescissions within two years from policy issue (73)}] + [\text{Number of rescissions after two years from policy issue (74)}]} \right)$$