

[7 ways to investigate an insurance company online](#)

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A consumer armed with a computer can find out a great deal about which insurance companies offer the most reliable service. You just have to know where to look online.

David Cohen, CEO of Investigative Resources of Texas, says you can't be too thorough.

"You have to look at everything," says Cohen, a longtime private investigator who has investigated insurance claims. "You can't just say, 'They have the best [financial] rating.' If you do due diligence, you will find a difference in responsiveness and different reputations for paying" claims.

The type of information you seek will depend, in part, on your insurance needs. If you live in tornado country, you should pay attention to how responsive insurance companies are when it comes to natural disasters. Cohen says not all carriers investigate storm damage at the same speed. "Some are better when responding to a catastrophe."

If you are buying a life insurance policy to protect your children, you'll want to make sure that the company you choose is financially sound enough to be in business decades from now. Edie Mermelstein, a Southern California attorney who handles insurance and consumer issues, says too many people base their insurance decisions on TV commercials. They may be entertaining, but they don't provide relevant information, she says.

"The insurers out there are not going to advertise their weaknesses," she says.

Amy Bach, executive director of the United Policyholders consumer group, says there is too much emphasis on buying cheap policies rather than insurance that will meet your needs when you make a claim.

“We want people to investigate who has the best quality protection for the best prices and who has the best reputation for consumer service and satisfaction,” she says. “If the price seems too good to be true, it probably is.”

Here are eight places online where you can investigate insurance companies.

1. Check out your state insurance department

This should be at the top of your list. Because state departments of insurance regulate the industry, they are excellent sources for finding out if there have been complaints filed against companies. They also are good sources for licensing information.

State insurance regulators often can tell you whether an insurer has requested permission to raise rates. The state of California maintains an insurance rate filings list that includes public notices of rate hike requests and approvals.

“Anytime an insurer files for new rates, those are public documents available on the website,” says Ioannis Kazanis, a spokesperson for the California Department of Insurance (DOI).

While visiting your state’s department of insurance website, check to see if it offers “complaint ratio” reports. Does the insurer have more complaints than average? The Michigan Department of Licensing and Regulatory Affairs provides an overview of complaints against insurers.

You also can search for adverse insurance market conduct reports and enforcement actions. States regularly issue reports when they respond to complaints about insurance companies. For example, the New Jersey Department of Banking and Insurance posts market conduct examination reports. In Colorado, the Department of Regulatory Agencies posts enforcement actions against insurers.

2. Consult Standard & Poor’s ratings to gauge your insurer’s financial strength

Insure.com offers free insurance company ratings from Standard & Poor’s. S&P has assessed the financial strength of insurance companies since 1971. You can tap into reports and ratings on more than 3,000 insurance entities in approximately 70 countries.

The top S&P rating is “AAA.” If the rating drops below “BBB,” be very cautious. An insurer rated “BB” or less is regarded as having financial problems that may outweigh its strengths. Standard & Poor’s ratings

definitions contain a thorough explanation of how to read the ratings.

3. Check A.M. Best's ratings

If you want to be thorough, checking one financial rating service may not be enough. Steven Rambam, a private investigator for more than three decades and the director of Pallorium Inc., uses A.M. Best to gauge the financial strength of insurance companies. A.M. Best specializes in rating insurers by considering balance sheet strength, performance and business profiles. You must register to log in, but there is no charge for viewing files online. A.M. Best's website has its own explanation of financial ratings.

4. Find out if anyone has filed a lawsuit against your insurance company

Rambam recommends a visit to the Public Access to Court Electronic Records (PACER) website to check for insurance industry lawsuits filed in federal court. "See if things got bad enough that consumers had to sue to get the coverage that they contracted for," he says.

PACER.com is maintained by the Administrative Office of the United States Courts. For electronic access to federal court data, the fee is 10 cents per page. The PACER website contains a full list of fees.

When you're done checking PACER, Cohen says you should check for lawsuits that may have originated at the local level. States typically maintain their own judicial websites. For example, in Ohio you can search court records for matters that have come before Superior Court or the state Supreme Court.

5. Review Insure.com's customer satisfaction ratings

Insure.com offers in-depth insurance customer satisfaction ratings for large auto, home, life and health insurers. We used five measurements of satisfaction, including claims service and customer service. You can sort the lists by the measurement most important to you. We also asked whether customers would recommend their insurers and whether they intend to renew their policies.

6. Look up the 'rage sites'

The advice of so-called "rage sites" created by disgruntled customers may not be scientific and their reputations for accuracy are mixed. Nevertheless, investigators Rambam and Cohen say you should not

overlook them. There are many from which to choose. Just Google words like “insurance” and “ripoff.” Of course, don’t accept everything you read without doing your own research.

“Now, not all of these rants are legitimate, but you will have leads that you can follow,” says Rambam. “If someone says ‘I purchased disability insurance, I fell down a flight of stairs and they did everything they could to avoid settling with me,’ send this person an email. Ask ‘Did you file a complaint? Was it upheld by the DOI [department of insurance]? Did you have to sue?’”

7. Visit your state attorney general’s website

Rambam says you shouldn’t overlook your state attorney general’s website. Attorneys general, who must stand for election, frequently publicize their efforts on behalf of the public, and that includes actions they take against insurance companies.

For example, recently New Mexico Attorney General Gary King issued a news release in which he opposed a request for a health insurance rate increase.

“Anytime an AG office goes after an insurance carrier for any reason, they issue a news release,” he says. “See if [an insurer has] ever been spanked or [is] in the process of being spanked by your state AG.”