

Maryland Insurance Administration

MISSION

To regulate Maryland's insurance industry and protect its citizens by actively and fairly enforcing the insurance laws of the State of Maryland.

VISION

A State with competitive, stable, and viable insurance markets in which insurance consumers are treated fairly.

KEY GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Goal 1. Review insurance policy forms and other filings for compliance with applicable laws and regulations.

Obj. 1.1 Review for compliance with insurance statutes and regulations 100 percent of Life and Health form filings within 60 days after receipt of initial filing and 75 percent of Property and Casualty forms filings within 30 working days after receipt of initial filing

| Performance Measures | 2011 Act. | 2012 Act. | 2013 Act. | 2014 Act. | 2015 Act. | 2016 Est. | 2017 Est. |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Total Form Filings received (Life & Health, Property & Casualty) | 47,563 | 36,438 | 34,136 | 35,002 | 37,023 | 36,899 | 38,063 |
| Percent of total Form Filings reviewed within established guidelines | 93.8% | 70.5% | 46.4% | 42.2% | 58.5% | 80.2% | 87.9% |

Goal 2. Resolve consumer complaints in accordance with Maryland insurance law and in a prompt and fair manner.

Obj. 2.1 Resolve 85 percent of Life and Health (non-medical necessity) complaints within 90 days from receipt of complaint.

Obj. 2.2 Resolve 90 percent of Property and Casualty complaints within 90 days from receipt of complaint.

| Performance Measures | 2011 Act. | 2012 Act. | 2013 Act. | 2014 Act. | 2015 Act. | 2016 Est. | 2017 Est. |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Life & Health medical necessity complaints received | 668 | 715 | 653 | 733 | 735 | 700 | 750 |
| ¹ Life & Health medical necessity complaints resolved in 60 days | 93.9% | 95.9% | 91.4% | 95.0% | 92.1% | 100.0% | 100.0% |
| Life & Health non-medical necessity complaints received | 3,159 | 2,789 | 2,554 | 2,862 | 3,259 | 3,300 | 3,300 |
| Life & Health non-medical necessity complaints resolved within 90 days | 82.0% | 92.5% | 89.1% | 92.0% | 89.7% | 85.0% | 85.0% |
| Property and Casualty complaints received | 5,779 | 5,431 | 5,704 | 5,412 | 17,001 | 5,800 | 16,900 |
| Property and Casualty complaints resolved within 90 days | 82.0% | 78.0% | 93.0% | 76.7% | 55.9% | 90.0% | 60.0% |

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Goal 3. Protect the public from unfair trade practices and other violations of the Insurance Code.

Obj. 3.1 Complete 80% of Life and Health (L&H) insurance company market conduct examinations, Property and Casualty (P&C) insurance company market conduct examinations, and investigations involving licensed insurance professionals conducted during the fiscal year.

| Performance Measures | 2011 Act. | 2012 Act. | 2013 Act. | 2014 Act. | 2015 Act. | 2016 Est. | 2017 Est. |
|--|-------------|--------------|-------------|-------------|-------------|-----------|-----------|
| Percent of remediation orders/penalties issued against Life and Health insurance companies examined | 62% | 59% | 88% | 90% | 77% | 80% | 80% |
| ² Total restitution from Life and Health market conduct examinations and producer enforcement investigations (money returned to Maryland citizens) | \$132,887 | \$13,401,655 | \$1,157,447 | \$0 | \$0 | N/A | N/A |
| ² Total penalties paid from Life and Health market conduct examinations and producer enforcement investigations (money to General Fund) | \$846,900 | \$1,695,047 | \$3,804,208 | \$2,565,612 | \$1,953,328 | N/A | N/A |
| ³ Total restitution from Property and Casualty market conduct examinations and producer enforcement investigations excluding MAHT (money returned to Maryland citizens) | \$220,040 | \$0 | \$3,465,619 | \$1,833,258 | \$303,701 | N/A | N/A |
| ³ Total penalties paid from Property and Casualty market conduct examinations and producer enforcement investigations excluding MAHT (money to General Fund) | \$1,285,064 | \$197,500 | \$369,500 | \$259,000 | \$477,750 | N/A | N/A |
| Total Maryland Affordable Housing Trust (MAHT) penalties paid (money to General Fund) | \$282,250 | \$91,050 | \$146,300 | \$597,850 | \$12,050 | N/A | N/A |
| Total MAHT restitution (money returned to Maryland Citizens) | \$6,155,634 | \$3,454,050 | \$679,831 | \$2,979,069 | \$24,876 | N/A | N/A |
| Total restitution to MAHT | \$90,122 | \$689,077 | \$316,197 | \$158,455 | \$107,523 | N/A | N/A |

Goal 4. Ensure that insurers have the financial ability to pay claims when due.

Obj. 4.1 Complete 90 percent of financial examinations on domestic companies scheduled pursuant to statutory time frames, with no more than a 15 percent variance from the time budgeted for that examination.

| Performance Measures | 2011 Act. | 2012 Act. | 2013 Act. | 2014 Act. | 2015 Act. | 2016 Est. | 2017 Est. |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of examinations initiated | 19 | 13 | 18 | 14 | 16 | 14 | 10 |
| Percentage of examinations completed with no more than a 15 percent variance of budgeted time | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

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Goal 5. Investigate and Prosecute Insurance Fraud

Obj. 5.1 Close 80 percent of referrals opened for investigation within 180 days.

| Performance Measures | 2011 Act. | 2012 Act. | 2013 Act. | 2014 Act. | 2015 Act. | 2016 Est. | 2017 Est. |
|---|-------------|-------------|-------------|-------------|-------------|-----------|-----------|
| Percentage of opened referrals investigated and referred for criminal prosecution | 75% | 89% | 80% | 45% | 60% | 60% | 60% |
| Percentage of opened referrals investigated and charged | 80% | 79% | 65% | 71% | 52% | 55% | 55% |
| ⁴ Total restitution ordered for criminal prosecution (returned to Maryland insurers) | N/A | N/A | N/A | N/A | \$44,735 | \$45,000 | \$45,000 |
| ⁴ Total restitution ordered for civil prosecution (returned to Maryland insurers) | N/A | N/A | N/A | N/A | \$21,715 | \$22,000 | \$22,000 |
| Total penalties assessed (paid to General Fund) | \$2,414,214 | \$1,983,597 | \$4,320,008 | \$3,422,462 | \$2,443,128 | \$0 | \$0 |

NOTES

¹ Changed from 45 days to 60 days.

² New measurement starting with fiscal year 2015 actual - total L&H market conduct and L&H producer enforcement.

³ New measurement starting with fiscal year 2015 actual - total P&C market conduct and P&C producer enforcement.

⁴ New measure, formerly combined.