

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 form filings within 30 working days after receipt of initial filing.

	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Performance Measures							
Total form filings received (Life & Health, Property & Casualty)	34,136	35,002	37,023	35,006	28,216	31,629	31,611
Percent of total form filings reviewed within established guidelines	46.4%	42.2%	58.5%	48.4%	48.5%	68.1%	79.3%

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.

	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Performance Measures							
Life & Health medical necessity complaints received	653	733	735	986	973	980	980
Life & Health medical necessity complaints resolved in 60 days	91.4%	95.0%	92.1%	87.4%	97.0%	92.5%	92.5%
Life & Health non-medical necessity complaints received	2,554	2,862	3,259	3,089	2,967	3,000	3,000
Life & Health non-medical necessity complaints resolved within 90 days	89.1%	92.0%	89.7%	85.6%	88.5%	88.0%	88.0%
Property and Casualty complaints received	7,390	6,906	17,001	17,177	8,059	8,000	8,000
Percent of Property and Casualty complaints resolved within 90 days	93.0%	76.7%	55.9%	26.2%	79.6%	85.0%	85.0%

Maryland Insurance Administration

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

Obj. 3.1 Complete 80 percent 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	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Percent of remediation orders/penalties issued against Life and Health insurance companies examined	88%	90%	77%	88%	86%	85%	85%
Total restitution from Life and Health market conduct examinations and L&H producer enforcement investigations (money returned to Maryland citizens)	\$1,157,447	\$0	\$0	\$101,285	\$387,155	N/A	N/A
Total penalties paid from Life and Health market conduct examinations and L&H producer enforcement investigations (money to General Fund)	\$3,804,208	\$2,565,612	\$1,953,328	\$964,641	\$617,285	N/A	N/A
Total restitution from Property and Casualty market conduct examinations and P&C producer enforcement investigations excluding MAHT (money returned to Maryland citizens)	\$3,465,619	\$1,833,258	\$303,701	\$1,590,173	\$8,376,308	N/A	N/A
Total penalties paid from Property and Casualty market conduct examinations and P&C producer enforcement investigations excluding MAHT (money to General Fund)	\$369,500	\$259,000	\$477,750	\$642,978	\$1,873,932	N/A	N/A
Total Maryland Affordable Housing Trust (MAHT) penalties paid (money to General Fund)	\$146,300	\$597,850	\$12,050	\$13,549	\$7,500	N/A	N/A
Total restitution to MAHT	\$316,197	\$158,455	\$107,523	\$18,098	\$19,148	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	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Number of examinations initiated	18	14	16	14	6	14	13
Percentage of examinations completed with no more than a 15 percent variance of budgeted time	100%	100%	100%	100%	100%	100%	100%

Maryland Insurance Administration

Goal 5. Investigate and prosecute insurance fraud.

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

Performance Measures	2013 Act.	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Est.	2019 Est.
Percentage of opened referrals investigated and referred for criminal prosecution	80%	45%	60%	72%	61%	70%	70%
Percentage of opened referrals investigated and charged	65%	71%	52%	87%	90%	90%	90%
Total restitution ordered for criminal prosecution (returned to Maryland insurers)	N/A	N/A	\$44,735	\$94,765	\$585,093	N/A	N/A
Total restitution ordered for civil prosecution (returned to Maryland insurers)	N/A	N/A	\$21,715	\$70,590	\$80,527	N/A	N/A
Total penalties paid from civil & criminal fraud investigations (money to general fund)	N/A	N/A	N/A	\$228,600	\$277,313	N/A	N/A
Total penalties assessed (paid to General Fund)	\$4,320,008	\$3,422,462	\$2,443,128	\$1,849,768	\$2,776,030	N/A	N/A

NOTES

¹ New measure, formerly combined.

Maryland Insurance Administration

Summary of Maryland Insurance Administration

	2017 Actual	2018 Appropriation	2019 Allowance
Number of Authorized Positions	257.00	257.00	259.00
Number of Contractual Positions	13.85	17.10	17.60
Salaries, Wages and Fringe Benefits	23,759,196	24,675,148	24,619,536
Technical and Special Fees	1,017,413	945,538	1,062,707
Operating Expenses	6,053,401	6,847,906	6,775,148
Special Fund Expenditure	30,328,059	31,740,397	31,732,270
Federal Fund Expenditure	501,951	728,195	725,121
Total Expenditure	30,830,010	32,468,592	32,457,391

Maryland Insurance Administration

Summary of Revenues

	2016 Actual	2017 Actual	2018 Estimated	2019 Estimated
Financial Resources				
Premium Taxes	316,356,455	363,181,505	361,341,000	384,984,000
Retaliatory Taxes	3,909,281	210,844	4,000,000	4,100,000
Fines and Costs	1,632,268	2,542,815	2,000,000	2,000,000
Company Licensing Fees	1,232,849	1,480,279	1,200,000	1,200,000
Agent/Broker Licensing Fees	5,288,763	6,158,638	4,500,000	5,000,000
Rate and Form Filing Fees	3,122,851	2,713,988	3,000,000	3,000,000
Financial/Market Conduct Examination Fees	2,200,962	1,814,884	2,400,000	2,400,000
Miscellaneous Fees	697,553	488,826	600,000	600,000
Insurance Fraud Prevention Fee	2,130,035	1,520,490	2,100,000	2,100,000
Health Regulatory Fund	1,457,020	1,225,141	1,504,448	1,554,484
Insurance Regulatory Fund	15,782,045	16,604,248	15,990,086	16,690,647
Cash/Carryover	4,435,952	-	2,588,460	2,588,460
	358,246,034	397,941,658	401,223,994	426,217,591
Premium and Retaliatory Taxes	320,265,736	363,392,349	365,341,000	389,084,000
Fines and Costs	1,632,268	2,542,815	2,000,000	2,000,000
Special Fund Revenue	31,912,078	32,006,494	31,294,534	32,545,131
Balance MIA Z0101	4,435,952	-	2,588,460	2,588,460
Total General Fund Revenue	286,898,004	330,935,164	332,341,000	356,084,000
Total Special Fund Revenue/ Cash	36,348,030	32,006,494	33,882,994	35,133,591
Maryland Health Benefit Exchange Revenue	35,000,000	35,000,000	35,000,000	35,000,000

Maryland Insurance Administration

D80Z01.01 Administration and Operations

Program Description

The Maryland Insurance Administration (MIA) develops policies, procedures and regulations as well as implements laws that affect Maryland's insurance industry. The Agency performs rate and form reviews, financial audits, licensing examinations, market conduct examinations, and fraud investigations. It also resolves consumer complaints, as well as issues producer (agent/broker) and company licenses.

Appropriation Statement

		2017 Actual	2018 Appropriation	2019 Allowance
	Number of Authorized Positions	257.00	257.00	259.00
	Number of Contractual Positions	13.85	17.10	17.60
01	Salaries, Wages and Fringe Benefits	23,759,196	24,675,148	24,619,536
02	Technical and Special Fees	1,017,413	945,538	1,062,707
03	Communications	228,050	318,532	298,319
04	Travel	278,128	341,471	300,101
07	Motor Vehicle Operation and Maintenance	202,328	237,650	190,036
08	Contractual Services	2,493,029	2,520,702	3,113,367
09	Supplies and Materials	250,906	299,966	251,303
10	Equipment - Replacement	102,677	310,000	218,096
11	Equipment - Additional	5,775	0	21,202
12	Grants, Subsidies, and Contributions	563,026	634,644	584,699
13	Fixed Charges	1,871,091	1,829,941	1,798,025
	Total Operating Expenses	5,995,010	6,492,906	6,775,148
	Total Expenditure	30,771,619	32,113,592	32,457,391
	Special Fund Expenditure	30,269,668	31,385,397	31,732,270
	Federal Fund Expenditure	501,951	728,195	725,121
	Total Expenditure	30,771,619	32,113,592	32,457,391
Special Fund Expenditure				
D80304	Health Care Regulatory Fund	1,538,854	1,546,403	1,477,336
D80305	Insurance Regulation Fund	28,730,814	29,838,994	30,254,934
	Total	30,269,668	31,385,397	31,732,270
Federal Fund Expenditure				
93.511	Affordable Care Act Grants to States for Health Insurance Premium Review	463,718	614,929	611,855
93.881	Grants to States for Planning and Implementing the Insurance Market Reforms under Part A of Title XXVII of the Public Health Service Act	38,233	113,266	113,266
	Total	501,951	728,195	725,121

Maryland Insurance Administration

D80Z01.02 Major Information Technology Development Projects

Program Description

This program provides funding for Major Information Technology Development Projects in the Maryland Insurance Administration. Funding will be used to replace the current Enterprise Complaint Tracking System, which was designed for MIA in 2002.

Appropriation Statement	2017 Actual	2018 Appropriation	2019 Allowance
08 Contractual Services	56,770	355,000	0
11 Equipment - Additional	1,621	0	0
Total Operating Expenses	58,391	355,000	0
Total Expenditure	58,391	355,000	0
Special Fund Expenditure	58,391	355,000	0
Total Expenditure	58,391	355,000	0
Special Fund Expenditure			
D80305 Insurance Regulation Fund	58,391	355,000	0
Total	58,391	355,000	0

3 Year Position Summary

Classification Title	FY 2017 Positions	FY 2017 Expenditures	FY 2018 Positions	FY 2018 Appropriation	FY 2019 Positions	FY 2019 Allowance
D80 - Maryland Insurance Administration						
D80Z0101 - Administration and Operations						
Admin Aide	3.00	129,051	3.00	130,324	3.00	130,324
Admin Officer I	1.00	25,730	1.00	47,935	1.00	47,935
Admin Spec II	2.00	46,454	2.00	69,454	2.00	69,454
Agency Procurement Spec II	1.00	65,663	1.00	65,827	1.00	65,827
Asst Attorney General VI	6.50	632,873	6.50	637,526	6.50	637,526
Asst Attorney General VII	3.50	361,410	3.50	361,432	3.50	361,432
Computer Info Services Spec II	1.00	72,340	1.00	65,827	1.00	65,827
Computer Info Services Spec Supv	0.00	36,581	0.00	0	0.00	0
Computer Network Spec Lead	1.00	60,717	1.00	61,301	1.00	61,301
Data Entry Operator II	0.00	9,448	0.00	0	0.00	0
Designated Admin Mgr Senior III	0.00	67,514	0.00	0	0.00	0
Div Dir Ofc Atty General	1.00	134,744	1.00	134,749	1.00	134,749
Exec Assoc I	1.00	53,362	1.00	51,051	1.00	51,051
Exec Assoc III	0.00	33,245	0.00	0	0.00	0
Fiscal Accounts Technician I	3.00	113,832	3.00	129,454	3.00	129,454
Fiscal Accounts Technician II	1.00	41,380	1.00	40,792	1.00	40,792
Fiscal Accounts Technician Supv	1.00	51,608	1.00	51,612	1.00	51,612
Fiscal Services Admin II	0.00	28,951	0.00	0	0.00	0
IT Asst Director II	1.00	97,200	1.00	97,203	1.00	97,203
IT Systems Technical Spec	0.00	53,444	0.00	0	0.00	0
Management Associate	2.00	106,144	2.00	107,274	2.00	107,274
MIA Administrator I	19.00	1,053,710	19.00	1,197,323	19.00	1,197,323
MIA Administrator II	17.00	1,202,676	17.00	1,137,974	17.00	1,137,974
MIA Administrator III	12.00	861,802	12.00	902,761	12.00	902,761
MIA Administrator IV	15.00	913,999	15.00	1,142,753	15.00	1,142,753
MIA Administrator V	12.00	512,945	12.00	879,854	12.00	879,854
MIA Analyst I	39.00	1,872,214	39.00	2,062,027	39.00	2,062,027
MIA Analyst II	31.00	1,475,340	31.00	1,753,237	33.00	1,855,067
MIA Associate I	1.00	35,699	1.00	36,826	1.00	36,826
MIA Associate II	1.00	32,731	1.00	32,741	1.00	32,741
MIA Associate III	2.00	44,110	2.00	72,776	2.00	72,776
MIA Associate IV	2.00	80,546	2.00	80,330	2.00	80,330
MIA Associate V	10.00	408,184	10.00	437,768	10.00	437,768
MIA Associate VI	5.00	215,675	5.00	206,002	5.00	206,002
MIA Chief Actuary	1.00	99,883	1.00	114,874	1.00	114,874
MIA Deputy Ins Comm	1.00	142,641	1.00	106,773	1.00	106,773
MIA Executive I	6.00	541,465	6.00	546,780	6.00	546,780
MIA Executive II	8.00	628,702	8.00	808,552	8.00	808,552
MIA Executive III	1.00	107,165	1.00	103,413	1.00	103,413
MIA Executive IV	11.00	1,136,721	11.00	1,274,142	11.00	1,274,142
MIA Executive V	3.00	331,026	3.00	394,142	3.00	394,142
MIA Insurance Commissioner	1.00	160,340	1.00	133,069	1.00	133,069
MIA Officer I	10.00	410,443	10.00	479,203	10.00	479,203
MIA Officer II	14.00	744,390	14.00	671,062	14.00	671,062
Office Secy I	1.00	35,232	1.00	35,158	1.00	35,158
Office Secy II	1.00	24,795	1.00	35,423	1.00	35,423
Office Secy III	2.00	86,424	2.00	87,222	2.00	87,222
Office Services Clerk	1.00	35,156	1.00	35,158	1.00	35,158

3 Year Position Summary

Classification Title	FY 2017 Positions	FY 2017 Expenditures	FY 2018 Positions	FY 2018 Appropriation	FY 2019 Positions	FY 2019 Allowance
Principal Counsel	1.00	117,998	1.00	119,142	1.00	119,142
Total D80Z0101	257.00	15,533,703	257.00	16,938,246	259.00	17,040,076