

# 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.

Performance Measures	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
Total form filings received (Life & Health, Property & Casualty)	35,002	37,023	35,006	28,216	32,520	31,553	31,196
Percent of total form filings reviewed within established guidelines	42.2%	58.5%	48.4%	48.5%	95.5%	87.8%	87.7%

### 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	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
Life & Health medical necessity complaints received	733	735	986	973	1,120	1,400	1,400
Life & Health medical necessity complaints resolved in 60 days	95.0%	92.1%	87.4%	97.0%	98.0%	98.0%	98.0%
Life & Health non-medical necessity complaints received	2,862	3,259	3,089	2,967	3,241	5,000	6,000
Life & Health non-medical necessity complaints resolved within 90 days	92.0%	89.7%	85.6%	88.5%	87.3%	90.0%	90.0%
Property and Casualty complaints received	6,906	17,001	17,177	8,059	7,324	7,500	7,500
Percent of Property and Casualty complaints resolved within 90 days	76.7%	55.9%	26.2%	79.6%	81.0%	85.0%	85.0%

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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 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	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
Percent of remediation orders/penalties issued against Life and Health insurance companies examined	90%	77%	88%	86%	67%	85%	85%
Total restitution from Life and Health market conduct examinations and L&H producer enforcement investigations (money returned to Maryland citizens)	\$0	\$0	\$101,285	\$387,155	\$28,795	N/A	N/A
Total penalties paid from Life and Health market conduct examinations and L&H producer enforcement investigations (money to General Fund)	\$2,565,612	\$1,953,328	\$964,641	\$617,285	\$415,951	N/A	N/A
Total restitution from Property and Casualty market conduct examinations and P&C producer enforcement investigations excluding Maryland Affordable Housing Trust (MAHT) (money returned to Maryland citizens)	\$1,833,258	\$303,701	\$1,590,173	\$8,376,308	\$5,135,392	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)	\$259,000	\$477,750	\$642,978	\$1,873,932	\$933,096	N/A	N/A
Total Maryland Affordable Housing Trust (MAHT) penalties paid (money to General Fund)	\$597,850	\$12,050	\$13,549	\$7,500	\$5,500	N/A	N/A
Total restitution to MAHT	\$158,455	\$107,523	\$18,098	\$19,148	\$132	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	2014 Act.	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Est.	2020 Est.
Number of examinations initiated	14	16	14	6	14	13	13
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.

<b>Performance Measures</b>	<b>2014 Act.</b>	<b>2015 Act.</b>	<b>2016 Act.</b>	<b>2017 Act.</b>	<b>2018 Act.</b>	<b>2019 Est.</b>	<b>2020 Est.</b>
Percentage of opened referrals investigated and referred for criminal prosecution	45%	60%	72%	61%	72%	70%	70%
Percentage of opened referrals investigated and charged	71%	52%	87%	90%	86%	90%	90%
Total restitution ordered for criminal prosecution (returned to Maryland insurers)	N/A	\$44,735	\$94,765	\$585,093	\$492,440	N/A	N/A
Total restitution ordered for civil prosecution (returned to Maryland insurers)	N/A	\$21,715	\$70,590	\$80,527	\$59,525	N/A	N/A
Total penalties paid from civil and criminal fraud investigations (money to general fund)	N/A	N/A	\$228,600	\$277,313	\$551,965	N/A	N/A
Total penalties assessed (paid to General Fund)	\$3,422,462	\$2,443,128	\$1,849,768	\$2,776,030	\$1,906,512	N/A	N/A

## Maryland Insurance Administration

### Summary of Maryland Insurance Administration

	<b>2018 Actual</b>	<b>2019 Appropriation</b>	<b>2020 Allowance</b>
Number of Authorized Positions	257.00	259.00	259.00
Number of Contractual Positions	18.19	19.60	20.10
Salaries, Wages and Fringe Benefits	23,754,085	24,643,117	24,484,338
Technical and Special Fees	1,083,091	1,062,707	1,080,076
Operating Expenses	5,400,472	7,119,244	6,716,601
Special Fund Expenditure	29,582,213	32,099,560	32,060,843
Federal Fund Expenditure	655,435	725,508	220,172
Total Expenditure	<u>30,237,648</u>	<u>32,825,068</u>	<u>32,281,015</u>

## 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

	2018 Actual	2019 Appropriation	2020 Allowance
Number of Authorized Positions	257.00	259.00	259.00
Number of Contractual Positions	18.19	19.60	20.10
<b>01 Salaries, Wages and Fringe Benefits</b>	<b>23,754,085</b>	<b>24,643,117</b>	<b>24,484,338</b>
<b>02 Technical and Special Fees</b>	<b>1,083,091</b>	<b>1,062,707</b>	<b>1,080,076</b>
<b>03 Communications</b>	<b>239,813</b>	<b>298,319</b>	<b>277,758</b>
<b>04 Travel</b>	<b>237,367</b>	<b>300,101</b>	<b>298,362</b>
<b>07 Motor Vehicle Operation and Maintenance</b>	<b>211,981</b>	<b>190,036</b>	<b>191,947</b>
<b>08 Contractual Services</b>	<b>1,757,680</b>	<b>3,102,463</b>	<b>3,064,919</b>
<b>09 Supplies and Materials</b>	<b>282,102</b>	<b>251,303</b>	<b>265,730</b>
<b>10 Equipment - Replacement</b>	<b>24,468</b>	<b>218,096</b>	<b>218,752</b>
<b>11 Equipment - Additional</b>	<b>50,924</b>	<b>21,202</b>	<b>1,402</b>
<b>12 Grants, Subsidies, and Contributions</b>	<b>725,951</b>	<b>584,699</b>	<b>594,133</b>
<b>13 Fixed Charges</b>	<b>1,790,851</b>	<b>1,798,025</b>	<b>1,803,598</b>
Total Operating Expenses	<u>5,321,137</u>	<u>6,764,244</u>	<u>6,716,601</u>
Total Expenditure	<u>30,158,313</u>	<u>32,470,068</u>	<u>32,281,015</u>
Special Fund Expenditure	29,502,878	31,744,560	32,060,843
Federal Fund Expenditure	655,435	725,508	220,172
Total Expenditure	<u>30,158,313</u>	<u>32,470,068</u>	<u>32,281,015</u>
<b>Special Fund Expenditure</b>			
D80304 Health Care Regulatory Fund	1,633,784	1,488,140	0
D80305 Insurance Regulation Fund	27,869,094	30,256,420	32,060,843
Total	<u>29,502,878</u>	<u>31,744,560</u>	<u>32,060,843</u>
<b>Federal Fund Expenditure</b>			
93.511 Affordable Care Act Grants to States for Health Insurance Premium Review	558,329	611,155	0
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	97,106	114,353	220,172
Total	<u>655,435</u>	<u>725,508</u>	<u>220,172</u>

## 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

		2018 Actual	2019 Appropriation	2020 Allowance
08	Contractual Services	79,335	355,000	0
	Total Operating Expenses	79,335	355,000	0
	Total Expenditure	<u>79,335</u>	<u>355,000</u>	<u>0</u>
	Special Fund Expenditure	79,335	355,000	0
	Total Expenditure	<u>79,335</u>	<u>355,000</u>	<u>0</u>
<b>Special Fund Expenditure</b>				
D80305	Insurance Regulation Fund	79,335	355,000	0
	Total	<u>79,335</u>	<u>355,000</u>	<u>0</u>

### 3 Year Position Summary

Classification Title	FY 2018 Positions	FY 2018 Expenditures	FY 2019 Positions	FY 2019 Appropriation	FY 2020 Positions	FY 2020 Allowance
<b>D80 - Maryland Insurance Administration</b>						
<b>D80Z0101 - Administration and Operations</b>						
Accountant II	0.00	17,670	0.00	0	1.00	53,483
Admin Aide	3.00	139,503	3.00	130,324	3.00	142,292
Admin Officer I	1.00	0	1.00	47,935	0.00	0
Admin Spec II	2.00	78,765	2.00	69,454	3.00	109,295
Agency Procurement Spec II	1.00	65,827	1.00	65,827	1.00	67,144
Asst Attorney General VI	6.50	636,425	6.50	637,526	7.00	690,788
Asst Attorney General VII	3.50	361,433	3.50	361,432	3.00	285,957
Computer Info Services Spec II	1.00	107,883	1.00	65,827	2.00	110,041
Computer Info Services Spec Supv	0.00	75,012	0.00	0	1.00	76,513
Computer Network Spec II	0.00	29,263	0.00	0	2.00	108,659
Computer Network Spec Lead	1.00	61,301	1.00	61,301	1.00	62,528
Data Entry Operator II	0.00	31,931	0.00	0	1.00	32,570
Database Specialist II	0.00	1,743	0.00	0	0.00	0
Designated Admin Mgr Senior III	0.00	123,792	0.00	0	1.00	126,268
Div Dir Ofc Atty General	1.00	134,749	1.00	134,749	0.00	0
Exec Assoc I	1.00	51,052	1.00	51,051	1.00	52,073
Exec Assoc III	0.00	73,594	0.00	0	1.00	75,065
Fiscal Accounts Technician I	3.00	116,546	3.00	129,454	1.00	31,082
Fiscal Accounts Technician II	1.00	54,095	1.00	40,792	3.00	135,051
Fiscal Accounts Technician Supv	1.00	51,612	1.00	51,612	1.00	52,645
Fiscal Services Admin II	0.00	77,699	0.00	0	1.00	79,253
HR Administrator I	0.00	14,699	0.00	0	1.00	81,680
HR Officer II	0.00	59,232	0.00	0	0.00	0
IT Asst Director II	1.00	97,203	1.00	97,203	1.00	99,148
IT Systems Technical Spec	0.00	100,628	0.00	0	2.00	124,916
Management Associate	2.00	107,275	2.00	107,274	2.00	109,421
MIA Administrator I	19.00	825,930	19.00	1,197,323	14.00	893,305
MIA Administrator II	17.00	1,106,729	17.00	1,137,974	17.00	1,078,921
MIA Administrator III	12.00	830,833	12.00	902,761	13.00	947,072
MIA Administrator IV	15.00	758,340	15.00	1,142,753	9.00	678,655
MIA Administrator V	12.00	728,742	12.00	879,854	11.00	931,369
MIA Analyst I	39.00	1,969,447	39.00	2,062,027	39.00	2,067,071
MIA Analyst II	31.00	1,662,007	33.00	1,855,067	38.50	2,074,976
MIA Associate I	1.00	36,102	1.00	36,826	0.00	0
MIA Associate II	1.00	29,243	1.00	32,741	0.00	0
MIA Associate III	2.00	35,423	2.00	72,776	2.00	72,915
MIA Associate IV	2.00	80,331	2.00	80,330	2.00	73,906
MIA Associate V	10.00	345,934	10.00	437,768	7.00	300,121
MIA Associate VI	5.00	274,726	5.00	206,002	9.00	371,157
MIA Chief Actuary	1.00	142,646	1.00	114,874	1.00	145,499
MIA Deputy Ins Comm	1.00	142,646	1.00	106,773	1.00	145,499
MIA Executive I	6.00	462,893	6.00	546,780	6.00	537,548
MIA Executive II	8.00	523,643	8.00	808,552	6.00	532,419
MIA Executive III	1.00	111,612	1.00	103,413	1.00	113,845
MIA Executive IV	11.00	931,697	11.00	1,274,142	8.00	957,570
MIA Executive V	3.00	776,712	3.00	394,142	5.50	731,778
MIA Insurance Commissioner	1.00	160,534	1.00	133,069	1.00	163,561
MIA Officer I	10.00	407,733	10.00	479,203	9.00	443,584

### 3 Year Position Summary

Classification Title	FY 2018 Positions	FY 2018 Expenditures	FY 2019 Positions	FY 2019 Appropriation	FY 2020 Positions	FY 2020 Allowance
MIA Officer II	14.00	619,864	14.00	671,062	13.00	622,278
Office Secy I	1.00	6,123	1.00	35,158	1.00	27,589
Office Secy II	1.00	56,323	1.00	35,423	2.00	69,728
Office Secy III	2.00	87,223	2.00	87,222	2.00	77,996
Office Services Clerk	1.00	35,159	1.00	35,158	1.00	35,862
Principal Counsel	1.00	119,143	1.00	119,142	0.00	0
<b>Total D80Z0101</b>	<b>257.00</b>	<b>15,936,670</b>	<b>259.00</b>	<b>17,040,076</b>	<b>259.00</b>	<b>16,800,096</b>