

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	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Act.	2022 Est.	2023 Est.
Total form filings received (Life & Health, Property & Casualty)	28,216	10,030	10,223	10,297	11,261	10,366	10,462
Percent of total form filings reviewed within established guidelines	48.5%	95.5%	97.7%	99.0%	96.8%	95.8%	95.7%

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	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Act.	2022 Est.	2023 Est.
Life & Health medical necessity complaints resolved	973	1,120	859	854	791	850	900
Life & Health medical necessity complaints resolved in 60 days	97.0%	98.0%	100.0%	100.0%	99.1%	98.0%	98.0%
Life & Health non-medical necessity complaints resolved	3,990	3,295	2,570	2,720	2,058	2,100	2,100
Life & Health non-medical necessity complaints resolved within 90 days	87.5%	86.2%	84.9%	80.5%	83.4%	85.0%	85.0%
Property and Casualty complaints received	8,059	7,324	7,205	5,966	4,584	5,918	5,489
Percent of Property and Casualty complaints resolved within 90 days	79.6%	81.0%	74.8%	85.5%	77.2%	79.1%	80.6%

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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	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Act.	2022 Est.	2023 Est.
Percent of remediation orders/penalties issued against Life and Health insurance companies examined	86%	67%	40%	80%	100%	75%	75%
Total restitution from Life and Health market conduct examinations and L&H producer enforcement investigations (money returned to Maryland citizens)	\$387,155	\$28,795	\$58,125	\$161,820	\$560,894	\$240,000	\$240,000
Total penalties paid from Life and Health market conduct examinations and L&H producer enforcement investigations (money to General Fund)	\$617,285	\$415,951	\$1,233,660	\$1,490,801	\$297,316	\$811,000	\$811,000
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)	\$8,376,308	\$5,135,392	\$864,707	\$458,426	\$8,044,381	\$4,500,000	\$4,500,000
Total penalties paid from Property and Casualty market conduct examinations and P&C producer enforcement investigations excluding MAHT (money to General Fund)	\$1,873,932	\$933,096	\$356,770	\$384,862	\$282,350	\$766,000	\$766,000
Total Maryland Affordable Housing Trust (MAHT) penalties paid (money to General Fund)	\$7,500	\$5,500	\$5,000	\$3,000	\$0	\$0	\$0
Total restitution to MAHT	\$19,148	\$132	\$612	\$0	\$0	\$0	\$0

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	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Act.	2022 Est.	2023 Est.
Number of examinations initiated	6	14	15	19	12	8	9
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	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Act.	2022 Est.	2023 Est.
Percentage of opened referrals investigated and referred for criminal prosecution	61%	72%	74%	35%	67%	67%	67%
Percentage of opened referrals investigated and charged	90%	86%	40%	30%	49%	49%	49%
Total restitution ordered for criminal prosecution (returned to Maryland insurers)	\$585,093	\$492,440	\$168,673	\$43,447	\$95,992	\$95,992	\$95,992
Total restitution ordered for civil prosecution (returned to Maryland insurers)	\$80,527	\$59,525	\$56,310	\$28,836	\$33,700	\$33,700	\$33,700
Total penalties paid from civil and criminal fraud investigations (money to general fund)	\$277,313	\$116,187	\$117,590	\$72,283	\$551,000	\$551,000	\$551,000
Total penalties assessed (paid to General Fund)	\$2,776,030	\$1,470,734	\$1,713,020	\$1,950,946	\$1,130,666	\$2,128,000	\$2,128,000

Maryland Insurance Administration

Summary of Maryland Insurance Administration

	2021 Actual	2022 Appropriation	2023 Allowance
Number of Authorized Positions	259.00	259.00	259.00
Number of Contractual Positions	21.40	19.60	19.60
Salaries, Wages and Fringe Benefits	21,669,854	26,539,743	26,855,644
Technical and Special Fees	1,275,822	899,513	894,691
Operating Expenses	5,594,990	6,213,758	7,373,864
Special Fund Expenditure	28,418,179	33,653,014	35,124,199
Federal Fund Expenditure	122,487	0	0
Total Expenditure	<u>28,540,666</u>	<u>33,653,014</u>	<u>35,124,199</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

	2021 Actual	2022 Appropriation	2023 Allowance
Number of Authorized Positions	259.00	259.00	259.00
Number of Contractual Positions	21.40	19.60	19.60
01 Salaries, Wages and Fringe Benefits	21,669,854	26,539,743	26,855,644
02 Technical and Special Fees	1,275,822	899,513	894,691
03 Communications	260,061	264,951	264,951
04 Travel	17,390	248,463	264,463
07 Motor Vehicle Operation and Maintenance	199,950	190,019	189,429
08 Contractual Services	2,478,530	2,663,257	3,762,527
09 Supplies and Materials	212,418	263,994	263,994
10 Equipment - Replacement	39,704	41,618	41,618
11 Equipment - Additional	0	1,650	1,650
12 Grants, Subsidies, and Contributions	603,753	590,714	590,714
13 Fixed Charges	1,718,363	1,831,092	1,834,518
Total Operating Expenses	5,530,169	6,095,758	7,213,864
Total Expenditure	28,475,845	33,535,014	34,964,199
Special Fund Expenditure	28,353,358	33,535,014	34,964,199
Federal Fund Expenditure	122,487	0	0
Total Expenditure	28,475,845	33,535,014	34,964,199
Special Fund Expenditure			
D80305 Insurance Regulation Fund	28,353,358	33,535,014	34,964,199
Total	28,353,358	33,535,014	34,964,199
Federal Fund Expenditure			
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	122,487	0	0
Total	122,487	0	0

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

	2021 Actual	2022 Appropriation	2023 Allowance
08 Contractual Services	0	118,000	160,000
11 Equipment - Additional	64,821	0	0
Total Operating Expenses	<u>64,821</u>	<u>118,000</u>	<u>160,000</u>
Total Expenditure	<u>64,821</u>	<u>118,000</u>	<u>160,000</u>
Special Fund Expenditure	64,821	118,000	160,000
Total Expenditure	<u>64,821</u>	<u>118,000</u>	<u>160,000</u>
Special Fund Expenditure			
D80305 Insurance Regulation Fund	64,821	118,000	160,000
Total	<u>64,821</u>	<u>118,000</u>	<u>160,000</u>

3 Year Position Summary

Classification Title	FY 2021 Positions	FY 2021 Expenditures	FY 2022 Positions	FY 2022 Appropriation	FY 2023 Positions	FY 2023 Allowance
D80 - Maryland Insurance Administration						
D80Z0101 - Administration and Operations						
Accountant II	1.00	57,382	1.00	60,841	1.00	60,841
Admin Aide	3.00	48,175	3.00	108,467	4.00	158,886
Admin Officer I	0.00	0	0.00	0	1.00	44,271
Admin Officer II OAG	0.00	50,652	0.00	0	1.00	58,769
Admin Prog Mgr II	1.00	79,638	2.00	142,162	2.00	142,162
Admin Spec II	2.00	72,210	2.00	72,934	2.00	72,934
Admin Spec III	1.00	20,860	1.00	37,410	0.00	0
Administrator I	0.00	75,673	1.00	76,432	1.00	76,432
Administrator III	0.00	86,241	1.00	87,106	1.00	87,106
Asst Attorney General VI	7.00	643,824	7.00	760,997	7.00	720,558
Asst Attorney General VII	4.00	442,433	4.00	446,869	4.00	446,869
Computer Info Services Spec II	2.00	116,188	2.00	117,353	3.00	174,390
Computer Info Services Spec Supv	1.00	80,786	1.00	81,596	1.00	81,596
Computer Network Spec II	1.00	64,265	1.00	64,909	1.00	64,909
Computer Network Spec Lead	1.00	11,940	1.00	66,683	1.00	54,279
Data Entry Operator II	1.00	33,452	1.00	33,788	1.00	33,788
Database Specialist II	1.00	81,438	1.00	82,254	1.00	82,254
Designated Admin Mgr III	0.00	102,722	1.00	103,752	1.00	103,752
Designated Admin Mgr IV	1.00	89,001	1.00	89,893	1.00	89,893
Designated Admin Mgr Senior III	1.00	(3,724)	0.00	0	1.00	99,304
Designated Admin Mgr Senior IV	0.00	113,802	1.00	146,573	0.00	0
Div Dir Ofc Atty General	1.00	145,118	1.00	146,573	1.00	146,573
Exec Assoc I	1.00	59,296	1.00	59,890	1.00	59,890
Exec Assoc III	1.00	141,882	2.00	151,438	2.00	151,438
Exec IX	0.00	12,474	0.00	0	1.00	124,955
Fiscal Accounts Technician I	1.00	0	0.00	0	0.00	0
Fiscal Accounts Technician II	2.00	125,309	4.00	167,582	3.00	130,543
Fiscal Accounts Technician Supv	1.00	55,586	1.00	59,890	1.00	59,890
Fiscal Services Admin IV	1.00	95,229	1.00	102,616	1.00	102,616
HR Administrator I	1.00	0	0.00	0	0.00	0
HR Officer II	1.00	66,231	1.00	66,895	1.00	66,895
IT Asst Director II	1.00	104,685	1.00	105,735	1.00	105,735
IT Systems Technical Spec	3.00	264,084	3.00	266,732	3.00	266,732
Legal Secretary	1.00	42,053	1.00	42,053	1.00	42,053
Management Assoc	0.00	0	0.00	0	1.00	57,213
Management Associate	3.00	98,336	3.00	138,696	3.00	138,696
MIA Administrator I	18.00	1,086,998	17.00	1,111,335	18.00	1,175,022
MIA Administrator II	17.00	914,414	16.00	1,088,387	14.00	954,942
MIA Administrator III	9.00	804,629	10.00	833,156	10.00	833,156
MIA Administrator IV	15.00	934,483	15.00	1,192,226	14.00	1,110,233
MIA Administrator V	10.00	868,758	11.00	961,419	10.00	895,562
MIA Analyst I	34.00	939,439	21.00	1,121,362	21.00	1,117,572
MIA Analyst II	32.50	2,565,414	50.50	2,945,575	48.50	2,814,662
MIA Associate I	1.00	38,956	1.00	39,347	1.00	39,347
MIA Associate III	1.00	38,152	1.00	38,534	1.00	38,534
MIA Associate IV	2.00	86,516	2.00	87,383	2.00	87,383
MIA Associate V	7.00	264,120	6.00	276,673	5.00	226,254
MIA Associate VI	6.00	192,507	5.00	245,885	5.00	221,602

3 Year Position Summary

Classification Title	FY 2021 Positions	FY 2021 Expenditures	FY 2022 Positions	FY 2022 Appropriation	FY 2023 Positions	FY 2023 Allowance
MIA Chief Actuary	1.00	155,409	1.00	124,955	1.00	124,955
MIA Deputy Ins Comm	1.00	137,519	1.00	155,163	1.00	155,163
MIA Executive I	5.00	408,389	4.00	374,887	5.00	464,780
MIA Executive II	6.00	471,985	5.00	517,310	5.00	517,310
MIA Executive III	1.00	120,203	1.00	121,408	1.00	121,408
MIA Executive IV	8.50	1,106,600	8.50	1,061,003	8.50	1,038,627
MIA Executive V	5.00	688,149	5.00	711,199	5.00	711,199
MIA Insurance Commissioner	1.00	172,888	1.00	171,011	1.00	171,011
MIA Officer I	8.00	314,770	7.00	363,775	6.00	301,944
MIA Officer II	14.00	500,370	10.00	506,374	12.00	615,065
Office Secy I	1.00	34,302	1.00	34,646	1.00	34,646
Office Secy II	3.00	108,081	3.00	109,163	3.00	109,163
Office Secy III	2.00	87,788	2.00	88,668	2.00	88,668
Office Services Clerk	1.00	0	0.00	0	0.00	0
Principal Counsel	1.00	128,310	1.00	129,597	1.00	129,597
Procurement Officer I	1.00	52,867	1.00	53,397	1.00	53,397
Procurement Officer III	1.00	85,980	1.00	86,842	1.00	86,842
Total D80Z0101	259.00	16,785,237	259.00	18,438,799	259.00	18,344,266