

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	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
Total form filings received (Life & Health, Property & Casualty)	37,023	35,006	28,216	10,030	10,223	10,512	9,912
Percent of total form filings reviewed within established guidelines	58.5%	48.4%	48.5%	95.5%	97.7%	97.2%	97.2%

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	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
Life & Health medical necessity complaints resolved	735	986	973	1,120	859	900	1,000
Life & Health medical necessity complaints resolved in 60 days	92.1%	87.4%	97.0%	98.0%	100.0%	98.0%	98.0%
Life & Health non-medical necessity complaints resolved	3,259	3,089	2,967	3,241	1,956	2,800	2,800
Life & Health non-medical necessity complaints resolved within 90 days	89.7%	85.6%	88.5%	87.3%	79.4%	86.0%	86.0%
Property and Casualty complaints received	17,001	17,177	8,059	7,324	7,205	7,529	7,353
Percent of Property and Casualty complaints resolved within 90 days	55.9%	26.2%	79.6%	81.0%	74.8%	82.0%	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	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
Percent of remediation orders/penalties issued against Life and Health insurance companies examined	77%	88%	86%	67%	40%	64%	57%
Total restitution from Life and Health market conduct examinations and L&H producer enforcement investigations (money returned to Maryland citizens)	\$0	\$101,285	\$387,155	\$28,795	\$58,125	N/A	N/A
Total penalties paid from Life and Health market conduct examinations and L&H producer enforcement investigations (money to General Fund)	\$1,953,328	\$964,641	\$617,285	\$415,951	\$1,233,660	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)	\$303,701	\$1,590,173	\$8,376,308	\$5,135,392	\$864,707	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)	\$477,750	\$642,978	\$1,873,932	\$933,096	\$356,770	N/A	N/A
Total Maryland Affordable Housing Trust (MAHT) penalties paid (money to General Fund)	\$12,050	\$13,549	\$7,500	\$5,500	\$5,000	N/A	N/A
Total restitution to MAHT	\$107,523	\$18,098	\$19,148	\$132	\$612	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	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
Number of examinations initiated	16	14	6	14	15	18	12
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	2015 Act.	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Est.	2021 Est.
Percentage of opened referrals investigated and referred for criminal prosecution	60%	72%	61%	72%	74%	74%	74%
Percentage of opened referrals investigated and charged	52%	87%	90%	86%	40%	75%	75%
Total restitution ordered for criminal prosecution (returned to Maryland insurers)	\$44,735	\$94,765	\$585,093	\$492,440	\$168,673	N/A	N/A
Total restitution ordered for civil prosecution (returned to Maryland insurers)	\$21,715	\$70,590	\$80,527	\$59,525	\$56,310	N/A	N/A
Total penalties paid from civil and criminal fraud investigations (money to general fund)	N/A	\$228,600	\$277,313	\$116,187	\$117,590	N/A	N/A
Total penalties assessed (paid to General Fund)	\$2,443,128	\$1,849,768	\$2,776,030	\$1,470,734	\$1,713,020	N/A	N/A

Maryland Insurance Administration

Summary of Maryland Insurance Administration

	2019 Actual	2020 Appropriation	2021 Allowance
Number of Authorized Positions	259.00	259.00	259.00
Number of Contractual Positions	16.21	20.10	19.60
Salaries, Wages and Fringe Benefits	24,335,415	25,152,538	25,921,993
Technical and Special Fees	900,621	1,080,076	1,011,169
Operating Expenses	5,707,944	6,715,295	8,518,601
Special Fund Expenditure	30,741,256	32,724,782	35,169,373
Federal Fund Expenditure	202,724	223,127	282,390
Total Expenditure	<u>30,943,980</u>	<u>32,947,909</u>	<u>35,451,763</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

	2019 Actual	2020 Appropriation	2021 Allowance
Number of Authorized Positions	259.00	259.00	259.00
Number of Contractual Positions	16.21	20.10	19.60
01 Salaries, Wages and Fringe Benefits	24,335,415	25,152,538	25,921,993
02 Technical and Special Fees	900,621	1,080,076	1,011,169
03 Communications	261,906	277,758	264,951
04 Travel	201,624	298,362	248,463
07 Motor Vehicle Operation and Maintenance	166,945	191,947	217,019
08 Contractual Services	2,067,701	3,063,613	3,068,025
09 Supplies and Materials	228,776	265,730	263,994
10 Equipment - Replacement	33,389	218,752	32,693
11 Equipment - Additional	132,714	1,402	1,650
12 Grants, Subsidies, and Contributions	590,714	594,133	590,714
13 Fixed Charges	1,815,778	1,803,598	1,831,092
Total Operating Expenses	<u>5,499,547</u>	<u>6,715,295</u>	<u>6,518,601</u>
Total Expenditure	<u>30,735,583</u>	<u>32,947,909</u>	<u>33,451,763</u>
Special Fund Expenditure	30,532,859	32,724,782	33,169,373
Federal Fund Expenditure	<u>202,724</u>	<u>223,127</u>	<u>282,390</u>
Total Expenditure	<u>30,735,583</u>	<u>32,947,909</u>	<u>33,451,763</u>
Special Fund Expenditure			
D80304 Health Care Regulatory Fund	1,477,336	0	0
D80305 Insurance Regulation Fund	<u>29,055,523</u>	<u>32,724,782</u>	<u>33,169,373</u>
Total	<u>30,532,859</u>	<u>32,724,782</u>	<u>33,169,373</u>
Federal Fund Expenditure			
93.511 Affordable Care Act Grants to States for Health Insurance Premium Review	156,157	0	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	<u>46,567</u>	<u>223,127</u>	<u>282,390</u>
Total	<u>202,724</u>	<u>223,127</u>	<u>282,390</u>

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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	2019 Actual	2020 Appropriation	2021 Allowance
04 Travel	6,000	0	0
08 Contractual Services	202,397	0	2,000,000
Total Operating Expenses	208,397	0	2,000,000
Total Expenditure	208,397	0	2,000,000
Special Fund Expenditure	208,397	0	2,000,000
Total Expenditure	208,397	0	2,000,000
Special Fund Expenditure			
D80305 Insurance Regulation Fund	208,397	0	2,000,000
Total	208,397	0	2,000,000

3 Year Position Summary

Classification Title	FY 2019 Positions	FY 2019 Expenditures	FY 2020 Positions	FY 2020 Appropriation	FY 2021 Positions	FY 2021 Allowance
D80 - Maryland Insurance Administration						
D80Z0101 - Administration and Operations						
Accountant II	0.00	53,023	1.00	55,364	1.00	55,364
Admin Aide	3.00	128,717	3.00	147,296	3.00	141,425
Admin Officer I	1.00	0	0.00	0	0.00	0
Admin Prog Mgr II	0.00	0	0.00	0	1.00	69,650
Admin Spec II	2.00	89,902	3.00	113,140	2.00	70,842
Admin Spec III	0.00	0	0.00	0	1.00	45,835
Agency Procurement Spec II	1.00	39,585	0.00	0	0.00	0
Agency Procurement Spec Supv	0.00	45,773	0.00	0	0.00	0
Asst Attorney General VI	6.50	627,046	7.00	715,078	7.00	738,684
Asst Attorney General VII	3.50	365,491	3.00	296,011	4.00	433,767
Computer Info Services Spec II	1.00	109,094	2.00	113,911	2.00	113,911
Computer Info Services Spec Supv	0.00	75,855	1.00	79,203	1.00	79,203
Computer Network Spec II	0.00	60,341	2.00	112,481	1.00	63,005
Computer Network Spec Lead	1.00	53,508	1.00	64,727	1.00	64,727
Data Entry Operator II	0.00	22,111	1.00	33,715	1.00	31,981
Database Specialist II	0.00	43,941	0.00	0	1.00	79,842
Designated Admin Mgr IV	0.00	15,783	0.00	0	1.00	87,257
Designated Admin Mgr Senior III	0.00	69,050	1.00	130,707	1.00	96,392
Div Dir Ofc Atty General	1.00	136,262	0.00	0	1.00	142,276
Exec Assoc I	1.00	51,625	1.00	53,905	1.00	58,133
Exec Assoc III	0.00	74,420	1.00	77,705	1.00	77,705
Fiscal Accounts Technician I	3.00	51,505	1.00	32,176	1.00	41,982
Fiscal Accounts Technician II	1.00	96,557	3.00	139,802	2.00	86,144
Fiscal Accounts Technician Supv	1.00	51,177	1.00	54,497	1.00	54,497
Fiscal Services Admin II	0.00	69,633	1.00	82,040	0.00	0
Fiscal Services Admin III	0.00	15,832	0.00	0	0.00	0
Fiscal Services Admin IV	0.00	0	0.00	0	1.00	93,364
HR Administrator I	0.00	80,977	1.00	84,552	1.00	84,552
HR Officer II	0.00	26,518	0.00	0	1.00	64,933
IT Asst Director II	1.00	98,295	1.00	102,634	1.00	102,634
IT Systems Technical Spec	0.00	114,050	2.00	129,309	3.00	258,909
Legal Secretary	0.00	0	0.00	0	1.00	32,176
Management Associate	2.00	108,480	2.00	113,269	3.00	151,870
MIA Administrator I	19.00	965,545	13.00	852,739	18.00	1,164,480
MIA Administrator II	17.00	959,694	17.00	1,116,863	17.00	1,114,148
MIA Administrator III	12.00	853,835	13.00	980,375	9.00	720,231
MIA Administrator IV	15.00	812,686	9.00	702,518	15.00	1,169,432
MIA Administrator V	12.00	709,387	11.00	964,119	10.00	852,996
MIA Analyst I	39.00	1,850,308	39.00	2,139,763	34.00	1,836,550
MIA Analyst II	33.00	1,842,172	38.50	2,147,946	32.50	1,867,499
MIA Associate I	1.00	36,578	0.00	0	1.00	38,193
MIA Associate II	1.00	0	0.00	0	0.00	0
MIA Associate III	2.00	35,821	2.00	75,480	1.00	37,403
MIA Associate IV	2.00	80,479	2.00	76,507	2.00	84,820
MIA Associate V	10.00	279,089	7.00	310,676	7.00	311,899
MIA Associate VI	5.00	385,067	9.00	384,213	6.00	285,348
MIA Chief Actuary	1.00	144,247	1.00	150,621	1.00	150,621
MIA Deputy Ins Comm	1.00	144,247	1.00	150,621	1.00	150,621

3 Year Position Summary

Classification Title	FY 2019 Positions	FY 2019 Expenditures	FY 2020 Positions	FY 2020 Appropriation	FY 2021 Positions	FY 2021 Allowance
MIA Executive I	6.00	456,890	6.00	556,451	5.00	477,206
MIA Executive II	8.00	584,508	6.00	551,139	6.00	549,254
MIA Executive III	1.00	112,866	1.00	117,848	1.00	117,848
MIA Executive IV	11.00	907,245	8.00	991,235	8.50	1,016,357
MIA Executive V	3.00	783,298	5.50	757,505	5.00	690,348
MIA Insurance Commissioner	1.00	162,336	1.00	169,318	1.00	169,318
MIA Officer I	10.00	403,006	9.00	459,186	8.00	401,006
MIA Officer II	14.00	432,318	13.00	644,158	14.00	681,069
Office Secy I	1.00	22,394	1.00	28,559	1.00	33,966
Office Secy II	1.00	77,947	2.00	72,182	3.00	102,489
Office Secy III	2.00	81,301	2.00	80,740	2.00	86,928
Office Services Clerk	1.00	35,554	1.00	37,124	1.00	37,124
Principal Counsel	1.00	120,480	0.00	0	1.00	125,797
Procurement Officer I	0.00	0	1.00	74,191	1.00	51,831
Procurement Officer III	0.00	0	1.00	87,533	1.00	84,296
Total D80Z0101	259.00	16,053,849	259.00	17,411,132	259.00	17,830,138