

# 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	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Est.	2022 Est.
Total form filings received (Life & Health, Property & Casualty)	35,006	28,216	10,030	10,223	10,297	9,935	9,898
Percent of total form filings reviewed within established guidelines	48.4%	48.5%	95.5%	97.7%	99.0%	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	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Est.	2022 Est.
Life & Health medical necessity complaints resolved	986	973	1,120	859	854	900	900
Life & Health medical necessity complaints resolved in 60 days	87.4%	97.0%	98.0%	100.0%	100.0%	98.0%	98.0%
Life & Health non-medical necessity complaints resolved	3,477	3,990	3,295	2,570	2,720	2,800	2,800
Life & Health non-medical necessity complaints resolved within 90 days	87.6%	87.5%	86.2%	84.9%	80.5%	86.0%	86.0%
Property and Casualty complaints received	17,177	8,059	7,324	7,205	5,966	6,832	6,667
Percent of Property and Casualty complaints resolved within 90 days	26.2%	79.6%	81.0%	74.8%	85.5%	90.0%	90.0%

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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	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Est.	2022 Est.
Percent of remediation orders/penalties issued against Life and Health insurance companies examined	88%	86%	67%	40%	80%	N/A	N/A
Total restitution from Life and Health market conduct examinations and L&H producer enforcement investigations (money returned to Maryland citizens)	\$101,285	\$387,155	\$28,795	\$58,125	\$161,820	N/A	N/A
Total penalties paid from Life and Health market conduct examinations and L&H producer enforcement investigations (money to General Fund)	\$964,641	\$617,285	\$415,951	\$1,233,660	\$1,490,801	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)	\$1,590,173	\$8,376,308	\$5,135,392	\$864,707	\$458,426	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)	\$642,978	\$1,873,932	\$933,096	\$356,770	\$384,862	N/A	N/A
Total Maryland Affordable Housing Trust (MAHT) penalties paid (money to General Fund)	\$13,549	\$7,500	\$5,500	\$5,000	\$3,000	\$4,500	\$4,167
Total restitution to MAHT	\$18,098	\$19,148	\$132	\$612	\$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	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Est.	2022 Est.
Number of examinations initiated	14	6	14	15	19	11	6
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	2016 Act.	2017 Act.	2018 Act.	2019 Act.	2020 Act.	2021 Est.	2022 Est.
Percentage of opened referrals investigated and referred for criminal prosecution	72%	61%	72%	74%	35%	50%	70%
Percentage of opened referrals investigated and charged	87%	90%	86%	40%	30%	50%	70%
Total restitution ordered for criminal prosecution (returned to Maryland insurers)	\$94,765	\$585,093	\$492,440	\$168,673	\$43,447	\$43,447	\$55,000
Total restitution ordered for civil prosecution (returned to Maryland insurers)	\$70,590	\$80,527	\$59,525	\$56,310	\$28,836	\$28,836	\$45,000
Total penalties paid from civil and criminal fraud investigations (money to general fund)	\$228,600	\$277,313	\$116,187	\$117,590	\$72,283	\$72,283	\$80,000
Total penalties assessed (paid to General Fund)	\$1,849,768	\$2,776,030	\$1,470,734	\$1,713,020	\$1,950,946	\$76,783	\$84,167

### 3 Year Position Summary

Classification Title	FY 2020 Positions	FY 2020 Expenditures	FY 2021 Positions	FY 2021 Appropriation	FY 2022 Positions	FY 2022 Allowance
<b>D80 - Maryland Insurance Administration</b>						
<b>D80Z0101 - Administration and Operations</b>						
Accountant II	1.00	53,023	1.00	55,918	1.00	55,918
Admin Aide	3.00	128,717	3.00	141,425	3.00	106,339
Admin Prog Mgr II	0.00	0	1.00	70,347	2.00	139,373
Admin Spec II	3.00	89,902	2.00	71,551	2.00	71,502
Admin Spec III	0.00	0	1.00	46,294	1.00	36,676
Administrator I	0.00	0	0.00	0	1.00	74,933
Administrator III	0.00	0	0.00	0	1.00	85,398
Agency Procurement Spec II	1.00	39,585	0.00	0	0.00	0
Agency Procurement Spec Supv	1.00	45,773	0.00	0	0.00	0
Asst Attorney General VI	6.00	627,046	7.00	746,074	7.00	746,074
Asst Attorney General VII	3.00	365,491	4.00	438,106	4.00	438,106
Computer Info Services Spec II	2.00	109,094	2.00	115,051	2.00	115,051
Computer Info Services Spec Supv	1.00	75,855	1.00	79,996	1.00	79,996
Computer Network Spec II	2.00	60,341	1.00	63,636	1.00	63,636
Computer Network Spec Lead	1.00	53,508	1.00	65,375	1.00	65,375
Data Entry Operator II	1.00	22,111	1.00	31,981	1.00	33,125
Database Specialist II	1.00	43,941	1.00	80,641	1.00	80,641
Designated Admin Mgr III	0.00	0	0.00	0	1.00	101,717
Designated Admin Mgr IV	0.50	15,783	1.00	88,130	1.00	88,130
Designated Admin Mgr Senior III	1.00	69,050	1.00	97,356	0.00	0
Designated Admin Mgr Senior IV	0.00	0	0.00	0	1.00	143,699
Div Dir Ofc Atty General	1.00	136,262	1.00	143,699	1.00	143,699
Exec Assoc I	1.00	51,625	1.00	58,715	1.00	58,715
Exec Assoc III	1.00	74,420	1.00	78,483	2.00	148,468
Fiscal Accounts Technician I	1.00	51,505	1.00	41,982	0.00	0
Fiscal Accounts Technician II	3.00	96,557	2.00	86,144	4.00	154,492
Fiscal Accounts Technician Supv	1.00	51,177	1.00	55,042	1.00	55,042
Fiscal Services Admin II	1.00	69,633	0.00	0	0.00	0
Fiscal Services Admin III	0.50	15,832	0.00	0	0.00	0
Fiscal Services Admin IV	0.00	0	1.00	94,298	1.00	94,298
HR Administrator I	1.00	80,977	1.00	85,398	0.00	0
HR Officer II	1.00	26,518	1.00	65,583	1.00	65,583
IT Asst Director II	1.00	98,295	1.00	103,661	1.00	103,661
IT Systems Technical Spec	2.00	114,050	3.00	261,500	3.00	261,500
Legal Secretary	0.00	0	1.00	32,176	1.00	41,228
Management Associate	2.00	108,480	3.00	151,870	3.00	135,974
MIA Administrator I	13.00	965,545	18.00	1,164,480	17.00	1,078,737
MIA Administrator II	15.00	959,694	17.00	1,114,148	16.00	1,056,465
MIA Administrator III	13.00	853,835	9.00	715,653	10.00	804,147
MIA Administrator IV	9.00	812,686	15.00	1,163,028	15.00	1,152,459
MIA Administrator V	11.00	709,387	10.00	852,996	11.00	933,223
MIA Analyst I	38.00	1,850,308	34.00	1,836,550	21.00	1,088,471
MIA Analyst II	38.50	1,842,172	32.50	1,868,744	50.50	2,860,434
MIA Associate I	1.00	36,578	1.00	38,193	1.00	38,193
MIA Associate III	2.00	35,821	1.00	37,403	1.00	37,403
MIA Associate IV	2.00	80,479	2.00	85,632	2.00	85,632
MIA Associate V	7.00	279,089	7.00	311,899	6.00	268,557
MIA Associate VI	7.00	385,067	6.00	285,348	5.00	238,672

### 3 Year Position Summary

Classification Title	FY 2020 Positions	FY 2020 Expenditures	FY 2021 Positions	FY 2021 Appropriation	FY 2022 Positions	FY 2022 Allowance
MIA Chief Actuary	1.00	144,247	1.00	152,127	1.00	152,127
MIA Deputy Ins Comm	1.00	144,247	1.00	152,127	1.00	152,121
MIA Executive I	6.00	456,890	5.00	479,040	4.00	363,893
MIA Executive II	6.00	584,508	6.00	549,254	5.00	502,141
MIA Executive III	1.00	112,866	1.00	117,848	1.00	117,848
MIA Executive IV	8.00	907,245	8.50	1,011,867	8.50	1,025,403
MIA Executive V	5.50	783,298	5.00	690,348	5.00	690,348
MIA Insurance Commissioner	1.00	162,336	1.00	171,011	1.00	171,011
MIA Officer I	9.00	403,006	8.00	403,020	7.00	355,118
MIA Officer II	13.00	432,318	14.00	681,069	10.00	491,519
Office Secy I	1.00	22,394	1.00	33,966	1.00	33,966
Office Secy II	2.00	77,947	3.00	102,489	3.00	107,022
Office Secy III	2.00	81,301	2.00	86,928	2.00	86,928
Office Services Clerk	1.00	35,554	1.00	37,124	0.00	0
Principal Counsel	1.00	120,480	1.00	127,055	1.00	127,055
Procurement Officer I	0.00	0	1.00	52,350	1.00	52,350
Procurement Officer III	0.00	0	1.00	85,139	1.00	85,139
<b>Total D80Z0101</b>	<b>259.00</b>	<b>16,053,849</b>	<b>259.00</b>	<b>17,857,268</b>	<b>259.00</b>	<b>17,944,731</b>

## Maryland Insurance Administration

### Summary of Maryland Insurance Administration

	<b>2020 Actual</b>	<b>2021 Appropriation</b>	<b>2022 Allowance</b>
Number of Authorized Positions	259.00	259.00	259.00
Number of Contractual Positions	16.90	19.60	19.60
Salaries, Wages and Fringe Benefits	24,832,638	25,867,959	25,942,571
Technical and Special Fees	919,494	1,008,124	899,513
Operating Expenses	6,184,939	8,518,601	6,213,758
Special Fund Expenditure	31,840,274	35,112,294	33,055,842
Federal Fund Expenditure	80,000	282,390	0
Reimbursable Fund Expenditure	16,797	0	0
Total Expenditure	<u>31,937,071</u>	<u>35,394,684</u>	<u>33,055,842</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.

<b>Appropriation Statement</b>		<b>2020 Actual</b>	<b>2021 Appropriation</b>	<b>2022 Allowance</b>
	Number of Authorized Positions	259.00	259.00	259.00
	Number of Contractual Positions	16.90	19.60	19.60
01	Salaries, Wages and Fringe Benefits	24,832,638	25,867,959	25,942,571
02	Technical and Special Fees	919,494	1,008,124	899,513
03	Communications	158,081	264,951	264,951
04	Travel	141,888	248,463	248,463
07	Motor Vehicle Operation and Maintenance	148,943	217,019	190,019
08	Contractual Services	2,820,081	3,068,025	2,663,257
09	Supplies and Materials	206,667	263,994	263,994
10	Equipment - Replacement	10,471	32,693	41,618
11	Equipment - Additional	188,677	1,650	1,650
12	Grants, Subsidies, and Contributions	751,045	590,714	590,714
13	Fixed Charges	1,759,086	1,831,092	1,831,092
	Total Operating Expenses	6,184,939	6,518,601	6,095,758
	Total Expenditure	31,937,071	33,394,684	32,937,842
	Special Fund Expenditure	31,840,274	33,112,294	32,937,842
	Federal Fund Expenditure	80,000	282,390	0
	Reimbursable Fund Expenditure	16,797	0	0
	Total Expenditure	31,937,071	33,394,684	32,937,842
<b>Special Fund Expenditure</b>				
D80305	Insurance Regulation Fund	31,840,274	33,112,294	32,937,842
	Total	31,840,274	33,112,294	32,937,842
<b>Federal Fund Expenditure</b>				
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	80,000	282,390	0
	Total	80,000	282,390	0
<b>Reimbursable Fund Expenditure</b>				
M00F06	MDH - Office of Preparedness and Response	16,797	0	0
	Total	16,797	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.

<b>Appropriation Statement</b>	<b>2020 Actual</b>	<b>2021 Appropriation</b>	<b>2022 Allowance</b>
08 Contractual Services	0	2,000,000	118,000
Total Operating Expenses	0	2,000,000	118,000
Total Expenditure	0	2,000,000	118,000
Special Fund Expenditure	0	2,000,000	118,000
Total Expenditure	0	2,000,000	118,000
<b>Special Fund Expenditure</b>			
D80305 Insurance Regulation Fund	0	2,000,000	118,000
Total	0	2,000,000	118,000