Department of Commerce and Insurance   **HB Section(s):**   **7.415**

Insurance Examinations

Program is found in the following core budget(s): Insurance Examinations

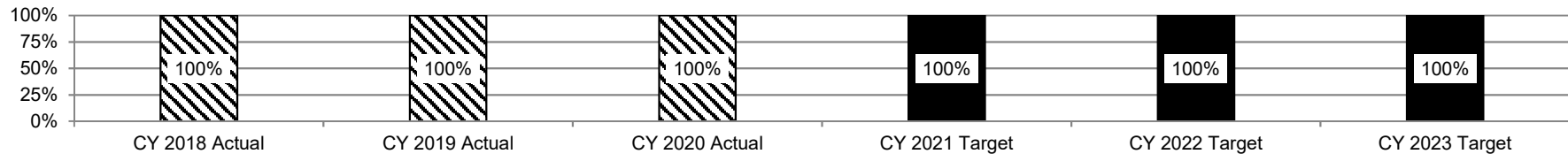**1a. What strategic priority does this program address?**

- Provide help and educate stakeholders so they are better informed problem solvers
- Strengthen our regulatory relationships while ensuring a level playing field to protect and advocate for the general public
- Innovate to make it easier to connect and work with us
- Develop our team, reward great performance, and retain top talent
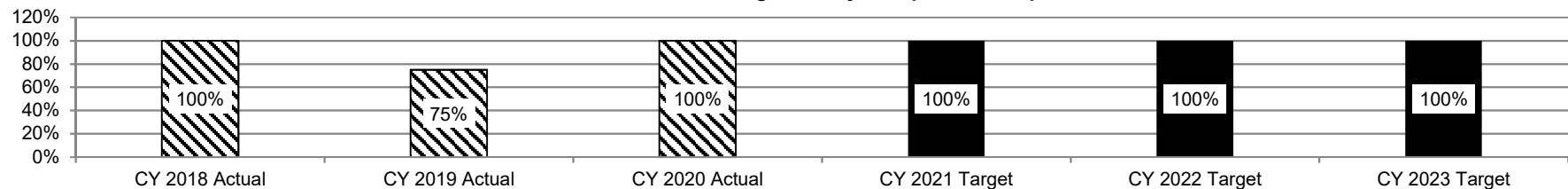
1b. What does this program do?

- Conducts financial examinations of domestic insurance companies as required by law to identify current or prospective risks that could lead to insurer insolvency or non-conformance with Missouri law.
- Performs market conduct examinations of insurance companies operating in Missouri to ensure that policyholders have been treated in accordance with the law and their insurance contracts.

2a. Provide an activity measure(s) for the program.

Percent of Financial Examinations Completed within the Statutory Requirement of 5 Years (§ 374.705 RSMo.)

	CY 2018 Actual	CY 2019 Actual	CY 2020 Actual	CY 2021 Target	CY 2022 Target	CY 2023 Target
	100%	100%	100%	100%	100%	100%

Percent of Financial Examinations of High Priority Companies Completed within 3 Years

	CY 2018 Actual	CY 2019 Actual	CY 2020 Actual	CY 2021 Target	CY 2022 Target	CY 2023 Target
	100%	75%	100%	100%	100%	100%

Note: Companies are considered high priority due to the significance of risk factors present or identified.
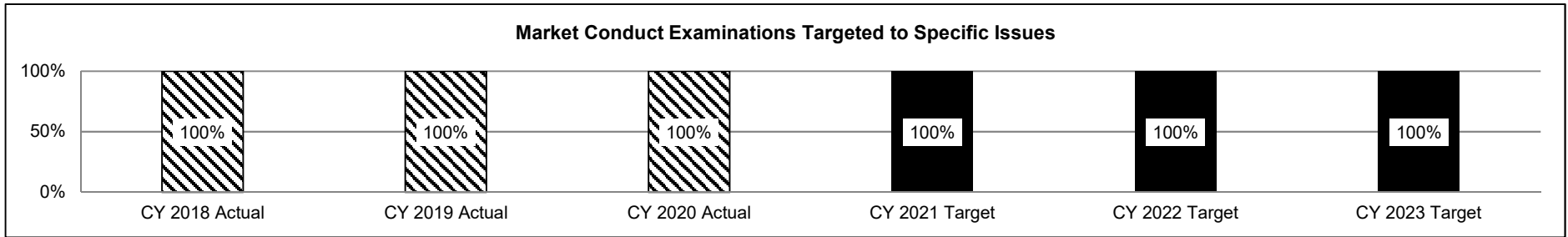
Department of Commerce and Insurance   **HB Section(s):**   **7.415**
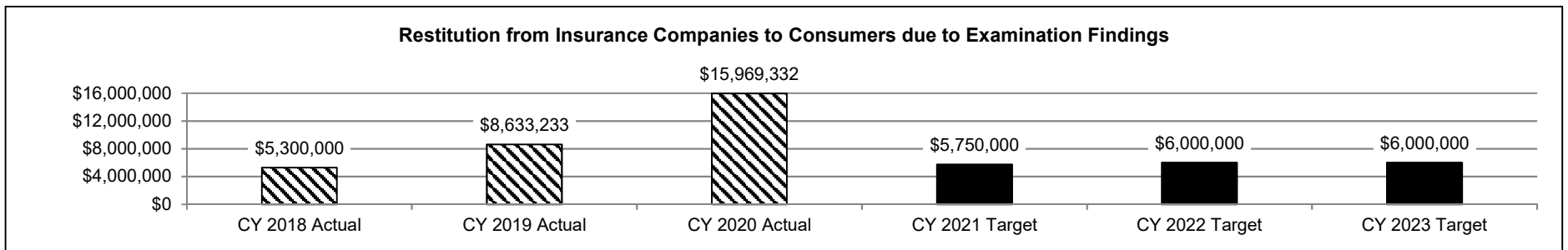
Insurance Examinations

Program is found in the following core budget(s): Insurance Examinations

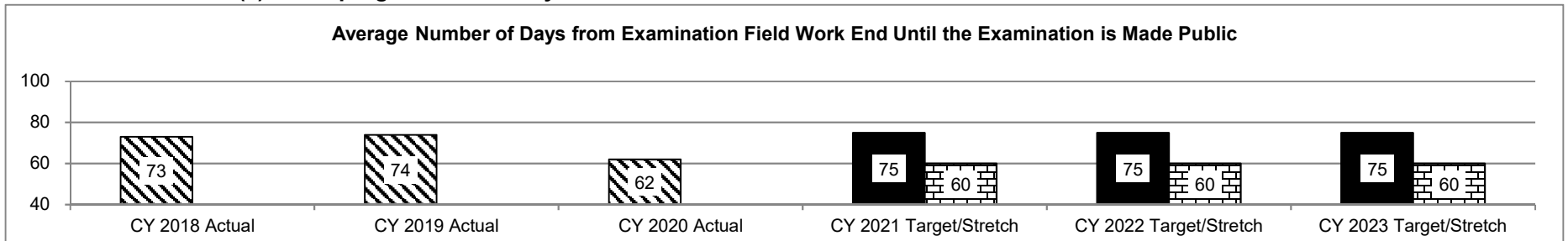**2b. Provide a measure(s) of the program's quality.**

Market Conduct Examinations Targeted to Specific Issues

	CY 2018 Actual	CY 2019 Actual	CY 2020 Actual	CY 2021 Target	CY 2022 Target	CY 2023 Target
	100%	100%	100%	100%	100%	100%

2c. Provide a measure(s) of the program's impact.

Restitution from Insurance Companies to Consumers due to Examination Findings

	CY 2018 Actual	CY 2019 Actual	CY 2020 Actual	CY 2021 Target	CY 2022 Target	CY 2023 Target
	$5,300,000	$8,633,233	$15,969,332	$5,750,000	$6,000,000	$6,000,000

Note: There were several large, multi-state actions that occurred in 2019 as well as a significant industry-wide issue that was addressed. There have also been several large recoveries in 2020 arising from regulatory actions undertaken in 2019. This positively impacted our restitution amounts; however, at this time, we do not anticipate the same level of regulatory activity. That is always subject to change and dependent upon the industry's market behavior.

2d. Provide a measure(s) of the program's efficiency.

Average Number of Days from Examination Field Work End Until the Examination is Made Public

	CY 2018 Actual	CY 2019 Actual	CY 2020 Actual	CY 2021 Target/Stretch	CY 2022 Target/Stretch	CY 2023 Target/Stretch
	73	74	62	75 / 60	75 / 60	75 / 60

PROGRAM DESCRIPTION
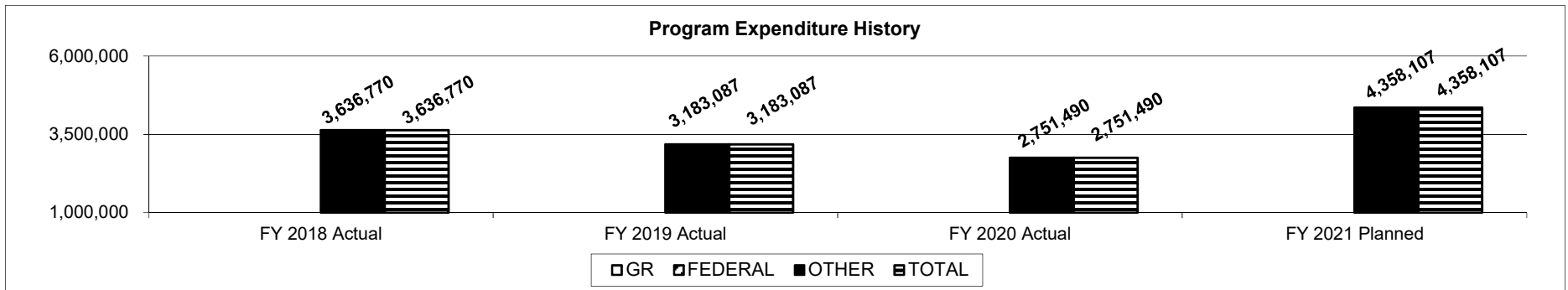
Department of Commerce and Insurance   **HB Section(s):**   **7.415**

Insurance Examinations

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3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (*Note: Amounts do not include fringe benefit costs.*)

Program Expenditure History

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Planned
	3,636,770 3,636,770	3,183,087 3,183,087	2,751,490 2,751,490	4,358,107 4,358,107

☐GR   ☐FEDERAL   ■OTHER   ⊟TOTAL

4. What are the sources of the "Other " funds?
   Insurance Examiners Fund (0552)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)
   State Statute: Chapters 148, 287, 374, 375, 376, 379 and 384 RSMo.

6. Are there federal matching requirements? If yes, please explain.
   N/A

7. Is this a federally mandated program? If yes, please explain.
   No