

PROGRAM DESCRIPTION

Department of Commerce and Insurance

HB Section(s): 7.410

Insurance Operations

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

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?

- Facilitate consumer protection by ensuring insurance companies conduct business according to state law.
- Investigate and mediate complaints against licensees, including agents and insurers to ensure proper handling of insurance transactions and compliance by companies, agents and other licensed entities.
- Maintain Insurance Consumer Hotline (800-726-7390) to answer questions and educate the public and industry on insurance matters.
- Participate in outreach and post-disaster events to provide insurance education and resources and empower Missourians to make informed insurance buying decisions.
- Conducts ongoing analysis of annual and supplemental filings of domestic insurance companies in accordance with NAIC accreditation standards to identify current and developing trends which may lead to insurer insolvency or non-conformance with Missouri law.
- Licenses insurers and insurance related entities to ensure financially sound companies are operating in a Missouri's insurance market.
- Processes and audits premium, surplus lines and captive premium tax filings to ensure the appropriate level of tax is submitted to the state.
- Licenses captive insurance companies used to manage businesses risks and as an economic development tool for the state.
- Reviews insurance policy forms, endorsements, illustrations, marketing materials, underwriting rules and rates to ensure compliance with state insurance law.
- Performs market analysis and investigations of insurance companies operating in this state.
- Licenses insurance producers (agents and agencies) operating within Missouri as well as licenses and registers various other insurance-related entities.

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

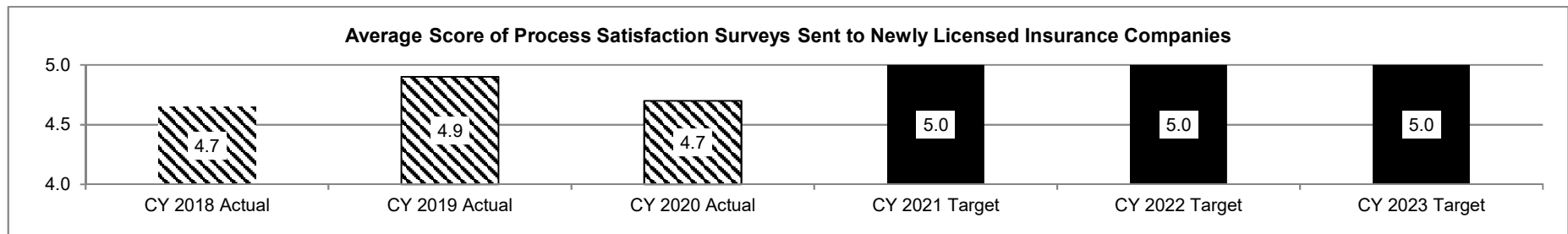
	CY 2018 Actual	CY 2019 Actual	CY 2020 Actual	CY 2021 Target	CY 2022 Target	CY 2023 Target
Consumer Complaints	3,240	3,238	2,952	3,000	3,000	3,000
Agent Investigations	764	878	946	900	900	900
Consumer Phone Calls	16,836	16,183	13,599	17,000	17,000	17,000
Inquiries	2,289	2,007	2,424	3,000	3,000	3,000
Walk-ins*	40	70	7	50	50	50
Outreach Event Public Interactions*	4,000	3,852	1,000	4,000	5,000	5,000
Number of Domestic Companies	230	231	231	231	231	231
Number of Licensed Companies	2,022	2,042	2,061	2,060	2,060	2,060
Number of Surplus Lines Brokers	1,950	2,004	2,092	2,100	2,100	2,100
Insurance Related Entities	884	914	951	925	925	925
Property & Casualty Filings Received	5,761	5,319	5,345	5,300	5,300	5,300
Property & Casualty Insurance Filing Pages Reviewed	714,492	304,847	622,583	317,290	317,290	317,290
Life & Health Filings Received	5,006	4,501	3,968	4,200	4,200	4,200
Life & Health Insurance Filing Pages reviewed**	359,052	643,088	1,751,946	1,400,000	1,400,000	1,400,000

*CY 2020 actual lower numbers are due to the COVID-19 Pandemic.

**The increase in pages for 2021, 2022, and 2023 targets is the result of additional information being filed through SERFF for Medicare supplement rate filings.

The addition of rate data for the public facing Medigap Rate Shopper Tool increased pages numbers significantly and we do not expect this number to decrease in future.

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



Scale: 1 = poor, 2 = needs work, 3 = average, 4 = good, 5 = outstanding.

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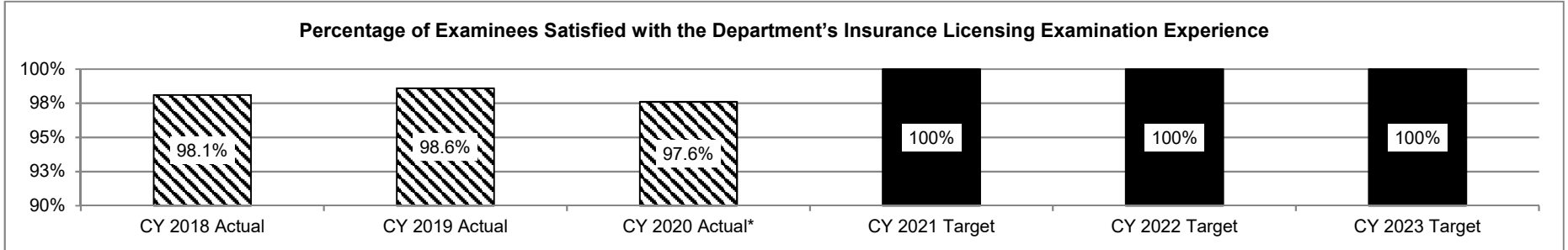
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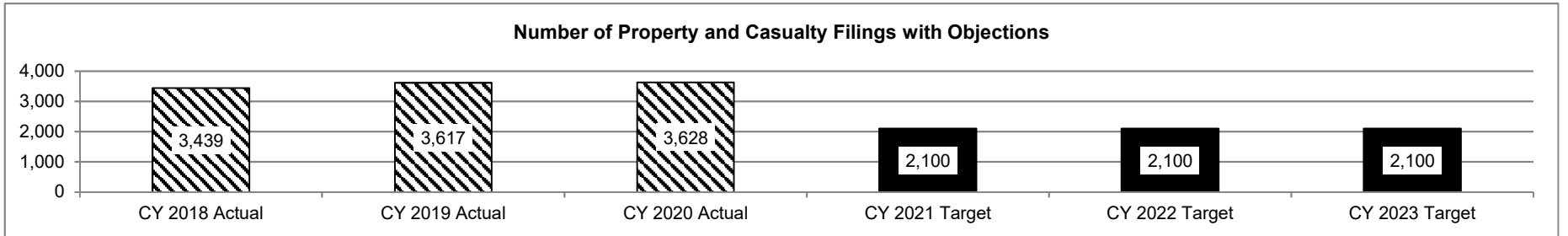
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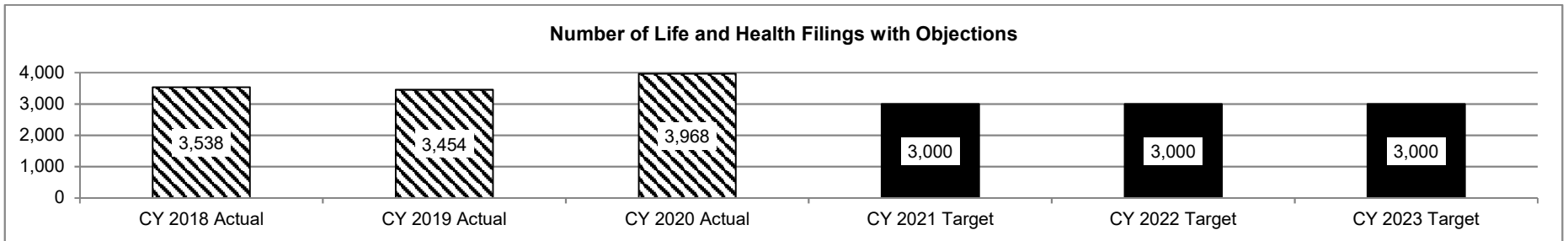
2b. Provide a measure(s) of the program's quality (continued).



*CY 2020 actual lower satisfaction rate is due to the lack of available testing facilities attributed to the COVID-19 Pandemic.



Note: Staff notify insurance companies of compliance questions by sending "Objections," asking the insurance company for more information or to correct the compliance issue.



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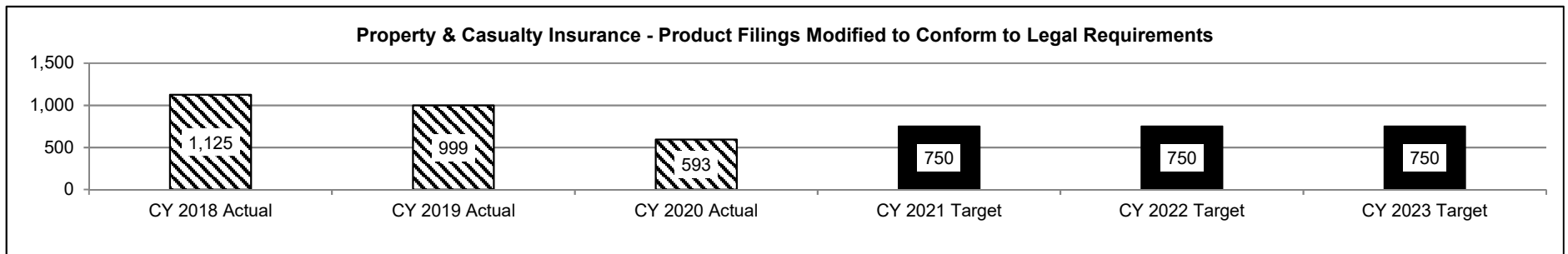
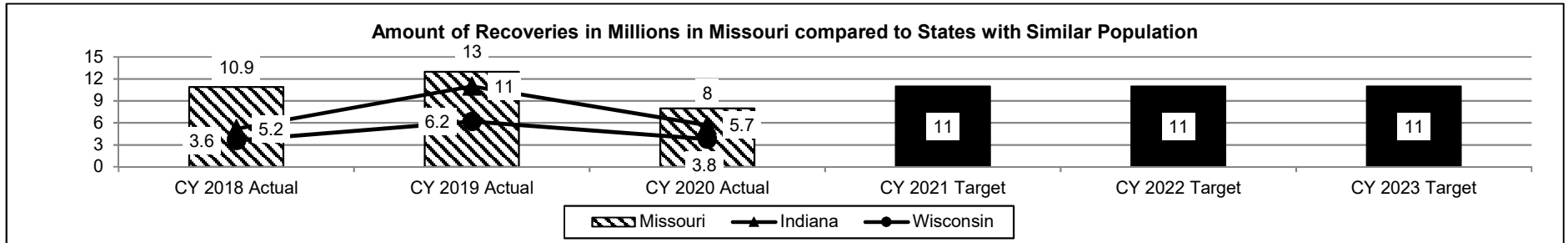
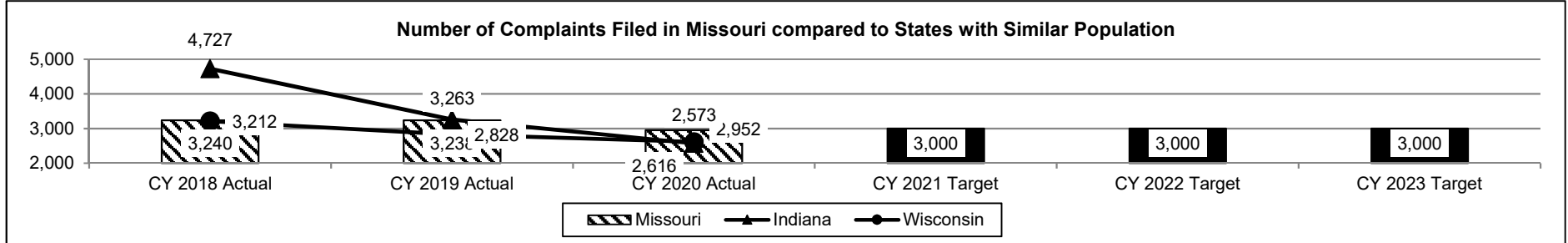
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2c. Provide a measure(s) of the program's impact.



Note: Without the identification and correction of these compliance issues, Missourians would encounter significant problems with their insurance coverage, for example, claims might be denied for services or benefits required under Missouri law.

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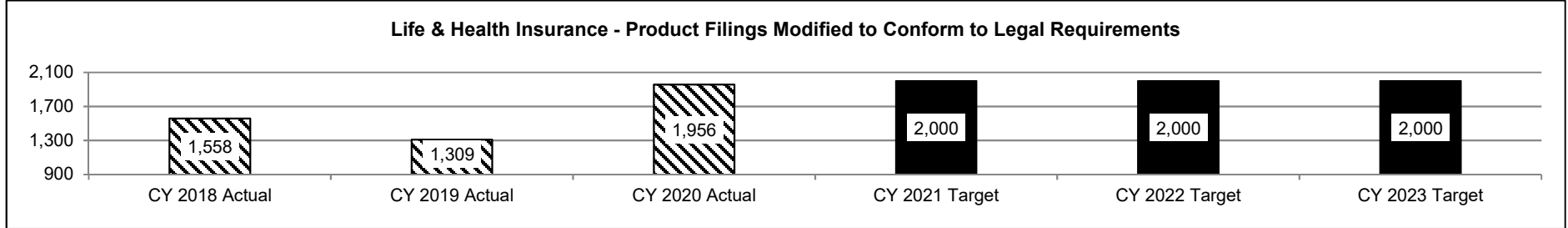
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2c. Provide a measure(s) of the program's impact (continued).

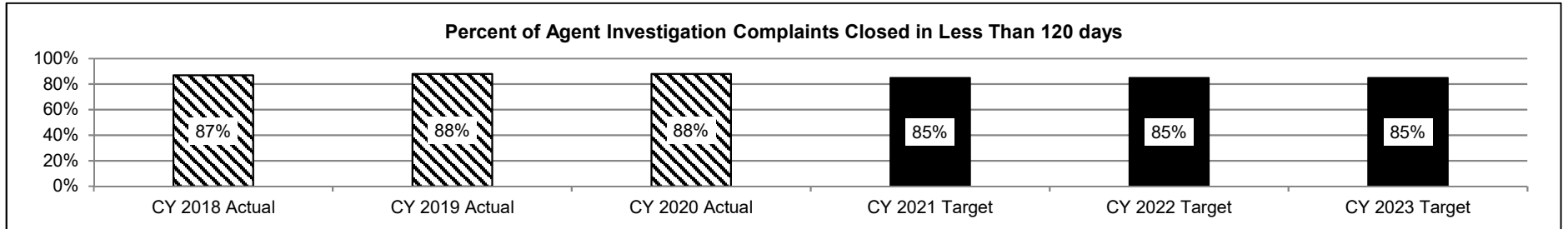


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Tax Revenue Generated from Tax Filings processed by the Department

	CY 2018 Actual	CY 2019 Actual	CY 2020 Actual	CY 2021 Target	CY 2022 Target	CY 2023 Target
Surplus Lines Tax Collected	34.5 mil	36.3 mil	39.3 mil	37.0 mil	38.0 mil	39.0 mil
Premium Tax Collected	334 mil	319.7 mil	303.3 mil	320.0 mil	320.0 mil	320.0 mil
Captive Premium Tax	1.8 mil	1.9 mil	2.0 mil	2.0 mil	2.0 mil	2.0 mil

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



Note: Regulated entities are required to provide a response within 20 days (20 CSR 100-4.100). An investigation of a consumer complaint against an insurer takes an additional 40 days. The Agent Investigations measure of 120 days is based on the fact that agent investigations, which sometimes involve fraud, court records, interview of witnesses, subpoenas, etc. take longer to investigate. One of the primary missions of the department is to mediate complaints in a timely manner while recognizing the importance of a complete investigation and protection of consumers.

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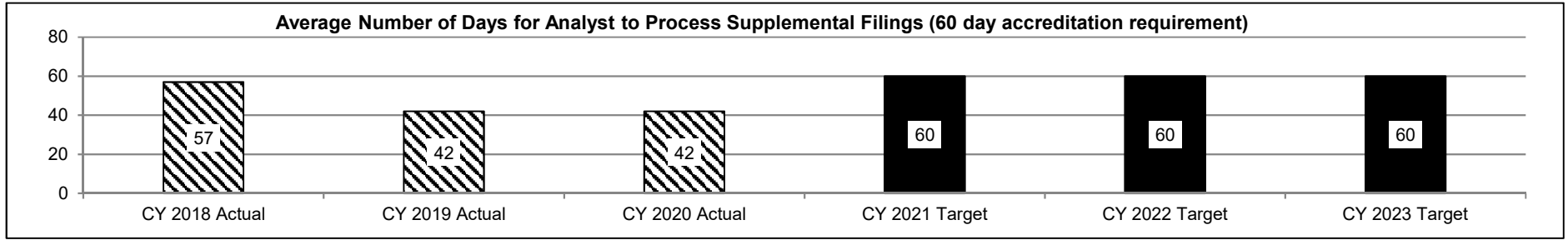
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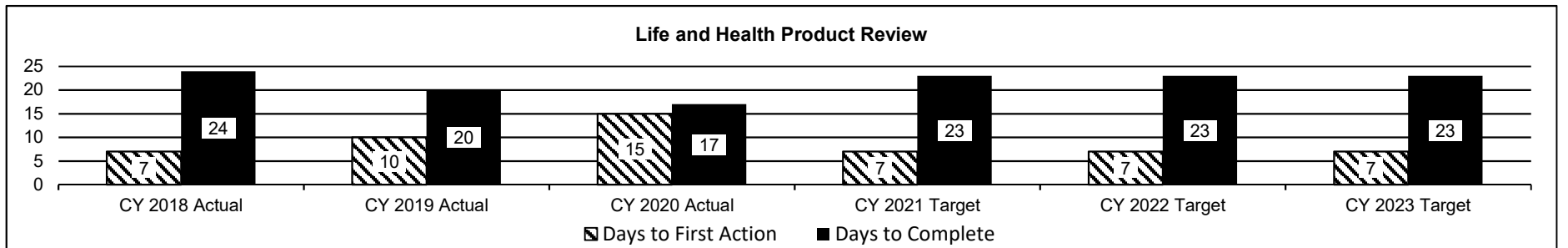
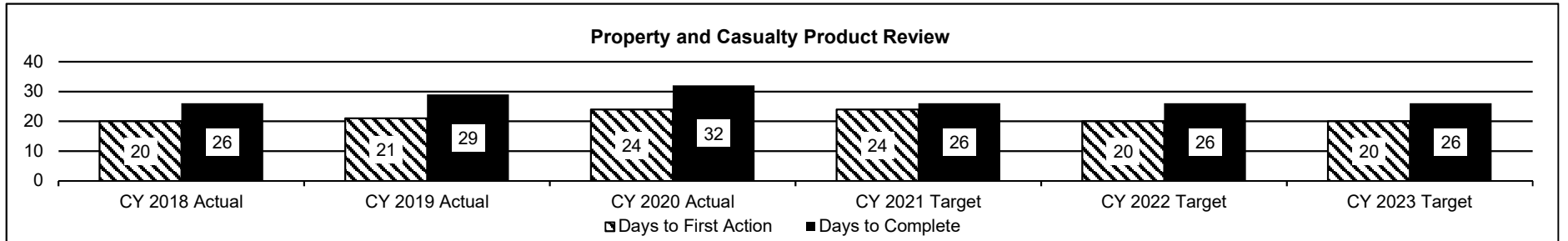
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2d. Provide a measure(s) of the program's efficiency (continued).



Note: The accreditation requirements regarding the review of supplemental filings is 60 days for priority companies and 120 days for non-priority companies; however, we strive to adhere to a 60 day timeframe for all. Supplemental filings include the Management Discussion and Analysis, Audited Financial Reports, and various other exhibits and filings that are related to but due after the submission of the annual statement. It is important that these supplemental filings be adequately and timely reviewed so that issues and risks that may affect an insurance company's solvency can be identified and addressed during our risk-focused analysis process.



Note: There are two measures of efficiency in the insurance product review process. The first is how quickly is the initial review completed, which is measured by "Days to Reviewer's First Action". The second measure is the total review time, from submission to final disposition, called "Days to Complete Compliance Review". The Division looks to the National Association of Insurance Commissioners (NAIC) for a benchmark for this measure, which is 20 calendar days.

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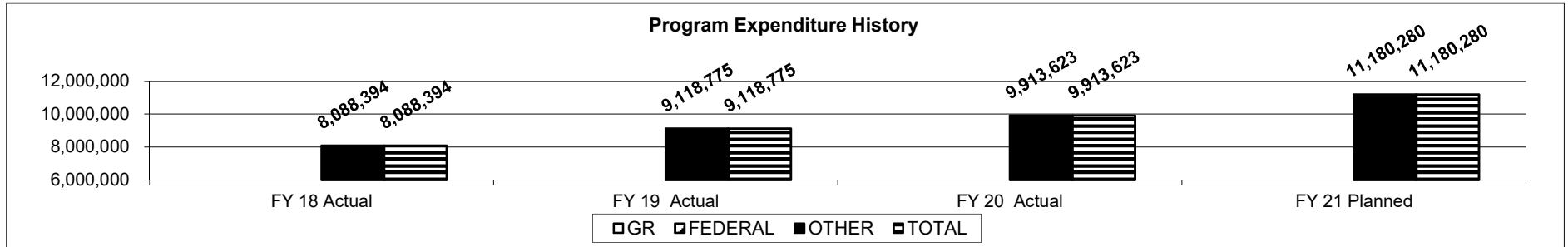
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3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

Insurance Dedicated Fund (0566)

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, 325, 354, 374, 375, 376, 377, 378, 379, 380, 381, 383, 384, 385 and 447 RSMo. and Article IV section 36(b) of the Missouri Constitution.

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

N/A

7. Is this a federally mandated program? If yes, please explain.

No