

# Wyoming Insurance Department

## Agency Strategic Plan

July 1, 2014 - June 30, 2016



July 19, 2013

WYOMING DEPARTMENT OF INSURANCE  
STRATEGIC PLAN  
FY2015-2016

Wyoming Quality of Life Results

Wyoming residents have affordable and accessible health care and insurance.

Wyoming state government is a responsible steward of state assets and effectively responds to the needs of residents and guests.

Agency

Wyoming Department of Insurance

Contributions to Wyoming Quality of Life

The Department contributes to the Wyoming quality of life through a combination of regulation, examination, licensing, enforcement and oversight activities which protect and assist Wyoming citizens with regard to insurance issues and problems.

Basic Department Facts

This agency has 25 employees. The 2013-2014 biennium administrative budget of the Department is \$5,574,586 which includes no state general funds. The 1,100+ insurance companies licensed in Wyoming are each assessed annually an equal amount which funds the Department's budget. The Department also oversees the budgets of the Board of Insurance Agent Examiners (\$12,466 for the 2013-2014 biennium) and the Wyoming Health Insurance Pool (\$23,362,277 for the 2013-2014 biennium). The Wyoming Health Insurance Pool budget includes \$5,760,000 in general fund monies for the 2013-2014 biennium. The Department also oversees the budget of the Wyoming Small Employer Health Reinsurance Plan (\$26,801,280 for the 2013-2014 biennium).

The primary function of the department is regulation of the insurance industry in the state of Wyoming. Emphasis is placed upon providing fair and consistent regulation of insurance in order to assure protection and information regarding insurance issues. This includes:

Consumer Assistance - providing assistance to consumers to assure that state laws are being followed regarding insurance claims and other areas of insurance that consumers may require assistance.

Examination – conducting examinations of domestic insurers, producers (agents), and pre-need funeral and cemetery trust funds to assure financial solvency and compliance with the Wyoming Insurance Code. It is vitally important that the department maintains its accreditation from the National Association of Insurance Commissioners.

Licensing – assuring that insurers, producers and others licensed by the Department meet the minimum standards contained in the Insurance Code.

Enforcement – taking enforcement action when necessary to ensure compliance with the Insurance Code.

Oversight – providing administrative oversight of insurance related programs created under Wyoming law.

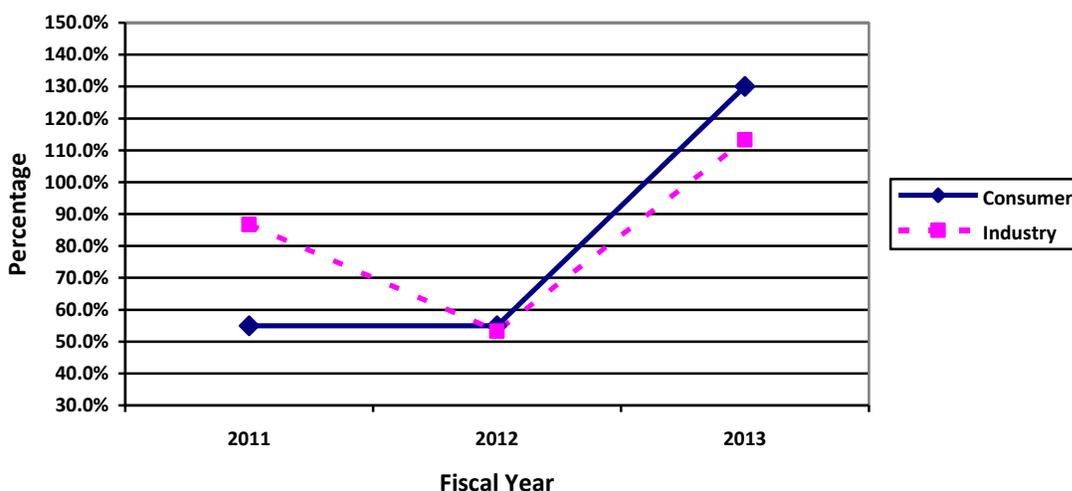
Policy Form Review - reviewing policy forms and filings to assure that insurance companies are following state statutes and regulations before approving the forms and filings for use in the state of Wyoming.

These activities promote a well-regulated insurance market which provides Wyoming citizens and their families with important protections through life, health, homeowner, auto and other types of insurance. These activities benefit all Wyoming citizens in addition to the specific businesses and individuals served by the consumer, licensing, examination and regulatory functions of the Department.

#### Performance Measures

The following performance measures are important to the Department’s work.

**Percentage of targeted 20 outreach contacts with Wyoming consumers and 15 outreach contacts with insurance industry representatives completed**



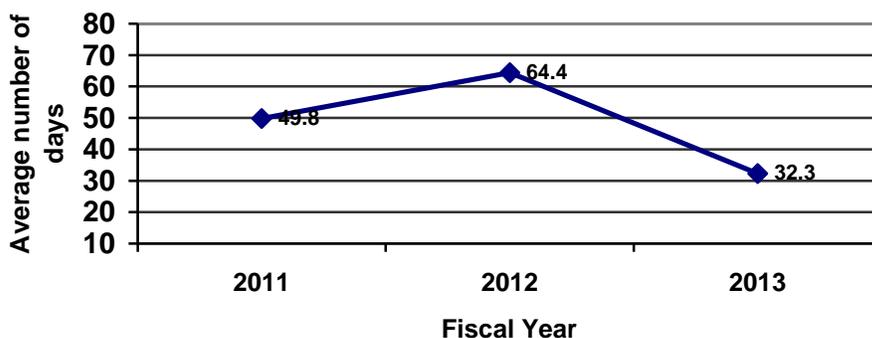
### Story Behind The Performance

The Department believes it should have a minimum of 35 outreach contacts per fiscal year with Wyoming consumers and insurance industry representatives. The Department provides assistance to Wyoming citizens regarding insurance issues and problems. During fiscal year 2013 the Department opened 350 formal complaint files concerning insurance disputes. This represents a drop from the 366 formal complaint files opened in fiscal year 2011. The trend in complaints opened has decreased in recent years. While assistance was provided to Wyoming people who were aware of the Department's services, the Department is concerned that many Wyoming citizens may not be aware they can receive help from the Department's consumer advocates. The Department needs to increase the number of outreach contacts so that more consumers know of, and take advantage of, the Department's services. Our goal is to increase the number of outreach contacts with Wyoming consumers. This outreach will also include insurers, producers and other insurance industry representatives who can refer consumers to the Department for assistance. The Department's previous goal was 24 outreach contacts per fiscal year.

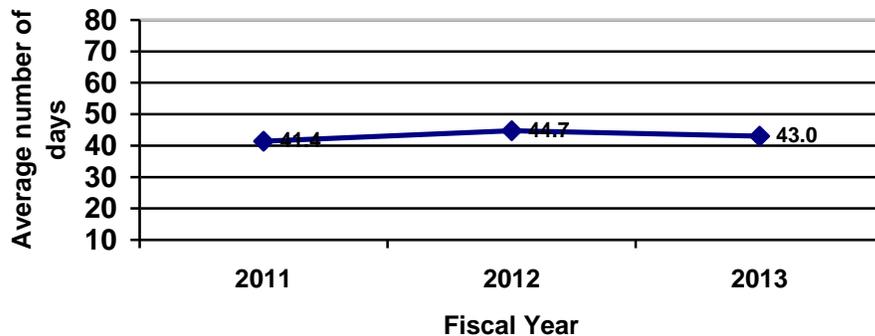
### Proposal for Improvement

To improve outreach to Wyoming citizens the Department will further divide its outreach contacts so that of the 35 contacts, at least 20 of these contacts will be directed at insurance consumers specifically. This will include more press releases, live presentations to appropriate groups or at appropriate public gatherings, website postings, distribution of educational and informational pamphlets and publications, public service announcements, and other innovative outreach methods including electronic contacts with consumers.

**Average number of days to close consumer complaints (Life and Health)**



### Average number of days to close consumer complaints (Property and Casualty)



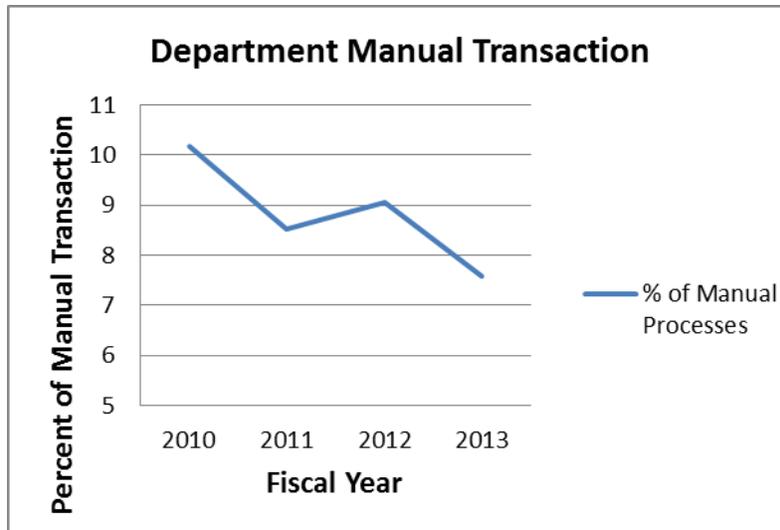
#### Story Behind The Performance

It is important that the Department provide timely assistance to the citizens of the State of Wyoming who seek our assistance with insurance disputes. In 2013 fiscal year, the Department helped Wyoming citizens recover \$1,255,675 from insurance companies that they might not otherwise have received. During fiscal year 2013, the Department's Life and Health Section consumer advocate assisted 215 citizens with complaints, each taking an average of 33 days to resolve. The Property and Casualty Section consumer advocate assisted 138 citizens with complaints which required an average of 43 days. Overall, the advocates for both the Life and Health and Property and Casualty sections were able to resolve 92% of all complaints within 75 days of receipt. The Department will continue to improve its timely resolution, so that Wyoming citizens may receive appropriate insurance benefits in a timely manner.

#### Proposal for Improvement

The Department's consumer advocates will continue to strive to improve the time needed to resolve complaints. The consumer advocates will need to find innovative ways to increase response time.

Advocates will review the completeness of complaint forms and attachments prior to submission to the insurance company, in order to provide for the best possible representation of the dispute. (Disputes which are not subject to the Department's authority will be closed immediately.) This action will enable the insurance company to expedite its review, and will result in more timely responses. In addition, the Department will review its use of form letters to more accurately reflect the statutory exam nature of the complaint. Response time will be more closely monitored and electronic communication will be utilized wherever possible.



**Story behind the Performance**

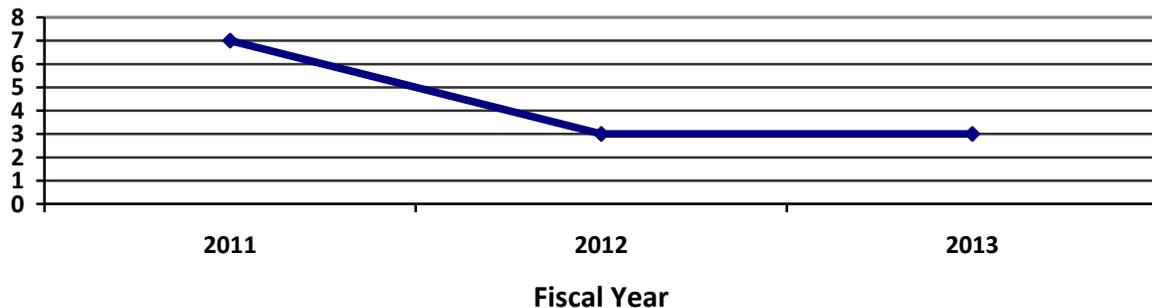
The Department regulates, licenses, and maintains approximately 77,048 individuals and agency license types. The increase in licenses will continue to grow and develop as more and more services are provided by the insurance industry and required by the Wyoming consumers. With a reduced staff of two licensing specialists and one licensing supervisor the Licensing Section has been impacted by the increased workloads and number of request the section receives. The Licensing Section understands the importance to change to electronic processes and in moving to a consumer friendly environment, while creating a more efficient and effective section. Licensing individuals and agencies in the State of Wyoming is important to protect Wyoming consumers by making sure the licensees are qualified and educated in their fields. The Licensing Section has made it a goal to maintain and/or decrease the manual transactions completed in the Department. As the number of licensees increase, transaction numbers also increase. By maintaining 10% or less manual transactions, the Department will be able to continue providing services to the Wyoming consumers and the insurance industry with the reduced staff in an efficient and effective manner.

**Proposal for Improvement**

The Department staff has begun to develop and improve the handling process in the section. The section will continue to educate, train, and assist the insurance industry and consumers through improvements within the section. The section has created a new website that is more consumer and industry friendly. The staff has developed new electronic processing for all license types, new electronic process for licensee requests, and provides increased training to industry in licensing processes. The section will continue to look for improvements in reducing paper/manual transactions and emphasize the importance of moving to an electronic process. The section will continue to work with outside vendors to find more efficient and effective procedures that will assist the insurance industry and provide higher quality licensees for the Wyoming consumers. These are the steps the department plans to accomplish to achieve this goal:

- Converting continuing education to electronic process
- Converting third party administrators to electronic process
- Allowing reinstatements to be processed electronically with fee and fine attached
- Electronic applications for non-resident adjuster, designated home state adjusters, and resident adjusters
- Converting to email notification for renewals and new license types
- Creating electronic letters for notifications and incomplete transactions
- Converting rental car, travel baggage, and portable electronic license types to electronic process
- Converting address changes to electronic process
- Converting catastrophe adjuster registration to electronic notification and storage
- Converting to electronic appointments

**Number of Exam Report Findings**



**Story Behind the Performance:**

It is important for the Department to have good communication with its domestic insurance companies and to make sure that the domestic insurers are in compliance with the Wyoming Insurance Code. During the Department’s financial analysis and examination procedures, the analysts/examiners conduct reviews of each domestic insurance company’s financial statements and operations. During these analysis and examination procedures, areas of non-compliance may be noted and are indicated as exam findings. When areas of non-compliance are noted, it results in the analysis and examination processes being less efficient. Education of domestic insurance companies should be a key in reducing the number of exam findings that need corrections.

**Proposal for Improvement:**

The Department plans to hold an annual meeting with each domestic insurance company in order to discuss any important issues facing their company. This meeting would involve company officers to discuss their current financial results and plans for the future. In addition, a group annual meeting will be conducted with all domestic insurers and their board of directors to provide education about any legislative changes, statutes to be aware of and common findings of non-compliance in examination reports and how to avoid them.

## **Budget**

The Department should be able to improve its performance under this strategic plan without asking for significant additional funds in its upcoming biennial budget request. The Department will rely on the current level of budget dollars to fund the low cost or no cost changes necessary to carry out this strategic plan with the exception of asking for \$28,041 to replace computer hardware on a regular rotation over the next biennium. The maintenance of appropriate and up-to-date computer hardware in the Department helps meet the proposals for improvement set out in this plan.