

Wyoming Insurance Department

Agency Strategic Plan

July 1, 2016- June 30, 2018



August 14, 2015

WYOMING DEPARTMENT OF INSURANCE
STRATEGIC PLAN
FY2017-2018

Wyoming Quality of Life Objectives

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 educational outreach, regulation, examination, licensing, enforcement and oversight activities which protect and assist Wyoming citizens with regard to insurance issues and concerns.

Basic Department Facts

This agency has 26 employees. The 2015-2016 biennium administrative budget of the Department is \$5,691,081 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 oversees the budgets of the Board of Insurance Agent Examiners (\$11,962 for the 2015-2016 biennium), the Wyoming Health Insurance Pool (\$23,800,398 for the 2015-2016 biennium) and the Wyoming Small Employer Health Reinsurance Plan (\$26,801,280 for the 2015-2016 biennium). The Wyoming Health Insurance Pool budget includes \$5,760,000 in general fund monies for the 2015-2016 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 in which consumers may request assistance.

Examination - conducting examinations of domestic insurers and pre-need funeral and cemetery trust funds to assure financial solvency and compliance with the Wyoming Insurance Code. The

Department also conducts examinations of producers (agents) to ensure compliance with the Wyoming Insurance Code.

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. These programs include: the Wyoming Health Insurance Pool, the Wyoming Small Employer Health Reinsurance Program, the Wyoming Senior Health Insurance Program, the Board of Insurance Agents' Examiners, the Wyoming Life and Health Insurance Guaranty Association, the Wyoming Insurance Guaranty Fund Association, the Employees Group Insurance Advisory Board, and the Early Intervention Council.

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.

Health Care Reform - providing information to insurers and consumers regarding implementation of the Affordable Care Act (ACA) monitoring the effects of the federal law on the state of Wyoming.

Market Regulation - monitoring insurance company compliance with state laws and regulations designed to protect the insurance consumer and promote a healthy competitive market.

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. It is vitally important that the Department maintains its accreditation from the National Association of Insurance Commissioners (NAIC). 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.

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

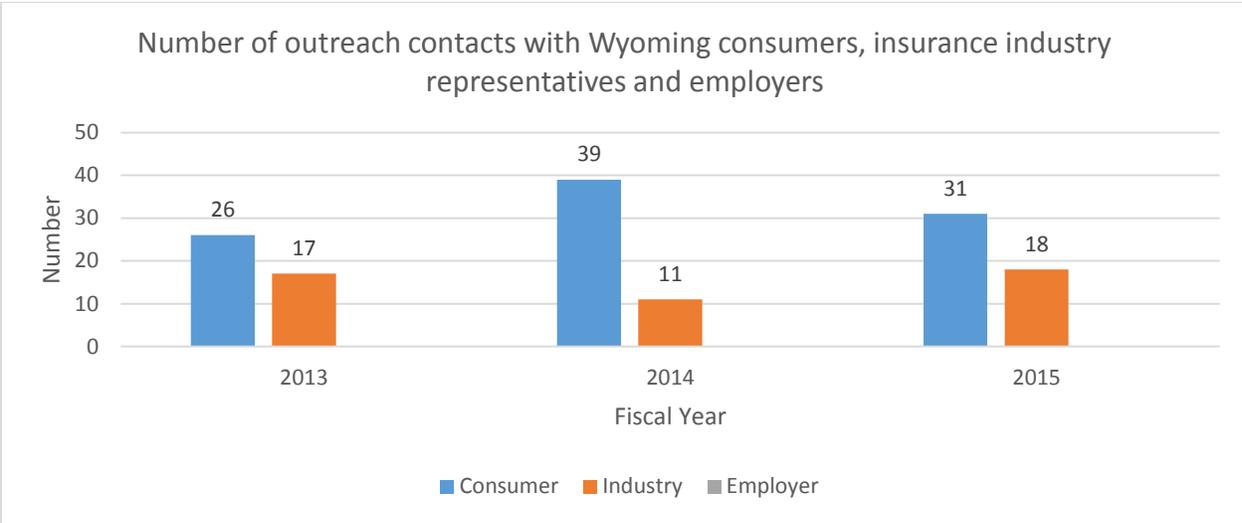
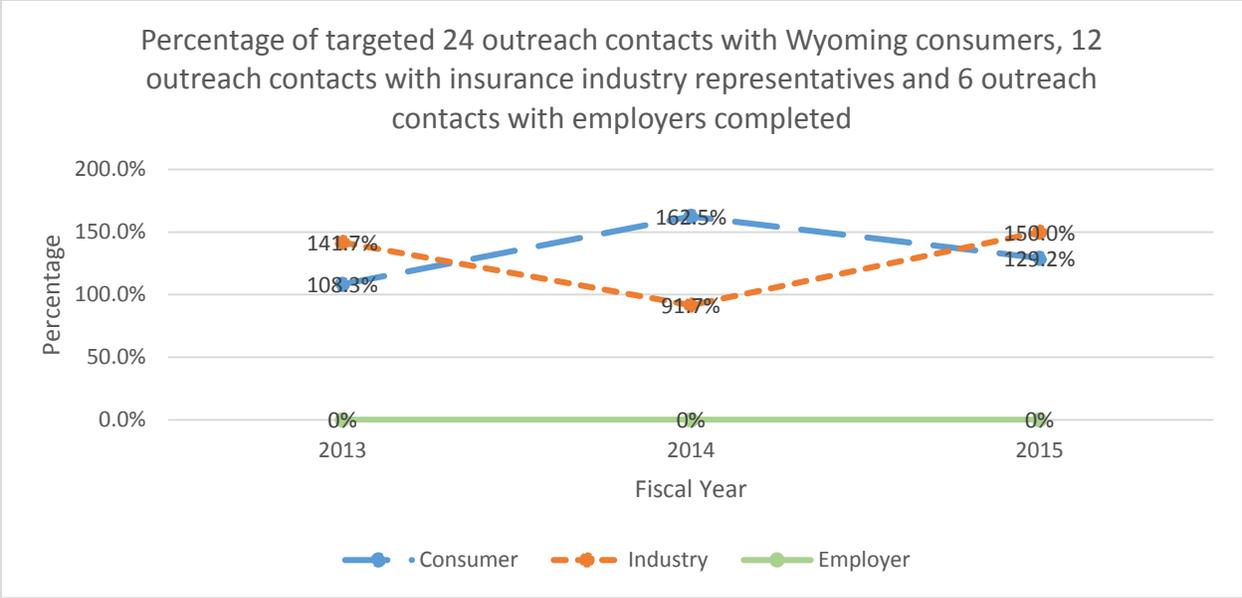
Performance Measure 1 - Outreach

Story Behind the Performance

The Department believes outreach contact with Wyoming consumers, employers, and insurance industry representatives is very important. Insurance issues and concerns are increasingly complex and the Department has an important role in providing information. For example, since the implementation of the Affordable Care Act (ACA), Wyoming citizens have expressed greater interest in educational information on health insurance in general, as well as ACA-specific considerations. The Department also provides assistance to Wyoming consumers, employers, and industry representatives regarding other types of insurance. During the 2014-2016 strategic plan years, the Department exceeded its goal for the number of consumer and industry outreach contacts, but the Department believes that even more outreach is appropriate and needed. The Department has provided insurance information through publications, presentations, and electronic media. The Department will continue its practice of providing programs and training for consumers, industry representatives, trade associations, and business groups. The Department's previous goal was 35 outreach contacts per fiscal year.

Proposal for Improvement

The Department's goal is to increase outreach contacts from 35 to 42 annually. In order to implement this goal and to improve outreach to Wyoming citizens, the Department will divide its outreach so that at least 24 of these contacts will be directed at Wyoming insurance consumers; 12 outreach contacts will be with insurance industry representatives; and 6 outreach contacts will be with both large and small group employers. The outreach will be on a variety of insurance topics relevant to the particular group or audience. Outreach will include presentations and materials for consumer groups, face-to-face consultation with individual consumers, press releases, live presentations to appropriate groups or public gatherings, website postings, distribution of educational and informational pamphlets and publications, public service announcements, and other innovative methods including electronic and social media. The Department will be partnering with the Department of Workforce Services (DWS) for employer outreach through DWS' education and communication system.



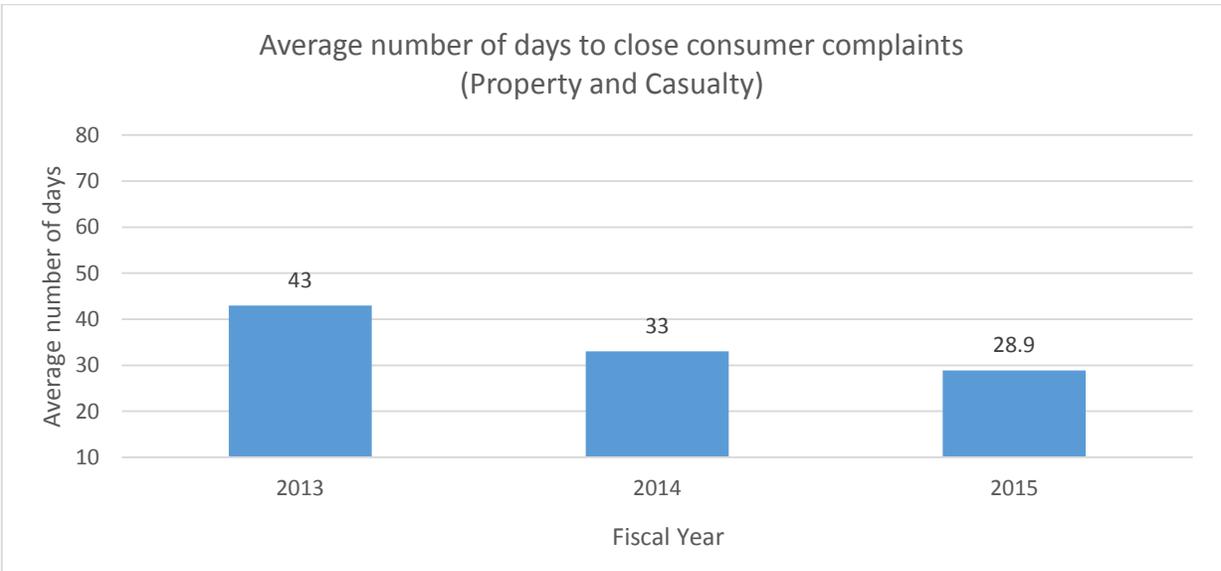
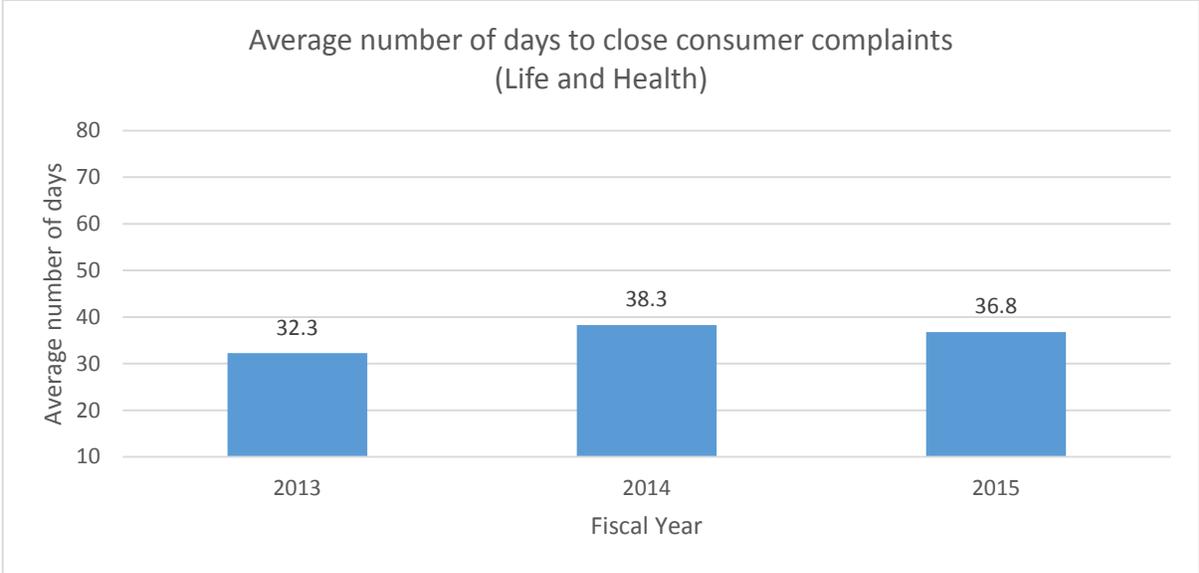
Performance Measure 2 – Consumer Complaints

Story Behind the Performance

Providing timely assistance to Wyoming consumers seeking help with insurance issues is essential to the Department. In fiscal year 2015, the Department helped Wyoming citizens recover \$997,618.87 from insurance companies that they might not otherwise have received. During the fiscal year 2015, the Department's Life and Health Section consumer advocate assisted 228 citizens with complaints, taking an average of 36.83 days to resolve each inquiry. The Property and Casualty Section consumer advocate assisted 145 citizens with complaints which required an average of 28.89 days. Overall, the advocates for both the Life and Health and Property and Casualty sections were able to resolve 90% of all complaints within 60 days of receipt and 94% of all complaints within 75 days of receipt. A new consumer complaint portal was created on the Department's website, which allows consumers to electronically submit complaint forms and any related documents, reducing the time required to receive documentation and easing the burden on consumers to copy and mail materials included in their complaint. The Department will continue to improve its timely resolutions, so that Wyoming consumers may receive timely closure on any issues and complaints.

Proposal for Improvement

The Department's consumer advocates will continue to strive to reduce the time needed to resolve complaints. The consumer advocates will find innovative ways to increase response time. Advocates will review the completeness of complaint forms and attachments prior to submission to insurance companies, in order to provide for the best possible representation of the dispute. This action will enable the insurance company to expedite its review, and will result in more timely responses. With the passage and requirements of the ACA, insurance complaints against health insurance companies have become more complex. Our Life & Health Consumer Advocate strives to learn and comprehend new required provisions and policies, and the response time required to research complaints continues to improve. The addition of electronic complaints submission, and the Department's review and modification of form letters, will enable the insurance companies to expedite reviews, and will reduce the time required to resolve complaints. Response times will be closely monitored and additional electronic communication will be utilized wherever possible.



Performance Measure 3 – Producer Licensing

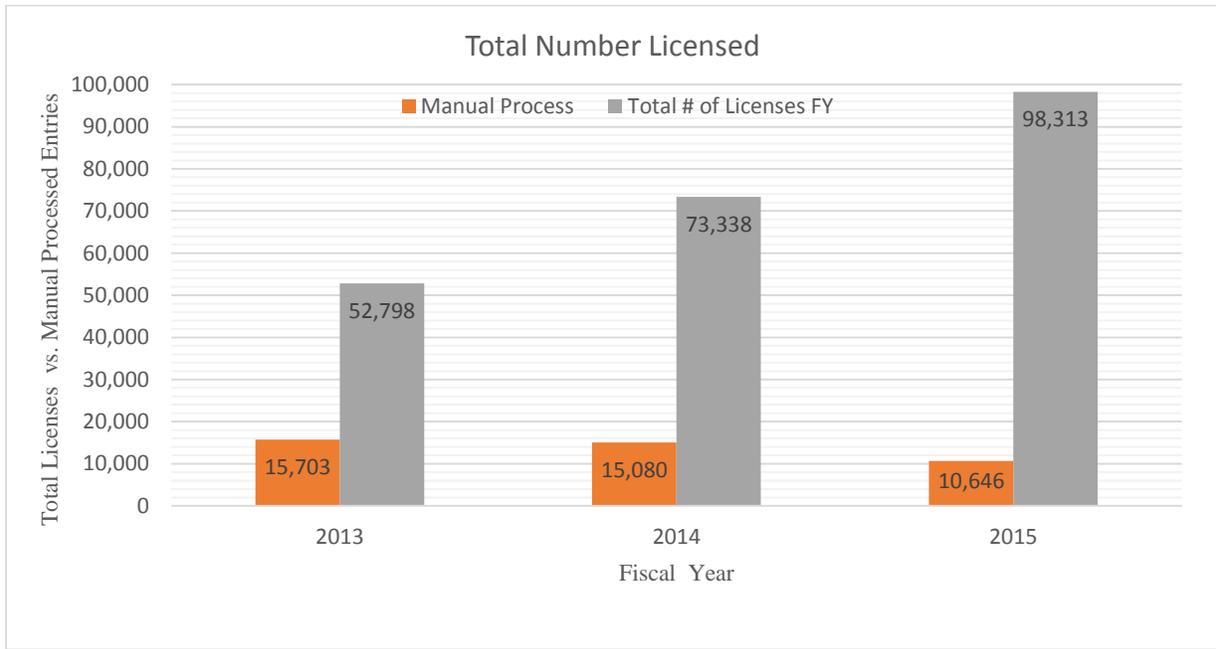
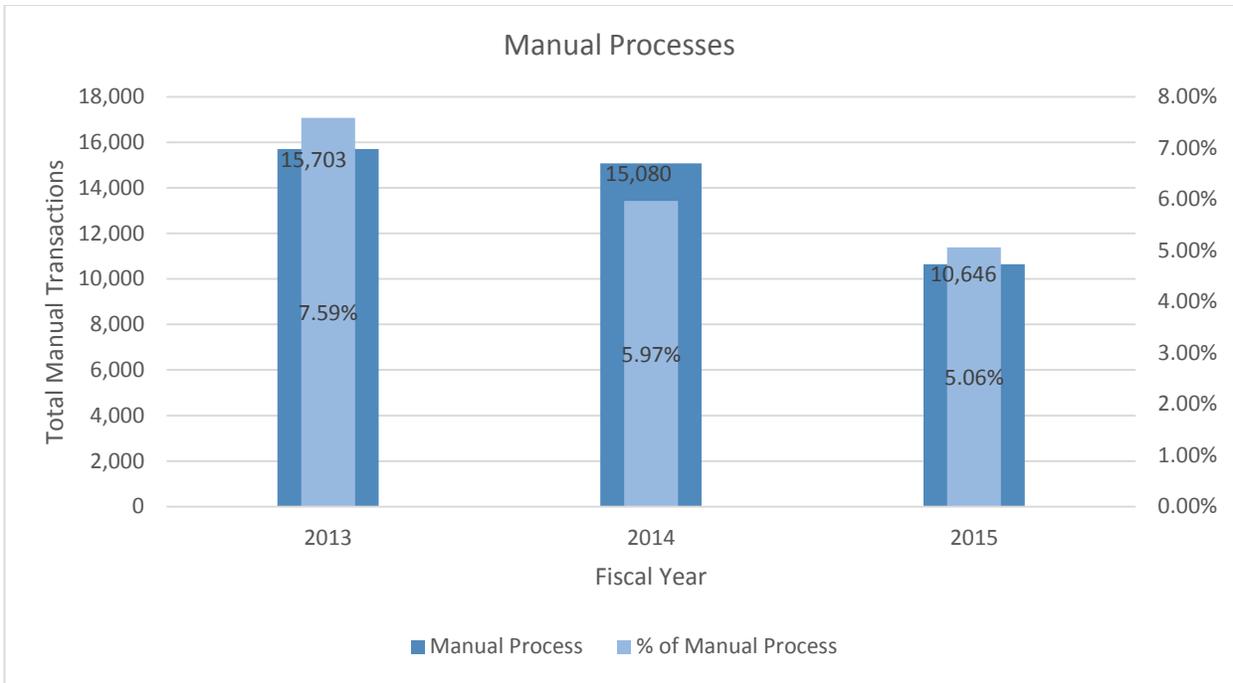
Story Behind the Performance

The Department licenses, regulates and maintains approximately 99,842 individual and agency license types. The number of licenses will continue to grow and develop as more and more services are provided by the insurance industry and required by Wyoming consumers. With a staff of two Licensing Specialists and one Licensing Supervisor, the section has been impacted by an increased workload due to the number of requests the section receives. The licensing section understands the importance of migrating as many services as possible to an electronic process. We strive for a consumer friendly environment, while creating a more efficient and effective section. Licensing individuals and agencies with the State of Wyoming is important for the protection of the Wyoming consumer by making sure the licensees are qualified and educated in their fields. The licensing section made it a goal to maintain and/or decrease the manual transactions completed in the section. As the number of licensees increase, transaction numbers also increase. By maintaining 10% or less manual transactions, the section will be able to continue providing services to Wyoming consumers and the insurance industry with the small staff in an efficient and effective manner.

Proposal for Improvement

The Department staff will continue to develop and improve the handling processes in the Producer Licensing Section. The section will continue to educate, train, and assist the insurance industry and consumers through improvements within the section. The staff will update the website so that it is more consumer and industry friendly. The staff will continue to develop electronic processing for licenses and licensee requests. The Department will continue to look for improvements in reducing paper and manual transactions with an emphasis on moving the majority of processes to electronic platforms. 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 Wyoming consumers. The Producer Licensing Section is working on the following:

- Finalize the conversion of continuing education to an electronic process.
- Implement legislative and regulation changes for Third Party Administrators to include the addition of Pharmacy Benefit Managers.
- Implement the usage of the ‘related documents’ feature in the Department’s database to decrease the amount of paper used and stored.
- Explore new options to convert any additional license types to the electronic application process.
- Work with Sircon and NIPR to implement enhancements to the electronic record keeping that is required.



Performance Measure 4 – Market Conduct

Story Behind the Performance

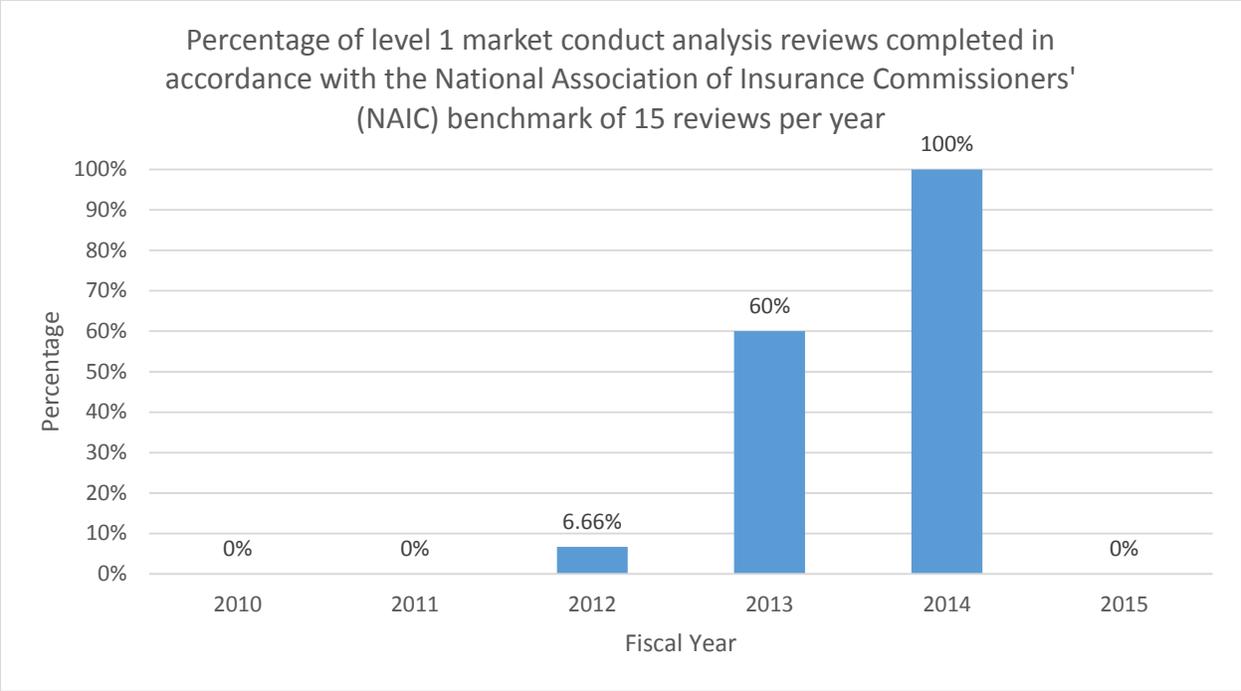
It is important that the Department conduct yearly reviews of market conduct issues. The NAIC has established a voluntary standard of completing market conduct analysis reviews, and is in the process of developing a market regulation accreditation program. One of the tools provided by the NAIC to identify market conduct issues is a level 1 market analysis. Initially, the Department was able to complete 15 level 1 market analysis reviews annually. However in recent years, the Department has not been able to meet this goal due in part to personnel changes and shifts in job responsibilities as detailed below.

The Department's market conduct position became vacant during FY 09 and could not be filled because of a hiring freeze. In FY 10 and FY 11, no level 1 market analysis reviews were completed as a result. Subsequently that position was lost due to budget cuts. The Department was able to reclassify a consumer advocate position to the market conduct position and that position was filled in September 2010. Because of training and activities relating to re-establishing the market conduct position, no level 1 market analysis reviews were completed in FY 11. After completion of staff training, the level 1 market analysis reviews were again resumed with 1 review completed in FY 12, 9 reviews completed in FY 13, and 15 reviews completed in FY 14. In October 2014, the Department Staff Attorney retired. The Staff Attorney was the supervisor and approver for all level 1 market analysis reviews. As a consequence of his retirement, there have been no level 1 reviews completed since the end of FY 14.

Proposal for Improvement

Replacement of personnel and training has resumed regarding market conduct issues. The Department is in the process of reviewing available personnel and resources to augment its market conduct activities. The Department will ensure all staff training has been completed and resume its level 1 market analysis reviews. As always, the Department will continue to identify trends in the insurance industry that directly affect Wyoming policy holders such as claims payments, advertising, underwriting and sales practices.

The Department will continue to monitor the NAIC activities regarding the implementation of market regulation accreditation standards so that the Department can position itself to meet any market conduct requirements. During FY 17 and 18, the Department will focus on market conduct evaluations of the Wyoming domestic insurers as part of its goal to complete 15 level 1 market analysis reviews each fiscal year. The Department will continue monitoring consumer complaint trends to determine what further action may be needed to correct any improper insurance practices affecting Wyoming citizens.



Budget

The Department will be requesting funding in its upcoming biennial budget request for a market conduct position. It is vital that the Department re-establish its market conduct activities for the protection of Wyoming citizens and to maintain its accreditation with the NAIC when these market conduct activities become a requirement. Aside from requesting additional funding for this position, the Department should be able to improve its performance under this strategic plan without asking for any significant increase in funding. The Department will rely on the current budget level to fund the changes necessary to carry out this strategic plan, with the exception of asking for \$28,332 to replace computer hardware and update software on a regular rotation over the next biennium. Maintaining appropriate and up-to-date computer hardware and software assists the Department in achieving the proposals for improvement set forth in this strategic plan.