

Wyoming Insurance Department

Agency Strategic Plan

July 1, 2010 - June 30, 2012



August 14, 2009

WYOMING DEPARTMENT OF INSURANCE
STRATEGIC PLAN
FY2011-2012

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 27 employees. The 2009-2010 biennium administrative budget of the Department is \$5,416,012 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 (\$16,013 for the 2009-2010 biennium) and the Wyoming Health Insurance Pool (\$29,362,277 for the 2009-2010 biennium). The Wyoming Health Insurance Pool budget includes \$6,000,000 in general fund monies for the current biennium. The Department also oversees the budget of the Wyoming Small Employer Health Reinsurance Plan (\$17,349,380 for the 2009-2010 biennium).

Five primary functions of the Department include:

Regulation – providing fair and consistent regulation of the insurance industry in order to assure that consumers receive assistance, protection and information regarding insurance issues.

Examination – conducting examinations of domestic insurers, producers (agents) and other licensees, and pre-need funeral and cemetery trust funds to assure financial solvency and compliance with the Insurance Code and other Wyoming law.

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.

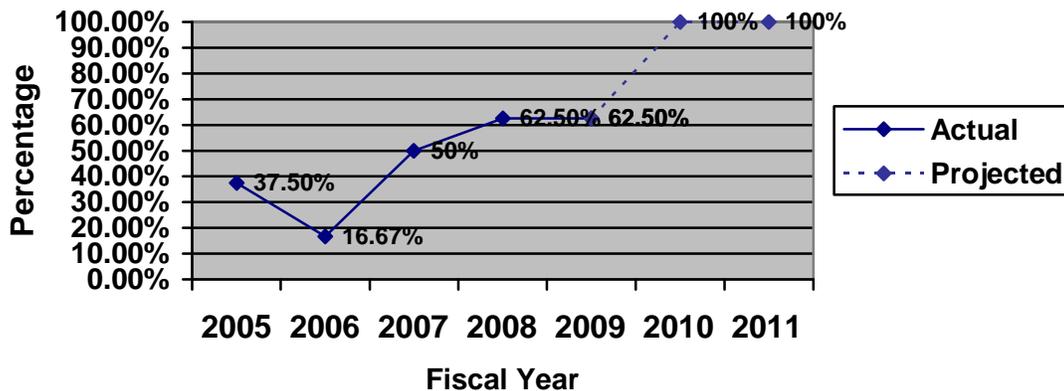
Oversight – providing administrative oversight of insurance related programs created under Wyoming law.

These 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 24 outreach contacts with Wyoming consumers and insurance industry representatives completed



Story Behind The Performance

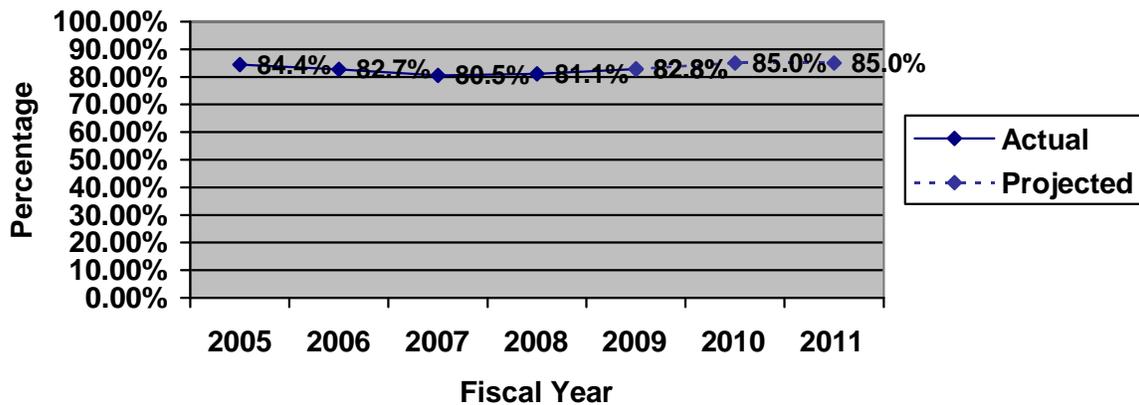
The Department believes it should have a minimum of 24 outreach contacts per fiscal year with Wyoming consumers and insurance industry representatives. The Department provides assistance to Wyoming citizens regarding insurance issues and problems. During fiscal year 2009, the Department opened 422 formal complaint files concerning insurance disputes. This represents a drop from the 492 formal complaint files opened in fiscal year 2008. 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.

Proposal for Improvement

To improve outreach to Wyoming citizens the Department will do more press releases, live presentations to appropriate groups or at appropriate public gatherings, website postings, distribution of educational and informational pamphlets and publications, and public service announcements.

Percentage of consumer complaints resolved within 75 days of receipt by the Department



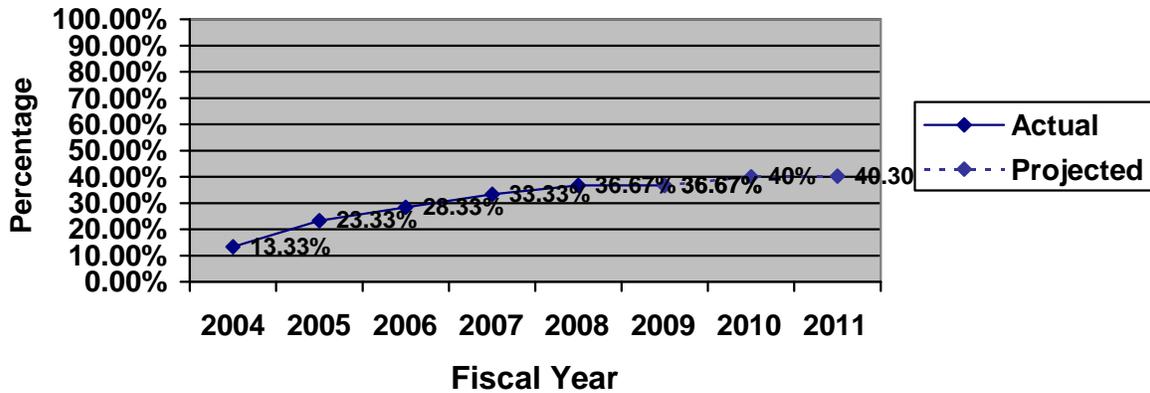
Story Behind The Performance

It is important that the Department provide timely assistance to Wyoming people seeking help with insurance disputes. In fiscal year 2009, the Department helped Wyoming citizens recover \$418,698 from insurance companies that they might not otherwise have received. The Department’s consumer advocates strive to provide efficient resolution of problems so that others needing assistance will not be discouraged from contacting the Department. Although the Department’s percentage of complaints resolved within 75 days is good, we need to continue to improve the resolution of problems so that Wyoming people can receive their 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 additional consumer advocate position authorized by the Wyoming Legislature in 2006 will continue to help decrease response time.

Percent of transactions for all types of licenses that can be processed electronically



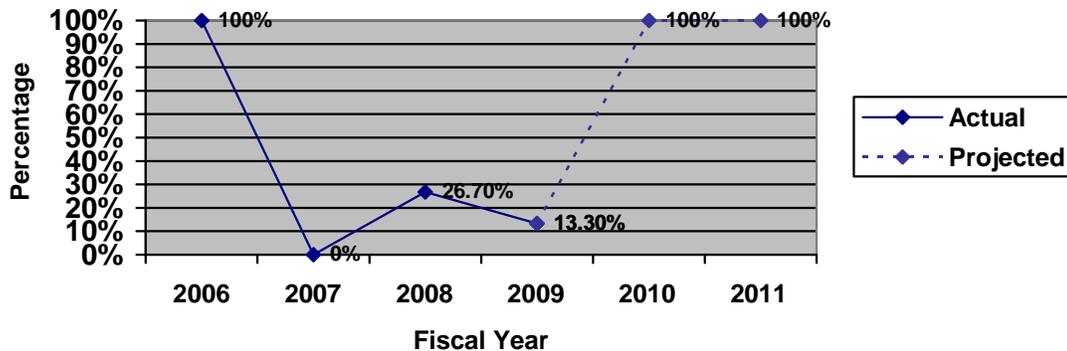
Story Behind The Performance

There are over 53,000 individuals and 5,300 business entities currently licensed by the Department. In order to deal with these licensees and with new license applications, the Department has become more and more electronic in its licensing processes. Although much progress has been made in this area, still more of the licensing functions must become electronic in order to provide efficient and proper licensing. Proper licensing of insurance providers is essential to protecting Wyoming people by assuring that only qualified individuals are engaged in the business of insurance. The Department's goal is to increase the percentage of licensing processes that can be done electronically.

Proposal for Improvement

Department staff will develop forms, procedures and electronic formats so that more of the Department's licensing processes can be accomplished electronically.

Percentage of level 1 market conduct analysis reviews completed in accordance with the National Association of Insurance Commissioners' (NAIC) benchmark of 15 reviews per year



Story Behind The Performance

It is important that the Department conduct yearly reviews of market conduct issues that affect Wyoming citizens. The NAIC has set a standard of completing 15 market conduct analysis reviews annually in order to identify significant trends in market conduct practices of insurers that may adversely affect consumers. Initially, the Department was able to complete 15 reviews annually. However, in recent years, the Department has not been able to meet this goal. In FY09, only 2 level 1 reviews were completed. The market conduct position became vacant during FY09 and has not been filled because of a hiring freeze. Regardless of this circumstance, the Department must continue to identify Wyoming and national trends regarding consumer issues such as claims payments, advertising, underwriting and sales practices that directly affect Wyoming policyholders.

Proposal for Improvement

Pending the filling of the market conduct position, the Department will assign four other staff members to the task of learning how to conduct market conduct reviews and then completing the appropriate number of reviews. It is important that the Department continue monitoring consumer complaint trends regardless of staffing issues. Once the market conduct position is filled, the other employees will continue to assist with such reviews as needed. As reviews are completed, staff will then determine what further action, if any, is needed to correct any improper insurance practices.

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 \$41,457 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.