

160 - Office of Insurance Commissioner

A001 Agency Administration

The Office of the Insurance Commissioner (OIC) is responsible for regulating the insurance industry in Washington State and protecting consumers through education and timely communications. The activities of the OIC are primarily funded by fees from insurance organizations. Agency management develops policies, regulations, and codes to ensure that the citizens of Washington are able to access affordable insurance; it also provides the administrative support necessary for other divisions within the agency to carry out their functions. (Insurance Commissioner's Regulatory-State)

Account	FY 2010	FY 2011	Biennial Total
FTE	41.9	41.9	41.9
138 Insurance Commissioners Regulatory Account			
138-1 State	\$4,575,000	\$4,854,000	\$9,429,000

Statewide Result Area: Improve the economic vitality of businesses and individuals

Statewide Strategy: Provide consumer protection

Expected Results

To provide executive and administrative services in support of the agency's mission in a professional, qualitative, and responsive manner which emphasizes efficiency and cost-effectiveness.

A002 Producer Licensing and Education

Staff involved in this activity issue and renew licenses for producers, surplus line brokers, adjustors, viatical settlement brokers, and others. Staff also administer continuing education requirements. (Insurance Commissioner's Regulatory-State)

Account	FY 2010	FY 2011	Biennial Total
FTE	11.0	11.3	11.2
138 Insurance Commissioners Regulatory Account			
138-1 State	\$800,000	\$807,000	\$1,607,000

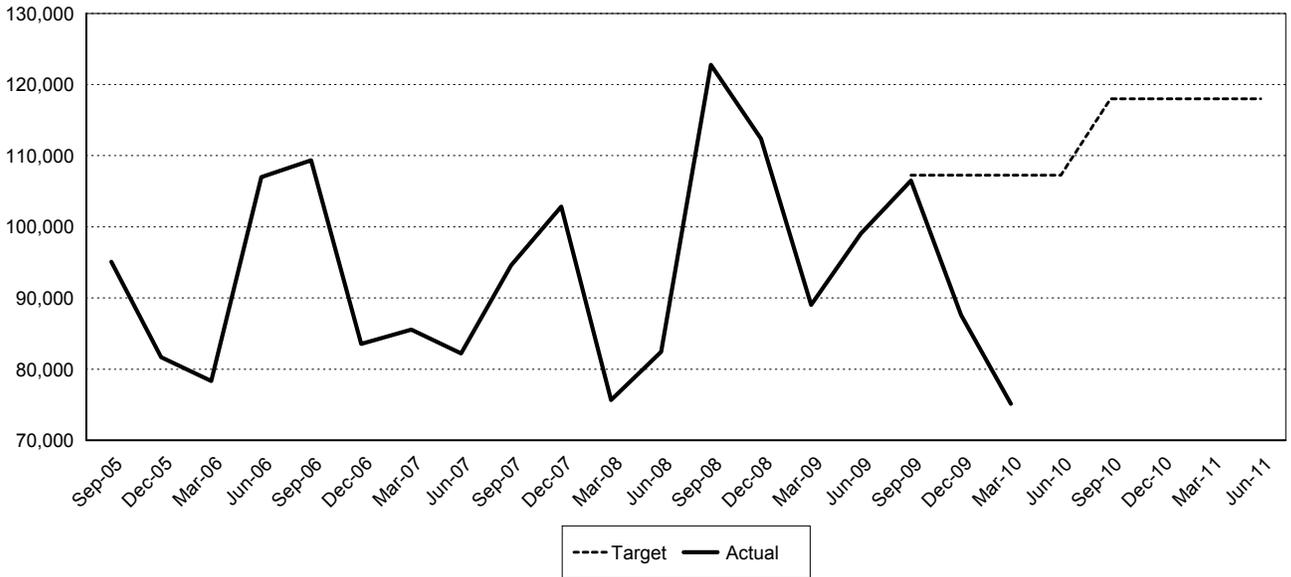
Statewide Result Area: Improve the economic vitality of businesses and individuals

Statewide Strategy: Provide consumer protection

Expected Results

000593 Number of licenses and appointments issued for insurance producers.			
Biennium	Period	Actual	Target
2009-11	Q8		118,000
	Q7		118,000
	Q6		118,000
	Q5		118,000
	Q4		107,250
	Q3	75,138	107,250
	Q2	87,609	107,250
	Q1	106,510	107,250
2007-09	Q8	99,050	
	Q7	89,048	
	Q6	112,373	
	Q5	122,782	
	Q4	82,435	
	Q3	75,651	
	Q2	102,842	
	Q1	94,605	
2005-07	Q8	82,221	
	Q7	85,573	
	Q6	83,560	
	Q5	109,372	
	Q4	106,986	
	Q3	78,315	
	Q2	81,680	
	Q1	95,084	

Number 000593 - Number of licenses and appointments issued for insurance producers



A003 Consumer Information and Advocacy

Staff respond to oral and written complaints and inquiries from consumers regarding insurance companies, and act as an advocate when appropriate. Assistance is rendered to enforce the various provisions of the insurance code and is based on authority to take disciplinary action against an insurance company and other licensees. The unit's primary function is to ensure that consumer rights have not been violated. Staff also provide information to help consumers make educated decisions about insurance purchases. (Insurance Commissioner's Regulatory-State)

Account	FY 2010	FY 2011	Biennial Total
FTE	26.0	26.0	26.0
138 Insurance Commissioners Regulatory Account			
138-1 State	\$2,183,000	\$2,225,000	\$4,408,000

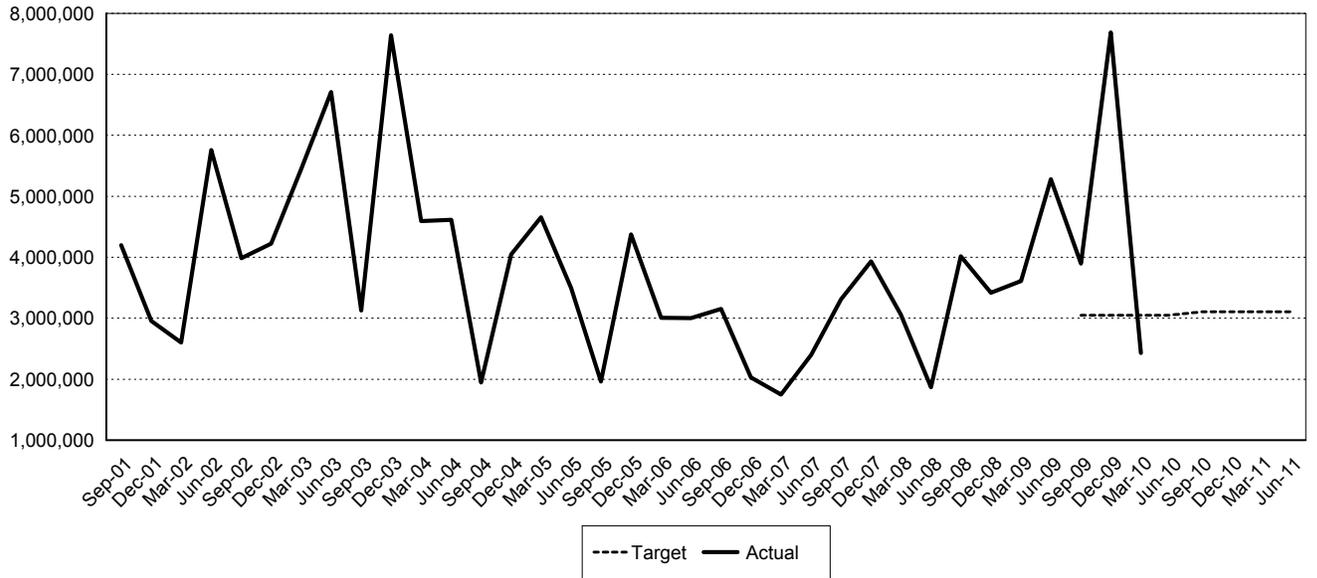
Statewide Result Area: Improve the economic vitality of businesses and individuals
Statewide Strategy: Provide consumer protection

Expected Results

000583 Amount recovered for consumers as a result of the Office of Insurance Commissioner's intervention.			
Biennium	Period	Actual	Target
2009-11	Q8		\$3,100,000
	Q7		\$3,100,000
	Q6		\$3,100,000
	Q5		\$3,100,000
	Q4		\$3,050,000
	Q3	\$2,427,350	\$3,050,000
	Q2	\$7,686,915	\$3,050,000
	Q1	\$3,896,774	\$3,050,000
2007-09	Q8	\$5,277,992	
	Q7	\$3,608,869	
	Q6	\$3,417,820	
	Q5	\$4,013,768	
	Q4	\$1,867,649	
	Q3	\$3,061,107	
	Q2	\$3,930,239	
	Q1	\$3,310,218	
2005-07	Q8	\$2,400,954	
	Q7	\$1,746,167	
	Q6	\$2,028,758	
	Q5	\$3,151,356	
	Q4	\$2,999,676	
	Q3	\$3,005,370	
	Q2	\$4,372,107	
	Q1	\$1,963,574	

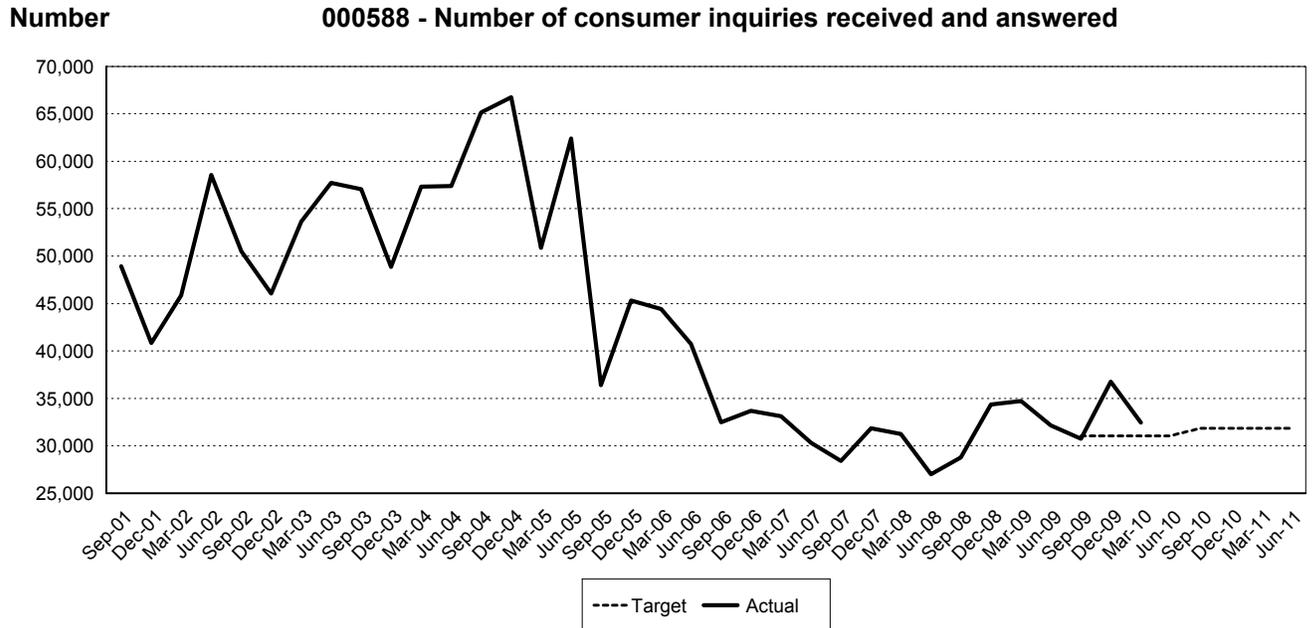
Appropriation Period: 2009-11 Activity Version: 2D - 2010 Supplemental Enacted Recast Sort By: Activity

Dollars **000583 - Amount recovered for consumers as a result of the Office of Insurance Commissioner's intervention**



Appropriation Period: 2009-11 Activity Version: 2D - 2010 Supplemental Enacted Recast Sort By: Activity

000588 Number of insurance consumer inquiries received and answered by the Office of the Insurance Commissioner			
Biennium	Period	Actual	Target
2009-11	Q8		31,865
	Q7		31,865
	Q6		31,864
	Q5		31,864
	Q4		31,063
	Q3	32,464	31,063
	Q2	36,764	31,062
	Q1	30,733	31,062
2007-09	Q8	32,145	
	Q7	34,728	
	Q6	34,351	
	Q5	28,791	
	Q4	27,005	
	Q3	31,241	
	Q2	31,866	
	Q1	28,392	
2005-07	Q8	30,302	
	Q7	33,105	
	Q6	33,685	
	Q5	32,473	
	Q4	40,749	
	Q3	44,408	
	Q2	45,334	
	Q1	36,407	



A004 Health Insurance Benefit Advisors

The Statewide Health Insurance Benefits Advisors (SHIBA) HelpLine is a statewide network of trained volunteers who educate, assist, and advocate for consumers regarding health insurance and health care access issues. (Insurance Commissioner's Regulatory-State)

Account	FY 2010	FY 2011	Biennial Total
FTE	14.0	14.0	14.0
001 General Fund			
001-2 Federal	\$971,000	\$968,000	\$1,939,000
138 Insurance Commissioners Regulatory Account			
138-1 State	\$1,342,000	\$1,359,000	\$2,701,000

Statewide Result Area: Improve the health of Washingtonians

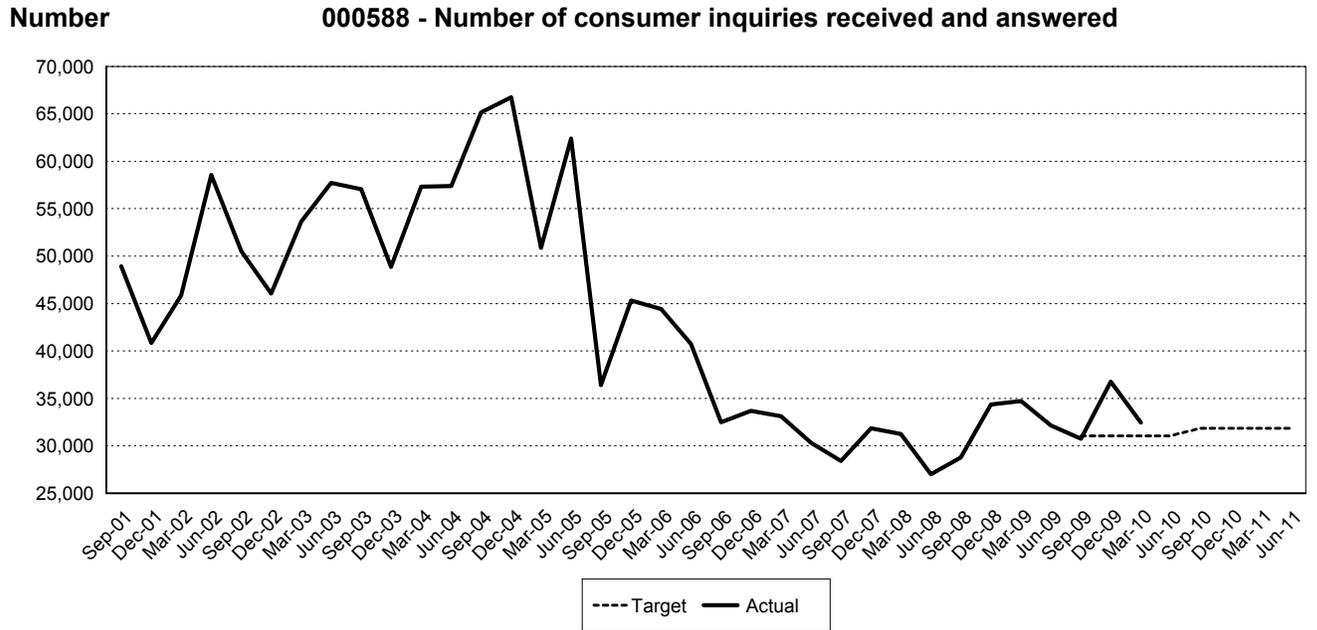
Statewide Strategy: Provide access to appropriate health care

Expected Results

SHIBA HelpLine staff and volunteers receive and answer over 30,000 inquiries per year targeting low-income populations that are least likely to approach the OIC directly.

Appropriation Period: 2009-11 Activity Version: 2D - 2010 Supplemental Enacted Recast Sort By: Activity

000588 Number of insurance consumer inquiries received and answered by the Office of the Insurance Commissioner			
Biennium	Period	Actual	Target
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	Q7		31,865
	Q6		31,864
	Q5		31,864
	Q4		31,063
	Q3	32,464	31,063
	Q2	36,764	31,062
	Q1	30,733	31,062
2007-09	Q8	32,145	
	Q7	34,728	
	Q6	34,351	
	Q5	28,791	
	Q4	27,005	
	Q3	31,241	
	Q2	31,866	
	Q1	28,392	
2005-07	Q8	30,302	
	Q7	33,105	
	Q6	33,685	
	Q5	32,473	
	Q4	40,749	
	Q3	44,408	
	Q2	45,334	
	Q1	36,407	



A005 Investigations and Enforcement

Staff investigate and act upon violations of laws and rules regarding sales and marketing practices, account standards, and related matters. Staff also assist consumers with problems involving insurance sales or marketing practices by producers, surplus line brokers, title insurance agents or insurers. (Insurance Commissioner's Regulatory-State)

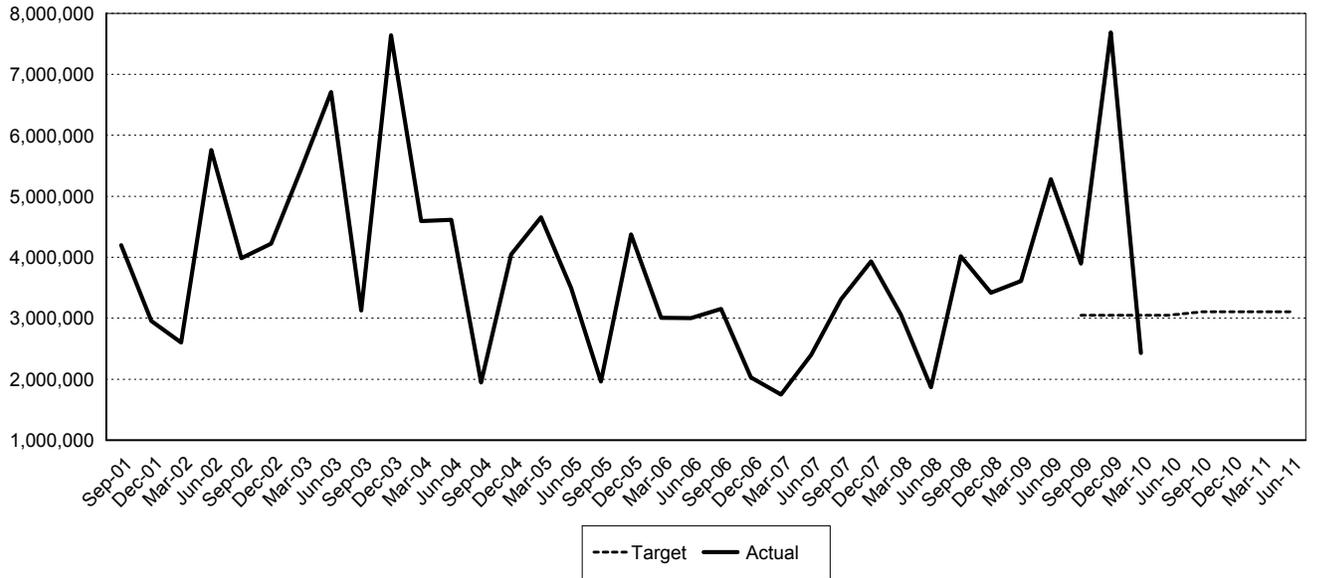
Account	FY 2010	FY 2011	Biennial Total
FTE	11.0	11.0	11.0
138 Insurance Commissioners Regulatory Account			
138-1 State	\$1,102,000	\$1,115,000	\$2,217,000

Statewide Result Area: Improve the economic vitality of businesses and individuals
Statewide Strategy: Provide consumer protection

Expected Results

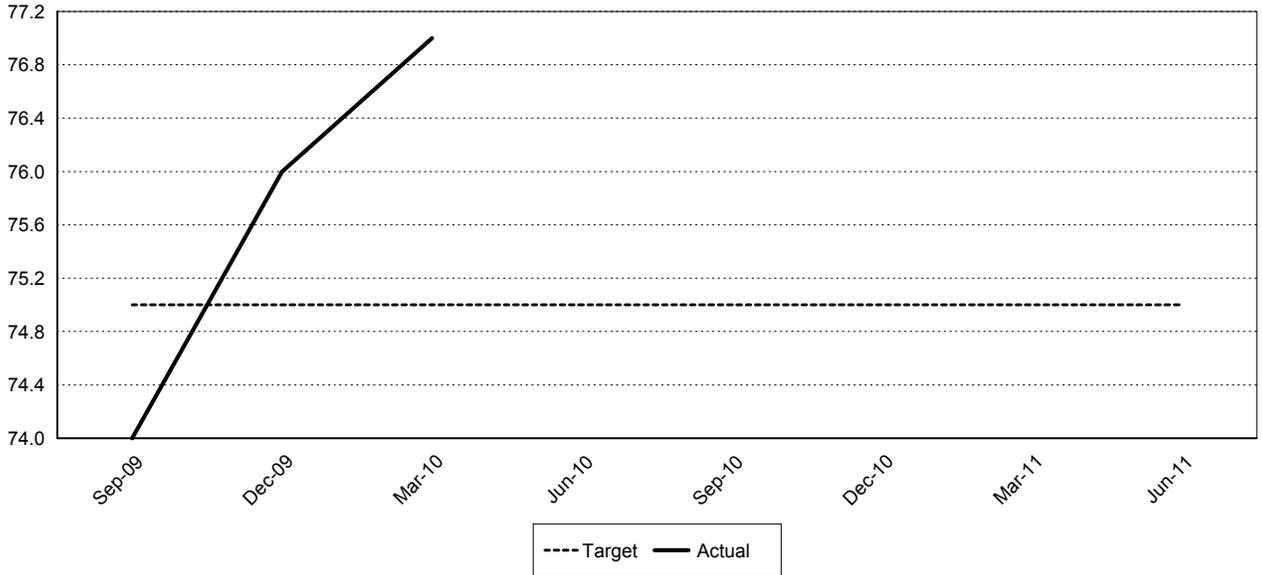
000583 Amount recovered for consumers as a result of the Office of Insurance Commissioner's intervention.			
Biennium	Period	Actual	Target
2009-11	Q8		\$3,100,000
	Q7		\$3,100,000
	Q6		\$3,100,000
	Q5		\$3,100,000
	Q4		\$3,050,000
	Q3	\$2,427,350	\$3,050,000
	Q2	\$7,686,915	\$3,050,000
	Q1	\$3,896,774	\$3,050,000
2007-09	Q8	\$5,277,992	
	Q7	\$3,608,869	
	Q6	\$3,417,820	
	Q5	\$4,013,768	
	Q4	\$1,867,649	
	Q3	\$3,061,107	
	Q2	\$3,930,239	
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	Q6	\$2,028,758	
	Q5	\$3,151,356	
	Q4	\$2,999,676	
	Q3	\$3,005,370	
	Q2	\$4,372,107	
	Q1	\$1,963,574	

Dollars 000583 - Amount recovered for consumers as a result of the Office of Insurance Commissioner's intervention



000575 Average number of days it takes to complete producer investigations.			
Biennium	Period	Actual	Target
2009-11	Q8		75
	Q7		75
	Q6		75
	Q5		75
	Q4		75
	Q3	77	75
	Q2	76	75
	Q1	74	75

Number 000575 - Average Number of days it takes to complete producer investigations



A006 Monitoring Insurance Company Solvency

This activity protects consumers by monitoring the solvency of insurance carriers, health care service contractors, health maintenance organizations, and certified health plans authorized to conduct business in Washington State. Solvency issues may be identified through market conduct oversight activities, financial examinations, or financial analysis of statements filed by insurers. If increased monitoring and the insurer’s response do not result in an improvement of the solvency issues, the Insurance Commissioner may issue an administrative supervision order or petition the Superior Court for a rehabilitation order. Upon entry of an administrative supervision order, the insurer’s operations are very closely monitored and certain actions cannot be taken without the Commissioner’s prior approval. Upon entry of a rehabilitation order, the insurer’s management is suspended, and the Insurance Commissioner and his staff, as officers of the court, manage the insurer’s operations. If rehabilitation is deemed unlikely, the court may order the insurer liquidated. The Insurance Commissioner continues to manage the operations of the insurer until liquidation is complete. (Insurance Commissioner’s Regulatory-State)

Account	FY 2010	FY 2011	Biennial Total
FTE	65.0	64.0	64.5
138 Insurance Commissioners Regulatory Account			
138-1 State	\$6,590,000	\$6,514,000	\$13,104,000

Statewide Result Area: Improve the economic vitality of businesses and individuals

Statewide Strategy: Provide consumer protection

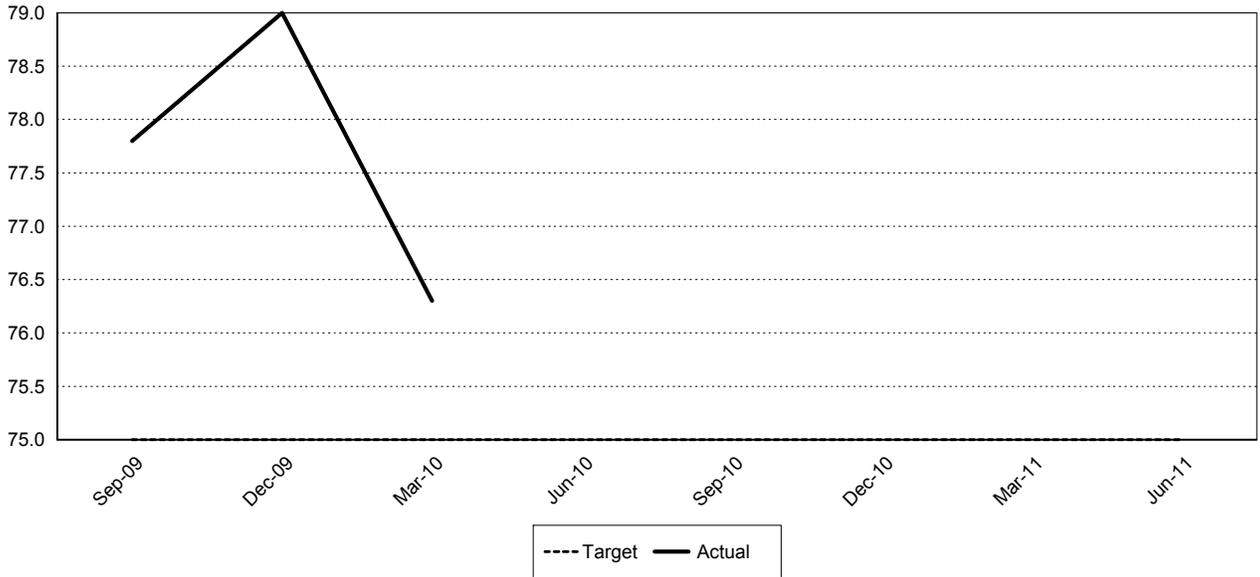
Expected Results

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In addition to the financial and market conduct oversight activities completed, Company Supervision staff completes 480 detailed desk examinations of quarterly, annual, and supplemental financial statements; reviews 120 monthly statements filed by domestic insurers; performs cursory quarterly review of statements filed by almost 1,400 foreign insurers; and reviews intermediate quarterly statements filed by 366 financially distressed foreign insurers.

000480 Percentage of domestic insurers that are rated as financially stable.			
Biennium	Period	Actual	Target
2009-11	Q8		75%
	Q7		75%
	Q6		75%
	Q5		75%
	Q4		75%
	Q3	76.3%	75%
	Q2	79%	75%
	Q1	77.8%	75%

Percent 000480 - Percentage of domestic insurers that are rated as financially stable



A007 Policy and Enforcement

Staff handle enforcement actions against insurance companies, health carriers, and others; identifies and investigates organized criminal insurance fraud for prosecution, provides information and counsel to other agency divisions; and support the public policy activities of the agency. (Insurance Commissioner's Regulatory-State)

Appropriation Period: 2009-11 Activity Version: 2D - 2010 Supplemental Enacted Recast Sort By: Activity

Account	FY 2010	FY 2011	Biennial Total
FTE	28.3	32.0	30.2
138 Insurance Commissioners Regulatory Account			
138-1 State	\$4,028,000	\$4,309,000	\$8,337,000

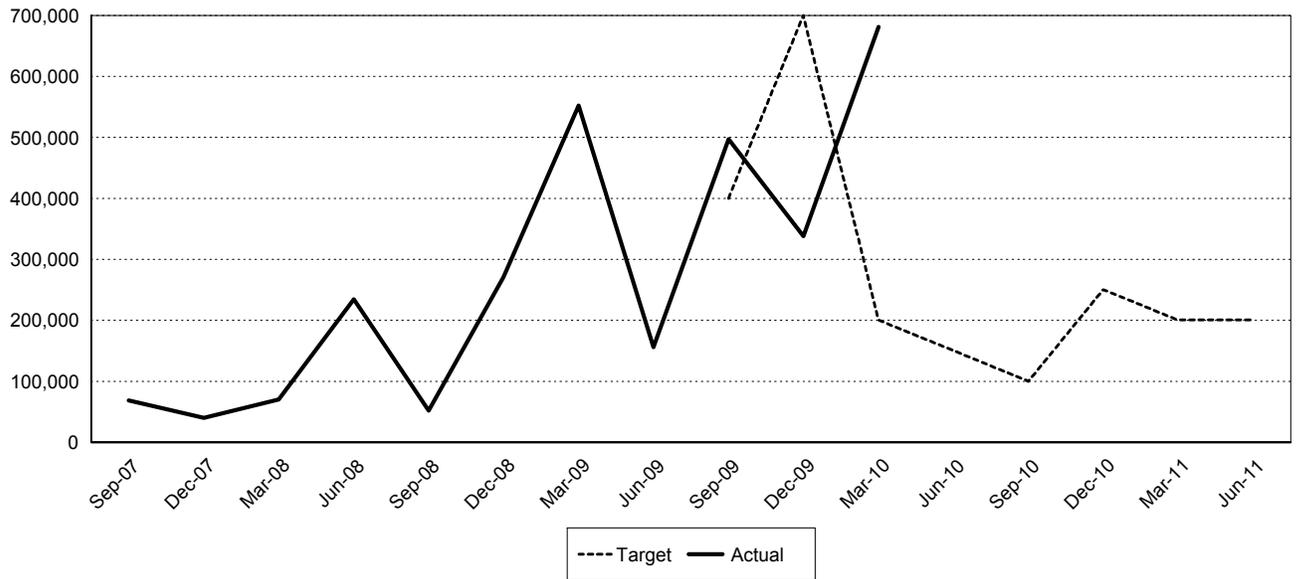
Statewide Result Area: Improve the economic vitality of businesses and individuals
Statewide Strategy: Provide consumer protection

Expected Results

000592 Amount of restitution value assessed and projected insurance claim payouts saved on behalf of victims of insurance fraud.			
Biennium	Period	Actual	Target
2009-11	Q8		\$200,000
	Q7		\$200,000
	Q6		\$250,000
	Q5		\$100,000
	Q4		\$150,000
	Q3	\$681,402	\$200,000
	Q2	\$337,760	\$700,000
	Q1	\$497,346	\$400,000
2007-09	Q8	\$155,733	
	Q7	\$552,386	
	Q6	\$271,031	
	Q5	\$51,907	
	Q4	\$234,627	
	Q3	\$70,190	
	Q2	\$40,000	
	Q1	\$68,791	

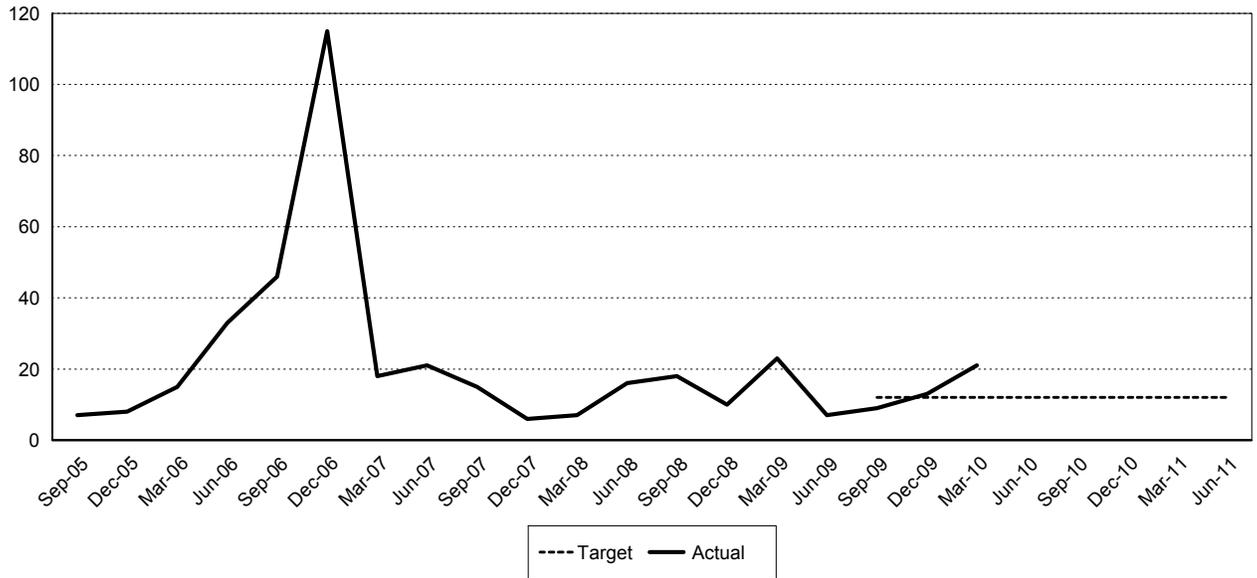
Appropriation Period: 2009-11 Activity Version: 2D - 2010 Supplemental Enacted Recast Sort By: Activity

Dollars 000592 - Amount of restitution value assessed and projected insurance claims payouts saved



000590 Number of enforcement actions and compliance plans issued against authorized insurers.			
Biennium	Period	Actual	Target
2009-11	Q8		12
	Q7		12
	Q6		12
	Q5		12
	Q4		12
	Q3	21	12
	Q2	13	12
	Q1	9	12
2007-09	Q8	7	
	Q7	23	
	Q6	10	
	Q5	18	
	Q4	16	
	Q3	7	
	Q2	6	
	Q1	15	
2005-07	Q8	21	
	Q7	18	
	Q6	115	
	Q5	46	
	Q4	33	
	Q3	15	
	Q2	8	
	Q1	7	

Number 000590 - Number of enforcement actions and compliance plans issued against authorized insurers

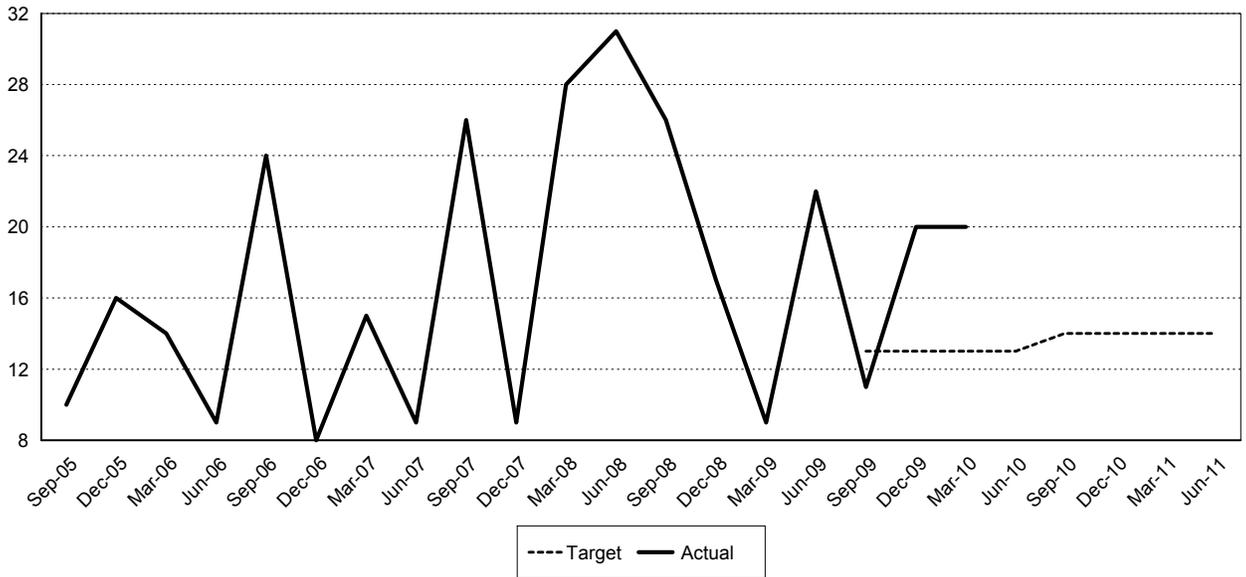


Appropriation Period: 2009-11 Activity Version: 2D - 2010 Supplemental Enacted Recast Sort By: Activity

000591 Number of investigations of suspected illegal insurance entities completed.			
Biennium	Period	Actual	Target
2009-11	Q8		14
	Q7		14
	Q6		14
	Q5		14
	Q4		13
	Q3	20	13
	Q2	20	13
	Q1	11	13
2007-09	Q8	22	
	Q7	9	
	Q6	17	
	Q5	26	
	Q4	31	
	Q3	28	
	Q2	9	
	Q1	26	
2005-07	Q8	9	
	Q7	15	
	Q6	8	
	Q5	24	
	Q4	9	
	Q3	14	
	Q2	16	
	Q1	10	

Appropriation Period: 2009-11 Activity Version: 2D - 2010 Supplemental Enacted Recast Sort By: Activity

Number 000591 - Number of investigations of suspected illegal insurance entities completed



A008 Regulation of Insurance Rates and Forms

Staff review and approve the complex actuarial formulas, assumptions, and experience data submitted as part of a proposed rate filing to ensure that rates are neither excessive, inadequate, or unfairly discriminatory. Timely and accurate review is necessary to ensure the financial viability of the insurance company, as well as protecting Washington citizens from overcharges. Policy forms are reviewed to ensure that the terms and conditions of the insurance contract comply with state and federal laws prior to being sold in Washington. (Insurance Commissioner's Regulatory-State)

Account	FY 2010	FY 2011	Biennial Total
FTE	31.0	31.0	31.0
138 Insurance Commissioners Regulatory Account			
138-1 State	\$3,295,000	\$3,354,000	\$6,649,000

Statewide Result Area: Improve the economic vitality of businesses and individuals
Statewide Strategy: Provide consumer protection

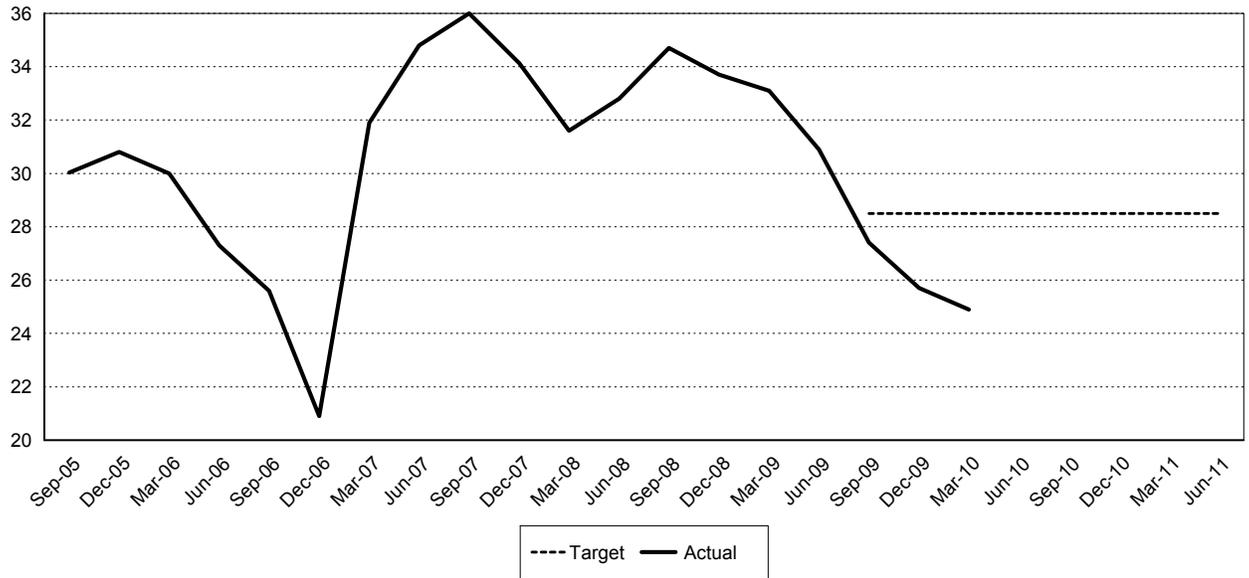
Expected Results

Rates and Forms staff reviews approximately 8,500 rate filings and 10,000 form filings per year.

Appropriation Period: 2009-11 Activity Version: 2D - 2010 Supplemental Enacted Recast Sort By: Activity

000734 Average number of days required to finalize the filing review process for insurance rate and form filings.			
Biennium	Period	Actual	Target
2009-11	Q8		28.5
	Q7		28.5
	Q6		28.5
	Q5		28.5
	Q4		28.5
	Q3	24.9	28.5
	Q2	25.7	28.5
	Q1	27.4	28.5
2007-09	Q8	30.9	
	Q7	33.1	
	Q6	33.7	
	Q5	34.7	
	Q4	32.8	
	Q3	31.6	
	Q2	34.13	
	Q1	36	
2005-07	Q8	34.8	
	Q7	31.9	
	Q6	20.9	
	Q5	25.6	
	Q4	27.3	
	Q3	30	
	Q2	30.8	
	Q1	30.03	

Number 000734 - Average Number of days required to finalize the filing review process for rate and form filings



Grand Total

	FY 2010	FY 2011	Biennial Total
FTE's	228.2	231.2	229.7
GFS	\$0	\$0	\$0
Other	\$24,886,000	\$25,505,000	\$50,391,000
Total	\$24,886,000	\$25,505,000	\$50,391,000

Appropriation Period: 2009-11 Activity Version: 2D - 2010 Supplemental Enacted Recast Sort By: Activity

<u>Parameter</u>	<u>Entered As</u>
Budget Period	2009-11
Agency	160
Version	2D
Result Area	All Result Areas
Activity	All Activities
Program	All Programs
Sub Program	All Sub Programs
Account	All Accounts
Expenditure Authority Type	All Expenditure Authority Types
Theme	All
Sort By	Activity
Display All Account Types	Yes
Include Policy Level	Yes
Include Activity Description	Yes
Include Statewide Result Area	Yes
Include Statewide Strategy	Yes
Include Expected Results Text	Yes
Include Charts	Yes
Chart Type	Line
Include Parameter Selections	Yes
Version Source	OFM