

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.

Account	FY 2012	FY 2013	Biennial Total
FTE	44.3	44.3	44.3
138 Insurance Commissioners Regulatory Account			
138-1 State	\$5,001,000	\$5,034,000	\$10,035,000

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

This activity ensures compliance with all requirements for licensure including issuing and renewing licenses; and conducts financial examinations of insurance producers, surplus line brokers, adjustors, life settlement brokers, and others. Staff also administer continuing education requirements.

Account	FY 2012	FY 2013	Biennial Total
FTE	13.0	13.0	13.0
138 Insurance Commissioners Regulatory Account			
138-1 State	\$1,100,000	\$1,110,000	\$2,210,000

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

Statewide Strategy: Provide consumer protection

Expected Results

Appropriation Period: 2011-13 Activity Version: 2C - Enacted Recast Sort By: Activity

000593 Number of licenses and appointments issued for insurance producers.			
Biennium	Period	Actual	Target
2011-13	Q8		76,000
	Q7		76,000
	Q6		76,000
	Q5		76,000
	Q4		75,000
	Q3		75,000
	Q2		75,000
	Q1		75,000
2009-11	Q8	78,285	118,000
	Q7	71,913	118,000
	Q6	74,348	118,000
	Q5	105,082	118,000
	Q4	97,344	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	

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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 with the primary function of ensuring that consumer rights have not been violated.

Account	FY 2012	FY 2013	Biennial Total
FTE	30.8	28.0	29.4
001 General Fund			
001-2 Federal	\$407,000	\$0	\$407,000
138 Insurance Commissioners Regulatory Account			
138-1 State	\$2,403,000	\$2,417,000	\$4,820,000

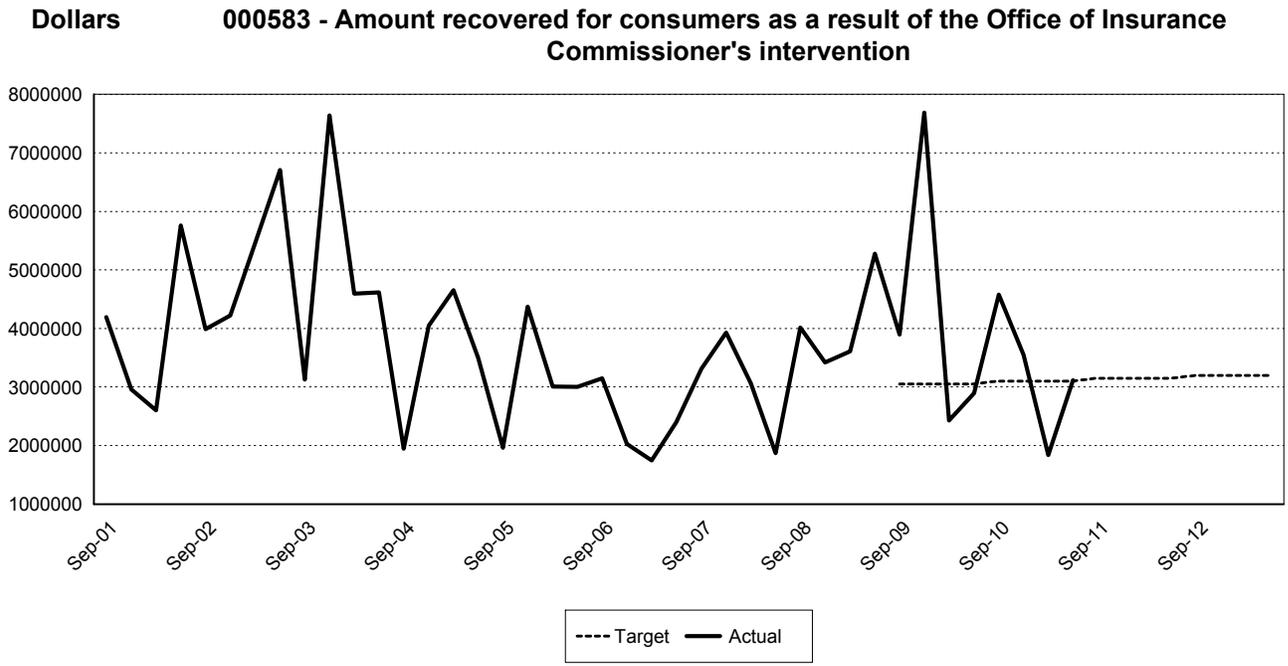
Statewide Result Area: Improve the economic vitality of businesses and individuals
Statewide Strategy: Provide consumer protection

Expected Results

Appropriation Period: 2011-13 Activity Version: 2C - Enacted Recast Sort By: Activity

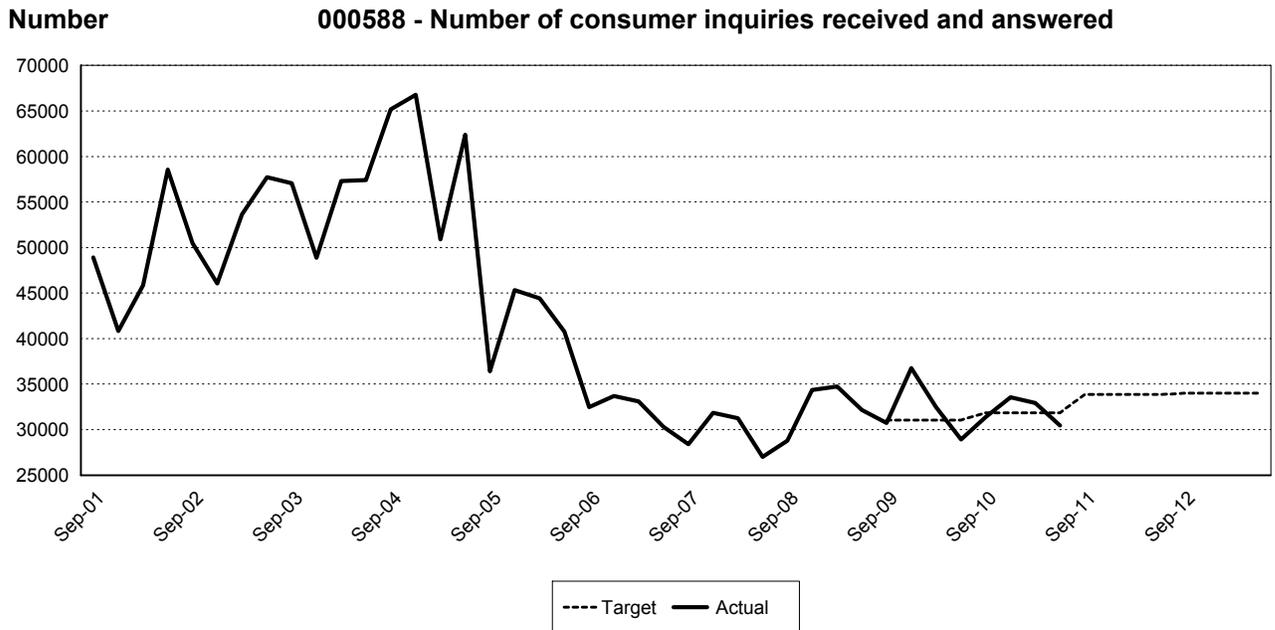
000583 Amount recovered for consumers as a result of the Office of Insurance Commissioner's intervention.			
Biennium	Period	Actual	Target
2011-13	Q8		\$3,200,000
	Q7		\$3,200,000
	Q6		\$3,200,000
	Q5		\$3,200,000
	Q4		\$3,150,000
	Q3		\$3,150,000
	Q2		\$3,150,000
	Q1		\$3,150,000
2009-11	Q8	\$3,118,392	\$3,100,000
	Q7	\$1,836,364	\$3,100,000
	Q6	\$3,551,590	\$3,100,000
	Q5	\$4,578,778	\$3,100,000
	Q4	\$2,895,482	\$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	

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000588 Number of insurance consumer inquiries received and answered by the Office of the Insurance Commissioner			
Biennium	Period	Actual	Target
2011-13	Q8		33,975
	Q7		33,975
	Q6		33,975
	Q5		33,975
	Q4		33,818
	Q3		33,818
	Q2		33,818
	Q1		33,818
2009-11	Q8	30,463	31,865
	Q7	32,933	31,865
	Q6	33,555	31,864
	Q5	31,384	31,864
	Q4	28,916	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	



A004 Health Insurance Benefit Advisors

A statewide network of trained volunteers educates, assists, and advocates for consumers regarding health insurance and health care access issues.

Account	FY 2012	FY 2013	Biennial Total
FTE	10.7	17.4	14.1
001 General Fund			
001-2 Federal	\$1,110,000	\$1,344,000	\$2,454,000
138 Insurance Commissioners Regulatory Account			
138-1 State	\$1,356,000	\$1,362,000	\$2,718,000

Statewide Result Area: Improve the health of Washingtonians

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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.

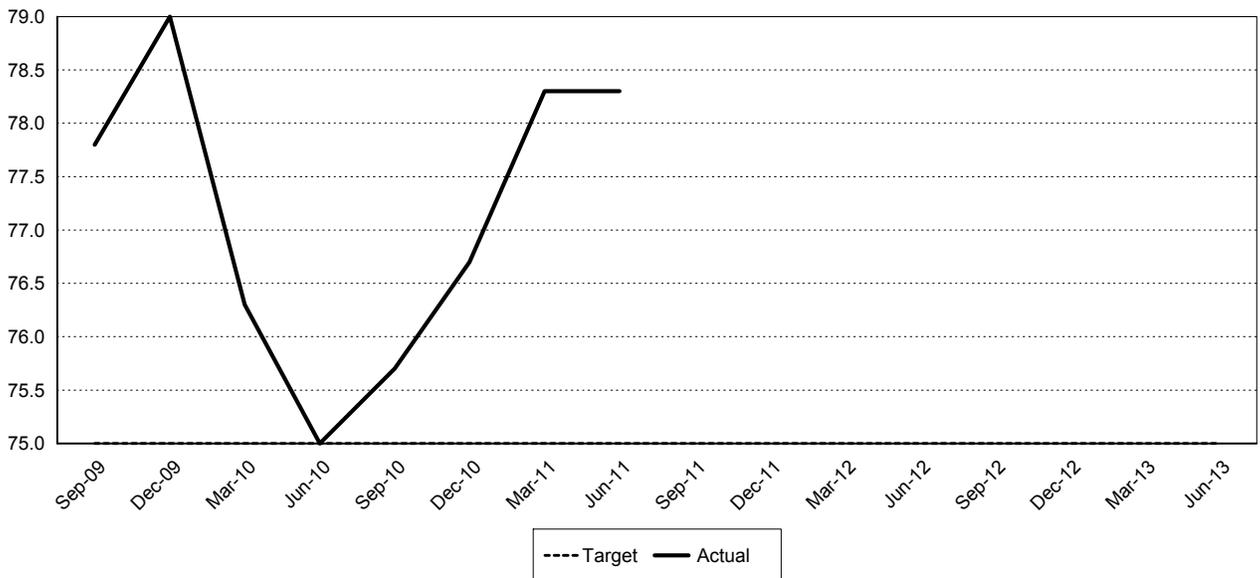
000588 Number of insurance consumer inquiries received and answered by the Office of the Insurance Commissioner			
Biennium	Period	Actual	Target
2011-13	Q8		33,975
	Q7		33,975
	Q6		33,975
	Q5		33,975
	Q4		33,818
	Q3		33,818
	Q2		33,818
	Q1		33,818
2009-11	Q8	30,463	31,865
	Q7	32,933	31,865
	Q6	33,555	31,864
	Q5	31,384	31,864
	Q4	28,916	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	

Expected Results

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
2011-13	Q8		75%
	Q7		75%
	Q6		75%
	Q5		75%
	Q4		75%
	Q3		75%
	Q2		75%
	Q1		75%
2009-11	Q8	78.3%	75%
	Q7	78.3%	75%
	Q6	76.7%	75%
	Q5	75.7%	75%
	Q4	75%	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, insurance producers, and others; identify and investigate criminal insurance fraud; provide information and counsel to other agency divisions; and support the public policy activities of the agency.

Account	FY 2012	FY 2013	Biennial Total
FTE	37.4	37.4	37.4
138 Insurance Commissioners Regulatory Account			
138-1 State	\$4,630,000	\$4,656,000	\$9,286,000

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

Statewide Strategy: Provide consumer protection

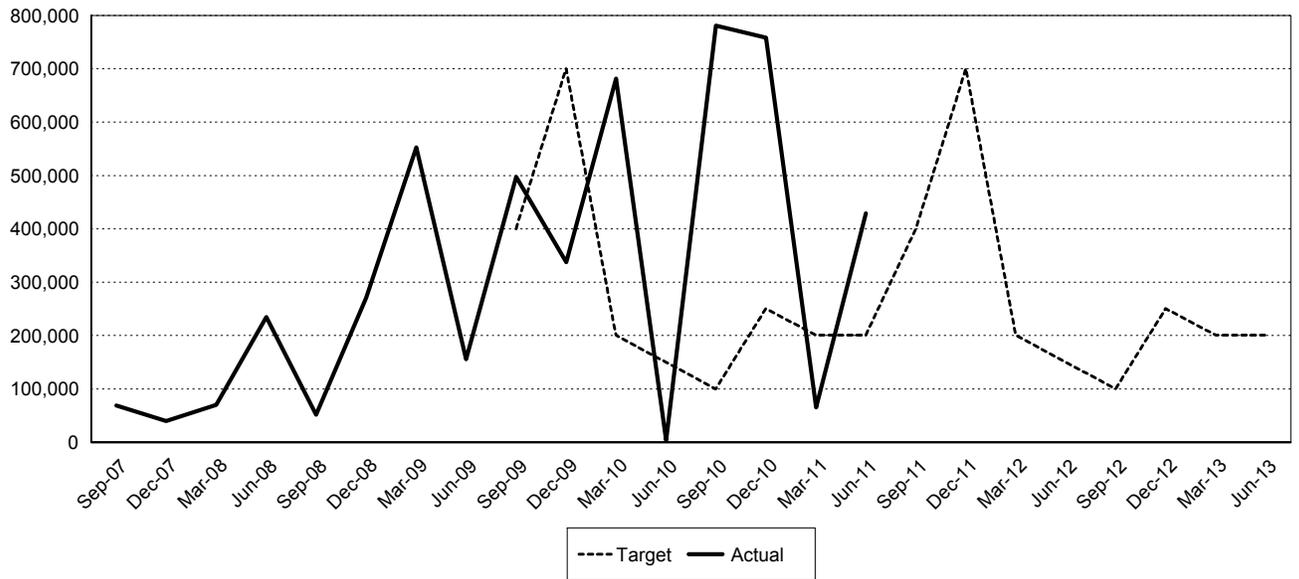
Expected Results

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000592 Amount of restitution value assessed and projected insurance claim payouts saved on behalf of victims of insurance fraud.			
Biennium	Period	Actual	Target
2011-13	Q8		\$200,000
	Q7		\$200,000
	Q6		\$250,000
	Q5		\$100,000
	Q4		\$150,000
	Q3		\$200,000
	Q2		\$700,000
	Q1		\$400,000
2009-11	Q8	\$428,815	\$200,000
	Q7	\$65,064	\$200,000
	Q6	\$758,203	\$250,000
	Q5	\$780,708	\$100,000
	Q4	\$3,500	\$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	

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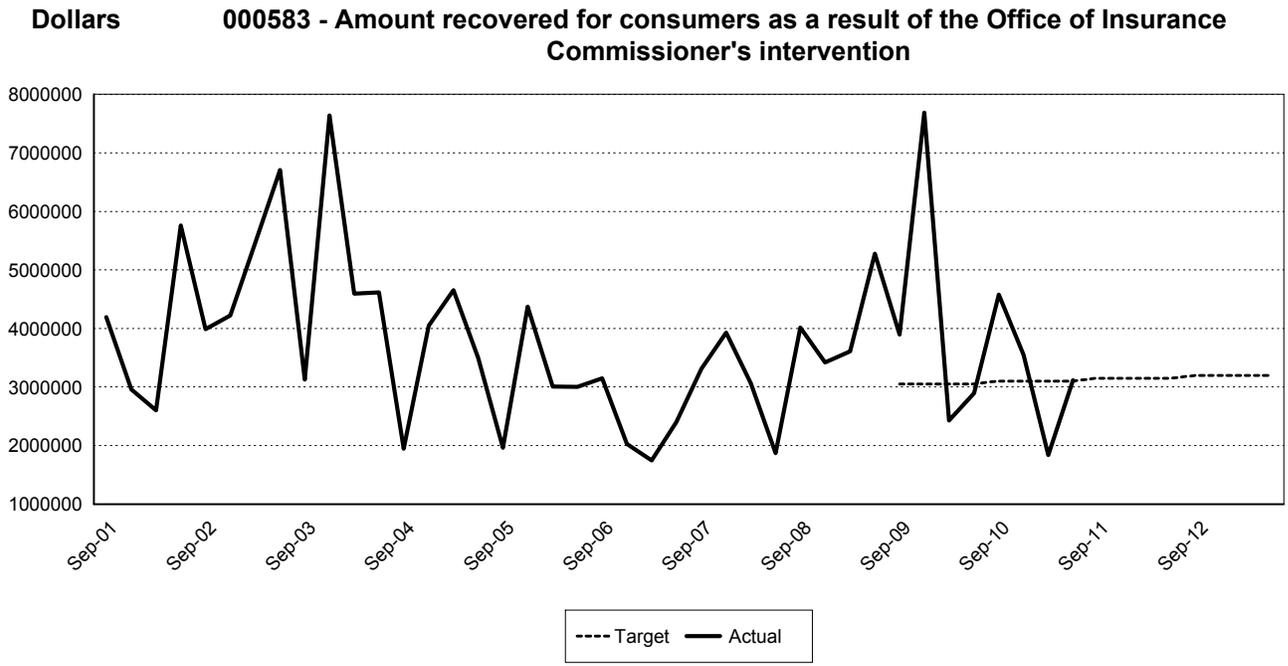
Dollars 000592 - Amount of restitution value assessed and projected insurance claims payouts saved



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000583 Amount recovered for consumers as a result of the Office of Insurance Commissioner's intervention.			
Biennium	Period	Actual	Target
2011-13	Q8		\$3,200,000
	Q7		\$3,200,000
	Q6		\$3,200,000
	Q5		\$3,200,000
	Q4		\$3,150,000
	Q3		\$3,150,000
	Q2		\$3,150,000
	Q1		\$3,150,000
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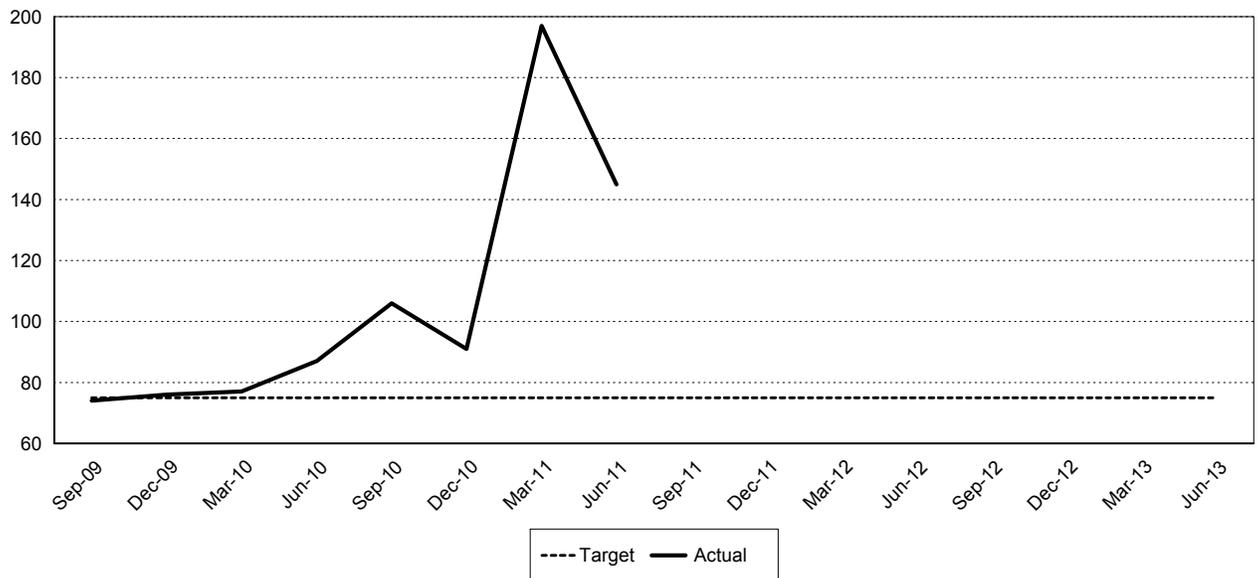
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000575 Average number of days it takes to complete producer investigations.			
Biennium	Period	Actual	Target
2011-13	Q8		75
	Q7		75
	Q6		75
	Q5		75
	Q4		75
	Q3		75
	Q2		75
	Q1		75
2009-11	Q8	145	75
	Q7	197	75
	Q6	91	75
	Q5	106	75
	Q4	87	75
	Q3	77	75
	Q2	76	75
	Q1	74	75

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

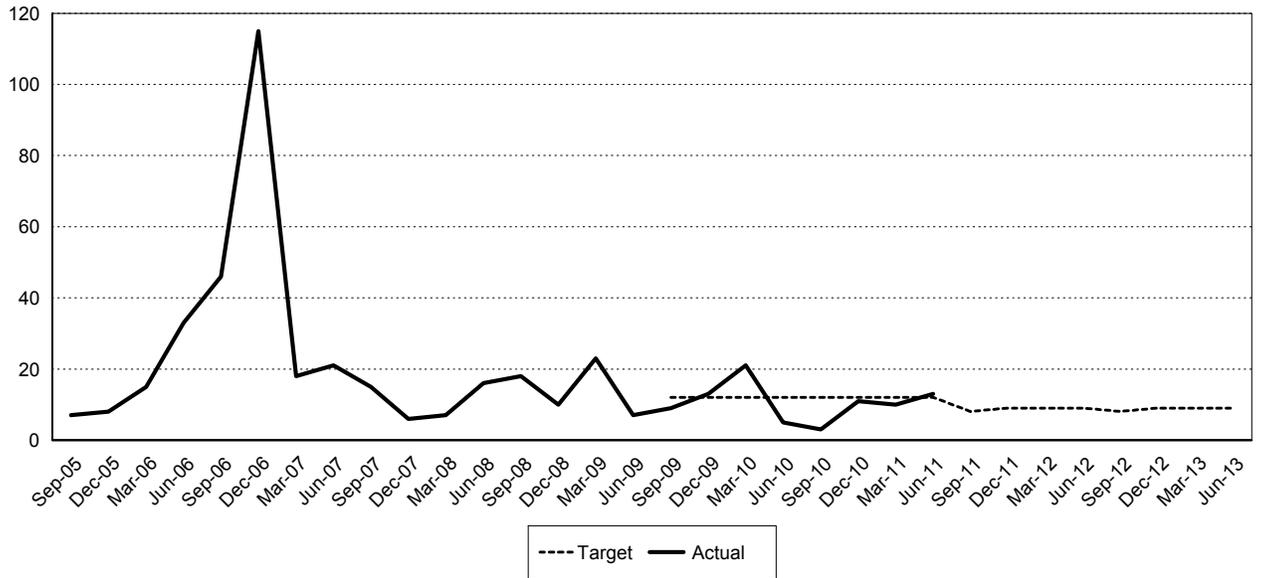


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000590 Number of enforcement actions and compliance plans issued against authorized insurers.			
Biennium	Period	Actual	Target
2011-13	Q8		9
	Q7		9
	Q6		9
	Q5		8
	Q4		9
	Q3		9
	Q2		9
	Q1		8
2009-11	Q8	13	12
	Q7	10	12
	Q6	11	12
	Q5	3	12
	Q4	5	12
	Q3	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	

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

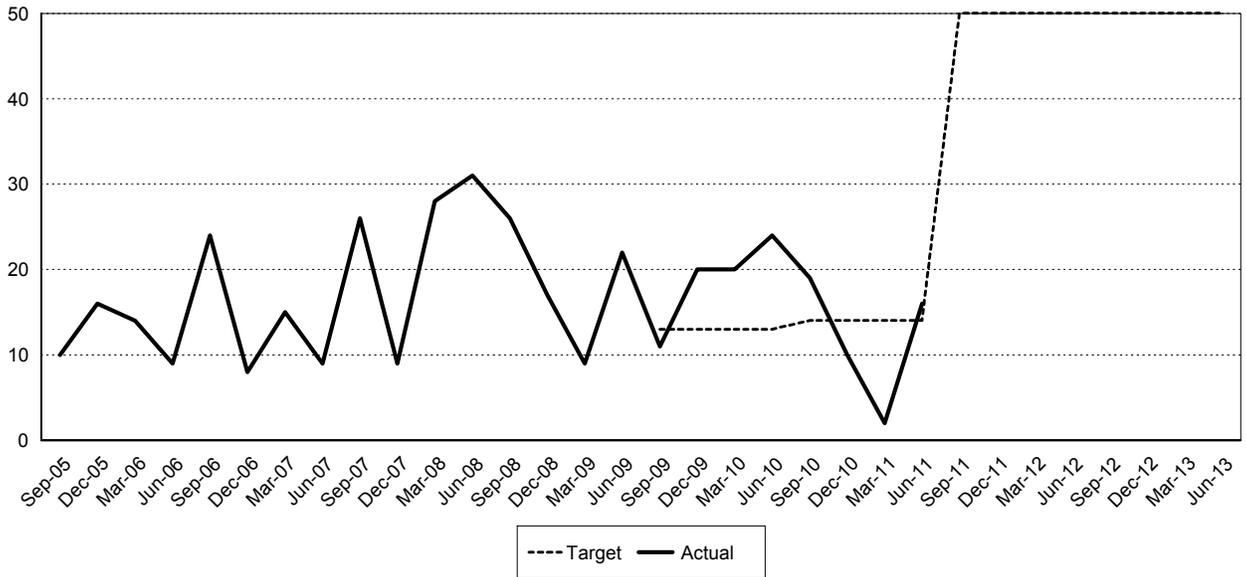


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000591 Number of investigations of potential violatons of the insurance code completed.			
Biennium	Period	Actual	Target
2011-13	Q8		50
	Q7		50
	Q6		50
	Q5		50
	Q4		50
	Q3		50
	Q2		50
	Q1		50
2009-11	Q8	16	14
	Q7	2	14
	Q6	10	14
	Q5	19	14
	Q4	24	13
	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	

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Number 000591 - Number of investigations of potential violations of the insurance code 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. Staff also review 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.

Account	FY 2012	FY 2013	Biennial Total
FTE	29.0	27.3	28.2
001 General Fund			
001-2 Federal	\$629,000	\$962,000	\$1,591,000
138 Insurance Commissioners Regulatory Account			
138-1 State	\$2,825,000	\$2,840,000	\$5,665,000

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

Expected Results

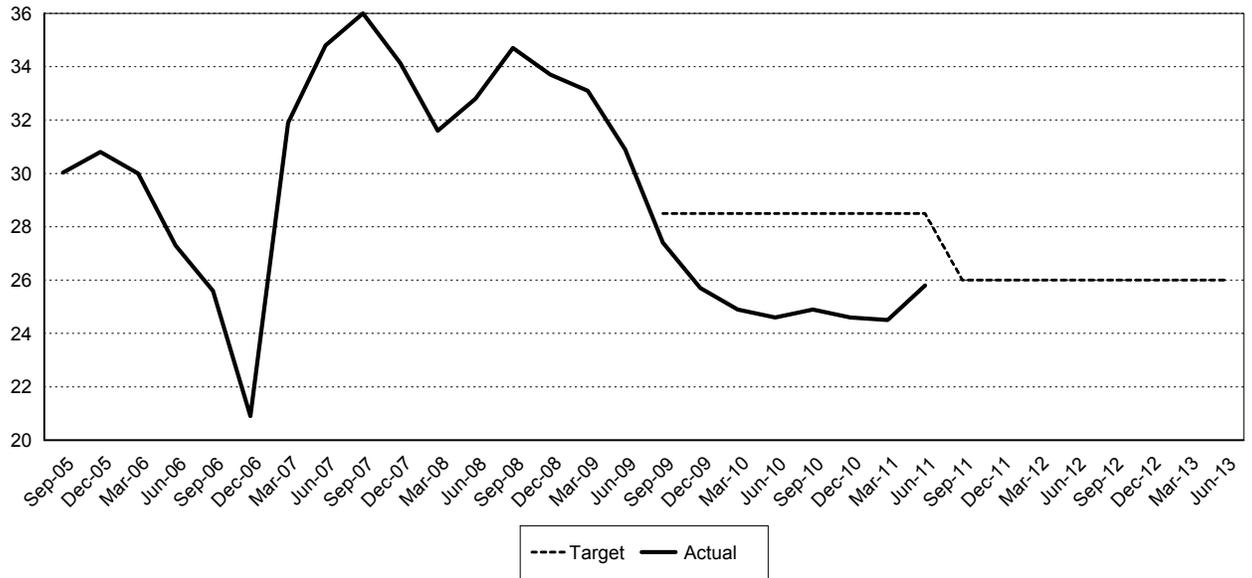
Rates and Forms staff reviews approximately 8,500 rate filings and 10,000 form filings per year.

Appropriation Period: 2011-13 Activity Version: 2C - 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
2011-13	Q8		26
	Q7		26
	Q6		26
	Q5		26
	Q4		26
	Q3		26
	Q2		26
	Q1		26
2009-11	Q8	25.8	28.5
	Q7	24.5	28.5
	Q6	24.6	28.5
	Q5	24.9	28.5
	Q4	24.6	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	

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



Grand Total

	FY 2012	FY 2013	Biennial Total
FTE's	229.2	231.4	230.3
GFS	\$0	\$0	\$0
Other	\$25,811,000	\$26,150,000	\$51,961,000
Total	\$25,811,000	\$26,150,000	\$51,961,000

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<u>Parameter</u>	<u>Entered As</u>
Budget Period	2011-13
Agency	160
Version	2C - Enacted Recast
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