

## 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 2014	FY 2015	Biennial Total
FTE	48.9	48.9	48.9
<b>17T Health Benefit Exchange Account</b>			
17T-1 State	\$338,000	\$338,000	\$676,000
<b>138 Insurance Commissioners Regulatory Account</b>			
138-1 State	\$5,458,000	\$5,480,000	\$10,938,000

**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 Supervision

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 other licensees. Staff members also administer continuing education requirements.

Account	FY 2014	FY 2015	Biennial Total
FTE	12.0	12.0	12.0
<b>138 Insurance Commissioners Regulatory Account</b>			
138-1 State	\$1,127,000	\$1,137,000	\$2,264,000

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

**Expected Results**

<b>000593 Number of licenses and appointments issued for insurance producers and other licensees.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2013-15	Q8		70,000
	Q7		70,000
	Q6		70,000
	Q5		70,000
	Q4		68,000
	Q3		68,000
	Q2		68,000
	Q1		68,000
2011-13	Q8	81,432	76,000
	Q7	70,678	76,000
	Q6	55,289	76,000
	Q5	78,639	76,000
	Q4	69,830	75,000
	Q3	56,578	75,000
	Q2	60,407	75,000
	Q1	92,245	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

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**Number 000593 - Number of licenses and appointments issued for insurance producers and other licensees**



**A003 Consumer Information and Advocacy**

Staff members respond to oral and written complaints and inquiries from consumers regarding insurance companies, and act as advocates 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 2014	FY 2015	Biennial Total
FTE	29.0	29.0	29.0
<b>138 Insurance Commissioners Regulatory Account</b>			
138-1 State	\$2,530,000	\$2,546,000	\$5,076,000

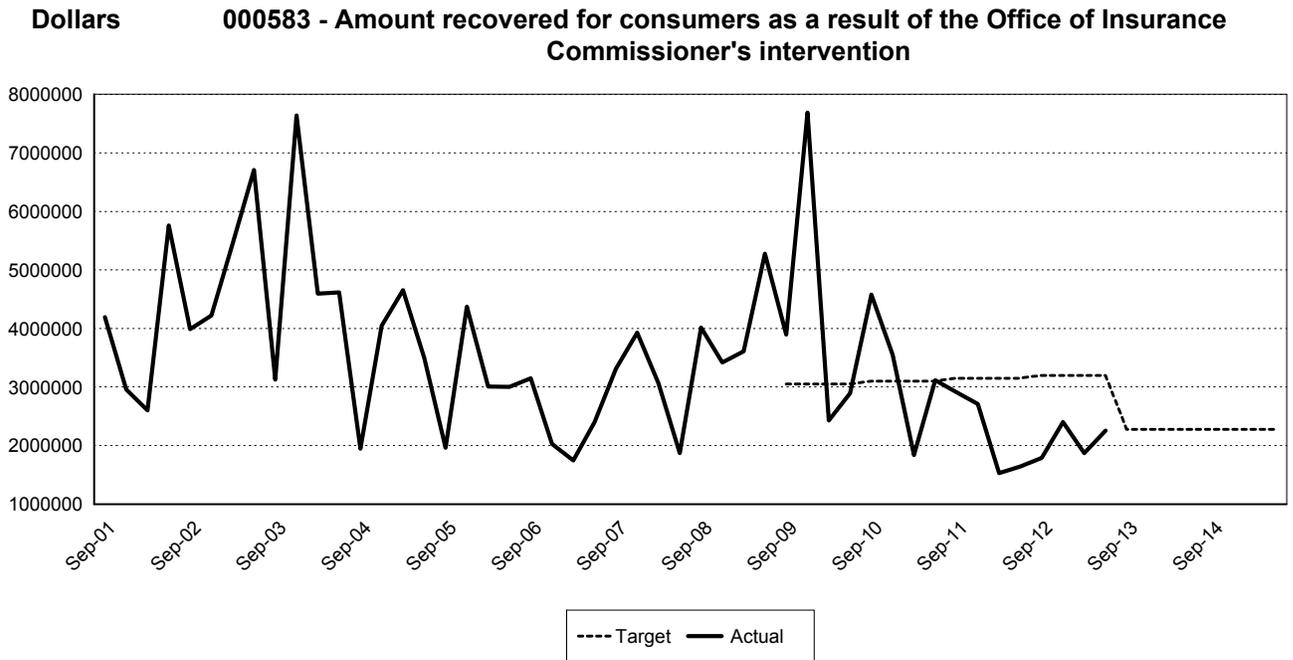
**Statewide Result Area: Improve the economic vitality of businesses and individuals**

**Statewide Strategy: Provide consumer protection**

**Expected Results**

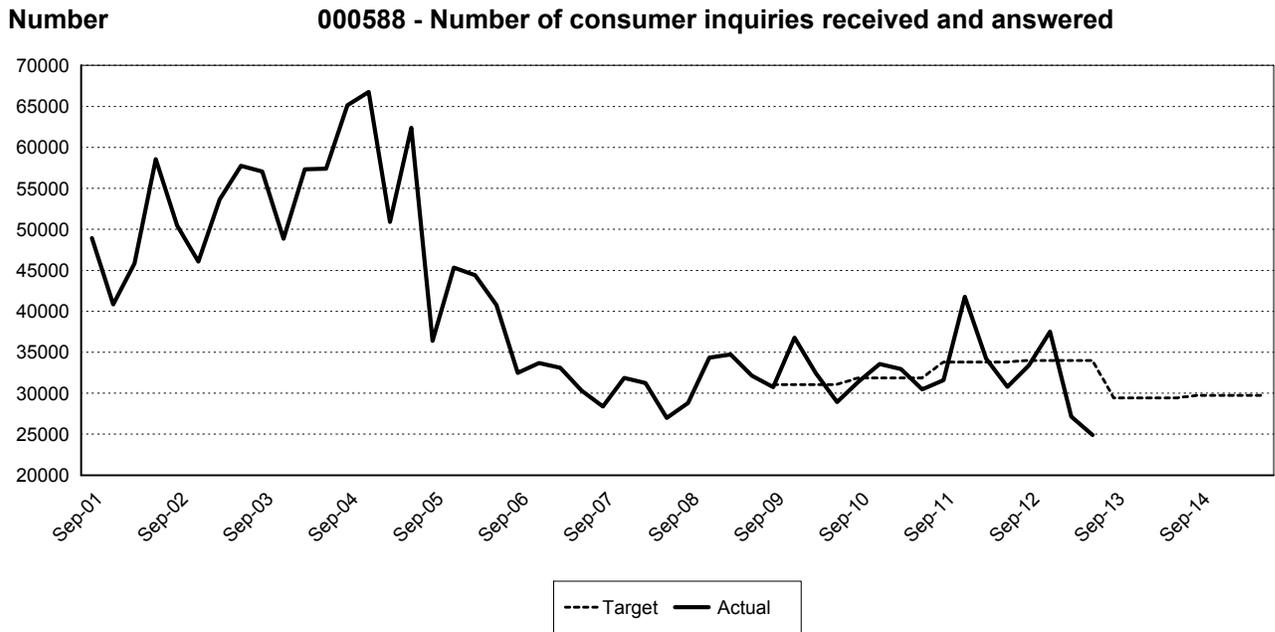
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<b>000583 Amount recovered for consumers as a result of the Office of Insurance Commissioner's intervention.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2013-15	Q8		\$2,275,000
	Q7		\$2,275,000
	Q6		\$2,275,000
	Q5		\$2,275,000
	Q4		\$2,275,000
	Q3		\$2,275,000
	Q2		\$2,275,000
	Q1		\$2,275,000
2011-13	Q8	\$2,255,857	\$3,200,000
	Q7	\$1,869,569	\$3,200,000
	Q6	\$2,399,919	\$3,200,000
	Q5	\$1,787,317	\$3,200,000
	Q4	\$1,640,711	\$3,150,000
	Q3	\$1,528,144	\$3,150,000
	Q2	\$2,707,949	\$3,150,000
	Q1	\$2,911,337	\$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



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<b>000588 Number of insurance consumer inquiries received and answered by the Office of the Insurance Commissioner</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2013-15	Q8		29,750
	Q7		29,750
	Q6		29,750
	Q5		29,750
	Q4		29,425
	Q3		29,425
	Q2		29,425
	Q1		29,425
2011-13	Q8	24,917	33,975
	Q7	27,131	33,975
	Q6	37,526	33,975
	Q5	33,383	33,975
	Q4	30,791	33,818
	Q3	34,240	33,818
	Q2	41,761	33,818
	Q1	31,598	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



**A004 Health Insurance Benefit Advisors**

A statewide network of trained volunteers and paid staff that educate, assist, and advocate for consumers regarding public and private health insurance and health care access issues.

Account	FY 2014	FY 2015	Biennial Total
<b>FTE</b>	14.0	14.0	14.0
<b>001 General Fund</b>			
001-2 Federal	\$1,236,000	\$1,239,000	\$2,475,000
<b>138 Insurance Commissioners Regulatory Account</b>			
138-1 State	\$1,381,000	\$1,389,000	\$2,770,000

Statewide Result Area: Improve the health of Washingtonians

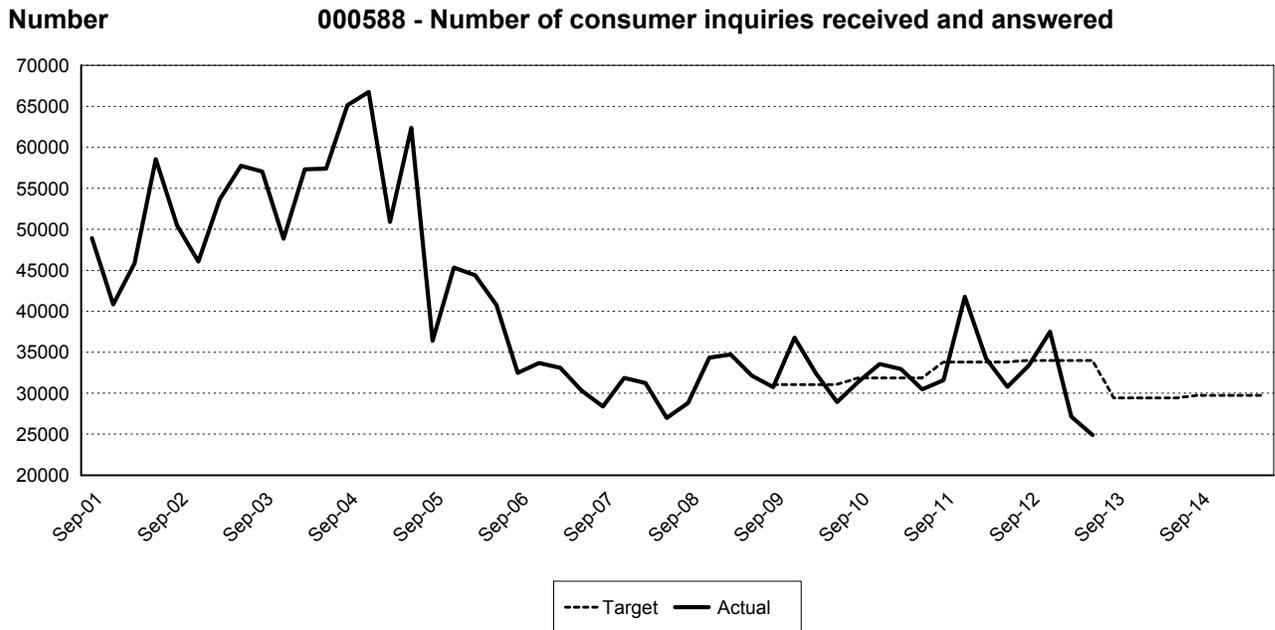
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**Statewide Strategy: Provide access to health care**

**Expected Results**

SHIBA 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.

<b>000588 Number of insurance consumer inquiries received and answered by the Office of the Insurance Commissioner</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2013-15	Q8		29,750
	Q7		29,750
	Q6		29,750
	Q5		29,750
	Q4		29,425
	Q3		29,425
	Q2		29,425
	Q1		29,425
2011-13	Q8	24,917	33,975
	Q7	27,131	33,975
	Q6	37,526	33,975
	Q5	33,383	33,975
	Q4	30,791	33,818
	Q3	34,240	33,818
	Q2	41,761	33,818
	Q1	31,598	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



**A006 Monitoring Insurance Company Solvency**

This activity includes 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.

Account	FY 2014	FY 2015	Biennial Total
FTE	61.0	61.0	61.0
<b>138 Insurance Commissioners Regulatory Account</b>			
138-1 State	\$6,334,000	\$6,382,000	\$12,716,000

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

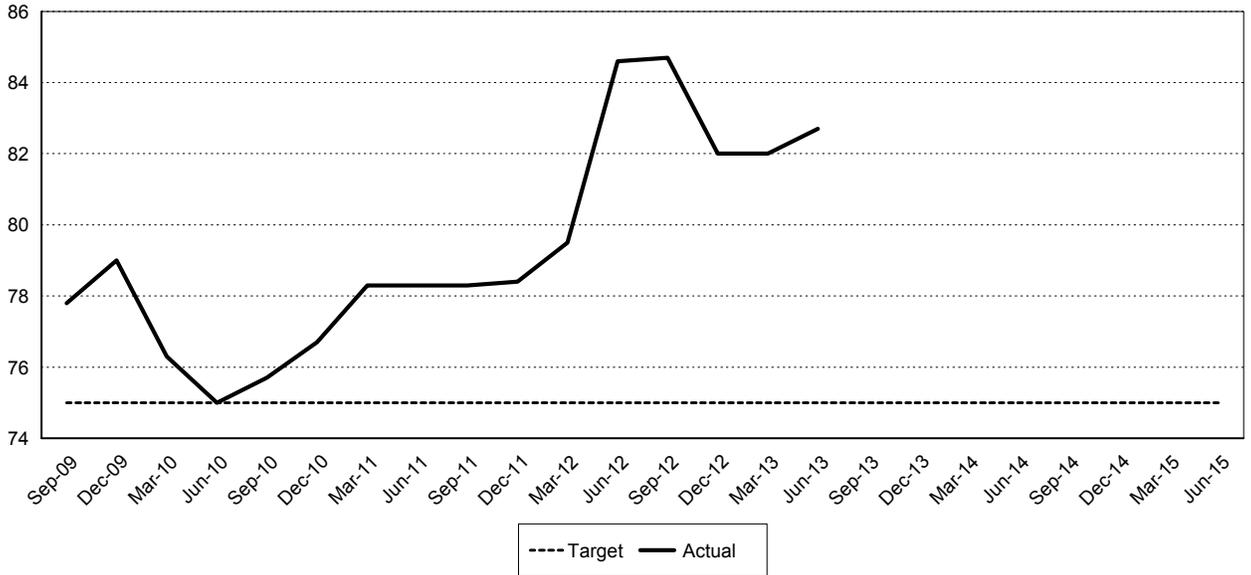
**Expected Results**

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.

<b>000480 Percentage of domestic insurers that are rated as financially stable.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2013-15	Q8		75%
	Q7		75%
	Q6		75%
	Q5		75%
	Q4		75%
	Q3		75%
	Q2		75%
	Q1		75%
2011-13	Q8	82.7%	75%
	Q7	82%	75%
	Q6	82%	75%
	Q5	84.7%	75%
	Q4	84.6%	75%
	Q3	79.5%	75%
	Q2	78.4%	75%
	Q1	78.3%	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%

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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 2014	FY 2015	Biennial Total
<b>FTE</b>	43.3	40.8	42.1
<b>001 General Fund</b>			
001-1 State	\$300,000	\$100,000	\$400,000
001-2 Federal	\$931,000	\$1,089,000	\$2,020,000
<b>001 Account Total</b>	<b>\$1,231,000</b>	<b>\$1,189,000</b>	<b>\$2,420,000</b>
<b>138 Insurance Commissioners Regulatory Account</b>			
138-1 State	\$4,836,000	\$4,853,000	\$9,689,000

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

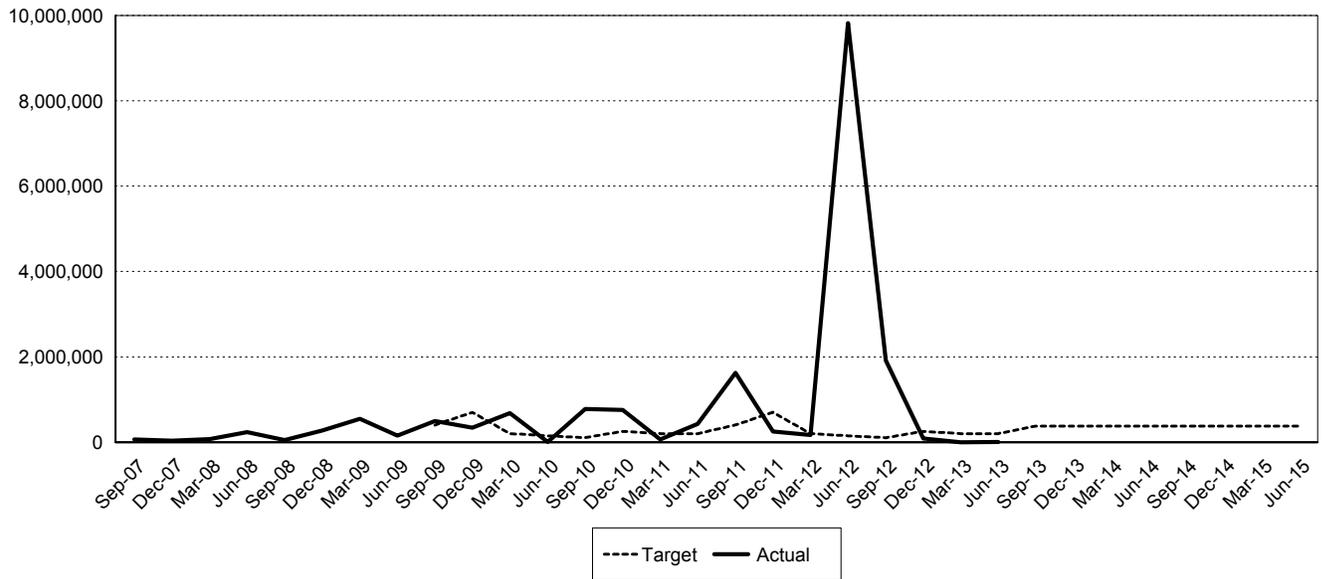
**Expected Results**

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<b>000592 Amount of restitution value assessed and projected insurance claim payouts saved on behalf of victims of insurance fraud.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2013-15	Q8		\$375,000
	Q7		\$375,000
	Q6		\$375,000
	Q5		\$375,000
	Q4		\$375,000
	Q3		\$375,000
	Q2		\$375,000
	Q1		\$375,000
2011-13	Q8	\$10,694	\$200,000
	Q7	\$2,400	\$200,000
	Q6	\$89,101	\$250,000
	Q5	\$1,918,816	\$100,000
	Q4	\$9,821,384	\$150,000
	Q3	\$172,216	\$200,000
	Q2	\$253,496	\$700,000
	Q1	\$1,623,715	\$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

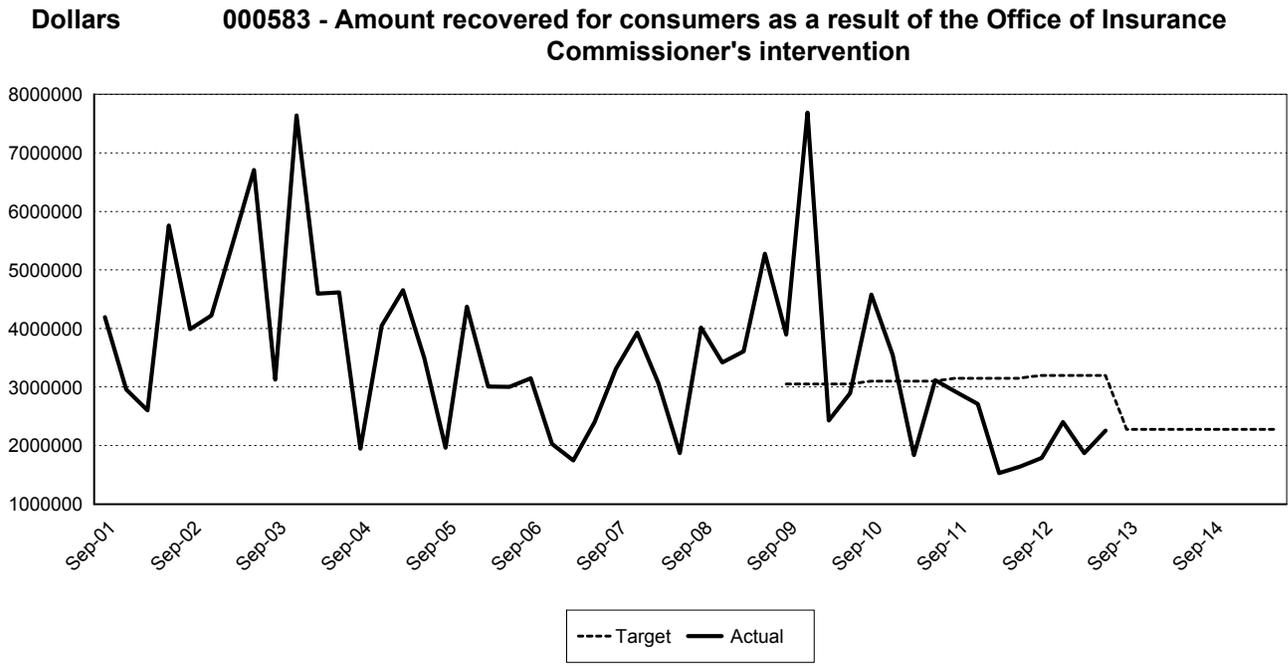
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Dollars 000592 - Amount of restitution value assessed and projected insurance claims payouts saved



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<b>000583 Amount recovered for consumers as a result of the Office of Insurance Commissioner's intervention.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2013-15	Q8		\$2,275,000
	Q7		\$2,275,000
	Q6		\$2,275,000
	Q5		\$2,275,000
	Q4		\$2,275,000
	Q3		\$2,275,000
	Q2		\$2,275,000
	Q1		\$2,275,000
2011-13	Q8	\$2,255,857	\$3,200,000
	Q7	\$1,869,569	\$3,200,000
	Q6	\$2,399,919	\$3,200,000
	Q5	\$1,787,317	\$3,200,000
	Q4	\$1,640,711	\$3,150,000
	Q3	\$1,528,144	\$3,150,000
	Q2	\$2,707,949	\$3,150,000
	Q1	\$2,911,337	\$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

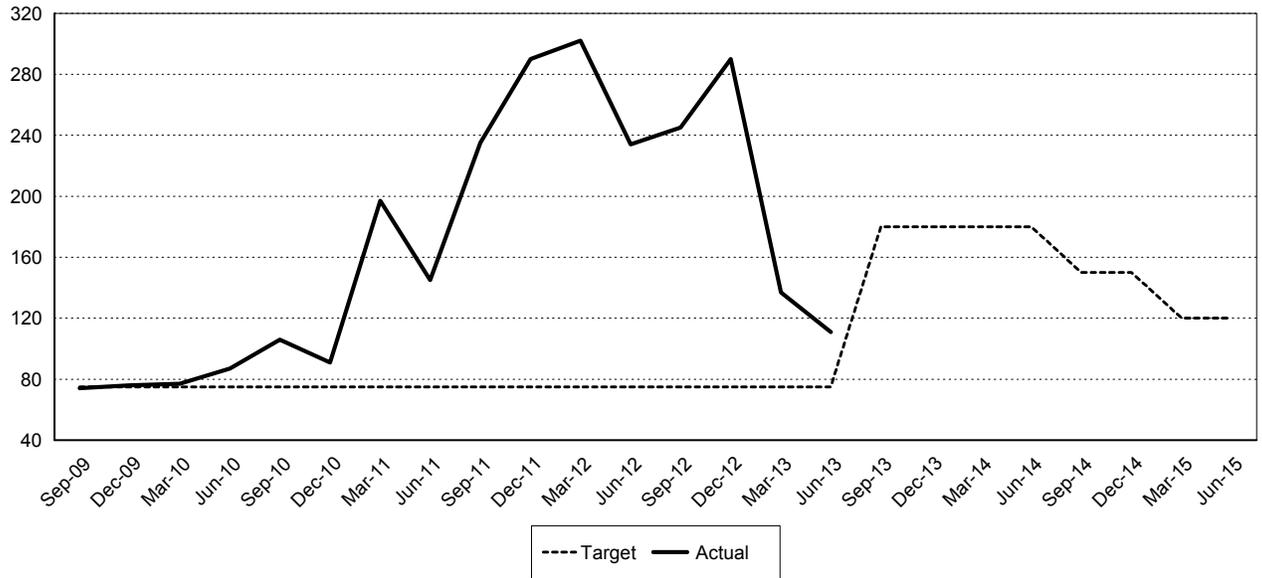


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<b>000575 Average number of days it takes to complete investigations of suspected violations of the insurance code.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2013-15	Q8		120
	Q7		120
	Q6		150
	Q5		150
	Q4		180
	Q3		180
	Q2		180
	Q1		180
2011-13	Q8	111	75
	Q7	137	75
	Q6	290	75
	Q5	245	75
	Q4	234	75
	Q3	302	75
	Q2	290	75
	Q1	235	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

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**Number 000575 - Average Number of days it takes to complete investigations of suspected insurance code violations.**

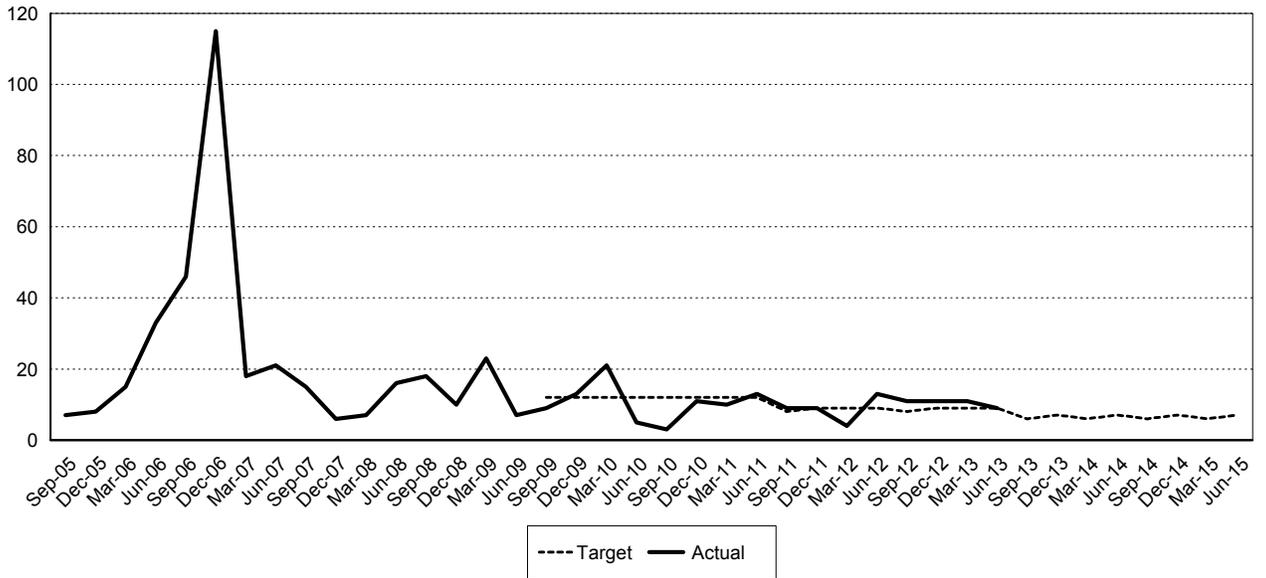


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<b>000590 Number of enforcement actions and compliance plans issued against authorized insurers.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2013-15	Q8		7
	Q7		6
	Q6		7
	Q5		6
	Q4		7
	Q3		6
	Q2		7
	Q1		6
2011-13	Q8	9	9
	Q7	11	9
	Q6	11	9
	Q5	11	8
	Q4	13	9
	Q3	4	9
	Q2	9	9
	Q1	9	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

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

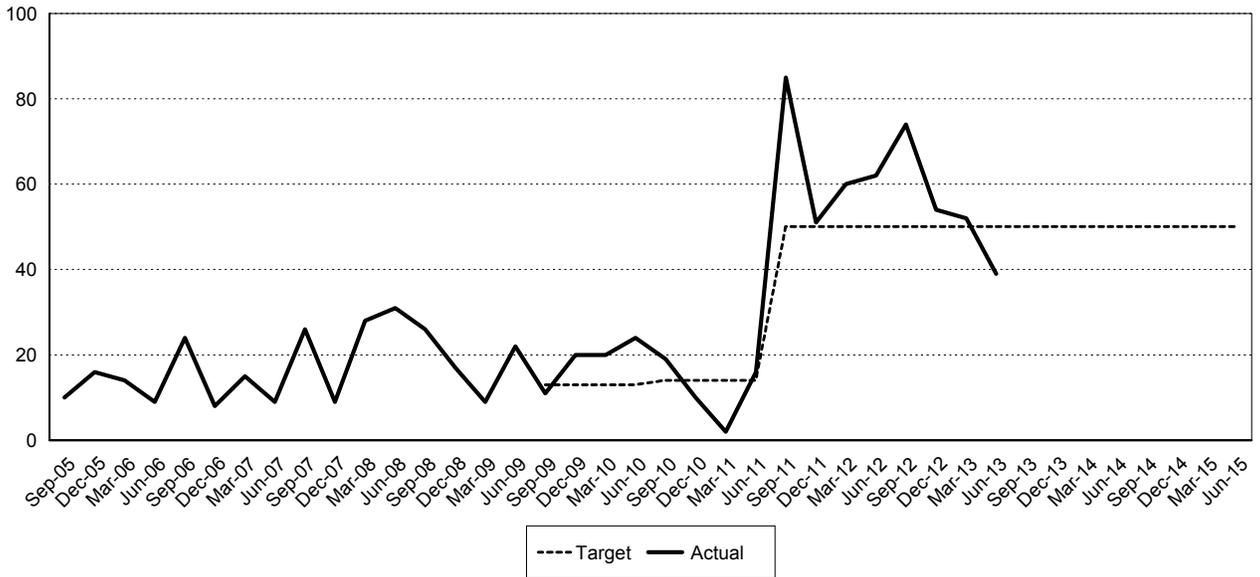


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<b>000591 Number of investigations of potential violatons of the insurance code completed.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2013-15	Q8		50
	Q7		50
	Q6		50
	Q5		50
	Q4		50
	Q3		50
	Q2		50
	Q1		50
2011-13	Q8	39	50
	Q7	52	50
	Q6	54	50
	Q5	74	50
	Q4	62	50
	Q3	60	50
	Q2	51	50
	Q1	85	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

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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, nor unfairly discriminatory. Staff also review policy forms to ensure that the terms and conditions of the insurance contract comply with state and federal laws before they are sold in Washington state.

Account	FY 2014	FY 2015	Biennial Total
FTE	28.0	28.0	28.0
<b>138 Insurance Commissioners Regulatory Account</b>			
138-1 State	\$3,043,000	\$3,059,000	\$6,102,000

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

**Statewide Strategy: Provide consumer protection**

**Expected Results**

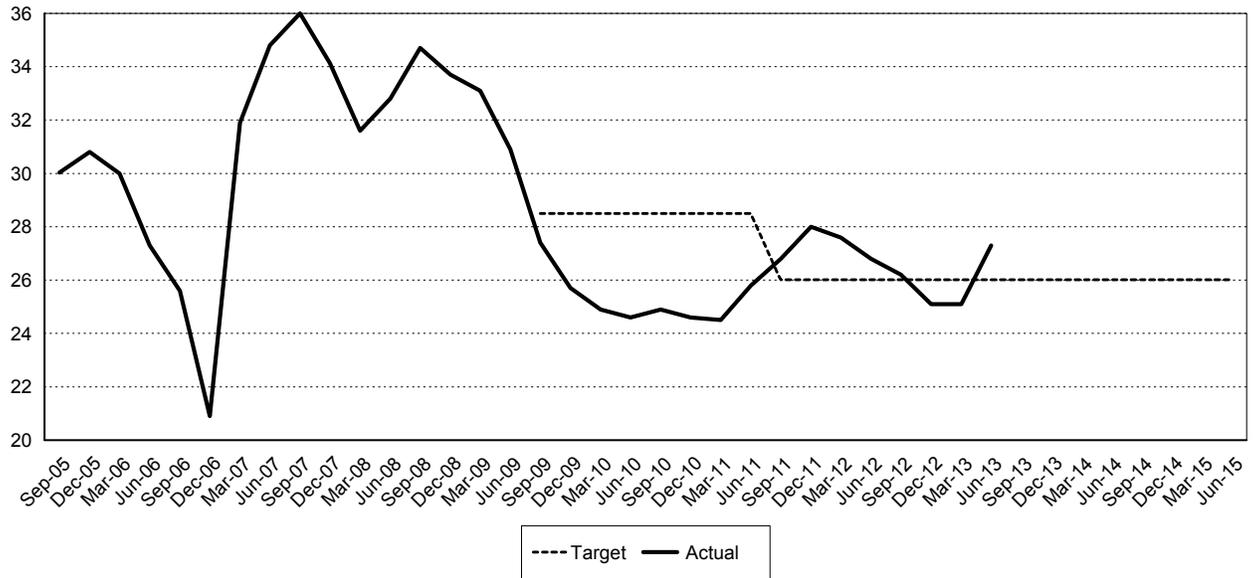
Rates and Forms staff reviews approximately 4,000 rate filings and 8,000 form filings per year.

Appropriation Period: 2013-15 Activity Version: 2C - Enacted Recast Sort By: Activity

<b>000734 Average number of days required to finalize the filing review process for insurance rate and form filings.</b>			
<b>Biennium</b>	<b>Period</b>	<b>Actual</b>	<b>Target</b>
2013-15	Q8		26
	Q7		26
	Q6		26
	Q5		26
	Q4		26
	Q3		26
	Q2		26
	Q1		26
2011-13	Q8	27.3	26
	Q7	25.1	26
	Q6	25.1	26
	Q5	26.2	26
	Q4	26.8	26
	Q3	27.6	26
	Q2	28	26
	Q1	26.8	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

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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 2014	FY 2015	Biennial Total
FTE's	236.2	233.7	235.0
GFS	\$300,000	\$100,000	\$400,000
Other	\$27,214,000	\$27,512,000	\$54,726,000
<b>Total</b>	<b>\$27,514,000</b>	<b>\$27,612,000</b>	<b>\$55,126,000</b>

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<b><u>Parameter</u></b>	<b><u>Entered As</u></b>
Budget Period	2013-15
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