



# Office of Insurance Regulation

## Meeting of the Cabinet Aides

**April 8, 2015**



# Office Mission and Vision

## Mission

To promote a ***stable and competitive insurance market*** for consumers

## Vision

The (Office) envisions a robust and competitive insurance market while ***maintaining protections for the insurance-buying public.***



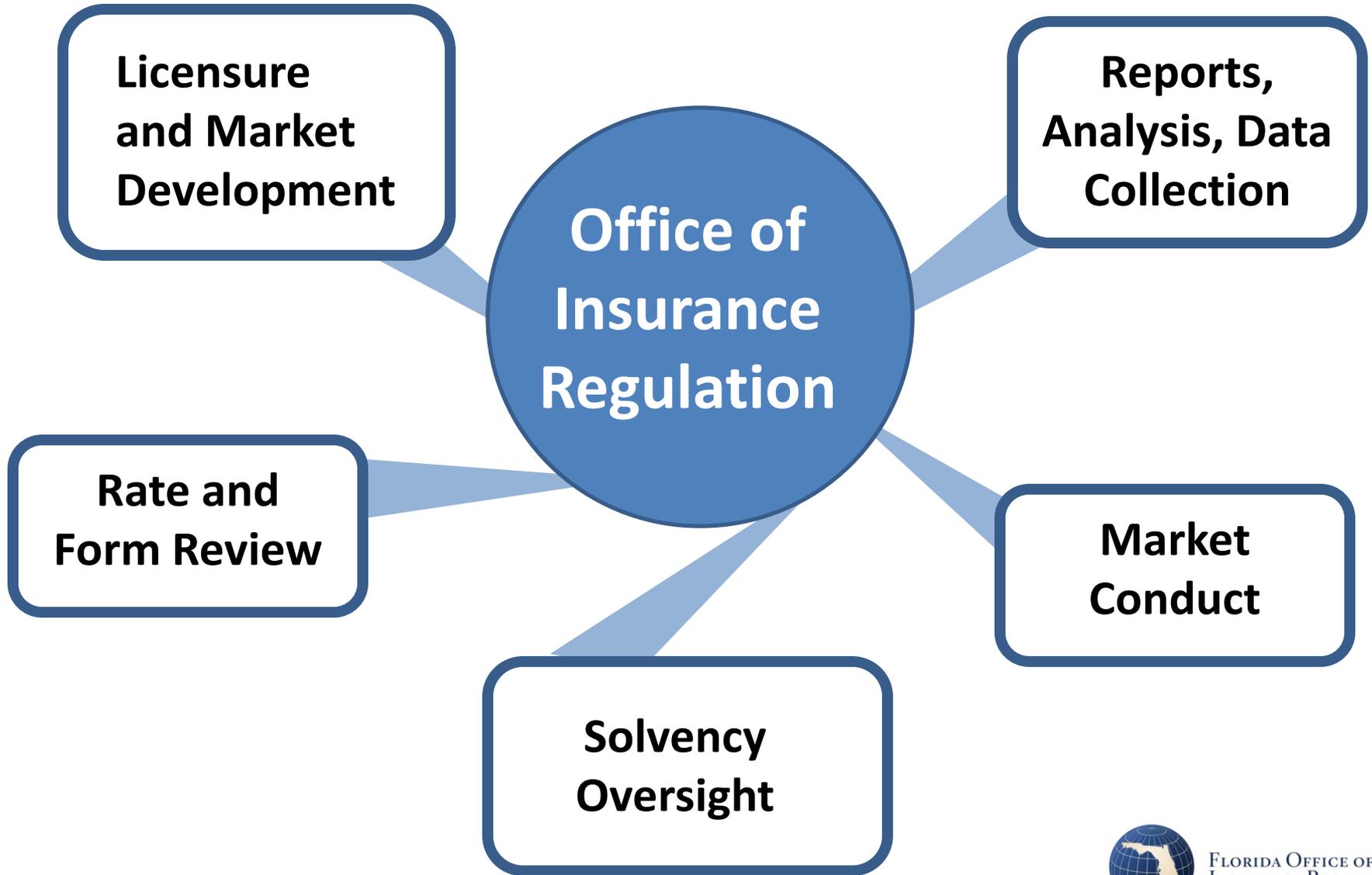
# Office Goals

- Goal 1.** Promote insurance markets that offer products to meet the needs of Floridians with fair, understandable coverage that is priced in a manner that is adequate, but not excessive or unfairly discriminatory.
- Goal 2.** Protect the public from illegal, unethical insurance products and practices.
- Goal 3.** Monitor the financial condition of licensed insurance companies and take action to address financial issues as early as reasonably possible to prevent unnecessary harm to consumers.
- Goal 4.** Operate in an efficient, effective and transparent manner.

Note: Goals are from Office of Insurance Regulation Long Range Program Plan, Fiscal Years 2015-16 through 2019-20, September 2014.



# Office Functions



# Evidence of Taxpayer Value

## CONSUMER PROTECTION

### Prevention:

- Licensure background checks
- Senior products/ad materials review
- Rate adequacy determinations
- Policy forms for legal compliance

### Remediation

- Consumer recoveries (\$117M in CY13 /14)
- Discriminatory drug practices/HIV
- Post-claims underwriting
- Correcting errors in charging filed and approved rates; refunds

## MARKET DEVELOPMENT

- Over \$3B in workers comp premium savings for employers since 2003
- PIP rates down 13.6% on average since 2012
- From 2010-13:
  - 16,000 insurance jobs created
  - \$1.9B more in wages and noncash benefits

- Domestic property insurer surplus up 87% since 2010
- 27 new P & C insurer entrants and 11 L & H/ health company entrants in CYs 2013 and 2014
- Citizens: 1M+ policies approved for take-out
- Title insurer redomestications

## REGULATORY EFFICIENCY

- Low administrative costs
- Forms Certification Pilot Project
- Combined Filings Project
- State productivity awards

- Lower regulatory costs than peer states
- Near-universal online transactions
- Return on NAIC investment
- National regulator awards



# LRPP Performance Measures

LRPP Performance Measures	Legislative LRPP Timeframes	LRPP Standard
Percentage of complete applications for a new certificate of authority	Processed w/in statutorily required timeframes	98%
Percentage of life and health form and rate filing reviews	Completed w/in 45 days	90%
Percentage of property and casualty form and rate filing reviews	Forms—Completed w/in 45 days Rates—Completed w/in 90 days	90%
Percentage of market conduct examinations with violations in which the Office takes enforcement action	N/A	85%
Percentage of financial examinations of domestic insurers	Completed w/in 18 months of the "as of" exam date	98%
Percentage of priority financial analyses	Completed w/in 60 days	98%
Percentage of non-priority financial analyses	Completed w/in 90 days	95%
Administrative costs as a percentage of total agency costs	N/A	10%
Administrative costs as a percentage of total agency positions	N/A	10%



# Company Applications

The Office processed 430 applications in an average of 44.7 days during 2014

Deemer	Processed*	% Processed within Statutory Timeframes
45 Days (Continuing Care Retirement Community)	20	100%
90 Days (HMO, Permits, Acquisitions, Warranty, Donor Annuity, Surplus Lines, TPA)	374	100%
180 Days (Life & Health and Property & Casualty Insurers)	36	100%
Total	430	100%

\*Processed includes Approved, Denied, Withdrawn, Incomplete and Listed



# 2014 Actual Performance: Form and Rate Filings: Life & Health

## Life and Health Form and Rate Filings Processed by the Office CY 2013 and 2014

Status	Forms			Rates	
	CY 2013	CY 2014		CY 2013	CY 2014
Total Processed	4,739	4,090		1,983	1,875
% Within 30 days	76.5%	84.3%		57.4%	73.1%
% Within 45 days	91.4%	99.6%		79.4%	98.6%
Withdrawn Filings	227	210		126	98
% Withdrawn	4.8%	5.1%		6.4%	5.2%
Disapproved Filings	215	273		114	140
% Disapproved	4.5%	6.7%		5.7%	7.5%

Source: 2014 Financial Services Commission Statistics Report, Florida Office of Insurance Regulation



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# 2014 Actual Performance: Form and Rate Filings: Property & Casualty

## Property and Casualty Form and Rate Filings Processed by the Office CY 2013 and 2014

Status	Forms			Rates	
	CY 2013	CY 2014		CY 2013	CY 2014
Total Processed	3,916	3,581		4,742	4,743
% Within 30 days	52.4%	47.4%		81.0%	81.7%
% Within 45 days	65.9%	99.9%		84.5%	85.6%
% Within 90 days	N/A	N/A		96.3%	99.6%
Withdrawn Filings	461	662		552	518
% Withdrawn	11.8%	18.5%		11.6%	10.9%
Disapproved Filings	75	383		92	107
% Disapproved	1.9%	10.7%		1.9%	2.3%



# Company Financial Reviews and Exams

The Office conducted 7,812 financial reviews and examinations in 2014

## Financial Reviews and Examinations Conducted by the Office, 2014

Authority Category Group	Reviews		Exams		Total	
	#	Timely	#	Timely	#	Timely
Life and Health	2,435	99.7%	19	100.0%	2,454	99.7%
Property and Casualty	4,652	99.9%	12	100.0%	4,664	99.9%
Specialty	682	99.6%	12	100.0%	694	99.6%
<b>TOTAL</b>	<b>7,769</b>	<b>99.8%</b>	<b>43</b>	<b>100.0%</b>	<b>7,812</b>	<b>99.8%</b>

Source: Property and Casualty, and Life and Health Financial Oversight Business Units, Florida Office of Insurance Regulation



**Questions?**

