

OIC 2023 Overview

Presentation to Senate Business, Financial Services, Gaming and Trade Committee
January 10, 2023

OFFICE of the
INSURANCE
COMMISSIONER
WASHINGTON STATE

Mission statement

We protect consumers, the public interest and our state's economy through fair and efficient regulation of the insurance industry.

OIC Primary Responsibilities

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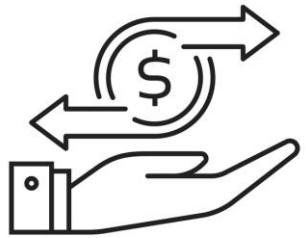
- Collect premium tax for general fund
- Monitor insurance company solvency
- Producer licensing and oversight
- Rates and forms approval
- Consumer education and advocacy
- Enforcement of federal and state laws
- Implementation of new laws/Rulemaking

2021-2023 Revenue

- $1.4 Billion to the General Fund
  - $1.37B from premium taxes
  - $35M from licensing and appointment fees
  - $8M from penalties assessed
- $55.9 Million to the Health Benefit Exchange Account
- $67.3 Million to the OIC regulatory account
- $3.6 Million to the OIC Fraud account

2021-2023 Operating Budget

- OIC has no GF-S appropriation
- OIC's biennial appropriation is $79.029 million with 272 FTEs. It is funded via:
  - Regulatory surcharge account
  - Fraud surcharge account
  - Federal grants ($4.67M)



- Any excess fund balance in the OIC operating accounts is required to be returned to the organizations paying into the accounts.

Monitor company solvency

OIC regulates over 2,500 insurance and risk-bearing entities:

- 224 in-state
- 2,318 out-of-state
- 25 out-of-country

The OIC regularly conducts financial examinations of insurance companies, and other companies, incorporated in Washington state.

Producer licensing and oversight

The OIC processed over 70,000 applications in 2021 and provides oversight on over 253,000 licensees.

- Producers,
- adjusters,
- surplus lines,
- life settlement,
- title,
- premium finance,
- car rental,
- self-service storage, and
- portable electronics



Rates, Forms, & Provider Network review

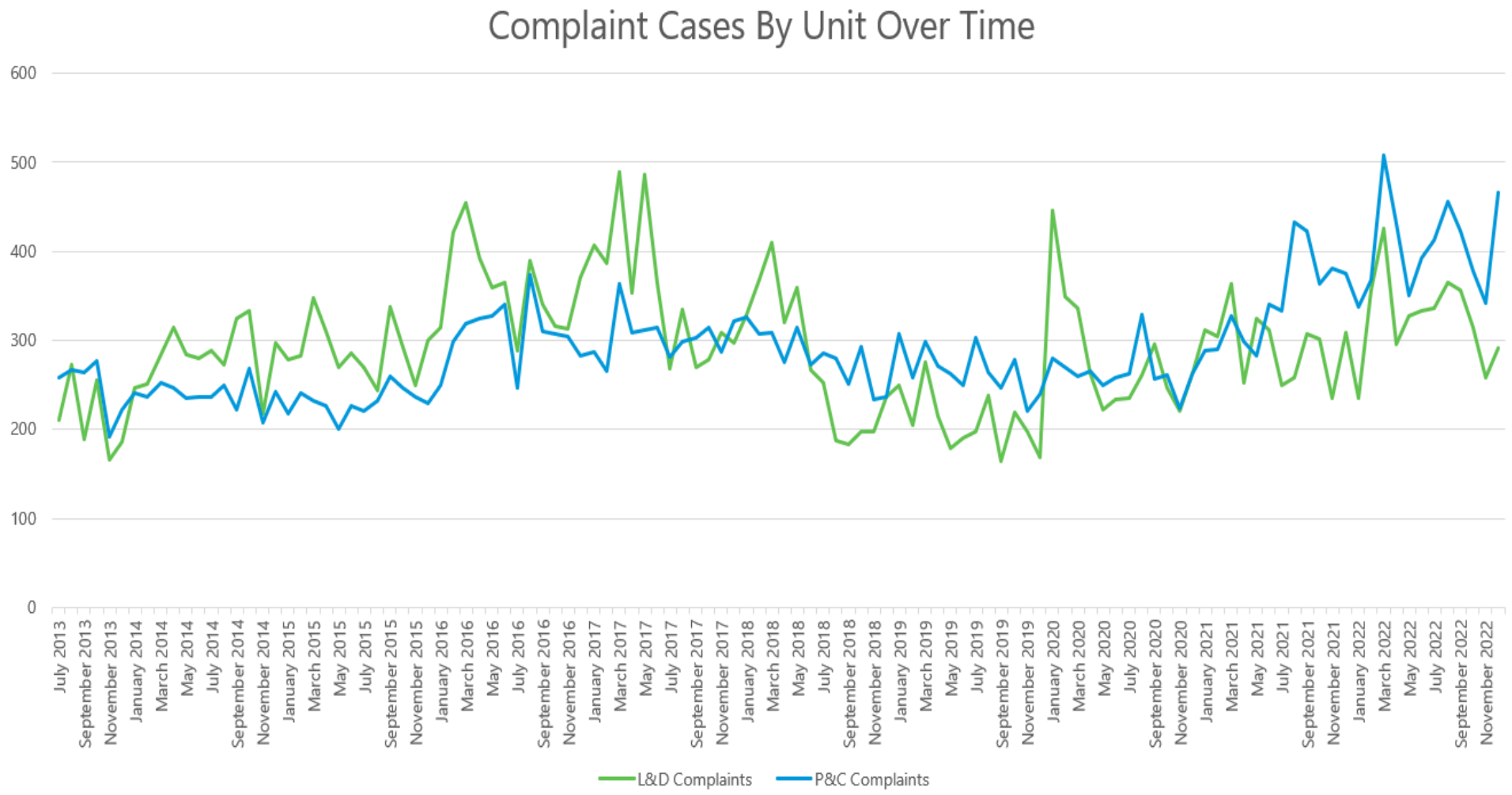
In 2022, we reviewed and approved:

- 11,071 health, life, and disability forms, which includes provider contracts
  - *6,318 provider contracts*
  - *1,360 health care benefit management contracts*
- 3,447 health, life, and disability rate filings
- 1,799 property and casualty forms
- 1,587 property and casualty rate filings

Consumer Assistance

- During fiscal year 2021-2022, our compliance analysts:
  - helped consumers recover **$16 million dollars** as a result of our complaint process.
  - answered over **11,500 informational cases**
  - handled over **8,400 complaints**.
  - answered over **96,500 calls**.
  - answered over **14,700 live chats**

Consumer Assistance and Results

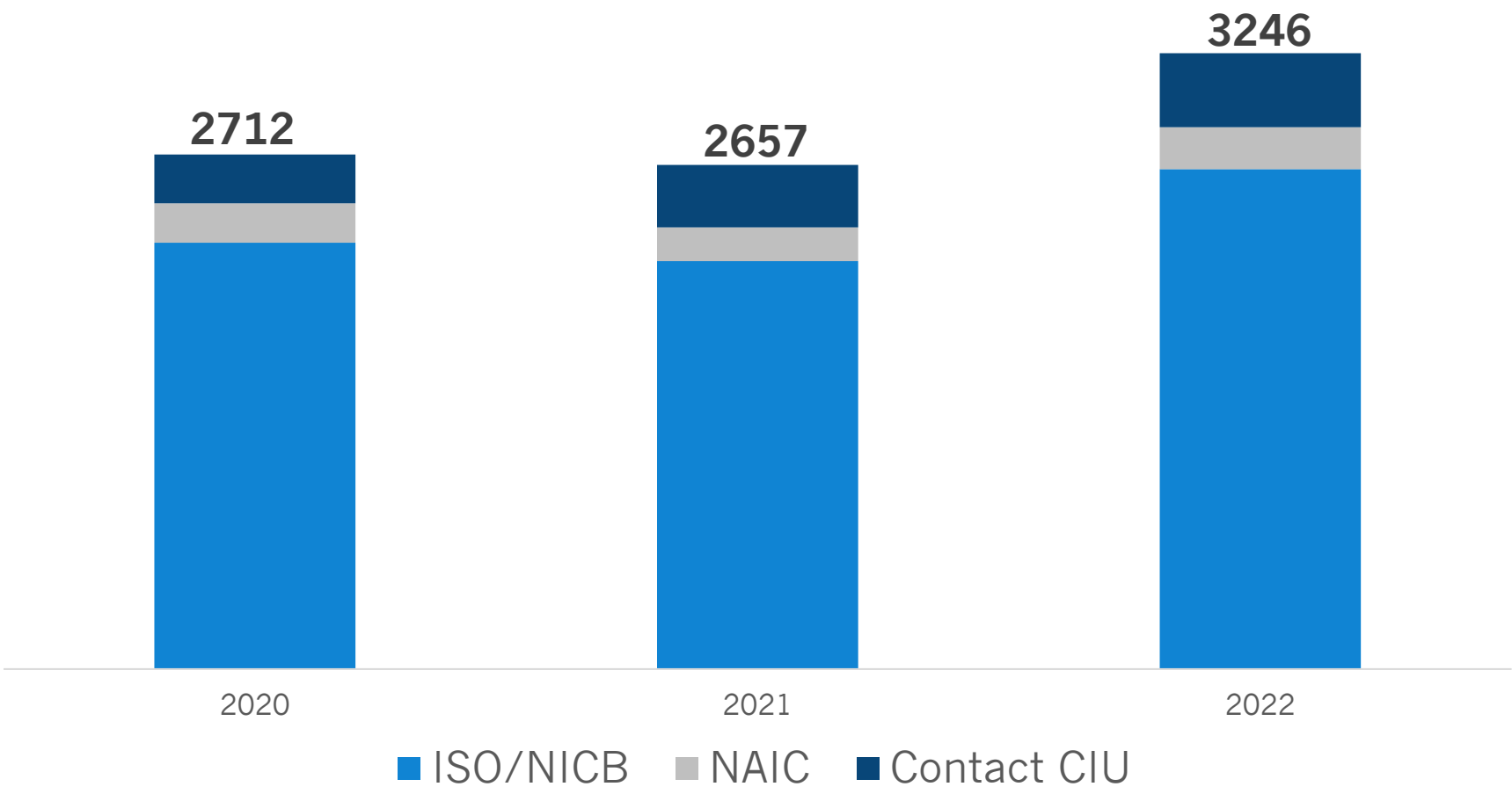


Top Reasons Consumers Contact Us

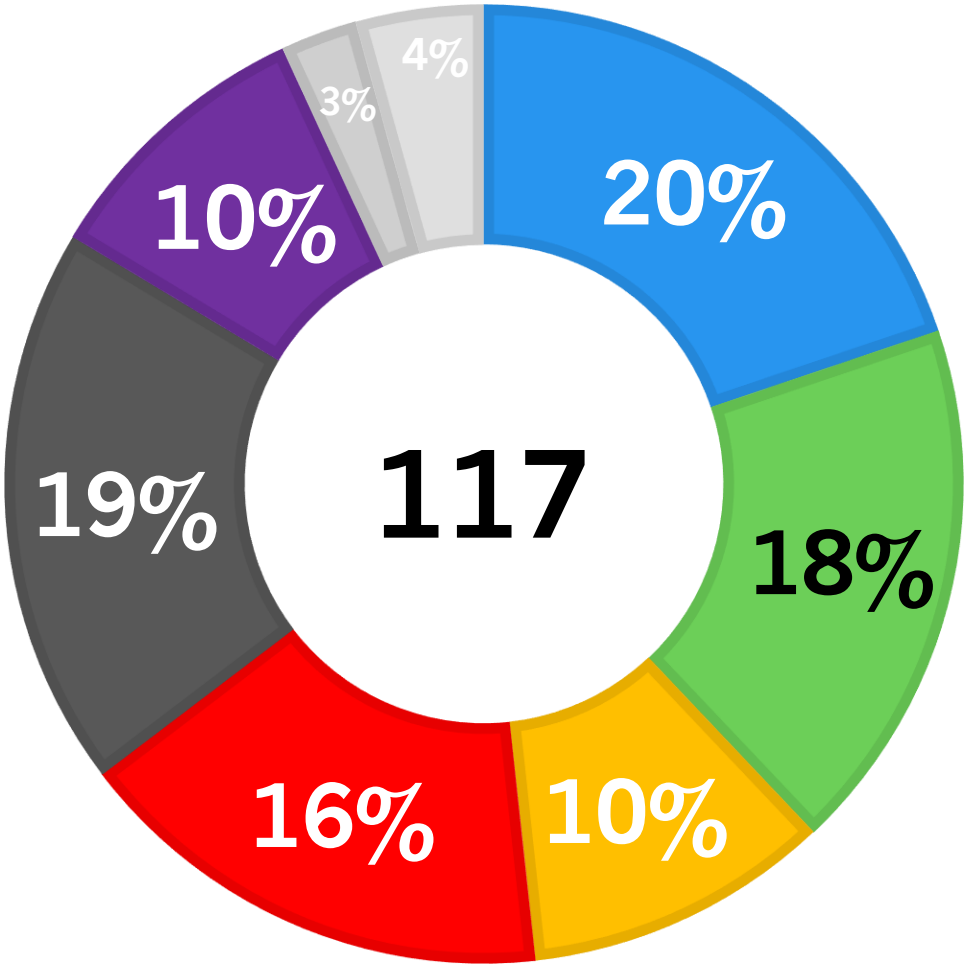
- Claim delays, denials, disputes
- Coverage issues and appeals
- Cancellations and renewals
- Rate increases



Criminal Fraud referred to OIC



Regulatory investigations completed in 2022



	Dishonest or Untrustworthy
	Unauthorized activity
	Fraud
	Various other violations
	Unlicensed activity
	Incompetent or Negligent

Enforcement orders 2022

712 total enforcement orders

- Revocations
- Consent order with fine
- Cease and Desist

382 enforcement orders with fines

- Companies
- Licensees
- Unlicensed

All fines recovered are distributed into the state general fund

Questions?

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