



# Strategic Plan for FY2018 – FY2019

---

**MISSION:** The primary mission of the State Insurance Department shall be consumer protection through insurer solvency and market conduct regulation, and fraud prosecution and deterrence.

**VISION:** Our vision is to serve and protect the public interest by the efficient and equitable enforcement of the state's laws and regulations affecting the insurance industry.

**CORE VALUES:** The Insurance Department is comprised of several divisions with a wide variety of services to the public, public employees, and the industry. Our core values are:

- Efficiency in our internal workings and in assisting consumers externally.
- Results that benefit Arkansas consumers and lead to growth for the industry.
- Transparency in the rate-making process.
- Leadership among state regulators in growing industry and protecting consumers.

## GOAL 1 EDUCATE ARKANSAS CONSUMERS

*AID's Goal 1 addresses the following goals laid out in the Governor's Strategy for Arkansas:*

- *Efficient and Responsive*
- *Quality of Life*

**SUMMARY:** Our primary mission is consumer protection, but a challenge we face is the lack of knowledge by hardworking Arkansans that the Arkansas Insurance Department is an available resource to them should issues arise in dealing with their insurance companies, including assistance in filing claims during a disaster. Better education of the assistance available from AID will allow the Department to better carry out its primary mission.

**MEASURABLE OBJECTIVE 1:** Hold informational and/or assistance events in all 75 counties.

**STRATEGY 1:** Lay out an aggressive schedule to hold at least one event in every Arkansas county over the biennium. This would be primarily organized by the Department's Consumer Services Division (CSD). As of the start

of FY2018 the cash fund that covers CSD travel outreach efforts contains \$67,339. This fund no longer has a source of funding as the fee collected for it has been discontinued. Should that cash fund run out, travel by CSD personnel throughout the state would come out of the Department's general travel fund.

## GOAL 2 GROW THE ARKANSAS INSURANCE INDUSTRY

*AID's Goal 2 addresses the following goals laid out in the Governor's Strategy for Arkansas:*

- Grow
- Efficient and Responsive
- Quality of Life

**SUMMARY:** Creating an environment where new companies are welcome allows for new insurance industry jobs being created, which grows Arkansas's economy. The Arkansas Insurance Department is committed to attracting new domestic business as well as out-of-state (foreign) business to offer insurance products in Arkansas as well as employ new agents to sell those products. While the Department is committed to attracting new business to the state, we must not neglect servicing our current clientele: companies already doing business in Arkansas.

**MEASURABLE OBJECTIVE 1:** Grant Certificates of Authority to at least 50 insurance companies over the next biennium.

**STRATEGY 1:** Under the current administration, the Arkansas Insurance Department has granted Certificates of Authority to 50 insurance companies through the end of FY2017. Leveraging the expertise of our Finance Division (which received a perfect score in its most recent NAIC accreditation), the Department will offer companies a professional, efficient, and thorough regulatory review experience that focuses on companies like they were our clients.

**MEASURABLE OBJECTIVE 2:** Add at least 25 captive insurers over the next biennium.

**STRATEGY 2:** Thanks to Act 370 of 2017, the ability of the Arkansas Insurance Department to approve captive insurers has been greatly enhanced. These types of insurers have become more popular, but many Arkansas companies have domiciled these insurers in foreign and international locations. Act 370 makes Arkansas a captive-friendly state. The Department is committed to actively recruiting and assisting any

Arkansas (and out-of-state) company in our state. This assistance includes an analysis of whether a captive insurer is the best choice for an interested parent company.

**MEASURABLE OBJECTIVE 3:** An average three-business-day turnaround for the approval of Property & Casualty and non-ACA Life & Health form filings over the biennium.

**STRATEGY 3:** In 2016, the Department first started monthly tracking of the turnaround time to review form filings by our Compliance Division. Depending on the complexity of the filings, monthly turnaround averages were as low as two days and as high as thirteen days. Through efficient use of staff and resources, we believe an average three-day turnaround over the biennium is achievable. Minimal investments in technology upgrades, including computer monitors, can improve our efficiency and better help us reach our objective.

## **GOAL 3 EFFICIENCY THROUGH TECHNOLOGICAL INNOVATION**

*AID's Goal 3 addresses the following goals laid out in the Governor's Strategy for Arkansas:*

- *Efficient and Responsive*

**SUMMARY:** Increasing the availability of state services through technology is a goal of government. The Arkansas Insurance Department has taken this charge on board and is committed to increasing the efficiency by which the industry can obtain appropriate licensure through electronic means.

**MEASURABLE OBJECTIVE 1:** 100% online insurance licensing by end of 2019.

**STRATEGY 1:** One of the first efforts under the current administration of the Arkansas Insurance Department was to move to the 100% electronic collection of premium tax receipts. This has resulted in efficiencies within our Accounting Division by the reduction of handling paper and postage. The Department will now look to do the same with licensing. As of the end of FY2017, slightly over 90% of licenses issued by the Department were done so electronically. AID plans to issue an amendment to Rule 57 to help facilitate transition to online licensure.

## GOAL 4 HEALTHIER STATE EMPLOYEES THROUGH EFFICIENCY

*AID's Goal 4 addresses the following goals laid out in the Governor's Strategy for Arkansas:*

- Healthy
- Efficient and Responsive
- Quality of Life

**SUMMARY:** The Department's Public Employee Claims Division (PECD) administers the workers' compensation program for state government by providing service that results in accurate and timely application of the Arkansas workers' compensation laws and regulations so that all customers of this division are served in a fair and efficient manner.

**MEASURABLE OBJECTIVE 1:** Maintain claims benefit determinations at above 90% timely as per the Arkansas Workers' Compensation Commission Form 2 Report Card; Maintain initial claims benefit payments at above 90% timely as per the Arkansas Workers' Compensation Commission Initial Payment Report Card; Maintain initial reporting of lost time claims at above 90% timely as per the Arkansas Workers' Compensation Commission Form 1 Report Card; and Keep penalties for late payments of benefits at less than 1% of claims payments.

**STRATEGY 1:** Provide timely and accurate assessment of claims and payment of workers' compensation benefits to take care of injured government employees while protecting taxpayer funds from payments which are inconsistent with the law. Develop direct deposit capability of benefit payments either through convincing DF&A to create capability through the AASIS BSEG interface or contracting with outside banking institution to allow us to do direct deposit with debit cards. Install new claims software to improve efficiency. Reduce number of claims to claims specialists ratio to closer to industry standards by obtaining one additional WCC Claims Specialist position.