

MAINE STATE LEGISLATURE

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DEPARTMENT OF

Professional &
Financial Regulation

STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF PROF. AND OCC. REGULATION

2017 ANNUAL REPORT
FROM THE SUPERINTENDENT
OF THE MAINE BUREAU OF INSURANCE
TO THE LEGISLATURE

Prepared by the Maine Bureau of Insurance
June 2018

Paul R. LePage
Governor

Anne L. Head
Commissioner

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Superintendent

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I. INTRODUCTION

States are the primary regulators of the insurance industry in the United States. The Maine Bureau of Insurance (the Bureau) regulates insurance companies, producers and agents, as well as other entities engaged in the business of insurance in the State. The Bureau enforces solvency standards, as well as consumer protections, under the Maine Insurance Code.

The Bureau primarily serves a regulatory function; however, consumer assistance and education is a large part of the agency's mission. Staff members in both the Consumer Health Care Division and the Property and Casualty Division respond to consumer calls and written inquiries and investigate written complaints, to ensure compliance with Maine law. If staff determine that there may be serious violations or a pattern of possible violations, the issue may then be turned over to the Bureau's Market Regulation Unit for further investigation or to the Bureau's legal staff for possible enforcement action.

In 2017, there were 1,308 insurance carriers doing business in Maine. The 15 carriers domiciled in the state received more than \$7.2 billion in premiums, whereas total Maine premiums for both domestic and foreign insurers was more than \$7.3 billion. Penalties and settlement payments to the State by insurance carriers and producers in 2017 totaled \$779,280. Restitution paid to insured Maine individuals and businesses by carriers, following investigations and hearings conducted by the Bureau, totaled \$1,777,096.

In 2017, Bureau staff continued to play an active role in regulating the evolving health insurance Marketplace established by the federal government's Affordable Care Act.

Interstate cooperation and information-sharing are key elements of regulating the national insurance market in a state-based system. The National Association of Insurance Commissioners (NAIC) facilitates this process. The forums and tools offered by the NAIC provide information that is critical to the Bureau's regulatory responsibilities. The NAIC also conducts accreditations of state insurance departments, ensuring that each state's financial regulation is sufficient to oversee its domestic market. The Bureau has been accredited by the NAIC since 1993 and has been an active participant in various NAIC events and working groups. Currently, Bureau Superintendent Eric Cioppa serves as President Elect of the NAIC, having previously served as Vice President in 2017 and Secretary in 2016. He is also Vice Chair of the NAIC's Executive, Government Relations, and State Government Liaison committees and is a member of the Maine State Employee Health Commission.

The Bureau also participates in supervisory colleges held by insurer groups' domiciliary states. Regulators whose states are responsible for affiliates of the group and international regulators participate in these colleges, which allow regulators to assess the risks borne by the subject insurance group and the risk mitigation strategies employed. Participation in both the NAIC forums and supervisory colleges enhances the Bureau's ability to monitor and proactively address regulatory issues.

II. BUREAU OF INSURANCE DIVISIONS AND UNITS

CONSUMER HEALTH CARE DIVISION

The responsibilities of the Consumer Health Care Division (CHCD) include:

- assisting consumers with understanding their rights regarding health, disability, long-term care and life insurance;
- investigating and resolving consumer complaints;
- reviewing carriers' insurance forms to ensure compliance with Maine law;
- licensing medical utilization review entities;
- drafting and reviewing health insurance regulations;
- reviewing managed care plans for compliance with provider network adequacy standards;
- approving registrations for preferred provider arrangements (PPAs); and
- coordinating compliance with the federal Affordable Care Act (ACA) as it pertains to the commercial health insurance market.

CHCD staff answered 2,974 telephone and written inquiries during 2017 as well as 53 requests for constituent assistance from state and federal officials. The most frequent inquiries related to individual health insurance, Medicare Supplement, and claim denials. Staff also responded to 514 written health, Medicare supplement, disability, annuity, and life insurance complaints.

As part of the complaint investigation process, CHCD staff works to obtain restitution for consumers who have suffered a financial loss due to improperly denied claims, or claims which were not paid in accordance with the policy. In 2017, the CHCD obtained restitution of \$1,238,371 for complainants.

During 2017, the CHCD received 1,467 rate and form filings, reviewed 1,525 (including those that carried over from 2016) and approved 750. Some filings were disapproved or withdrawn by the insurance company, and 615 were filed for informational purposes only.

| CHCD TOTALS | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------------|-------------|-------------|-------------|-----------|-------------|
| Consumer Complaints Received | 441 | 586 | 534 | 636 | 514 |
| Consumer Inquiries Received | 4,977 | 4,287 | 3,205 | 3,213 | 2,974 |
| Restitution to Consumers | \$1,500,967 | \$2,432,187 | \$1,228,971 | \$705,727 | \$1,238,371 |
| Rate and Form Filings Received | 2,323 | 1,820 | 1,752 | 1,607 | 1,467 |

In 2017, CHCD drafted a revision to one new rule and assisted in issuing 10 bulletins providing industry guidance on a range of topics. (The Bureau's rules and bulletins can be viewed online at maine.gov/insurance/legal/index.html.)

EXTERNAL REVIEWS

External reviews are available as a third level of review for consumers who have exhausted their insurance carrier's internal appeals for denial of benefits in a fully insured medical plan. The Bureau contracted with three independent external review organizations in 2017: National Medical Review, Maximus Federal Services, Inc., and Island Peer Review Organization.

The CHCD received 73 requests for medical external review. Of the 65 requests completed by January 1, 2018, 29 were overturned (45%), 1 was partially overturned (1%), 3 were withdrawn (5%) and 32 upheld the carrier's decision (49%).

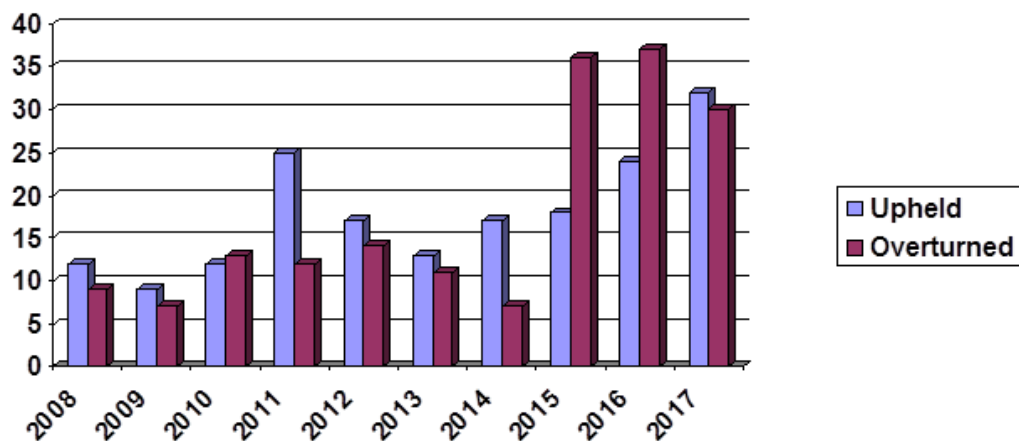
The contracted external review organizations heard forty-one cases regarding medical necessity of treatment:

- 10 mental/behavioral health or substance abuse treatment;
- 2 physical therapy/chiropractic care;
- 1 medical device or equipment;
- 8 medication therapy;
- 3 lab tests
- 4 air ambulance; and
- 13 general treatment decisions.

Twenty-four decisions were related to whether the treatment provided was experimental or investigational: 23 lab tests, and 1 general treatment decision.

The CHCD received and reviewed additional requests for external review that did not qualify under the statutes, either because the internal appeal process was not utilized prior to requesting external review or because the denial was based on issues other than the validity of the carrier's medical decisions.

Medical External Review Outcomes



NOTE: The increases in external reviews and overturned decisions beginning in 2015 is due to increases in review requests for denials of certain labs that are considered experimental or investigational by some carriers.

LIFE & HEALTH ACTUARIAL UNIT

The Life & Health Actuarial Unit provides actuarial and technical services to Bureau staff involving life and health insurance. Tasks performed by the Unit are outlined below.

- Reviewing and taking appropriate action on rate filings, primarily for individual health, small group health, credit life and health, group and individual Medicare supplement, and long-term care.
- Providing reserve analysis review of life and health insurance companies.
- Providing technical assistance to insureds, consumers, state agencies, and others on insurance matters.
- Studying proposed mandated benefit legislation as requested by the Legislature to determine the social impact, the financial impact, and the medical efficacy of the proposed mandate.
- Estimating the impact on health insurance premiums of proposed expansions of health care services requiring a certificate of need from the Maine Department of Health and Human Services.
- Assisting the Research and Statistical Unit with the collection of health insurance data:
 - Annual reports on mandated benefits claims experience;
 - Annual supplemental premium reports from health insurers;
 - Annual reports on insured demographics for small group and individual health insurance;
 - Annual reports on claims paid by third-party administrators and by insurers administering employers' self-funded health plans; and
 - Preparation of quarterly "market snapshots" for the small group and individual health insurance markets.

PROPERTY AND CASUALTY DIVISION

The Property and Casualty Division (P&C) performs three separate functions: review of insurer rate, rule, and form filings; resolution of consumer complaints; and administration of cancellation/nonrenewal hearings.

In 2017, P&C staff answered 2,754 telephone and written inquiries, responded to 262 written complaints, and obtained restitution of \$538,924 for consumers who suffered a financial loss due to improperly denied claims or claims that were not paid in accordance with the policy.

The P&C Division received 3,587 rate and form filings from insurance companies during 2017.

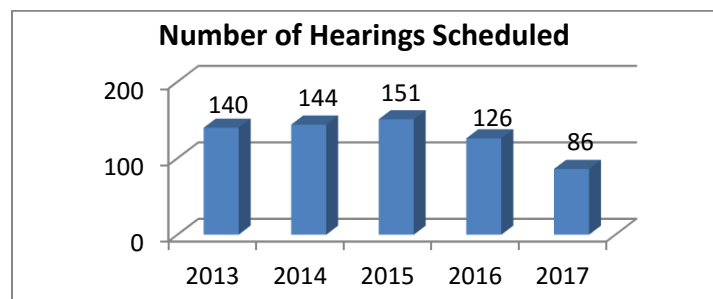
| Property & Casualty Totals | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
| Consumer Complaints Received | 281 | 295 | 274 | 254 | 262 |
| Consumer Inquiries Received | 4,021 | 3,800 | 3,209 | 2,794 | 2,754 |
| Restitution to Consumers | \$381,459 | \$963,110 | \$261,586 | \$264,048 | \$538,924 |
| Rate and Form Filings Received | 3,434 | 3,877 | 3,757 | 3,444 | 3,587 |

The NAIC released two reports¹ in 2017 ranking Maine’s personal auto and homeowners lines of insurance as 3rd and 10th most affordable, respectively, in the nation. The reports, based on data from 2015 (the most recent year for which cumulative data was available to the NAIC), indicate that Maine consumers pay less for these types of insurance than do consumers in most other states.

HEARINGS

When an insurance company issues a notice of cancellation or nonrenewal of a homeowners or personal auto policy, the company must advise the insured of the right to request a hearing contesting the action. There is also a statutory right to request a hearing when a commercial property or liability policy is cancelled prior to its expiration date.

The hearing provides a forum to dispute the reason(s), and requires the Bureau to determine whether the cancellation or nonrenewal was done in accordance with Maine law. The following graph and table show the number of hearings scheduled and those resulting in decisions. In some cases, the insurance company or the insured may cancel the proceeding prior to hearing, which results in no issued decision. The policy will continue if the insurer cancels the hearing and the policyholder chooses to keep the policy. The policy ends if the policyholder cancels the hearing. The reason a policyholder usually cancels is because the policy has been replaced.



| Hearing Results | 2013 | 2014 | 2015 | 2016 | 2017 |
|-------------------------------|------|------|------|------|------|
| Number of Decisions Issued | 62 | 77 | 69 | 55 | 32 |
| Findings for the Policyholder | 28 | 26 | 19 | 11 | 13 |

WORKERS’ COMPENSATION

The Property and Casualty Division is also responsible for processing all rate, rule, and form filings presented to the Bureau involving workers’ compensation insurance, reinsurance for self-insurers, and occupational disability policies. In addition to these filings, the Division assists the actuarial staff with workers’ compensation loss cost filings.

The Division also responds to general inquiries regarding workers’ compensation premiums and policies, handles complaints regarding workers’ compensation insurance rates, rules, and policy cancellations, and conducts research and special projects related to workers’ compensation matters. Complaints

¹ The two NAIC reports are titled *2015 Homeowners Insurance Report* and *2014/2015 Auto Insurance Database Report*.

regarding specific workers' compensation claims are under the jurisdiction of the Workers' Compensation Board. If the Workers' Compensation Board finds a pattern of improper claims handling practices, however, it can refer the matter to the Bureau.

PROPERTY AND CASUALTY ACTUARIAL UNIT

The Property and Casualty Actuarial Work Unit reviews and approves or disapproves rate filings made by licensed insurance companies and by advisory organizations. The unit's responsibilities are outlined below.

- Reviews rate and rating rule filings;
- Reviews and analyzes loss cost filings by industry advisory organizations that gather experience and file expected loss figures that insurers use to establish rates and rating rules;
- Provides technical assistance to insureds, consumers, state agencies, and others on insurance-related matters;
- Reviews funding and reserves of workers' compensation self-insurance trusts;
- Provides reserve analysis of property/casualty insurance companies; and
- Provides technical assistance to the Superintendent in all aspects of property/casualty and workers' compensation matters.

LICENSING DIVISION

The Licensing Division is responsible for processing and maintaining license records on insurance producers and business entities (agencies), including issuing and terminating licenses. Additional responsibilities include overseeing the licensing examination process and supervising the continuing education program. Electronic processing of producer appointments, appointment terminations, and non-resident license applications, as well as participation in the national producer database, have made the licensing process more efficient, timely and uniform.

The Licensing Division processed 18,810 new licenses during 2017 for producers, consultants, adjusters, and business entities.

NUMBER OF NEW INDIVIDUAL LICENSES, 2017

| | Producers | Consultants | Adjusters |
|--------------|-----------|-------------|-----------|
| Resident | 714 | 1 | 47 |
| Non-Resident | 15,378 | 2 | 2,668 |
| Total | 16,092 | 3 | 2,715 |

NUMBER OF ACTIVE INDIVIDUAL LICENSES, 2017 (AS OF 12/31/2017)

| | Producers | Consultants | Adjusters |
|--------------|-----------|-------------|-----------|
| Resident | 7,811 | 39 | 737 |
| Non-Resident | 121,875 | 13 | 14,452 |
| Total | 129,686 | 52 | 15,189 |

ALTERNATIVE RISK MARKETS WORK UNIT

The Alternative Risk Markets Work Unit reviews and evaluates applications for workers' compensation self-insurance authority, captive entities, multiple employer welfare arrangements, group self-insurance reinsurance accounts, and the Maine Self-Insurance Guaranty Association. Its mission is to apply the rules and regulations governing these entities in a fair, consistent, and timely manner to assure that these entities remain solvent and that the Maine businesses utilizing alternative risk mechanisms do so effectively and responsibly.

| Number of Self-Insurers for Workers' Compensation | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|------|------|------|------|------|
| Individual Self-Insurers | 59 | 61 | 60 | 59 | 56 |
| Group Self-Insurers ¹ | 19 | 19 | 19 | 18 | 18 |

FINANCIAL EXAMINATION DIVISION

The Financial Examination Division examines domestic insurers at least once every five years to ensure soundness of the insurance companies' financial position. All reports of examination are public and can be found on the Bureau's website.² Financial statements for Maine-licensed insurance companies can also be found online.³

¹ As of April 25, 2018, this represents 1,257 employers.

² http://www.maine.gov/pfr/insurance/publications_reports/exam_rpts/exams_alpha.html

³ http://www.maine.gov/pfr/insurance/regulated/insurance_companies/financial_statements/domestic/index.html

FINANCIAL EXAMINATIONS COMMENCED IN 2017

| Company | Report Issued |
|--|-------------------------|
| Medical Mutual Insurance Company of Maine | Examination in progress |
| BeaconHarbor Mutual Risk Retention Group | Examination in progress |
| Maine Employers Mutual Insurance Company (MEMIC) | Report in progress |
| Patriot Insurance Company | Report in progress |

FINANCIAL EXAMINATIONS SCHEDULED FOR 2018

| Company | Financial Period Ending |
|--|-------------------------|
| Aetna Health, Inc. (a Maine corporation) | December 31, 2017 |
| Anthem Health Plans of Maine, Inc. | December 31, 2017 |
| Maine Community Health Options | December 31, 2017 |
| Martin's Point Generations Advantage, Inc. | December 31, 2017 |

FINANCIAL ANALYSIS DIVISION

The Financial Analysis Division is responsible for the on-going financial review of domestic companies, and holding company analysis of the groups that Maine's domestic companies are a part of, as well as the processing of name changes, mergers, acquisitions, amendments to authority, and redomestications of these entities. The Division also handles the licensing and monitoring of foreign insurance companies, managing general agents, third party administrators, risk retention groups, reinsurance intermediaries, surplus lines entities, and reinsurance companies.

NUMBER OF INSURANCE COMPANIES LICENSED IN MAINE

| Company Type | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------|-------|-------|-------|-------|
| Property and Casualty Companies | 687 | 693 | 697 | 689 | 702 |
| Life & Health and HMOs | 349 | 346 | 346 | 345 | 346 |
| Fraternal Companies | 13 | 13 | 13 | 13 | 12 |
| Surplus Lines Companies | 152 | 157 | 160 | 159 | 162 |
| Private Purchasing Alliance | 1 | 1 | 1 | 1 | 1 |
| Multiple Employer Welfare Arrangement (MEWA) | 2 | 2 | 2 | 2 | 2 |
| Captive | 3 | 3 | 3 | 3 | 3 |
| Risk Retention Groups | 72 | 73 | 74 | 76 | 75 |
| Non-Profit | 2 | 2 | 2 | 2 | 2 |
| Fire Assessment Company | 4 | 4 | 3 | 3 | 3 |
| Total | 1,285 | 1,294 | 1,301 | 1,293 | 1,308 |

DOMESTIC INSURANCE COMPANIES, 2017 (DOMICILED IN MAINE)

| Maine Domestic | 12/31/17 Premium ¹ | 12/31/17 Assets |
|--|-------------------------------|-------------------------|
| Aetna Health, Inc. | \$79,227,901 | \$28,861,178 |
| Anthem Health Plans of Maine, Inc. | \$1,166,270,601 | \$497,962,958 |
| Casco Indemnity Company | \$9,466,558 | \$32,014,914 |
| Great Falls Insurance Company | \$11,606,561 | \$13,401,434 |
| Maine Community Health Options | \$267,966,119 | \$72,937,723 |
| Maine Dental Service Corp | \$64,742,398 | \$59,616,970 |
| Maine Employers' Mutual Insurance Company | \$165,946,601 | \$916,717,048 |
| Martin's Point Generations Advantage, Inc. | \$390,687,185 | \$99,868,419 |
| Medical Mutual Insurance Company of Maine | \$46,839,562 | \$312,776,517 |
| MMG Insurance Company | \$193,408,226 | \$276,645,456 |
| Patriot Insurance Company | \$51,141,345 | \$130,745,324 |
| Patrons Oxford Insurance Company | \$47,002,744 | \$23,750,897 |
| State Mutual Insurance Company | \$1,434,084 | \$13,368,492 |
| UNUM Insurance Company | \$9,481,498 | \$57,522,094 |
| UNUM Life Insurance Company of America | \$4,715,692,758 | \$21,445,845,635 |
| Totals | \$7,220,914,141 | \$23,982,035,059 |

NON-MAINE HEALTH MAINTENANCE ORGANIZATIONS 2017 (MAINE ONLY PREMIUMS)²

| HMOs (State of Domicile) | 12/31/17 Premium | 12/31/17 Assets |
|---|----------------------|------------------------|
| Arcadian Health Plan, Inc. (WA) | \$55,206,878 | \$305,860,486 |
| Empire Healthchoice HMO Inc. (NY) | \$0 | \$525,218,643 |
| Harvard Pilgrim Health Care, Inc. (MA) | \$299,803,471 | \$917,833,886 |
| Meridian Health Plan of Michigan, Inc. (MI) | \$0 | \$451,780,518 |
| Totals | \$355,010,349 | \$2,200,693,533 |

¹ Year-end direct written premium totals are reported on a **national** basis.

² Financial statements for HMOs operating in Maine are available at:

http://www.maine.gov/pfr/insurance/regulated/insurance_companies/financial_statements/hmo/financial.html

TOTAL 2017 MAINE PREMIUM (ALL LINES, BOTH DOMESTIC AND FOREIGN)

| Lines | 12/31/17 Premium | 12/31/16 Premium |
|----------------------|---------------------------|------------------------|
| Life/Annuities | \$1,597,773,750 | \$1,643,087,006 |
| Health | \$3,513,075,349 | \$3,310,776,138 |
| Property/Casualty | \$2,192,126,615 | \$2,123,043,616 |
| Title | \$38,625,821 | \$34,367,213 |
| Risk Retention Group | \$5,120,125 | \$4,749,061 |
| Captive | \$300,000 | \$881,581 |
| Totals | \$7,347,021,660.00 | \$7,116,904,615 |

Note: Above totals do not include written premium of non-admitted excess and surplus lines.

NEW COMPANY LICENSES ISSUED IN 2017 (31 TOTAL)

| Health Maintenance Organizations | |
|--|---|
| EMPIRE HEALTHCHOICE HMO, INC. | |
| Life and Health Insurance Companies | |
| AUTO-OWNERS LIFE INSURANCE COMPANY | LIBERTY BANKERS LIFE INSURANCE COMPANY |
| COMMERCIAL CASUALTY INSURANCE COMPANY | LUMICO LIFE INSURANCE COMPANY |
| Property and Casualty Insurance Companies | |
| AMICA PROPERTY AND CASUALTY INSURANCE COMPANY | GRANITE RE, INC. |
| EMPLOYERS ASSURANCE COMPANY | JM SPECIALTY INSURANCE COMPANY |
| EMPLOYERS COMPENSATION INSURANCE COMPANY | MAG MUTUAL INSURANCE COMPANY |
| EMPLOYERS PREFERRED INSURANCE COMPANY | MID-CONTINENT ASSURANCE COMPANY |
| EVEREST DENALI INSURANCE COMPANY | MID-CONTINENT CASUALTY COMPANY |
| EVEREST PREMIER INSURANCE COMPANY | NATIONAL AMERICAN INSURANCE COMPANY |
| EXPLORER INSURANCE COMPANY | OAK RIVER INSURANCE COMPANY |
| FEDERATED RESERVE INSURANCE COMPANY | STARR SPECIALTY INSURANCE COMPANY |
| Risk Retention Groups | |
| AMERICAN BUILDERS INSURANCE COMPANY RISK RETENTION GROUP INC | HAMDEN ASSURANCE RISK RETENTION GROUP, INC. |
| EAGLE BUILDERS INSURANCE COMPANY RISK RETENTION GROUP INC | MEDCHOICE RISK RETENTION GROUP, INC. |
| GOLDEN INSURANCE COMPANY, A RISK RETENTION GROUP | |
| Eligible Surplus Lines Insurance Companies | |
| HDI SPECIALTY INSURANCE COMPANY | INDEPENDENT SPECIALTY INSURANCE COMPANY |
| HELVETIA SWISS INSURANCE COMPANY IN LIECHTENSTEIN LTD | MEDICAL SECURITY INSURANCE COMPANY |
| HOUSING SPECIALTY INSURANCE COMPANY, INC. | |

MARKET REGULATION UNIT

The Market Regulation Unit is responsible for establishing and monitoring a compliance program for all licensees. This program includes both in-house analysis and on-site examination of licensees. The Market Regulation Unit uses the information available from a variety of sources and performs analysis on selected companies to determine which companies are deemed to be market outliers. Once a company is identified as a market outlier, the Market Regulation staff determines the most effective process for obtaining information from the company in order to identify why the company's results are outside the expected results for the Maine marketplace. The information gathering process could encompass many forms, including a meeting with the company, a data call, interrogatories, or – in select circumstances – a targeted or full scope market conduct examination. The examination process typically focuses on the following areas: (1) company operations/management; (2) complaint handling; (3) marketing and sales; (4) producer licensing; (5) policyholder service; (6) underwriting; and (7) claims. Although the unit does not handle individual complaints, it does use complaint data to analyze licensee trends and business practices or patterns. This analysis is often a key factor in determining that a company is a market outlier and requires additional review.

2017 MARKET CONDUCT EXAMINATIONS COMPLETED

| COMPANY |
|-------------------------------------|
| Aetna Life Insurance Company |
| Aetna Health, Inc. |
| United Healthcare Insurance Company |

In addition to conducting market analysis and onsite examinations, the Unit participates in multi-state examinations on behalf of the State of Maine. The State of Maine received payments in 2017 relating to Regulatory Settlement Agreements (RSAs) arising from multi-state examinations of certain companies' practices relating to life insurance policies and annuities, forced-place insurance,¹ and travel insurance.

The lead states' examinations and resulting RSAs call for the life/annuity companies to implement business reforms that will promote timely and efficient searches for beneficiaries of their in-force life insurance policies and annuities and lapsed policies, through regular matches of their insureds and annuitants against the Social Security Administration's Death Master File. (Lapsed policy match attempts are required for 18 months.)

The forced-place insurers were required to implement reforms to ensure rates are actuarially appropriate; such insurers must also refrain from paying commissions and expense reimbursements other than implementation expenses as inducements for placement of forced-place insurance. The

¹ Forced-place insurance, also known as creditor-placed, lender-placed or collateral protection insurance is an insurance policy placed by a lender, bank or loan servicer on a home or other real property when the property owner's own insurance has been cancelled, lapsed or where the creditor deems the insurance insufficient. The cost of the insurance is typically added to the loan.

travel insurer has adopted or will adopt a number of business reforms relating to proper licensure of distribution participants, sales and advertising practices, third party oversight, rating filings, disclosure of coverage details, and fees.

During 2017, the State of Maine received \$256,955 in payments from these RSAs. The companies examined and the payment amounts were as follows:

2017 Multi-State Market Conduct Settlement Payments

| Company | 2017 Payment |
|--------------------------------|--------------|
| Ameriprise Insurance Company | \$10,906.00 |
| Assurant, Inc.* | \$245,145.00 |
| Old Republic Insurance Company | \$903.92 |
| Total | \$256,954.92 |

*Assurant includes American Bankers Insurance Company of Florida, American Security Insurance Company, and Voyager Indemnity Insurance Company.

Enforcement action was also taken in 2017 against the following companies:

2017 Bureau of Insurance Issued Consent Agreements and Settlement Amounts Received

| Company | 2017 Payment |
|---|--------------|
| Anthem Health Plans of Maine | \$225,000.00 |
| CESI Agency of NE | \$3,000.00 |
| Globe Life and Accident Insurance Company, Inc. | \$250,000.00 |
| Sedgwick Claims Management | \$18,750.00 |
| YourPeople, Inc., d/b/a Zenefits FTW Insurance Services | \$20,000.00 |
| Total | \$516,750.00 |

An additional \$5,575.00 in settlement payments from various individual producers resulted in \$779,279.92 in total settlement payments to the State of Maine in 2017.

In 2017, the Unit continued to audit claims-handling information of three companies – both insurers and third-party administrators (TPAs) – previously referred to the Bureau by the Workers’ Compensation Board, due to questionable claims-handling practices. These companies were identified through the Board’s monitoring, audit and enforcement program. To fulfill its statutory responsibility, the Bureau entered into consent agreements with these companies to end those practices. These agreements require the companies, among other obligations, to self-audit claims on a quarterly basis for up to two years and report those findings to the Bureau. The Unit is in the process of auditing these reports.

WORKERS’ COMPENSATION INSURERS AND TPAs WITH PENDING CONSENT AGREEMENTS

| Licensee |
|-----------------------------|
| Guarantee Insurance Company |
| Sentry, A Mutual Company |
| York Risk Services Group |

In 2017, the unit contributed to the work of the NAIC by participating in the National Analysis Project's review of property and casualty companies with a significant national market share.

RESEARCH AND STATISTICS UNIT

The Research and Statistics Division has the overall responsibility of creating, maintaining, and monitoring databases used by the Bureau. The objective of the unit is to collect, interpret, and provide data from regulated entities to Bureau divisions and units, other governmental agencies, and the public as needed. Additionally, the unit researches issues for other Bureau divisions and units, serves as liaison between the Bureau and NAIC online applications, and maintains the Bureau's website. In 2017, the unit, along with the Bureau's outreach specialist, worked with the various divisions to complete the re-launch of an updated and more user-friendly website.

ADMINISTRATIVE SERVICES UNIT

The Administrative Services Unit provides support for all divisions and units within the Bureau. Responsibilities include purchasing, new employee orientation and communication with human resources, travel arrangements and training registrations, copying and distribution of bound and electronic reports, processing and accounting of all Bureau revenue, and consumer outreach support.

III. APPENDICES

APPENDIX A – 2017 OUTREACH EVENTS

The Bureau’s consumer outreach efforts aim to educate Maine individuals and businesses about their rights and responsibilities under Maine’s insurance laws and the federal Affordable Care Act. The Superintendent and other Bureau staff members participate in public forums and events to provide this information, and to ensure that consumers are aware of the services the Bureau offers. The Superintendent and staff also make presentations to industry groups, to help keep them up to date on recent regulations and legislation.

Public speaking and other outreach events in which the Bureau participated in 2017 included:

- Spectrum Generations *Volunteer Medicare Supplement Training*, Hallowell
- Legal Services for the Elderly *Volunteer Medicare Supplement Training*, Augusta
- Volunteers of America Senior Housing Residents, Saco
- National Council on Compensation Insurance *State Forum*, Portland
- Eastern Area Agency on Aging *Volunteer Medicare Supplement Training*, Bangor
- SAGE Maine *Symposium on Aging*, Augusta
- Maine Insurance Agents Association *Annual Convention*, South Portland
- JumpStart *Fostering Financial Education in Maine Schools Conference*, Augusta
- Maine Council for Elder Abuse Prevention *Elder Abuse Summit*, Augusta
- New England Association of Insurance Compliance Professionals *Annual Conference*, Storrs, CT
- Aroostook Area Agency on Aging *Aging Well Living Well Expo*, Presque Isle
- Seniors Plus *Volunteer Medicare Supplement Training*, Lewiston
- Spectrum Generations *Volunteer Medicare Supplement Training*, Augusta
- Eastern Area Agency on Aging *Senior Expo*, Bangor
- Maine Association of Retirees *Annual Meeting*, Augusta
- University of New England *Maine Geriatrics Conference*, Bar Harbor
- Senior Spectrum *Healthy Aging Expo*, Hallowell
- Southern Maine Area Agency on Aging *Volunteer Medicare Supplement Training*, Scarborough
- Potato Blossom Festival, Presque Isle
- Mollyockett Day, Bethel
- Wilton Blueberry Festival, Wilton
- Winter Harbor Lobster Festival, Winter Harbor
- Maine Insurance Agents Association *Board Meeting*, Hallowell
- Machias Wild Blueberry Festival, Machias
- Spectrum Generations *Volunteer Medicare Supplement Training*, Waterville
- American Assoc. of Healthcare Administrative Management *Third Party Payor Meeting*, Augusta
- Maine Public’s *The Maine Event* (Emergency Preparedness), on air/Statewide
- Eastern Maine Area Agency on Aging *Volunteer Medicare Supplement Training*, Bangor (online)
- Maine Council on Aging *Wisdom Summit*, Augusta
- Chartered Property Casualty Underwriters *Breakfast Meeting*, Portland
- Common Ground Festival, Unity
- Health Care for ME (HC4ME) *Training for Marketplace Navigators/Assistors*, Augusta
- Seniors Plus *Aging Well Living Well Expo*, Newry
- Senior Spectrum/People Plus *Senior Expo*, Brunswick

- Maine Primary Care Association *Annual Conference*, Bar Harbor
- Portland Press Herald *Business Breakfast Forum* (Small Business Health Program/SHOP)
- Maine Public's *Maine Calling* (ACA Open Enrollment/Individual Marketplace), on air/Statewide
- University of Southern Maine *Law Class*, Portland
- Division of Disease Control *Annual Infectious Diseases Conference*, Augusta
- Maine Association of Health Underwriters *Member Meeting*, Portland

APPENDIX B – PUBLICATIONS AND ONLINE TOOLS

The Bureau publishes reports on a variety of insurance topics, as required by statute or upon request by members of the Legislature. These are available on the Bureau's website at www.maine.gov/pfr/insurance/publications_reports/index.html.

To help educate the public on insurance matters that can affect their daily lives, the Bureau publishes, distributes, and posts consumer brochures and online tools in multiple formats. The Bureau's publications and online tools include:

Auto Insurance

Auto Insurance, A Consumer's Guide
Auto Insurance, Making the Claims Process Easier
Cancellation or Nonrenewal of Personal Automobile and Property Insurance
Credit Information - Understanding How Insurers Use
Personal Auto Insurance Complaint Comparison
Youthful Drivers Guide
Maine Driving Dynamics
Ten Things You Should Know About Buying Auto Insurance
Policy Forms Used by the 10 Largest Auto Insurance Groups in Maine

Commercial Insurance

Insuring Your Farm-The Basics of Property & Liability Coverage
Insuring Your Business-The Basics of Property & Liability Coverage

Disability Insurance

Disability Insurance Guide

Health Insurance

A Consumer's Guide to Individual Health Insurance in Maine (and Important Renewal Information)
External Review Guide: When Your Health Insurance Carrier Denies Benefits for Health Care Services
External Review Summary
Health, Disability and Long-Term Care Insurance Complaint Comparison
Health Insurance Appeals Process Guide
Health Insurance Tips
Health Savings Accounts (HSAs) link to information from the US Department of the Treasury
Mandated Health Insurance Benefits, History of
Market snapshot - comparison of individual medical insurers in Maine
Market snapshot - comparison of small group health insurers in Maine
Ten Things You Should Know Before Buying Cancer Insurance (Español)

Homeowners/Renters Brochures

Cancellation or Nonrenewal of Personal Automobile and Property Insurance
A Homeowner's Insurance Guide to Natural Disasters link to Federal Alliance for Safe Homes
Credit Information - Understanding How Insurers Use

Child Care Liability, Consumer Guide to
Homeowner Insurance Complaint Comparison
Homeowners' Insurance, A Consumer's Guide
Homeowners Insurance, Making the Claims Process Easier
Homeowners' Inventory Checklist
From Homeowner to Renter
Insuring Your Home Business
Ten Things You Should Know About Purchasing Home Insurance
Policy Forms Used by the 10 Largest Homeowners Insurance Groups in Maine

Long-Term Care Insurance

Long-Term Care Insurance Claim Denial Appeals Process
Long Term Care Insurance and Maine's Long-Term Care Partnership Program, A Consumer's Guide
Long Term Care (LTC) Insurance - Maine Tax Qualified and Tax Certified Policies (Internet only)
Long Term Care Partnership Program Approved Policies
Long Term Care Policies Certified for Income Tax Purposes in Tax Years Ending 12/31/1999
Long Term Care Policies Certified for Income Tax Incentives in Tax Years Beginning 1/1/2002
Long Term Care Shopper's Guide (NAIC publication)
Are You Eligible for or Do You Have Medicare? (Aggressive Sales Practices)
Medicare Supplement Insurance, A Consumer's Guide (for plans issued beginning June 2010)
Understanding Medicare Enrollment Periods link to Dept. of Health and Human Services
Choosing a Medigap Policy link to Medicare publication
Ten Things You Should Know About Buying a Medigap Policy (Español)
A Consumer's Guide to Small Business Health Insurance Plans Offered in Maine
What Should I look For When I Buy Health Insurance?

Life Insurance

Life Insurance Information for Military Personnel
Ten Things You Should Know Before Purchasing Life Insurance (Español)
Ten Things You Should Know About Buying Annuities (Español)
What you Should Know about Viatical and Life Settlements
Life Settlement Brochure For producers
Alternative Life Settlement Brochure For producers

Workers' Compensation

Workers' Compensation Insurance in Maine, An Employers' Guide to
Opting Out: A Workers' Compensation Insurance Summary for Executive Officers of Corporations

Other

Pet Insurance

Consumer Tools

- File a complaint
- Glossary of terms
- Cancellation/Nonrenewal Hearing Notices
- Helpful links
- Affordable Care Act Rate and Form Filings/Rate Hearings
- Individual Health Insurance Rate Calculator
- E-news subscriber system (GovDelivery)
- Online and printable information on
 - property/casualty insurance
 - health/life insurance

Employer Tools

- Rural Medical Access Program
- E-news subscriber system (GovDelivery)
- Online and printable information on
 - workers' compensation
 - commercial/professional liability
 - health insurance

Industry Tools

- Physician Tiering Program Reporting
- Online Data Reporting System
- Company forms and information
- Producer and Business Entity forms and information
- Cancellation/Nonrenewal Hearing Notices
- Request for proposal
- E-news subscriber system (GovDelivery)
- Domestic Insurance Company Annual Statement