

# MAINE STATE LEGISLATURE

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# **2022 ANNUAL REPORT FROM THE SUPERINTENDENT OF THE MAINE BUREAU OF INSURANCE TO THE LEGISLATURE**

**Incorporating the Consumer Health Care Division  
Annual Report to the Legislature for 2022  
and the Division's Annual Report on External Reviews**

Prepared by the Maine Bureau of Insurance  
September 2023

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# I. INTRODUCTION

## OVERVIEW

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.

In 2022, there were 1,455 insurance carriers doing business in Maine. The 20 carriers domiciled in the state received more than \$8.7 billion in total premiums across all jurisdictions; total Maine premiums for both domestic and foreign insurers was more than \$10.2 billion.

In addition to the Bureau's primary function as a regulator, a large part its mission involves consumer assistance and education. Staff 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 carrier compliance with Maine law. If staff determine that there may be serious violations or a pattern of possible violations, the issue may be turned over to the Bureau's Market Regulation Unit for further investigation or to the Bureau's legal staff for possible enforcement action.

The Bureau's regulatory and consumer-focused activities resulted in a number of payments to the State, or to Maine consumers and businesses.

- Penalties and settlement payments to the State by insurance carriers and producers in 2022 totaled \$38,375.
- Restitution paid to insured Maine individuals and businesses by carriers, following investigations and hearings conducted by the Bureau, totaled \$1,889,197.

## HEALTH INSURANCE MARKETPLACE INITIATIVE – MERGED INDIVIDUAL AND SMALL GROUP MARKET

Bureau staff continue to play an active role in regulating the health insurance Marketplace established by the federal government's Affordable Care Act. In 2022, Maine received approval from the federal Centers for Medicare and Medicaid for its amended 1332 State Innovation Waiver, which merged the individual and small group markets into a single risk pool and extended the stabilizing protections of the Maine Guaranteed Access Reinsurance Association (MGARA) to small groups for plan years 2023 to 2027. (MGARA was relaunched for the individual market in 2019 following approval of the Bureau's original 1332 State Innovation Waiver.) The waiver amendment also allowed for quarterly rating adjustments for non-calendar year small group coverage. The amended waiver was the first in the nation under the Affordable Care Act 1332 waiver program to provide the stabilizing benefits of a state-established reinsurance program to small group plans.

## **SMALL BUSINESS HEALTH INSURANCE PREMIUM RELIEF PROGRAM**

Work to support the small group market included the Bureau's administration of the temporary *Small Business Health Insurance Premium Relief Program*, established through the Governor's Maine Jobs and Recovery Plan in 2021. Throughout 2022, the program provided premium payment relief to Maine small businesses (those with 50 or fewer employees) who were enrolled in a fully-insured, community-rated small group comprehensive health insurance plan. All major medical insurers in the fully insured market participated. The program launched November 1, 2021 with \$39 million in federal funding from the federal American Rescue Plan Act. In 2022, approximately \$24.4 million was dispersed to over 5,800 small businesses, providing relief to over 29,000 employees and their dependents.

## **NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS**

Interstate cooperation and information-sharing are key elements of regulating national insurance companies in a state-based system. The National Association of Insurance Commissioners (NAIC) facilitates this process. The forums and tools offered by the NAIC provide critical resources for the Bureau's regulatory responsibilities. The NAIC also accredits 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 initiatives and working groups. Staff throughout the Bureau are members of NAIC committees and participate in NAIC trainings, which address ongoing and emerging issues critical to the successful regulation of the insurance industry and to the protection of consumers. Deputy and Acting Superintendent Timothy Schott is a member of the NAIC's E and F Committees and participates in several working groups and task forces.

The Bureau also participates in supervisory colleges held by insurer groups' domiciliary states. Regulators whose states are responsible for affiliate companies of the insurance 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

#### Overview

Pursuant to Title 24-A M.R.S. § 4321(J), this portion of the report details the 2022 activities of the Consumer Health Care Division (CHCD), including external review details as required by § 4312 (7-A). The CHCD provides consumer assistance, outreach, and oversight of insurance companies for compliance with the Insurance Code (Titles 24 and 24-A) and Bureau regulations.

The CHCD is responsible for regulation related to health, Medicare supplement, disability, long-term care, annuities, and life insurance. The CHCD:

- Investigates and resolves consumer complaints;
- Responds to consumer inquiries;
- Assists consumers in understanding their rights and responsibilities;
- Reviews and approves forms, such as certificates of coverage or summaries of benefits;
- Licenses medical utilization review entities (MURs);
- Licenses pharmacy benefits managers (PBMs);
- Provides oversight of the medical and long-term care external review processes and contracts with independent review entities;
- Oversees an Independent Dispute Resolution (IDR) process and contracts with an independent IDR entity;
- Drafts and reviews regulations;
- Brings enforcement actions against licensed entities when violations occur;
- Reviews managed health care plans for compliance with Maine's provider network adequacy standards;
- Reviews and approves registrations for preferred provider arrangements (PPAs);
- Develops outreach and educational materials;
- Coordinates compliance with the federal Affordable Care Act (ACA), as it pertains to the commercial health insurance market;
- Drafts legislative reports;
- Reviews complaints that include determinations of medically necessary care and complex health questions;
- Conducts outreach to a variety of public and private groups;
- Participates in public-private efforts to improve health payment policy.

## Consumer Assistance

### Consumer Inquiries:

One of the CHCD staff's most important duties is to provide assistance and information to consumers with questions about health, life, disability and long-term care insurance and Medicare supplement plans. Staff members answer callers' questions, refer them to the Bureau's website ([www.maine.gov/insurance](http://www.maine.gov/insurance)) for additional information, and mail issue-related brochures as needed. They also respond to written inquiries, occasional in-person visits by consumers, and constituent referrals from legislators and the Governor's Office.

For topics not within the Bureau's jurisdiction, CHCD staff refer consumers to the appropriate agency. For example, if consumers have questions about MaineCare, staff refer them to the Maine Department of Health and Human Services. Those with questions about federal laws are referred to the appropriate federal agency.

### Consumer Complaints:

Staff investigate written, signed consumer complaints. To file a complaint consumers must complete a CHCD complaint form in hard copy or electronically at [www.maine.gov/insurance](http://www.maine.gov/insurance), which authorizes staff to contact insurance companies to investigate the dispute.

When a written and signed complaint is received for which CHCD has jurisdiction, a staff investigator is assigned to the case. The investigator directs the insurance carrier to respond to the consumer's allegations within statutory deadlines. CHCD staff review the carrier's response and supporting documentation to determine if these comply with the terms of the insurance policy, as well as with laws and regulations. The complainant is kept informed of the progress of the investigation and may be asked to provide additional information. Complex issues may require significant staff time to gather facts and correspond with relevant parties.

In a case involving an urgent need for assistance – e.g., denial of a surgical procedure, medication, or inpatient stay – CHCD staff can promptly intervene on behalf of the consumer to ensure that the carrier complies with its legal and contractual obligations.

If the insurer has inappropriately denied a claim or otherwise acted improperly, the Bureau works to make sure that the company pays benefits to the consumer according to the law and the policy's requirements. If the insurer has acted properly, staff explain the basis and rationale for this conclusion to the consumer.

The Bureau sometimes receives complaints involving issues over which it has no jurisdiction, such as for Employee Retirement Income Security Act (ERISA) plans. In such cases, the jurisdictional issue is explained, and the consumer is directed to the appropriate regulatory agency, such as the U.S. Department of Labor.

### Consumer Appeals:

The Bureau ensures that insurance carriers provide consumers with information about their appeal rights. Some consumer complaints involve allegations that the insurance company has not properly handled a consumer's appeal. Under Maine law, health insurance carriers are required to offer two levels of internal appeals to the consumer. Maine Rule 850 spells out the specifics of how these appeal levels are to be conducted, including deadlines for responding to consumers. The insurance carrier's appeals process is separate from the Bureau's complaint investigation, and consumers are advised that they can proceed simultaneously with both an appeal and a complaint.

### Health Insurance Independent External Review:

Pursuant to 24-A M.R.S. § 4321, after proceeding through at least one of two levels of their insurance carrier's internal appeals processes, consumers have the right to request an independent external review for denials involving medical necessity, pre-existing conditions, experimental treatments, and denials based on disputes in diagnosis, care, or treatment. CHCD staff coordinate independent external reviews and randomly assign each review to one of three contracted External Review Organizations (EROs). The Bureau assigns the case to an ERO having no affiliation with the insurance carrier involved in the appeal.

During an external review, the ERO conducts an independent clinical peer review of the case. The insurance carrier pays for the external review, not the consumer. The decision of the external review is binding only on the carrier; the consumer can pursue private legal action as an additional remedy.

### Long-term Care Insurance Independent External Review:

Pursuant to 24-A M.R.S. § 5083 and Bureau of Insurance Rule 420 and 425, consumers have the right to external reviews of long-term care policy claim denials involving benefit triggers and certain policy limitations/exclusions that require the professional judgment of a health care professional. The Bureau oversees the external review process and has contracted with two EROs specifically for long-term care appeals. There was one request for external review in 2022, and the independent reviewer overturned the company's decision.

### Outreach and Education:

An ongoing CHCD priority is to educate consumers about their rights under our insurance laws and about the Bureau services available to them. This is in part accomplished through public speaking engagements and participation in outreach events, including presentations to other professionals who serve consumers. The outreach events CHCD staff participated in are included in Appendix B.



As part of its ongoing consumer education mission, CHCD produces and updates many publications, including guides to purchasing health insurance and appealing adverse decisions by health insurance companies. Brochures and other information, including answers to frequently asked questions, are available on the Bureau's website, ([www.maine.gov/insurance](http://www.maine.gov/insurance)) under the "Consumers" section, as well as under "Publications" and "FAQs."

## **Licensing and Registration Activity of the Consumer Health Care Division**

### Medical Utilization Review (MUR):

Medical Utilization Review (MUR) includes any program or practice by which a person -- on behalf of an insurer, nonprofit service organization, third-party administrator, or employer -- seeks to review the utilization, clinical necessity, appropriateness, or efficiency of health care services, procedures, providers, or facilities. MUR entities must be licensed in Maine to conduct utilization reviews for fully-insured plans providing coverage to Maine residents.

Each applicant must provide CHCD a detailed description of the processes it uses for each review program, including, but not limited to:

- second opinion programs;
- hospital pre-admissions certification;
- pre-inpatient service eligibility determinations;
- determinations of appropriate length of stay; and
- notification to consumers and providers of utilization review decisions.

Licensed MURs must certify compliance with Maine's utilization review requirements and all applicable standards. Licenses must be renewed annually. In 2022, the Bureau received 4 new license applications, all were approved bringing the total to 93 active licensed MURs in Maine. Maine's licensed MURs can be found through the "Licensee Lookup" tool [www.maine.gov/insurance](http://www.maine.gov/insurance).

### Preferred Provider Arrangements (PPAs):

The CHCD reviews and registers preferred provider arrangements (PPAs), which are contracts, agreements, or arrangements between an insurance carrier or plan administrator and a health care provider. The provider agrees to offer services to a health plan enrollee whose plan benefits include incentives to use that provider's services.

Staff review preferred provider arrangements for compliance with Maine statutes and regulations regarding provider accessibility/network adequacy, utilization review, grievance and appeal procedures, consumer notification, benefit level differential, and emergency service access requirements.

In 2022 there were 64 arrangements with no new arrangements applying for registration. Maine's registered preferred provider arrangements can be found by using the "Licensee Lookup" tool on the Bureau's website at [www.maine.gov/insurance](http://www.maine.gov/insurance).

#### Managed Care Provider Networks:

CHCD staff review managed care provider networks to determine if they comply with the provider accessibility standards of Maine law and regulations. A carrier must notify the CHCD each time a contractual relationship between it and a group of providers dissolves, creating the possibility that enrollees may not have access to a category of participating providers. Carriers must provide consumers with adequate notice and opportunity to find alternative providers. They must also ensure that consumers currently receiving medical services receive continuity of care. CHCD staff closely monitor the situation to assure that carriers comply.

#### Pharmacy Benefits Managers (PBM):

The 129th Legislature enacted 2019 P.L. 469, An Act to Protect Consumers from Unfair Practices Related to Pharmacy Benefit Management. This law requires PBMs to be licensed to do business in Maine. In February 2021, Rule 210 went into effect to govern the PBM application process and to provide forms for each applying PBM to describe its operations, contractual arrangements, and financial viability before licensing. The licensing process replaced the prior requirement for PBMs to register with the BOI.

In 2022, we received 8 new PBM license applications; all were approved, bringing the total to 50 licensed PBMs in Maine.

## **Policy Form Review**

Another vital role of the CHCD is to review and approve insurance company form filings to ensure compliance with laws and regulations. The CHCD receives form filings from the companies (policy contracts, Summary of Benefits, marketing materials, etc.) in electronic format via the System for Electronic Rate and Form Filings (SERFF), a nationwide system developed by the National Association of Insurance Commissioners (NAIC).

The Bureau's Life and Health Actuarial Unit reviews the insurers' filed rates for compliance with Maine law. The unit disapproves rate increases that are excessive, inadequate, or unfairly discriminatory.

Insurance companies can file certain forms and rates for review and approval with the Interstate Insurance Product Regulation Commission (IIPRC), better known as the "Compact." Insurance products permitted by IIPRC include life insurance, annuities, disability income, and long-term care insurance. Maine is one of 45 jurisdictions that recognize IIPRC's approval of forms.

## Independent Dispute Resolution (IDR)

The 129<sup>th</sup> Legislature enacted 2019 P.L. Chapter 668, “An Act to Protect Consumers from Surprise Emergency Bills.” The law directed the Bureau to contract with an independent dispute resolution entity to preside over out-of-network emergency services billing disputes between insurance carriers, providers, and certain uninsured persons. Working closely with BOI staff, Maximus Federal Services, the Bureau’s contracted vendor for IDR, implemented a portal by which parties could enter their information directly and proceed to independent dispute resolution once eligibility was determined.

In 2022, there were 20 requests for independent dispute resolution: 6 requests were dismissed because they involved self-funded plans; 2 cases involved a combination of self-funded and fully-insured claims and were partially dismissed; 7 cases were dismissed because the plan/patient was not based in Maine; 2 decisions were in favor of the respondent health plan; 2 decisions were in favor of the provider applicant; and 1 request was withdrawn. The decided cases involved emergency-related neonatology, general surgery, and orthopedics.

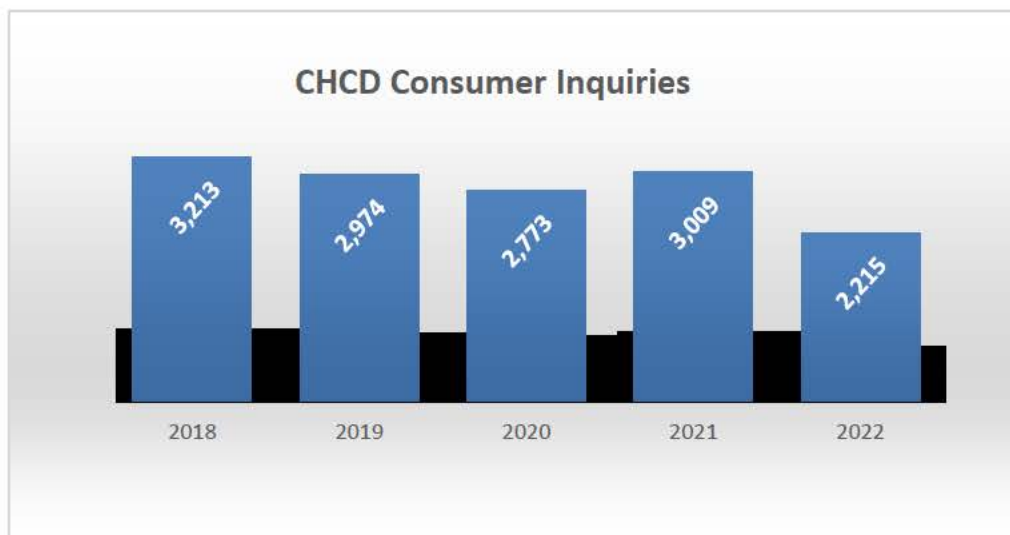
## Statistics

### Consumer Inquiries and Complaints

An “inquiry” is a consumer call or written/electronic request for general information on insurance issues, or to complain generally about a regulated person or entity, but not regarding a specific dispute.

CHCD staff answered 2,215 telephone and written inquiries during 2022. The most frequent inquiries were related to medical claim denials, life insurance, and long-term care insurance. Figure 1 illustrates the number of telephone and written inquiries received from 2018 to 2022.

Figure 1

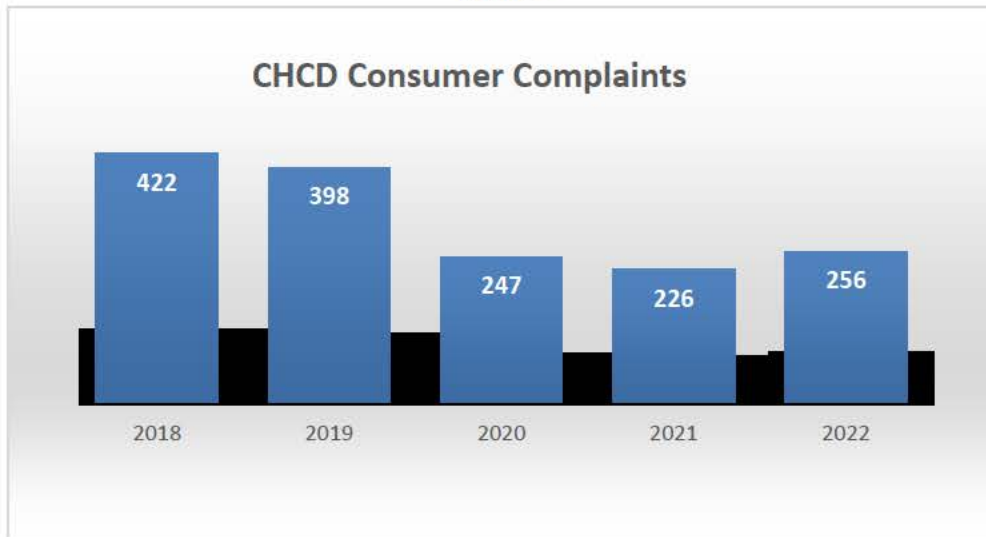


CHCD staff also answered 34 requests for constituent assistance from state and federal officials.

A “complaint” is defined in Title 24-A M.R.S. § 216 (2) as “any written complaint that results in the need for the Bureau to conduct further investigation or to communicate in writing with a regulated entity for a response or resolution to the complaint.”

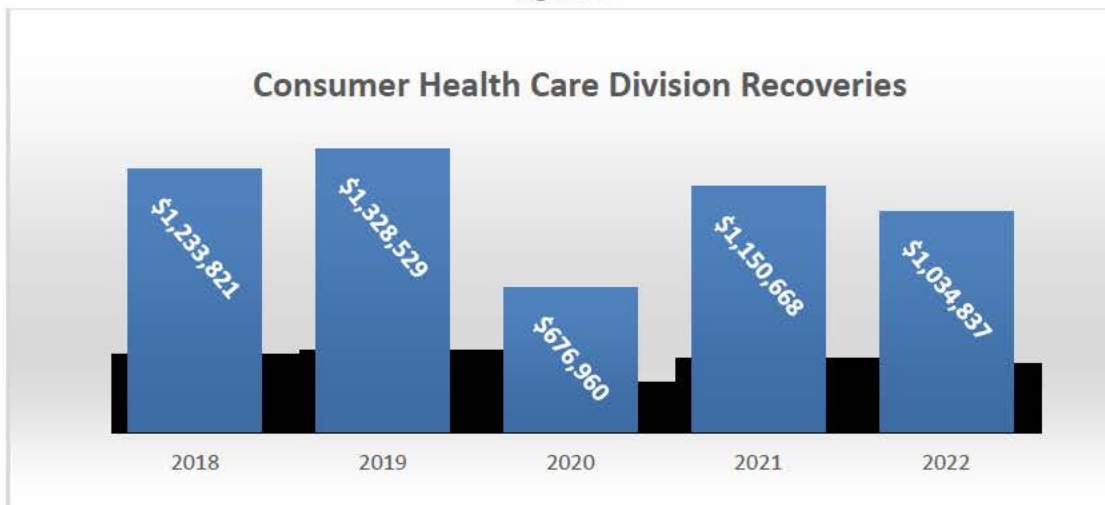
During 2022, the CHCD responded to 256 new written health, disability, annuity, and life insurance consumer complaints. Figure 2 illustrates the number of written complaints filed with the CHCD from 2018 to 2022.

Figure 2



As part of the complaint investigation process, CHCD staff works to obtain appropriate 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. As indicated in Figure 3, the CHCD recovered \$1,034,837 for complainants during 2022. Most often, the recovered funds were from previously denied claims.

Figure 3



In addition to investigating consumer complaints, CHCD works with insurance companies to identify trends in consumer complaints, in an effort to remedy problems before they result in violations of the Insurance Code. In addition to holding quarterly meetings with each health insurance carrier, CHCD stays in close communication with insurers if problems arise; for example, if a company's member hotline goes down for a day.

On a yearly basis, the CHCD compiles a "complaint index" comparison of Maine health insurance companies. The complaint index compares the share of complaints against a company to their share of the market. The most recent report is available at on the Bureau's website ([www.maine.gov/insurance](http://www.maine.gov/insurance)) under Consumer Guides.

### External Review

#### *Medical Reviews*

Pursuant to Title 24-A M.R.S. § 4312 (7-A), the Bureau currently has contracts with three independent external review organizations (EROs): National Medical Review, Maximus Federal Services, Inc., and Island Peer Review Organization (IPRO). After going through the State's competitive bid process, these contracts were approved to begin July 1, 2018 and continue to be in effect.

In 2022, the Bureau received 50 qualified requests for external review. Reviews of 49 of these requests were completed prior to January 1, 2023. One was completed that was initiated in 2021 for a total of 50 completed reviews in 2022.

Of the 50 completed requests, 32 were upheld, 17 were overturned, and 1 was withdrawn prior to review.

There were sixteen (16) expedited external review cases.

The independent EROs heard 37 cases regarding medical necessity of treatment:

- 2 for mental health decisions/substance abuse treatment,
- 12 for medication therapy,
- 6 for PT/OT/SLP decisions
- 17 for general treatment decisions.

The independent EROs heard 12 cases regarding the treatments being experimental or investigational:

- 4 for genetic lab tests, and
- 8 for general treatment decisions.

The EROs heard 1 case regarding a care/treatment or diagnosis decision.

The CHCD received additional requests for external review that did not qualify under the statutes for the following reasons:

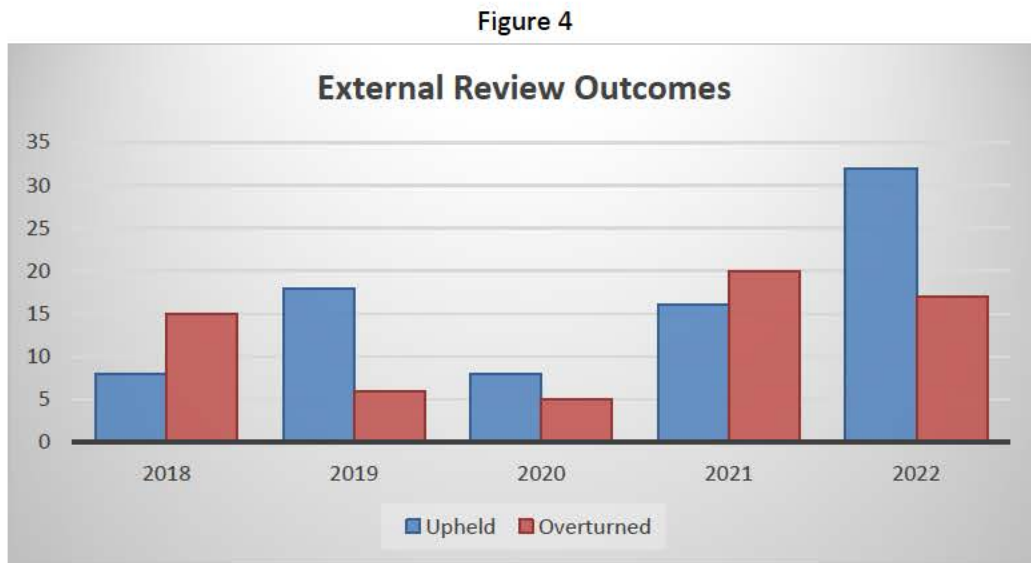
- The consumer did not utilize the insurer’s internal appeal process prior to requesting external review
- The insurer denied the claim based on issues other than the validity of the insurer’s medical decisions
- The consumer’s plan was not regulated by the State of Maine.

The following table illustrates the status of external reviews for 2022:

	Anthem	Aetna	CIGNA	CHO	Harvard	Other	Total
<b>51 Qualified External Review Requests*</b>							
50 Completed Requests by Carrier	30	1	2	2	7	8	50
Withdrawn prior to hearing	0	0	0	1	0	1	1
<b>50 Reviews Completed by 1/1/23 – Breakdown by Qualifying Issue</b>							
Experimental/Investigational	11	0	0	0	1	0	12
Pre-Existing Condition	0	0	0	0	0	0	0
Care/Treatment/Diagnosis	0	0	0	1	0	0	1
Medical Necessity	19	1	2	1	6	8	37

\*Includes 1 carried over from 2021

Figure 4 illustrates the number of external reviews upheld or overturned, from 2018 to 2022.



**Long-term Care Reviews**

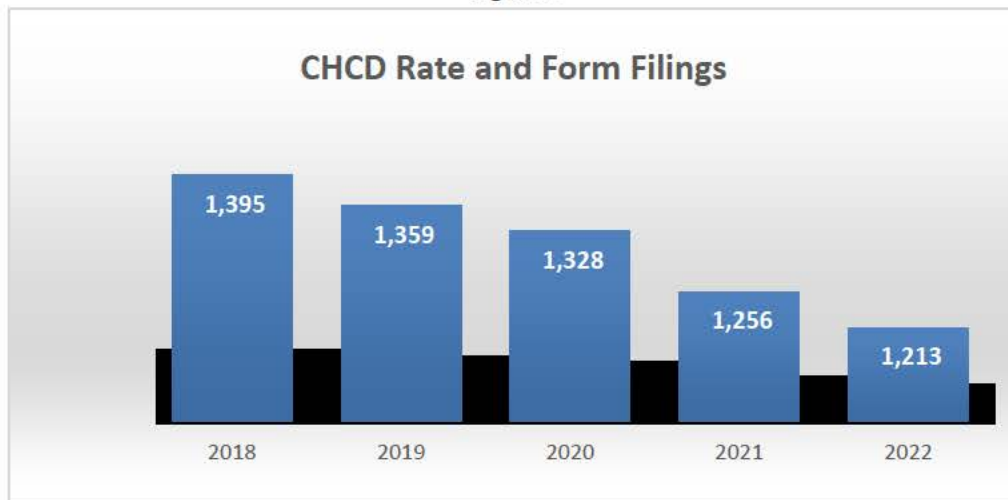
In 2022, the Bureau received one request for a long-term care external review. In this case, the independent reviewer’s decision overturned the insurer’s denial of benefit.

## Policy Form and Rate Review

In 2022, CHCD reviewed 1,213 insurance contract form filings:

- 401 were filed for information only,
- 677 were either approved or deemed acceptable, and
- the balance were either disapproved or in process at year's end.

Figure 5



## **Regulatory Activities**

The Bureau works to ensure that insurers operate in compliance with Maine's insurance laws and regulations. The CHCD continues to assist consumers and analyzes consumer complaints and inquiries to identify complaint patterns. The CHCD staff regularly communicate with insurers -- during complaint investigations, through regular meetings, and when providing regulatory interpretations of the Insurance Code.

In 2022, the CHCD continued to implement both state laws and the federal Affordable Care Act. Staff have become well versed with the federal regulations governing the ACA and coordinate with insurance carriers to meet strict annual rate and form filing timeframes that are set at the Federal level. Insurance carrier representatives and consumers rely on the Bureau to interpret the new statutes and regulations.

Rule 851, which went into effect in 2021, provided guidance to insurers that were required to develop health plans with standardized cost-sharing, as set out in 24-A M.R.S. §2793. The "Clear Choice" plans, as they are called, were offered for the first time during Maine's health insurance open enrollment period in 2022.

## LIFE AND HEALTH ACTUARIAL UNIT

The Life & Health Actuarial Unit provides actuarial and technical services to the Superintendent and Bureau staff. 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 Statistics Unit with the collection of health insurance data, including data for:
  - 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.

In 2022, the Bureau's Life and Health Actuarial Unit oversaw the work to merge the individual and small group markets, following federal approval of the Bureau's 1332 State Innovation Waiver amendment. The merger also required the unit to account for application of the Maine Guaranteed Access Reinsurance Association (MGARA) program to small groups, for the first time, as part of the 1332 waiver. Additionally, the standardized "Clear Choice" plans introduced on the individual market for the 2022 plan year were revised, with input from a stakeholder group and actuarial consultants, and were offered to both individuals and small groups for the 2023 plan year.

## 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 2022, P&C staff answered 2,098, telephone and written inquiries as well as 15 requests for constituent assistance from state and federal officials.



P&C staff also responded to 243 written complaints and obtained restitution of \$854,359 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 2,675 rate and form filings from insurance companies during 2022, including 50 predictive models and 14,537 forms. (Note: each filing contains multiple forms.)

Property & Casualty Totals	2018	2019	2020	2021	2022
Consumer Complaints Received	236	228	203	209	243
Consumer Inquiries Received	2,240	2,206	2,119	1,633	2,098
Restitution to Consumers	\$342,903	\$747,320	\$706,617	\$161,685	\$854,359
Rate and Form Filings Received	2,829	2,975	3,104	2,672	2,675

The NAIC released two reports<sup>1</sup> ranking Maine’s personal auto and homeowners lines of insurance in as 1<sup>st</sup> and 11<sup>th</sup> most affordable, respectively, in the nation. The reports, based on 2020 data (the most recent years 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. The Bureau’s annual report on *The Availability of Insurance in the Maine Property & Casualty Market*, which can be found on the Bureau’s website under Publications/Legislative Reports, provides more detail about these lines of insurance in the Maine market.

## 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 where consumers may contest a proposed cancellation or nonrenewal and where a Bureau hearing officer determines whether the cancellation or nonrenewal was done in accordance with Maine law. The following table shows 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. In most cases where a policyholder cancels a hearing it is because replacement coverage has been obtained.

Hearing Results	2018	2019	2020	2021	2022
Number of Hearings Scheduled	75	65	45	55	46
Number of Decisions Issued	34	24	22	17	11
Findings for the Policyholder	12	5	4	6	9

<sup>1</sup> The two NAIC reports are titled *2020 Homeowners Insurance Report* and *2019/2020 Auto Insurance Database Report*.

## **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 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.

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 NAIC's National Insurance Producer Registry (NIPR) database, have made the licensing process more efficient, timely and uniform.

The Licensing Division processed 33,744 new licenses during 2022 for producers, consultants, adjusters, and business entities.

**NUMBER OF NEW INDIVIDUAL LICENSES, 2022**

	Producers	Consultants	Adjusters	Totals
Resident	697	2	70	769
Non-Resident	26,875	3	5,142	32,020
<b>Total</b>	<b>27,572</b>	<b>5</b>	<b>5,212</b>	<b>32,789</b>

**NUMBER OF NEW BUSINESS ENTITY LICENSES, 2022**

	Producer BE	Consulting Firm	Adjusting Firm	Totals
Resident	37	1	2	40
Non-Resident	881	2	32	915
<b>Total</b>	<b>918</b>	<b>3</b>	<b>34</b>	<b>955</b>

**NUMBER OF ACTIVE INDIVIDUAL LICENSES, 2022 (AS OF 12/31/2022)**

	Producers	Consultants	Adjusters	Totals
Resident	7,712	33	688	8,433
Non-Resident	216,617	10	19,341	235,968
<b>Total</b>	<b>224,329</b>	<b>43</b>	<b>20,029</b>	<b>244,401</b>

**NUMBER OF ACTIVE BUSINESS ENTITY LICENSES, 2022 (AS OF 12/31/2022)**

	Producer BE	Consulting Firm	Adjusting Firm	Totals
Resident	824	3	23	850
Non-Resident	7,618	5	288	7,911
<b>Total</b>	<b>8,442</b>	<b>8</b>	<b>311</b>	<b>8,761</b>

**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	2018	2019	2020	2021	2022
Individual Self-Insurers	58	57	57	55	53
Group Self-Insurers <sup>2</sup>	18	18	18	18	18

<sup>2</sup> As of June 29, 2023, this represents 1,173 employers.

## FINANCIAL ANALYSIS DIVISION

The Financial Analysis Division is responsible for the financial regulation of domestic and foreign insurance companies, captive Risk Retention Groups, Health Maintenance Organizations, and surplus lines companies. The responsibilities include ongoing financial review of domestic companies; review of applications for licensure and surplus lines eligibility; review of amendments to certificates of authority, mergers, change of control, redomestications, and name changes. The Division is also responsible for regulating Managing General Agents, Third Party Administrators, Risk Retention Groups, Risk Purchasing Groups, Reinsurance Intermediaries, Viatical and Life Settlement Providers, Service Contract Providers, and approved reinsurers in Maine.

### DOMESTIC INSURANCE COMPANIES, 2022 (DOMICILED IN MAINE)

Maine Domestic	12/31/22 Premium <sup>3</sup>	12/31/22 Assets
Aetna Health Inc.	\$161,552,592	\$60,706,864
AMH Health, LLC	\$224,429,321	\$96,659,501
AMH Health Plans of Maine, Inc.	\$7,215,394	\$7,135,571
Anthem Health Plans of Maine Inc.	\$1,209,200,904	\$740,507,952
Casco Indemnity Company	\$3,750,831	\$44,946,005
Great Falls Insurance Company	\$0	\$7,126,543
Maine Community Health Options	\$206,176,600	\$165,982,001
Maine Dental Service Corp	\$73,575,395	\$75,607,231
Maine Employers' Mutual Insurance Company	\$183,861,568	\$1,079,651,786
Martin's Point Generations Advantage, Inc.	\$657,548,288	\$195,190,287
Medical Mutual Insurance Company of Maine	\$36,704,696	\$390,723,739
MMG Insurance Company	\$103,094,186	\$365,419,712
Patriot Insurance Company	\$32,390,264	\$170,598,802
Patrons Oxford Insurance Company	\$52,127,352	\$27,756,542
Starmount Life Insurance Company	\$276,837,443	\$141,331,112
State Mutual Insurance Company	\$1,505,486	\$15,413,960
Taro Health Plan of Maine, Inc.	\$0	\$4,535,508
UNUM Insurance Company	\$218,544,028	\$131,899,721
UNUM Life Insurance Company of America	\$5,150,015,939	\$23,581,991,469
Wellcare of Maine, Inc.	\$123,442,084	\$52,704,169
<b>Total</b>	<b>\$8,721,972,371</b>	<b>\$27,355,888,475.00</b>

<sup>3</sup> Year-end direct written premium totals are reported on a national basis.

**NON-MAINE HEALTH MAINTENANCE ORGANIZATIONS 2022 (MAINE ONLY PREMIUMS)**

HMOs (State of Domicile)	12/31/21 Premium	12/31/21 Assets
Arcadian Health Plan, Inc. (WA)	\$103,725,592	\$1,848,763,682
Empire Healthchoice HMO Inc. (NY)	-\$12,528	\$373,230,702
Harvard Pilgrim Health Care, Inc. (MA)	\$400,310,467	\$1,103,376,076
Meridian Health Plan of Michigan, Inc. (MI)	No Data Available	\$938,364,041
UnitedHealthcare of New England, Inc. (RI)	\$991,193	\$450,640,552
UnitedHealthcare of Wisconsin, Inc. (WI)	\$0	\$3,463,943,880
<b>Total</b>	<b>\$505,014,724</b>	<b>\$8,178,318,933</b>

**TOTAL 2022 MAINE PREMIUM (ALL LINES, BOTH DOMESTIC AND FOREIGN)**

Lines	12/31/22 Premium	12/31/21 Premium
Life/Annuities	\$2,226,401,265	\$2,177,098,958
Health	\$5,059,395,082	\$4,582,796,231
Property/Casualty	\$2,845,364,421	\$2,632,939,107
Title	\$65,679,899	\$75,388,619
Risk Retention Group	\$8,274,646	\$7,486,440
Captive	UNAVAILABLE	UNAVAILABLE
<b>Total</b>	<b>\$10,205,115,313</b>	<b>\$9,475,709,355</b>

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

**NUMBER OF INSURANCE COMPANIES LICENSED IN MAINE**

Company Type	2018	2019	2020	2021	2022
Property and Casualty Companies	713	721	736	747	757
Life & Health and HMOs	348	346	345	349	354
Fraternal Companies	12	12	12	13	13
Surplus Lines Companies	170	176	193	210	221
Private Purchasing Alliance	1	1	1	1	1
Multiple Employer Welfare Arrangement (MEWA)	3	4	4	4	4
Captive	3	3	3	3	3
Risk Retention Groups	74	74	79	82	88
Non-Profit	2	2	2	2	2
Fire Assessment Company	3	3	3	3	3
<b>Total</b>	<b>1329</b>	<b>1,342</b>	<b>1,378</b>	<b>1,414</b>	<b>1,446</b>

**NEW COMPANY LICENSES ISSUED IN 2022 (43 TOTAL)**

<b>Life and Health Insurance Companies</b>	
AMFIRST INSURANCE COMPANY	WILLIAM PENN LIFE INSURANCE COMPANY OF NEW YORK
EMPHESYS INSURANCE COMPANY	WILTON REASSURANCE COMPANY
PAN-AMERICAN LIFE INSURANCE COMPANY	
<b>Property and Casualty Insurance Companies</b>	
AGENTS NATIONAL TITLE INSURANCE COMPANY	INTREPID CASUALTY COMPANY
ARI INSURANCE COMPANY	MONROE GUARANTY INSURANCE COMPANY
BITCO NATIONAL INSURANCE COMPANY	NATIONAL TRUST INSURANCE COMPANY
CRUM AND FORSTER INSURANCE COMPANY	NORMANDY INSURANCE COMPANY
FCCI INSURANCE COMPANY	PRESCIENT NATIONAL INSURANCE COMPANY
FRANK WINSTON CRUM INSURANCE COMPANY	SERVICE LLOYDS INSURANCE COMPANY, A STOCK COMPANY
GRAIN DEALERS MUTUAL INSURANCE COMPANY	
<b>Risk Retention Groups</b>	
BIHAR RISK RETENTION GROUP INC	NLADA MUTUAL INSURANCE CO. A RISK RETENTION GROUP
CLINICIAN ASSURANCE INC., A RISK RETENTION GROUP	NOTTING HILL RISK RETENTION GROUP, LLC
GLADIUS INSURANCE RISK RETENTION GROUP, INC.	PROASSURANCE AMERICAN MUTUAL, A RISK RETENTION GROUP
GOVERNMENT TECHNOLOGY INSURANCE COMPANY RISK RETENTION GROUP, INC.	SECURENT RISK RETENTION GROUP, INC.
HEALTHCARE PROFESSIONAL LONG TERM CARE RISK RETENTION GROUP, INC.	
<b>Eligible Surplus Lines Insurance Companies</b>	
ARDELLIS INSURANCE LTD.	HARLEYSVILLE INSURANCE COMPANY OF NEW YORK
BENCHMARK SPECIALTY INSURANCE COMPANY	INTREPID SPECIALTY INSURANCE COMPANY
BRICKTOWN SPECIALTY INSURANCE COMPANY	RICHMOND NATIONAL INSURANCE COMPANY
CHAMPLAIN SPECIALTY INSURANCE COMPANY	SOUTHLAKE SPECIALTY INSURANCE COMPANY
CONCERT SPECIALTY INSURANCE COMPANY	SPINNAKER SPECIALTY INSURANCE COMPANY
CONCORD SPECIALTY INSURANCE COMPANY	UPLAND SPECIALTY INSURANCE COMPANY
FIREMAN'S FUND INDEMNITY CORPORATION	W. R. BERKLEY EUROPE AG
HAMILTON SELECT INSURANCE INC.	
<b>Health Maintenance Organizations</b>	
TARO HEALTH PLAN OF MAINE, INC.	

## 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. Financial statements for Maine-licensed insurance companies can also be found online.

### FINANCIAL EXAMINATIONS COMMENCED IN 2022

Company	Report Issued
Maine Community Health Options	August 3, 2023
MMG Insurance Company	June 27, 2023

### FINANCIAL EXAMINATIONS SCHEDULED FOR 2023

Company	Financial Period Ending
AMH Health, LLC	December 31, 2022
AMH Health Plans of Maine, Inc.	December 31, 2022
Anthem Health Plans of Maine, Inc.	December 31, 2022
Martin's Point Generations Advantage, Inc.	December 31, 2022
WellCare of Maine, Inc.	December 31, 2022

## 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 can 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.

In addition to conducting investigations, market analysis and its own examinations, the Unit participates in multi-state examinations on behalf of the State of Maine. Although the Market Regulation Unit did participate in several ongoing multistate exams in 2022, none reached the settlement stage by the end of the year.

As an additional method of monitoring compliance, the Unit also conducted proactive industry-wide reviews in 2022 to assess carriers' readiness to comply with impending legislative changes, and to verify ongoing compliance with other statutory requirements.

## **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. 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 2022, the unit migrated the agency website to a new platform, following extensive work with staff throughout the Bureau. This was the second overhaul of the website in five years.

## **ADMINISTRATIVE SERVICES UNIT**

The Administrative Services Unit provides support for all divisions and units within the Bureau. Responsibilities include purchasing; facilitating the interviewing and onboarding of new employees; travel arrangements and training registrations; assisting with proper records retention; copying and distribution of bound and electronic reports; processing and accounting of all Bureau revenue; public information and media relations, and consumer outreach support.



### **III. Appendices**

#### **APPENDIX A – REGULATORY ACTIONS**

The following is a list of the Rules and Bulletins issued by the Bureau in 2022.

##### **Rules**

Rule 856 - Combination of the Individual and Small Business Health Insurance Risk Pools

Rule 735 - Term and Universal Life Insurance Reserve Financing

Rule 740 - Credit for Reinsurance (Amended)

Rule 857 - Small Business Health Insurance Premium Support Program

Rule 365 - Standards for Independent Dispute Resolution of Emergency Medical Service Bills (Amended)

Rule 425 - Long-Term Care Insurance (Amended)

Rule 130 - Minimum Reserve Standards for Individual and Group Health Insurance Contracts (Amended)

Rule 180 - Insurance Holding Company System Model Rule with Reporting Forms and Instructions  
(Amended)

Rule 851 - Clear Choice Designs for Individual and Small Group Health Plans (Amended)

##### **Bulletins**

Bulletin 464 - New Law Governing Pet Insurance Company Filing Requirements and Reports

Bulletin 463 - Uniform Deadlines for Rate, Form, and QHP Filings for Non-Grandfathered Individual and  
Small Group Health Plans With Effective Dates of Coverage During 2023

## APPENDIX B – 2022 OUTREACH EVENTS

The Bureau’s consumer outreach efforts aim to educate Maine individuals and businesses about the services the Bureau offers. The Superintendent and staff also make presentations to industry groups, to keep them up to date on recent regulations and legislation.

In 2022 Bureau staff in the following:

- Area Agencies on Aging, *Medicare Supplement Insurance Volunteer Training* (multiple sessions)
- Association of Insurance Compliance Professionals, New England Chapter Roundtable
- Senior Spectrum, *Healthy Aging Sr Expo*, Hallowell (Public)
- Maine State Chamber of Commerce, Health Care Forum
- Northern Lights/FQHC, *Surprise Billing*
- Northern New England Actuaries’ Club
- Summerfest, Bethel (Public)
- Bureau of Insurance, *Public Information Meeting re 2023 ACA Health Insurance Rate Filings* (Public)
- National Academy for State Health Policy, *Annual National Conference*
- National Association of Insurance and Financial Advisors, Augusta
- ME Primary Care Association/ME Medical Association, *Colorectal Cancer Screening*
- University of Southern Maine class, *Cyber Laws, Policies and Ethics*
- Chartered Property Casualty Underwriters Meeting, Maine Chapter
- Maine Association of Health Underwriters Meeting
- Maine Primary Care Association, Annual Conference, Rockland
- Maine Public Radio, *Maine Calling – Maine Hurricane History and Preparation* (Statewide broadcast)
- PeoplePlus, *Senior Expo*, Brunswick (Public)

## APPENDIX C – 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.

To help educate the public on insurance matters that can affect their daily lives, the Bureau publishes and distributes consumer brochures and posts additional consumer information and online tools on its website. The Bureau’s publications and online tools include:

### **Publications**

#### **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

Maine Driving Dynamics (Link to Maine Bureau of Highway Safety)

Personal Auto Insurance Complaint Comparison

Policy Forms Used by the 10 Largest Auto Insurance Groups in Maine

Ten Things You Should Know About Buying Auto Insurance

The Sharing Economy: Important Points to Consider Before “Sharing” Your Car or Home

Youthful Drivers Guide

#### **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**

External Review Guide: When Your Health Insurance Carrier Denies Benefits for Health Care Services

Health, Disability and Long-Term Care Insurance Complaint Comparison

Health Insurance Appeals Process Guide

Health Insurance for Small Businesses, A Consumer’s Guide

Health Insurance Tips

Health Savings Accounts (HSAs) link to information from the US Department of the Treasury

Hearing Aid Mandate, Effective January 1, 2020

Individual Health Insurance in Maine, A Consumer’s Guide

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

Short-Term Health Insurance Plans

### **Homeowners/Renters Brochures**

Cancellation or Nonrenewal of Personal Automobile and Property Insurance  
Credit Information - Understanding How Insurers Use  
Child Care Liability, A Consumer's Guide  
From Homeowner to Renter  
Homeowner Insurance Complaint Comparison  
Homeowners' Insurance, A Consumer's Guide  
Homeowners Insurance, Making the Claims Process Easier  
Homeowners' Inventory Checklist  
Insuring Your Home Business  
Natural Disasters, A Homeowners Insurance Guide (link to Federal Alliance for Safe Homes)  
Ten Things You Should Know About Purchasing Home Insurance  
Policy Forms Used by the 10 Largest Homeowners Insurance Groups in Maine  
The Sharing Economy: Important Points to Consider Before "Sharing" Your Car or Home

### **Life Insurance & Annuities**

Annuities, Ten Things You Should Know About Buying  
Deferred Annuities (NAIC Publication)  
Deferred Annuities, Fixed (NAIC Publication)  
Deferred Annuities, Variable (NAIC Publication)  
Equity-Indexed Annuities: A Complex Choice (Financial Industry Regulatory Authority Investor Alert)  
Life Insurance Information for Military Personnel (NAIC Publication)  
Life Insurance, Ten Things You Should Know Before Purchasing  
Life Settlement Brochure For producers  
Alternative Life Settlement Brochure For producers  
Viatical and Life Settlements, What You Should Know

### **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 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)

### **Medicare/Medicare Supplement**

Are You Eligible for or Do You Have Medicare? (Aggressive Sales Practices)  
Medicare Supplement Insurance, A Consumer's Guide/Rate Table (for plans issued beginning June 2010)  
Understanding Medicare Enrollment Periods (link to Department of Health and Human Services)  
Choosing a Medigap Policy (link to Medicare publication)

### **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

## Online Tools

### **Consumer Tools**

- File a complaint
- Glossary of terms
- Cancellation/Nonrenewal Hearing Notices
- Helpful links
- Independent Dispute Resolution
- Licensee Lookup
- Affordable Care Act Rate and Form Filings/Rate Hearings
- Individual Health Insurance Rate Calculator
- Small Group Health Insurance Rate Calculator
- Small Business Health Insurance Premium Relief Program credit calculator
- E-news subscriber system (GovDelivery)
- Online and printable insurance information

### **Industry Tools**

- Independent Dispute Resolution
- Physician Tiering Program Reporting
- Rural Medical Access Program
- Online Company Data Reporting System
- Company licensing forms and information
- Producer and Business Entity licensing forms and information
- Cancellation/Nonrenewal Hearing Notices
- E-news subscriber system (GovDelivery)
- Domestic Insurance Company Annual Statements