

# NORTH CAROLINA DEPARTMENT OF INSURANCE

Strategic Plan  
2023-2025



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# 1. Strategic Plan Executive Summary

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The North Carolina Department of Insurance is focused on consumers through fair ratemaking, injury prevention efforts, scrupulous regulation of insurance company solvency and industry practices, and protecting against insurance fraud. The Department also plays a vital safety role in protecting lives and property in North Carolina. The Office of State Fire Marshal is responsible for training fire and rescue personnel, securing property insurance for state-owned buildings, and the oversight and administration of the state's building code.

The Department of Insurance is committed to providing the highest level of consumer service to North Carolina citizens as well as its insurance-related customers. The list below summarizes the Department's strategic initiatives for the upcoming biennium.

- **Enhanced Criminal Investigations Capabilities** – Approximately 10 percent of all insurance claims involve some degree of fraud, resulting in increased premium costs to the consumer. In 2016, when the department had 20 sworn law enforcement officers, there were: 4523 cases of fraud, resulting in 233 arrests and 153 convictions. Monetary recovery was \$4,889,229.48. Due to a lack of investigators, only 12 percent of reported fraud cases were worked. In the 2017 long session of the General Assembly, we received significant funding to double our number of criminal investigators to attack insurance fraud. A Criminal Legal Division with a staff of three was added to assist local district attorneys in getting fraud cases to trial. If recent expansion proves successful, and preliminary results continue to be positive, we will pursue additional resources this biennium.
- **New Call Center Technology** - The insurance industry has experienced significant change over the past several years, especially in the area of health insurance. DOI provides North Carolinians assistance with health insurance questions, complaints and appeals. The agency is committed to the highest level of customer service and effectively monitors these outcomes to ensure that customer service levels are met. Specifically, we are in need of call center technology to: incorporate all channels of consumer communication; capture and robustly report on important data on consumer issues by reason and geographical location; provide robust staff performance analytics; provide retrospective full year call data; identify repeat callers and enter and access notes on the details of their call for purposes of enhanced customer service and potential call escalation; and identify the resolution of the call by employee and reason for the call.
- **Building Code Modernization** - Recent legislation was enacted to develop a data base of available building code inspectors who could be mobilized to assist local municipalities when and where there is high need. Debriefings from previous hurricanes have also highlighted the need for increased mobilization of code officials to better serve in recovery efforts. Forward thinking reforms are being developed and options will be presented to the General Assembly for possible legislative action.

Manage Growth in Captive Insurance Market - The North Carolina captive insurance program has experienced significant growth, which is expected to continue. NCDOI is committed to marketing and promoting Captives as part of overall economic development efforts. North Carolina is positioned as an industry leader, but we must always out work our neighbors. This past year we were able to shift internal resources around to meet our needs but expect this program to require additional resources moving forward in order to keep pace with this growing industry.

## 2. Mission, Vision, and Values

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### Agency Mission Statement

To promote a stable insurance market through unbiased regulation and to protect the lives and property of every citizen in all 100 counties while fostering superior, user-friendly service, courtesy, and respect.

### Agency Vision Statement

In an ever-changing environment, it is the vision on the Department of Insurance to maintain the stabilization of the insurance industry in order to provide more products, competitive prices and consumer protection.

### Agency Values

**Accountability** - Accepts full responsibility for oneself and for one's contribution as a team member; displays honesty and truthfulness; confronts problems quickly; displays a strong commitment to organizational success and inspires others to commit to goals; demonstrates a commitment to delivering on his/her public duty and presenting oneself as a credible representative of the agency and state, to maintain the public's trust.

**Competence & Expertise** – Understands and applies specific technical and/or professional subject matter and concepts integral to the business in which they operate. Is trusted and recognized as a source for credible, reliable information about business policies, procedures, and practices. Demonstrates knowledge and understanding of emerging issues, trends, and developments based on research, program evaluation, and modeling of best practices.

**Customer Service** - Consistently demonstrates a strong commitment to providing value-added services to external and internal customers. Proactively identifies customer needs and requirements, delivers quality service, and continuously improves performance of self and others. Develops, implements, and evaluates work processes which are both efficient and effective from the customers' perspectives.

**Organizational Effectiveness & Efficiency** - Effectively plans, prioritizes, organizes, and aligns human, financial, material, and information resources to meet work unit and organizational goals. Efficiently deploys resources when, where, and how they are needed. Communicates expectations clearly, provides performance-based feedback and coaching, and consistently measures progress. Deals effectively with performance problems.

### 3. Goals, Objectives, and Performance Measures

<b>Goal 1 – Consumer Protection, Education and Support</b>	
<p><b>Objective 1.1</b> – Ensure that consumers' insurance investments are protected through company licensure, solvency surveillance and rate and policy form regulation to assure that products offered meet appropriate state and federal laws and industry standards, and are priced fairly but sufficiently to support a sustainable business for the insurers offering them.</p>	<ul style="list-style-type: none"> <li>• <i>Dollar savings resulting from requested industry rate increases less increases allowed by the Commissioner (dollars).</i></li> <li>• <i>Aggregate premium dollars saved North Carolina insurance consumers as a result of Actuarial Services Division review of rate filings for personal auto, homeowners, workers compensation and other insurance products (\$ million).</i></li> <li>• <i>Aggregate number of reviews performed of scheduled and other required filings made by insurers and other regulated entities such as Professional Employer Organizations, Continuing Care Retirement Communities, and entities that self-insure their workers' compensation liabilities.</i></li> <li>• <i>Percentage of domestic companies classified as "troubled" attaining an improved financial condition as a result of the actions of the Department and, consequently, no longer being considered a troubled entity (percentage).</i></li> <li>• <i>Percentage of approved life and health filings for which review was conducted within 20 days or less (percentage) 1</i></li> <li>• <i>Percentage of approved property and casualty filings for which review was conducted within 20 days or less (percentage) 1</i></li> <li>• <i>Compare to National Association of Insurance Commissioners' goal)</i></li> </ul>
<p><b>Objective 1.2</b> – Ensure that the purchasers of insurance and other products sold by regulated entities are treated fairly at the time of marketing</p>	<ul style="list-style-type: none"> <li>• <i>Consumers assisted with insurance matters via consumer and agents and other licensees assisted with licensing and</i></li> </ul>



<p><i>and sale and over the life of their purchase by licensing and enforcing continuing education requirements for the individuals and entities who engage in sales, investigating complaints received from consumers and licensees about the conduct of a licensee, and performing market conduct surveillance to confirm that those who sell and issue the products purchased comply with applicable regulatory requirements.</i></p>	<p><i>compliance matters by the Agent Services Division.</i></p> <ul style="list-style-type: none"> <li><i>Aggregate number of individuals and entities licensed and monitored for regulatory and continuing education compliance.</i></li> </ul>
<p><b>Objective 1.3</b> – <i>Protect consumers, policyholders and insurance companies from fraud and illegal behavior by investigating and seeking criminal prosecution of parties who commit fraudulent acts against consumers, policy holders or insurers.</i></p>	<ul style="list-style-type: none"> <li><i>Monetary recoveries for citizens and businesses in North Carolina resulting from prosecution of fraud cases and the investigation of complaints received from consumers and regulated entities. (\$ million).</i></li> <li><i>Number of arrests and prosecutions.</i></li> </ul>
<p><b>Objective 1.4</b> – <i>Assist consumers who have questions or problems about insurance or other products regulated by the Department or about the federal Medicare Program and its related products, by deploying staff and, for certain products, a network of trained volunteer counselors to provide information and investigate complaints as appropriate.</i></p>	<ul style="list-style-type: none"> <li><i>Consumers receiving assistance via toll-free line for the Senior's Health Insurance Information Program (SHIIP).</i></li> <li><i>Consumers receiving assistance via toll-free line for the Health Insurance Smart NC Program.</i></li> <li><i>Dollar value of medical appeals filed with the insurer and recovered benefits for consumers.</i></li> <li><i>Dollar value of external review recovered benefits for consumers.</i></li> <li><i>Dollar value of complaints (non-appeal) recovered benefits for consumers.</i></li> <li><i>Consumers receiving assistance with insurance matters via the Consumer Services Division.</i></li> <li><i>Monetary recoveries for citizens and businesses in NC resulting from the investigation of complaints received from consumers.</i></li> </ul>

	<ul style="list-style-type: none"> <li>• Capture of similar subject matter calls to target advertisement and educational efforts.</li> </ul>
<p><b>Objective 1.5</b> – Provide general educational information about insurance products and their availability and the rights of the public and of policyholders with respect to insurance and the federal Medicare Program and Medicare-related insurance in order to inform and empower consumers by publishing and distributing print and electronic newsletters and brochures and by engaging in public speaking, building networks of partner organizations and other effective forms of outreach.</p>	<ul style="list-style-type: none"> <li>• Number of public speaking engagements, event participation, and materials distributed.</li> </ul>
<p><b>Goal 2– Citizen Safety</b></p>	
<p><b>Objective 2.1</b> – Protect the well-being and safety of citizens and visitors to North Carolina through the creation and maintenance of building codes, annual building inspection, training of fire and rescue personnel, inspections and ratings of fire departments, and the promotion of injury prevention education to reduce property loss and improve public safety.</p>	<ul style="list-style-type: none"> <li>• Number of Fire departments inspected.</li> <li>• Percentage of fire and life safety facilities inspections conducted on schedule.</li> <li>• Percentage of electrical inspections conducted on schedule.</li> </ul>
<p><b>Objective 2.2</b> – Protect state agencies and local governments and their capital investments by insuring and procuring insurance and providing risk management consulting for government entities, conducting fire, life safety and electrical code inspections of state facilities, and providing interpretations of state electrical code to protect and reduce property loss.</p>	<ul style="list-style-type: none"> <li>• Adequate insurance coverages provided to state agencies</li> <li>• Number of fire, life, safety, and electrical inspections completed</li> <li>• Percentage of code interpretations processed within the stated service level agreements</li> </ul>
<p><b>Objective 2.3</b> – Modernize and implement building code practices in the state of NC to meet increasing demands of citizens and construction industry stakeholders. Forward thinking reforms are being developed and options will be presented</p>	<ul style="list-style-type: none"> <li>• Number of Building Permits issued</li> <li>• Number of Inspections performed</li> <li>• Number of inspectors</li> <li>• Time to complete inspections</li> <li>• Number of remote inspections</li> </ul>

<p>to the General Assembly for possible legislative action.</p>	<ul style="list-style-type: none"> <li>• Number of code violations cited</li> <li>• Number of enforcement actions</li> <li>• Number of inspectors meeting CE requirements</li> </ul>
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**Goal 3– Marketplace Optimization**

<p><b>Objective 3.1</b> – Create and maintain a regulatory organization that employs balanced policies and efficient processes for the benefit of North Carolina citizens by promoting an attractive business climate for insurance companies, insurance agents, and other entities and individuals regulated by the Department, who are vital in serving the public.</p>	<p>Measures under development</p>
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**Goal 4– Organizational Excellence**

<p>Objective 4.1 - Maintain and enhance the existence of a well-trained knowledgeable staff through training and development opportunities to achieve the Department's goals of protecting consumers and public safety and promoting an attractive business climate for the types of entities and individuals that it regulates.</p>	<ul style="list-style-type: none"> <li>• Ensure personnel are assigned required training and maintain a 90 percent completion rate.</li> <li>• Maintain a current Human Capital Plan that includes effective recruitment, staffing, and retention strategies for attracting, developing, and retaining talent.</li> <li>• Maintain and monitor recruitment metrics on a monthly basis.</li> <li>• Review salary market rate adjustments with the compensation of DOI employee on a bi-annual basis.</li> <li>• Provide a monthly Employee Assistance Program newsletter.</li> <li>• Continue to emphasize work/life balance and other related benefits.</li> </ul>
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*Objective 4.2 - Conduct all administrative functions effectively and in compliance with state and federal laws and regulations, and departmental policies, ensuring the safeguarding state resources while achieving the departmental missions and goals.*

- *Adhere to State and Federal policies.*
  - *Establish internal Standard Operating procedures to align with policies.*
- Ensure all confidential information is safe guarded.*

## 4. Highlights, Collaborative Opportunities, and Priority Questions

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### Agency Highlights

- *\$7.7 million in insurance fraud restitution and recoveries*
- *\$4.4 million in Senior Health Insurance Information Program cost savings*
- *\$950,000 in recoveries and savings through Smart NC external reviews and appeals*
- *\$75.5 million in recoveries and savings from consumer complaints and lost life insurance policies*

### Collaborative Opportunities

- *North Carolina National Guard*
- *UNC Collaboratory*
- *OSBM Office of Strategic Partnerships*
- *Department of Public Safety North Carolina Office of Recovery and Resiliency*
- *North Carolina Department of Justice Medicaid Fraud Division*

### Priority Questions

1. *Are the agency's policies leading to improved regulatory, consumer, and life safety outcomes for the citizens of North Carolina?*
2. *Would outsourcing portions of programmatic functions be a more cost effective and efficient means to ensure the best possible outcomes for the agency?*
3. *Are the human capital strategies being employed by the agency resulting in reduced turnover, lower vacancies, and a highly engaged workforce? Are these strategies leading to better outcomes for the agency overall?*