

AGENCY NAME:	SC Department of Insurance		
AGENCY CODE:	R20	SECTION:	78



Fiscal Year 2013-14 Accountability Report

SUBMISSION FORM

AGENCY MISSION

The mission of the South Carolina Department of Insurance (Department) is to protect the insurance consumers, the public interest, and the insurance marketplace by ensuring the solvency of insurers, enforcing and implementing the insurance laws of this State, and regulating the insurance industry in an efficient, courteous, responsive, fair, and equitable manner.

Please identify your agency's preferred contacts for this year's accountability report.

	<u>Name</u>	<u>Phone</u>	<u>Email</u>
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I have reviewed and approved the enclosed FY 2013-14 Accountability Report, which is complete and accurate to the extent of my knowledge.

AGENCY DIRECTOR
(SIGN/DATE):

Raymond G. Farmer

9/11/2014

(TYPE/PRINT NAME):

Raymond G. Farmer

BOARD/CMSN CHAIR
(SIGN/DATE):

TYPE/PRINT NAME):

SC Department of Insurance

AGENCY NAME:	SC Department of Insurance		
AGENCY CODE:	R20	SECTION:	78

AGENCY'S DISCUSSION AND ANALYSIS

Key Strategic Challenges

Much of the work of the Department is influenced by changes in financial markets at the national and international level. Summarized below are the key challenges facing insurance regulation in South Carolina.

Challenge 1: Increased involvement of the federal government in the business of insurance regulation

The United States insurance regulatory system is in the midst of significant change. This change is the result of increased federal involvement in insurance regulation and the increasingly international nature of insurance of the insurance market. This heightened international nature of the insurance market is often cited as a reason for an increased U.S. federal regulatory presence.

Recent examples of this heightened federal involvement in insurance regulatory activities include the enactment of the Patient Protection and Affordable Care Act (ACA) and the Wall Street Reform and Consumer Protection Act (commonly referred to as Dodd-Frank.) These two pieces of legislation have and will continue to have a significant impact on U.S. insurance markets and their regulation. While this legislation is federal, it impacts state laws and regulation. Federal legislation often establishes the minimum level of protection that may be afforded. While it recognizes that states are the primary regulators of insurance, it also establishes the standards with which all insurers must comply. States are charged with enforcement, but if the state does not enforce the provisions of the law, the federal government will effectively preempt state law.

From a regulatory perspective, Dodd-Frank may have the most significant impact because it affects insurance regulation in general. The Dodd-Frank Act created the Federal Insurance Office (FIO). The FIO has the ability to, and is in the process of, influencing insurance regulatory policy. In December 2013, the Federal Insurance Office released its report on ways the United States insurance regulatory system needs to be modernized. This report addresses issues from solvency to trade practices and cites the lack of uniformity among states as inefficient and costly for insurers. The report stops short of calling for a federal insurance regulator because it recognizes that many insurance products are local in nature and that establishing a federal regulatory regime would be costly. Instead the report makes recommendations on the areas where federal government should be involved because state-based regulation may be legally limited in those areas.

The FIO will monitor all aspects of the insurance industry, including the availability of affordable insurance to traditionally underserved, low to moderate income, and minority persons and communities. FIO's authorities extend to all lines of insurance except health insurance, long-term care insurance (except that which is included with life or annuity insurance components) and federal crop insurance. The FIO has the authority to identify issues or gaps in the regulation of insurance that could

AGENCY NAME:	SC Department of Insurance		
AGENCY CODE:	R20	SECTION:	78

contribute to a systemic crisis in the insurance industry or the broader US financial system; and to make recommendations to the Financial Stability Oversight Council (FSOC) as to whether an insurer, including affiliates of an insurer, should be an entity subject to supervision by the Board of Governors of the Federal Reserve. The FIO will also play a role in the resolution of certain troubled insurance companies. In carrying out these functions, the FIO may receive and collect data and information on and from the insurance industry and insurers; enter into information-sharing agreements; analyze and disseminate data and information; and issue reports. The Office of the FIO will prepare several one-time reports as well as annual reports to Congress. The FIO will also assist the Secretary in administering the Terrorism Risk Insurance Act. Both Acts contemplate a dual system of regulation. The challenge for state and federal regulators is to effectively collaborate and communicate in the performance of their regulatory roles.

Additionally, there are several different international initiatives that are in the process of being developed. They include Common Framework (ComFrame) for the supervision of international insurance groups, insurers being designated as financially significant by the Financial Stability Oversight Council, the Basic Capital Requirements (BCR) by the International Association of Insurance Commissioners (IAIS) and Higher Loss Absorbency (HLA) requirements for systemically important insurers. These issues are important to South Carolina because international insurers own companies that do business in this state. More importantly, most of the reinsurance that is obtained to support South Carolina insurance markets, including the coastal property insurance market, is obtained through international markets.

Challenge 2: Maintaining a Solvent and Competitive Marketplace where insurance products are available at the best possible prices.

Competition is the key to achieving widely available and affordable private property and casualty insurance. Insurers consider a number of factors when deciding to seek licensure in a particular jurisdiction. Many companies may consider the overall risk exposure of geographical area, as well as the political, regulatory and legal climates in a state before entering the market or expanding business in that market.

South Carolina has a stable political and regulatory climate which attracts insurers to this state. More importantly, our insurance markets are considered stable and competitive. Recently, the Department approved an overall decrease in rates in the workers compensation market --- an indication that the market is competitive. Workers compensation is a market the Department has monitored closely over the last several years.

South Carolina's coastal property insurance market is also stable. Cost continues to be an issue for some property owners. However, as long as 28% or more of the state's insured property exposure is located on its coast, there will be availability and affordability issues in South Carolina's coastal property market for some South Carolina property owners.

Health and long-term care insurance products also have issues with affordability and availability. Both health and long term care insurance products are available in the market, however, cost continues to

AGENCY NAME:	SC Department of Insurance		
AGENCY CODE:	R20	SECTION:	78

be the issue for most consumers interested in purchasing such coverage. The regulatory challenge involves balancing the regulatory duty to ensure solvency (i.e., that rates are adequate so that insurers are able to pay claims) with consumer desire to keep insurance rates low. For long term care, the Department is working with other regulators on a national level to address issues of insurance affordability and availability. As an interim solution, the Department has required that insurers offer consumers the option of taking benefits in the form of a paid up benefit under the long term care insurance policy in lieu of additional rate increases.

Insurance affordability and availability are also impacted by issues outside the control of this Department such as weaknesses in the economy and lack of investment returns and overall profitability. These factors impact an insurer’s decision to write new business and may put pressure on insurance rates. Coastal property development continues despite affordability issues and concerns about the cost of flood insurance.

Challenge 3: Balancing the Desire for Regulatory Transparency with the Duty to Protect the Confidentiality of Certain Data.

Knowledgeable and educated consumers are indispensable to the Department’s success in meeting its goals of protecting and improving the insurance industry in South Carolina. To that end, consumer outreach and education are critical to the Department’s mission. Individuals must understand their rights in order to make informed decisions about insurance products to meet their family’s financial needs. The Department is trying to provide meaningful information to consumers without violating its statutory obligations to maintain the confidentiality of proprietary information. Over the course of the last fiscal year, the Department conducted hearings and public workshops for consumers interested in learning more about computer simulated models.

Challenge 4: Workforce Planning and Capacity.

Several significant challenges face the agency succession at this time. These include an increasing number of retirement eligible employees as well as the loss of their various expertise once they leave the Department. Staff retention, training and effective knowledge transfer are also concerns.

Currently, 43 (42%) of filled positions within the Agency are occupied by employees who are either currently retired (i.e. TERE or returned) or will be eligible within 5 years. 29 (28%) of these eligible employees are in positions identified as the most critical, not only because of their retirement status, but the importance of the position as it relates to the organization. As the introduction explained, this threatens the retention of key institutional knowledge and also indicates that future hiring in many positions will be difficult due to high standards for the position. This situation will require that current employees be trained into these positions, or the manager will have to be prepared to meet the challenges of hiring from external pools. This will likely contribute to a high turnover rate in the future.

A changing workforce demographic continues to impact the culture of the Department as well as the external environment from which it must recruit and train new employees. State salaries are often not competitive with those offered in the private market. Increasing job mobility in the work-world is a

AGENCY NAME:	SC Department of Insurance		
AGENCY CODE:	R20	SECTION:	78

significant trend that government agencies must recognize and address as they seek to attract employees who most likely do not envision themselves as working for one employer throughout their career.

To address these concerns, the Department has developed, and is implementing, workforce and succession plans to address succession issues and enhance the competencies of staff. The workforce plan identifies the positions in the agency that are mission critical and creates specific action steps for managers and employees to recruit, train and retain staff. This process will ensure that institutional knowledge will not be immediately lost upon the retirement or resignation of current employees.

Additionally, the Department has partnered with Midlands Technical College for training, and with other local colleges and universities, to identify and recruit employees with insurance backgrounds and other financial expertise. Students from the Darla Moore Business School and the Insurance and Risk Management Program at the University of South Carolina and the insurance program at the College of Charleston have successfully completed insurance-related internships at the Department. These insurance programs have served as important recruitment pools for the Department.

Moreover, Department employees are also being encouraged to take courses to obtain insurance related designations and certifications to enhance their insurance knowledge and otherwise prepare them for advancement opportunities as they become available within the organization. Employees are being cross-trained, mentored and allowed to shadow employees in positions in which they may have an interest. While no guarantees of promotions or employment are made, these efforts help the Department in the event of an unexpected absence and help prepare the employee should an opportunity become available. As a result of these collective efforts, the Department has been able to recruit applicants as well as retain and promote employees with significant insurance knowledge into positions at the Department.

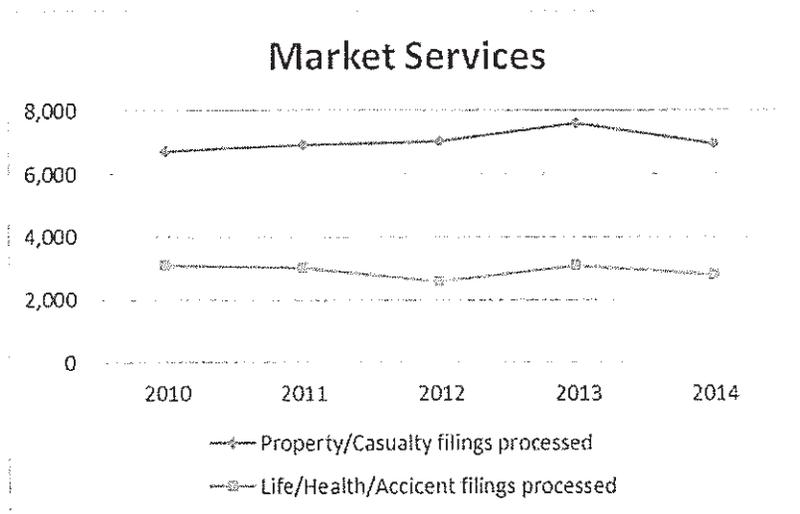
The foregoing discussion summarizes the internal and external factors that impact this agency. It is within this environment that the Department attempts to regulate the South Carolina insurance marketplace. Senior leadership reviews market performance and other regulatory challenges annually. From this, the Department develops its goals and objectives and legislative and other policy recommendations.

Summarized below are the Department's significant achievements during the fiscal year ending June 30, 2014:

- Generated \$201,985,270 in revenue from taxes, fees, assessment and fines. Of this amount, the Department retained approximately 4% to fund Department operations.
- Reviewed and analyzed 9,784 rate, rule and form filings. Six Thousand Nine Hundred Eighty-two (6,982) were related to property and casualty insurance products and the remaining 2,802 were related to life, accident and health insurance products.
- Addressed more than 38,000 insurance inquiries and recovered \$1,123,030 for consumers through the Department's Office of Consumer Services;
- Licensed 33 new companies. Of that number, nine (9) are captive insurers.

AGENCY NAME:	SC Department of Insurance			
AGENCY CODE:	R20	SECTION:	78	

- Reviewed the South Carolina Insurance code title 38 Code of Laws to determine laws are that unnecessary and issued 16 bulletins clarifying issues related to the implementation of South Carolina insurance laws.
- Implemented a more robust outreach plan which consists of an enhanced website, additional community events, and enhanced market assistance in the communities affected by various disasters or other natural events.
- Enhanced the quality and efficiency of the services provided to stakeholders by automating processes and upgrading technology to enable the Department to be more responsive and to secure the data maintained by the agency.



<u>Financial Services</u>					
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Financial examinations	11	16	12	12	17
New SC licenses granted	24	30	40	25	24
Currently licensed Domestic/HMOs in SC	49	46	51	49	49

<u>Licensing Office</u>						
	2009	2010	2011	2012	2013	2014
New Entities Licensed	36,559	29,962	38,596	37,867	36,278	40,987

AGENCY NAME:	SC Department of Insurance		
AGENCY CODE:	R20	SECTION:	78

Using the Accountability Report to Improve Organizational Performance

The Department uses the Accountability Report to annually evaluate and critique the progress of the agency's Strategic Plan. The Report is also used to initiate discussion about potential changes or additions to the current year's action plan. Through this process, the performance measures are accurately linked to larger, strategic goals in such a way that promotes the Department's transparency, efficiency, and effectiveness.

Agency Name: SC Department of Insurance

Fiscal Year 2013-14

Agency Code: R20 Section: 078

Accountability Report



Strategic Planning Template

Type	Goal	Item #	Strat	Object	Description
G	1				Maintain a solvent and competitive insurance marketplace
S		1			Review insurance rates for adequacy, unfair discrimination and excessiveness
O				1	Review P&C rate, rule, and form filings in accordance with DOJ procedures and SC law
S		2			Review LA&H rate and form filings for compliance with applicable SC law
O				1	Review form filings for compliance with applicable SC law
S		3			Recruit new insurers to SC to write in underserved markets
O				1	Develop an insurer Recruitment Plan for SC
O				2	Host an Insurance Forum to educate insurers about the opportunities in the SC marketplace
O				3	Collaborate with SC Department of Commerce on recruitment activities
O				4	Distribute insurer recruitment information after Speaking Engagements
S		4			Monitor insurer solvency through financial analysis and examinations
O				1	Conduct qtrly analysis of the fin strmts of all insurers auth to transact bus in SC to ensure the co is not oper in a haz fin condition
O				2	Conduct statutory and limited scope examinations of companies authorized to transact business in SC
O				3	Solvency Team reports quarterly financial results for troubled companies to the Director
S		5			Monitor insurer trade practices via consumer assistance, market analysis and investigations
O				1	Assist consumers with the resolution of their complaints
O				2	Investigate allegations that SC insurance laws have been violated
O				3	Review market data and identify trends
O				4	Report market trends
S		6			Review insurance laws to reduce impediments to competition or market entry
O				1	Review provisions of Title 38 affecting licensure
O				2	Identify laws that may require modification or repeal
O				3	Prepare a report for the Office of Legislative Council
G	2				Promote voluntary compliance by enhancing education and outreach
S		1			Enhance the DOI's outreach program/activities
O				1	Publish consumer education materials
O				2	Develop and issue press releases quarterly for insurance-related events/topics
O				3	Use demographic data to target outreach activities
S		2			Conduct Educational Sessions throughout the state

Agency Name: SC Department of Insurance

Fiscal Year 2013-14

Agency Code: R20

Section: 078

Accountability Report



Strategic Planning Template

Type	Goal	Item #	Object	Description
O			1	Policy Review Workshops
O			2	Conduct Annual Meetings on Status of the Wind Pool
O			3	Industry Speaking Engagements
O			4	Participate in trade shows and other community events
O			5	Issue bulletins and meet with industry groups
O			6	Conduct Filing Reviews
S			3	Develop a Communications Plan
O			1	Establish Communication guidelines
O			2	Establish team to foster communication and collaboration among the program areas
O			3	Communicate insurance related messages via PSAs and social media
S			4	Educate DOI Employees
O			1	Conduct training workshops on insurance-related topics
O			2	Conduct Department-wide staff meetings to update staff on agency activities
O			3	Send email to DOI staff on employee accomplishments, vacancies, etc.
S			5	Prepare long term plan for disaster recovery phase of an emergency or other catastrophic event
O			1	Provide oversight, communication, and coordination of a broad and diverse group of partners
O			2	Employ an integ all-hazards risk based appr for mitig, resp, continuity of oper, recovery, and prep planning for the Dept
O			3	Build local and state partnerships and coalitions
O			4	Enhance disaster preparedness capabilities through preparing, training, and exercising
G			3	Protect the public through effective regulatory enforcement of insurance laws
S			1	Ensure licensees are complying with the requirements of SC law
O			1	Investigate allegations that licensees may have violated the law
O			2	Hold licensees accountable for SC requirements
O			3	Conduct Filings/Compliance Workshops for companies
S			2	Promote compliance through education
O			1	Conduct Compliance Workshops for individuals
O			2	Speak on enforcement related topics at industry and governmental events
S			3	Evaluate opportunities for speedier resolution of some complaints
O			1	Review and modify investigative procedures as necessary

Agency Name: SC Department of Insurance

Agency Code: R20 Section: 078



Fiscal Year 2013-14
Accountability Report

Strategic Planning Template

Type	Goal	Item #	Object	Description
O			2	Explore cooperative initiatives with other program areas
O			3	Provide document checklists to other program areas to facilitate document requests
O			4	Use graduated penalties where appropriate
S		4		Communicate compliance and enforcement statistics/trends to stakeholders
O			1	Post orders on the DOI website
O			2	Circulate monthly report to all deputy directors
O			3	Include information in the DOI Accountability Report
O			4	Overview of main consumer complaints on website/monthly statistic of where complaints are coming from
O			5	Communicate complaint statistics by year to public
G		4		Improve Operational Quality, Service Efficiency, and Departmental Productivity
S		1		Recruit, train and retain knowledgeable staff
O			1	Est Internship prog w/ USC, COC's Math, Bus and Risk Mgmt Depts; Clemson's Sch of Accountancy & Leg Stud (for fin, real estate, risk mgmt, and ins)
O			2	Update succession plans
O			3	Update Workforce plans
O			4	Cross train employees for key positions
O			5	Update Policy and Procedure manuals for each area
O			6	Conduct Employee training/educational workshops
S		2		Enhance Oracle system or purchase another
O			1	Hire consultant to evaluate Oracle system to effectively meet the future needs of the DOI
O			2	Modify Oracle system or select new system based on recommendations
S		3		Offer more e-filing and notification opportunities
O			1	Make all licensing electronic
O			2	Provide for electronic notifications of licensees
S		4		Eliminate obsolete filing requirements
O			1	Review processes and procedures for necessary modification
O			2	Notify stakeholders of changes via bulletins and compliance workshops
O			3	Review and withdraw any old bulletins
S		5		Update communications systems
O			1	Update phones and headsets

Agency Name: SC Department of Insurance

Fiscal Year 2013-14

Agency Code: R20 Section: 078

Accountability Report



Strategic Planning Template

Type	Goal	Strat	Item #	Object	Description
S			6		Make website more interactive
O				1	Update and enhance the website
O				2	Make website Smartphone compatible
O				3	Update technology to make data searchable
O				4	Enhance database for SC SafeHome
O				5	Increase the number of consumers using site
O				6	Improve navigation and search ability
O				7	Increase variety of access methods for site information
S			7		Conduct security audit of DOJ computer systems
O				1	Conduct training sessions for one person or conduct one security class per year
O				2	Integrate network security into daily operations
O				3	Make "Securing the Human" course mandatory for all on a yearly basis
O				4	Implement daily reminders of security – posters, pop-ups, emails

Agency Name: SC Department of Insurance

Agency Code: R20

Section: 078



Fiscal Year 2013-14
Accountability Report

Performance Measurement Template

Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq.	Calculation Method	Associated Objective(s)
100% completed in accordance with the performance metric for the program area	7,597	6,982	n/a (as filed)	7/1/13-7/1/14	SERFF, updated daily	Ongoing		1.1.1
Average days to close less than 25 days for all filings closed in FY	n/a	17.00	n/a (as filed)	7/1/13-7/1/14	SERFF, updated daily	Ongoing		1.1.1
100% completed in accordance with the performance metric for the program area	3,096	2,802	n/a (as filed)	7/1/13-7/1/14	SERFF, updated daily	Ongoing		1.1.2
Average days to close less than 35 days for all filings closed in FY	n/a	26.21	n/a (as filed)	7/1/13-7/1/14	SERFF, updated daily	Ongoing		1.1.2
License 20 insurers annually in the traditional market and 5 insurers annually in the ARTS market	Traditional 18 Captive 3	24 9	20 5	07/1/13 - 06/30/14	Company Licensing Data Base & ARTS Excel spreadsheet labeled "DATABASE"	Ongoing		1.3.1
Host annual public hearing and hurricane mitigation annual meeting	2	2	2	Ongoing		Yearly (June 30)		1.3.2
Participate on at least 2 DOC recruitment trips annually. Schedule annual meeting with the Secretary of Commerce and DOC staff to provide an update on the South Carolina insurance market and its impact on business. Follow-up with the DOC re the insurance/risk management needs of that company to see if DOI can provide any assistance	N/A	50%		Ongoing		Yearly (June 30)	Report the number of meetings conducted and topics Report the number of followups conducted and success rate	1.3.3
Leave contact information at all speaking engagements	100%	100%	100%	Ongoing		Ongoing		1.3.4
Analysis performed in accordance to NAIC Performance manual	Traditional 174 Captive 247	174 247	174 247	07/1/13 - 06/30/14	Chief Financial Analysts' Logs	Ongoing		1.4.1
Exams conducted in accordance with NAIC manual	100%	100%	100%	Annually		Annual	Statute	1.4.2
Meet as scheduled	4	4	4	07/1/13 - 06/30/14	Chief Financial Analysts' Logs as well as Financial Analysts' Files	Quarterly		1.4.3

Agency Name: SC Department of Insurance

Agency Code: R20 Section: 078



Fiscal Year 2013-14
Accountability Report

Performance Measurement Template

Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq.	Calculation Method	Associated Objective(s)
Report punctually	N/A	N/A	N/A	07/1/13 - 06/30/14	Unit Monthly Reports	Ongoing		1.5.1
Resolve within 120 days	120	136 days	120	July 1 - June 30		Ongoing		1.5.2
Participate in NAIC market analysis activities (conference calls, bulletin boards, Annual Meetings)	100%	100%	100%	7/1/13-7/1/14		Ongoing		1.5.3
Revise/ update market analysis handbook as necessary	n/a	100%	100%	7/1/13-7/1/14	NAIC	Ongoing		1.5.4
Disseminate M. Beaufort's report	N/A	N/A	N/A	07/1/13 - 06/30/14	Market Analysis Section	Quarterly		1.6.1
Conduct Legislative Conference by Dec-2013	1	1	1	Annually		September 1st of each year		1.6.2
Prepare and distribute Legislative Council report by Dec-2013	1	1	1	Annually		December 1st of each year		1.6.3
Publish Consumer Education Materials	150,000 -FY 2013	4,200	300,000	July 1-June 30	PIO Printing And Distribution Reports	Reported Annually		2.1.1
Develop and Issue Press Releases	18- FY 2013	7	24	July 1-June 30	Published Citings On Web	Reported Annually		2.1.2
Use Demographic Data To Reach Target Audiences	NA	NA	NA	July 1-June 30	Annual Communication Plan	Reported Annually		2.1.3
Policy Review Workshops/Events	8- FY 2013	33	50	July 1-June 30	Annual Communication Plan	Reported Annually		2.2.1
Wind Pool Annual Mtg	1-FY 2013	1	1	July 1-June 30	Annual Communication Plan, Status Of Wind Pool Report	Reported Annually		2.2.2
Participate in a majority of the requested speaking engagements/forums	12	28	2	Ongoing		Ongoing		2.2.3
Participate In Community Outreach Events	5- FY 2013	8	12	July 1-June 30	Annual Communication Plan	Reported Annually		2.2.4
Meet with industry representatives annually to discuss the state of the insurance market and to discuss legislative recommendations	NA	100%	100%	07/1/13-6/30/15		???	Report the number of industry meetings conducted and topics Report the number of bulletins issued	2.2.5

Agency Name: SC Department of Insurance

Fiscal Year 2013-14
Accountability Report



Agency Code: R20

Section: 078

Performance Measurement Template

Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq.	Calculation Method	Performance Measurement Associated Objective(s)
Meet one-on-one with companies, regular updates to SERFF filing instructions, regular updates to DOI website filing guidance	100%	100%	100%	7/1/13-7/1/14	DOI website, SERFF	Ongoing		2.2.6
Develop calendar of events and activities	100%	100%	100%	30-Jun-14		Annually		2.3.1
Increase media types (print, social networks, radio, cell phones, and TV)	100%	100%	100%	30-Jun-14		Annually		2.3.1
Plan activities with network partners (including planning meetings, exercises, joint efforts, such as community meetings)	100%	100%	100%	30-Jun-14		Annually		2.3.1
Plan and implement activities (including planning meetings, exercises, joint efforts, monitoring web activity)	100%	100%	100%	30-Jun-14		Annually		2.3.2
Communicate Insurance Related Messages Via PSAs And Social Media	25 Billboard, PSAs- FY 2013	20 billboards, 1,375,000 impressions w/digital campaign	50 billboards, 5,000,000 impressions w/digital campaign	July 1-June 30	Annual Communication Plan	Reported Annually		2.3.3
Two (2) training workshops were conducted during the year on insurance-related topics -- Both workshops related to the Affordable Care Act	N/A	100%	100%	July 1-June 30		Annually		2.4.1
Two (2) Department-wide staff meetings were held to update staff on agency activities	N/A	100%	100%	July 1-June 30		Annually		2.4.2
Emails were distributed to DOI staff on employee accomplishments, vacancies, etc	N/A	100%	100%	July 1-June 30		Ongoing		2.4.3

Agency Name: SC Department of Insurance

Agency Code: R20

Section: 078



Fiscal Year 2013-14
Accountability Report

Performance Measurement Template

Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq.	Calculation Method	Associated Objective(s)
Participate and provide oversight, communication, and coordination of a broad and diverse group of partners (EMD, State, Local, profit, non-profit)	100%	100%	100%	Qtrly and as needed		Annually		2.5.1
Employ an integrated all-hazards risk based (plan) approach for mitigation, response, continuity of operations, recovery, and preparedness planning for the department	100%	100%	100%	Annually		Annually		2.5.2
Maintain and build local and state partnerships and coalitions (EMD, State, Local, profit, non-profit)	100%	100%	100%	Annually		Annually		2.5.3
Enhance disaster preparedness capabilities through preparing, training, and exercising	3	4	3	Qtrly		Annually		2.5.4
Perform follow-up investigations of allegations of violations	N/A	N/A	N/A	07/1/13 - 06/30/14	Financial Analysts' Files	Ongoing		3.1.1
Regularly analyze the financial information of all licensed companies to insure compliance	N/A	N/A	N/A	07/1/13 - 06/30/14	Chief Financial Analysts' Logs	Ongoing		3.1.2

Agency Name: SC Department of Insurance

Agency Code: R20

Section: 078



Fiscal Year 2013-14
Accountability Report

Performance Measurement Template
Associated Objective(s)

Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq.	Calculation Method	Associated Objective(s)
Participate in conference calls that address issues that are specific to individual companies as well as general discussions that relate to all companies	N/A	N/A	N/A	07/1/13 - 06/30/14		Ongoing		3.1.3
Meet with licensees and consumers, including attending educational conferences and workshops, regarding compliance	N/A	10 events (418 attendees)	As requested or Available	07/1/13 - 06/30/14		Ongoing		3.2.1
Participate in NAIC Annual Meetings, speak at compliance-related trade organization meetings, present/ speak as requested on specific topics	N/A	100%	100%	7/1/13-7/1/14		Annually		3.2.2
Review investigative procedures for handling all complaints annually and recommend the elimination of any procedures that are not necessary	100%	100%	100%	07/1/14 - 06/30/15		Annually	Report the procedures reviewed, the number modified or eliminated	3.3.1

Agency Name: SC Department of Insurance

Agency Code: R20 Sector: 078



Fiscal Year 2013-14
Accountability Report

Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Date Source and Availability	Reporting Freq.	Calculation Method	Associated Objective(s)
Investigators will work with other program areas to resolve complaints. Those program areas include Consumer Services, Market Analysis, Licensing and Examinations. Provide standard document checklists to the program areas	100%	100%	100%	07/1/14 - 06/30/15		Ongoing	Report on the number of investigations emanating from each program area	3.3.2
Provide standard document checklists to the program areas		100%	100%	07/1/14 - 06/30/15		As needed	Report the number of checklists developed	3.3.3
Identify those violations where the use of graduated penalties would be an effective deterrent; develop a schedule a graduated penalties to be used as a guide when imposing fines and other penalties; Graduated guide will be reviewed annually to determine its effectiveness		100%	100%	07/1/14 - 06/30/15		Ongoing	Report violations where graduated penalty used	3.3.4
Post all orders on the website within 48 hours of the Director's signature. A notice will go out to all DOI subscribers that an order has been issued by the Director. Copies of certain orders will be forwarded to trade organizations and other interested parties electronically. Monthly statistical reports of investigations will be circulated to Deputy Directors				07/1/14 - 06/30/15		Ongoing	Report the number of orders posted within 48 hours and distributed to stakeholders	3.4.1
Keep DOI executive staff informed of enforcement actions		100%	100%	07/1/14 - 06/30/15		Ongoing		3.4.2

Agency Name: SC Department of Insurance

Agency Code: R20

Section: 078



Fiscal Year 2013-14
Accountability Report

Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq.	Calculation Method	Associated Objective(s)
Report enforcement actions		100%	100%	07/1/14 - 06/30/15		Monthly/annually	# of investigations files opened # of investigation files closed; # of actions (fines, revocations, suspensions probation, and no action)	3.4.3
Issue consumer alerts regarding emerging issues/ trends	100%	100%	100%	7/1/13-7/1/14	DOI website	Ongoing		3.4.4
Provide company-specific claims statistics via website (by year, type, and number deemed "valid")	100%	100%	100%	7/1/13-7/1/14	DOI Market Conduct Database; DOI website	Ongoing		3.4.5
Internship Programs were established with USC for students in math or finance programs	N/A	100%	100%	July 1-June 30		Ongoing		4.1.1
The succession plan was updated using current or up-to-date employment changes	N/A	100%	100%	July 1-June 30		Annually		4.1.2
The workforce plan was updated using current demographics and employment changes	N/A	100%	100%	July 1-June 30		Annually		4.1.3
Three (3) opportunities were pursued in the Department to cross-train employees for key positions that would eventually be vacated. Those positions are in Financial Services, Consumer Services, and Administration	N/A	100%	100%	July 1-June 30		Ongoing		4.1.4
Revisions were performed as needed in the Department's overall Policies and Procedures Manual	N/A	100%	100%	July 1-June 30		Ongoing		4.1.5
Employee training/educational workshops were conducted on Access, Outlook, Excel and Business Writing, Supervision, and Deferred Compensation	N/A	100%	100%	July 1-June 30		Ongoing		4.1.6
Offer technical and regulatory training/certification designation incentive programs for staff	N/A	25 Employees participated (25.5%)	10% of staff	July 1-June 30		Ongoing		4.1.6

Agency Name: SC Department of Insurance

Agency Code: R20 Section: 078



Fiscal Year 2013-14
Accountability Report

Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq	Calculation Method	Associated Objective(s)
Consultants upgraded Oracle from 10g to 11g to increase efficiency, performance and scalability	N/A	Completed	By Oct-2013	By Oct-2013		Yearly (June 30)		4.2.1
New applications are being developed via the web. The goal is to migrate all client server systems to web applications by 2016	N/A	Ongoing	By Dec-2016	By Dec-2016		Yearly (June 30)		4.2.2
Make all licensing applications electronic by Nov-2013	N/A	Completed	By Nov-2013	By Nov-2013		Yearly (June 30)		4.3.1
Allow companies/agencies to have the option to subscribe/unsubscribe to electronic notifications	N/A	Ongoing	By Dec-2014	By Dec-2014		Yearly (June 30)		4.3.2
Survey stakeholders for their thoughts about processes and procedures the Department can improve. Notify stakeholders of process changes annually		100%	100%	07/1/14 - 06/30/15		Annually/Biennially	Report survey questions and summary of stakeholder responses	4.4.1
Provide stakeholders meaningful information concerning regulatory changes		100%	100%	07/1/14 - 06/30/15		Ongoing	Report number of bulletins issued and topics	4.4.2
Issue a directive to the program areas to review all bulletins pertaining to their areas to see if they need to withdrawn or modified		100%	100%	07/1/14 - 06/30/15		Biennially	Report the number of directives issued Number of bulletins recommended for modification and withdrawal with the reasons for doing so	4.4.3
Install Voice over IP Phones in main office	0%	100%	100%	6/2013 - 12/2013	eSprink (Sprink Telecom)	One time	Total percentage of phones replaced	4.5.1
Replace Agency website with updated features and content management controls	N/A	100%	100%	7/2013 - 6/2014		Yearly		4.6.1
Improve page formatting on phones	N/A	Completed	by June 30 2014	by June 30 2014		Annually		4.6.2

Agency Name: SC Department of Insurance

Agency Code: R20 Section: 078



Fiscal Year 2013-14
Accountability Report

Performance Measurement Template
Associated Objective(s)

Performance Measure	Last Value	Current Value	Target Value	Time Applicable	Data Source and Availability	Reporting Freq.	Calculation Method	Associated Objective(s)
Update Technology To Make Data Searchable-Re. Safe Home	N/A	N/A	N/A	July 1-June 30	Monthly SC Safe Home Advisory Committee Mtgs.	Reported Monthly		4.6.3
Update statuses & review entire database for accuracy to improve reporting and analysis	N/A	100% Updated	100%	By Sept. 2013	Safe Homes Access Database	Annually		4.6.4
Website Bounce Rate	41.00%	29%	< Last Value	7/2013 - 6/2014	Piwik Analytics	Yearly	Percentage of visitors who enter and exit on the same page without visiting other links or pages on site.	4.6.5
Avg. Time on Page	2:05 mins	5:38 mins	< Last Value	7/2013 - 6/2014	Piwik Analytics	Yearly	Amount of time viewers spent on site.	4.6.6
Create Facebook Page	0	154	100	7/2013 - 6/2014	Facebook Insights	Yearly	Total number of page Likes	4.6.7
Create Twitter Account	0	338	100	7/2013 - 6/2014	Twitter	Yearly	Total number of followers	4.6.7
Conduct Security training sessions	N/A	3 sessions	4 sessions	July 1 - June 30	Security file	Ongoing		4.7.1
Integrate network security policies	N/A	~5 info sec policies	~17 info sec policies	by 6/30/15	Security file	Ongoing		4.7.2
Security the Human course mandatory	{1} annually	4 sessions	7 sessions	July 1 - June 30	Security file	Ongoing		4.7.3
Implement daily reminders pop ups emails	N/A	monthly	daily	July 1 - June 30	Security file	Ongoing		4.7.4

Agency Name: SC Department of Insurance

Agency Code: R20 Section: 078



Fiscal Year 2013-14
Accountability Report

Program Template

Program/Title	Purpose	FY 2012-13 Expenditures			FY 2013-14 Expenditures			Associated Objective(s)
		General	Other	Federal	General	Other	Federal	
1. Administration		\$ 1,392,582	\$ 786,370	\$ -	\$ 2,178,952	\$ 1,391,169	\$ 1,195,722	\$ 2,586,891
	Administration: Office of General Counsel							
	Information Resource Management (IRM), Executive Services	\$ 1,392,582	\$ 786,370	\$ -	\$ 2,178,952	\$ 1,391,169	\$ 1,195,722	\$ 2,586,891
								1.3-2.1.3.4; 1.5.2; 1.6.2; 1.6.3; 2.1.1-2.1.3; 2.2.1; 2.2.3-2.2.5; 2.3.1-2.3.3; 2.4.1-2.4.3; 2.5.1-2.5.4; 3.1.1-3.1.3; 3.1.3.3.4; 3.3.1-3.3.4; 3.4.1-4.2.2; 4.3.1-4.3.2; 4.4.1-4.4.3; 4.5.1; 4.6.1-4.6.2; 4.6.5-4.6.7; 4.7.1-7.2.4
II. Program and Services		\$ 1,346,590	\$ 9,042,592	\$ -	\$ 10,589,182	\$ 1,552,503	\$ 9,194,746	\$ 10,747,250
A. Solvency (4000 050000 000)	Solvency: Financial Examination, Market Conduct Examinations, Financial Analysis, Securities, Securities Custodian and Historical Databases	\$ 167,788	\$ 1,192,205	\$ -	\$ 1,359,993	\$ 168,288	\$ 958,282	\$ 1,126,570
								1.3.1; 1.4.1-1.4.3; 1.6.1; 3.1.1-3.1.3
B. Licensing (4000 100000 000)	Licensing: Individual Licensing, Companies, Insurer/MMO Licensing, Education, Special Services Division, Third Party Administration Licenses, Utilization Review and Service Contract Providers	\$ 67,528	\$ 483,597	\$ -	\$ 551,125	\$ 67,824	\$ 566,915	\$ 634,739
								1.5.2; 3.2.1; 3.3.4; 4.3.1; 4.4.2
C. Taxation (4000 150000 000)	Premium Tax Collection	\$ 113,482	\$ 56,144	\$ -	\$ 169,626	\$ 115,834	\$ 125,435	\$ 241,269
								1.1-1.1.2; 1.5.1-1.5.4; 1.1-1.1.2; 1.5.1-1.5.4; 2.2.4; 2.2.6; 2.3.3; 2.5.1-2.5.4; 3.2.2; 3.3.2; 3.3.4; 3.4.3-4.5; 4.4.2
D. Consumer Svcs/Compl (4000 200000 000)	Consumer Assistance	\$ 364,892	\$ 170,383	\$ -	\$ 535,275	\$ 366,649	\$ 180,916	\$ 547,564
								1.1-1.1.2; 1.5.1; 1.5.3-3.4.3-4.5
E. Policy Forms & Rates (4000 250000 000)	Policy Forms and Rates: Review Financial Condition and Residual Market	\$ 832,900	\$ 366,050	\$ -	\$ 1,198,950	\$ 833,909	\$ 427,696	\$ 1,260,605
								1.5.4; 2.2.6; 3.2.2; 3.3.2; 3.4.3-4.5
F. Loss Mitigation (4000 300000 000)	Hurricane Loss Mitigation	\$ -	\$ 3,008,808	\$ -	\$ 3,008,808	\$ -	\$ 3,700,110	\$ 3,700,110
								2.2.2; 2.2.4; 2.3.3; 2.5.1-2.5.4; 4.6.5; 4.6.4
G. Uninsured Motorists (4000 350000 000)	Allocation to Insurance Companies to Reduce Uninsured Motorist Premiums to SC Policy Holders	\$ -	\$ 1,998,934	\$ -	\$ 1,998,934	\$ -	\$ 1,994,928	\$ 1,994,928
H. Captives (4000 400000 000)	Captives & ARTS MKT SVCS	\$ -	\$ 1,766,471	\$ -	\$ 1,766,471	\$ -	\$ 1,240,465	\$ 1,240,465
								1.3.1; 1.4.1-1.4.3; 1.6.1; 3.1.1-3.1.3
III. Employee Benefits		\$ 753,101	\$ 698,194	\$ -	\$ 1,451,296	\$ 772,853	\$ 827,293	\$ 1,600,146
C. Employer Contributions (9500 050000 000)	Employer Fringe Benefits	\$ 753,101	\$ 698,194	\$ -	\$ 1,451,296	\$ 772,853	\$ 827,293	\$ 1,600,146
Totals		\$ 3,692,274	\$ 10,527,156	\$ -	\$ 14,219,430	\$ 3,716,525	\$ 11,217,762	\$ 14,934,287