

Connecticut Insurance Department



At a Glance

KATHARINE L. WADE, Commissioner

TIMOTHY J. CURRY, Deputy Commissioner

Office of the Insurance Commissioner Established – 1865

Insurance Department Established – 1871

Statutory authority – CGS Title 38a

Mailing address – P.O. Box 816, Hartford, CT 06142-0816

Central office – 153 Market Street, Hartford, CT 06103

Number of employees – 151

Recurring operating expenses – \$9,060,275 – Fiscal Year 2015 – 2016

Organizational structure – Actuarial Division; Administration Division (Business Services, Communications, Computer Services, Human Resources, and Legal); Captive Insurance Unit; Consumer Affairs Division; Financial Regulation Division; Life and Health Division; Market Conduct/Fraud Investigation and Licensing Division; Property and Casualty Division.

Website: www.ct.gov/cid

Mission

The mission of the Connecticut Insurance Department is to serve consumers in a professional and timely manner by providing assistance and information to the public and to policy makers, by regulating the insurance industry in a fair and efficient manner which promotes a competitive and financially sound insurance market for consumers, and by enforcing the insurance laws to ensure that consumers are treated fairly and are protected from unfair practices.

Governing Statutes

The insurance laws administered by the Insurance Department are set forth in Title 38a of the Connecticut General Statutes, which also includes provisions creating the Office of Healthcare Advocate and the Connecticut Insurance Exchange. They are divided into 33 chapters, each

addressing a separate area of insurance regulation and insurance- related entities and products.

A Focus on Consumer Protection, Regulatory Leadership and Efficiency

Commissioner Katharine L. Wade continues to implement and oversee the initiatives she began in 2014 to streamline Department processes and enhance customer service. Commissioner Wade and Deputy Commissioner Timothy Curry, who was appointed in March 2016, work with all divisions to ensure that the Department can effectively and efficiently carry out its mission of protecting consumers and fostering a competitive and robust marketplace.

Competitive life, health, auto and property insurance industries within Connecticut provide a range of choices to the State's consumers, and having more choices is an important part of consumer protection. The Department works hard to ensure that insurance carriers comply with all applicable laws and regulations in the products they offer and in their services to their customers. Equally important, the Department strives to make certain that every company it regulates is operating in a financially sound and stable manner, so that all companies can pay policy claims as they arise both today and in the future. One example of such financial regulatory function occurred in July 2016, when protecting consumers meant that Commissioner Wade issued an [Order of Supervision](#) to Connecticut's healthcare CO- OP when its financial condition became hazardous. While such decisions are difficult, they represent the essence of the Department's primary regulatory role – protection of consumers and assurance that policy obligations can be fulfilled.

Regulatory Efficiency/Effectiveness

Mindful of costs that can get passed on to insurance consumers, the Department is continually working to increase efficiency and thereby control the regulatory costs imposed on carriers. Just as insurance companies compete for customers every day, states compete for insurance companies and the associated insurance jobs. Carriers will seek those domicile states that offer the sophisticated regulatory expertise that the Department provides, as well as the highly professional workforce that exists in our state. Connecticut is home to some of the largest carriers in the world. We rank No. 1 in the U.S. for insurance jobs per capita. In terms of direct written premium, we rank No. 1 in the country for health insurance and No. 5 for life insurance and property and casualty.

Speed-to-Market: The Department has made significant strides in turnaround times in the Life & Health (L&H) Division for reviewing health insurance products that insurance companies wanted to market in Connecticut. They must get Department approval first so staff can make sure the products (policies/plans/language) meet all state and federal laws. By instituting LEAN procedures that helped streamline our processes and get just as much work done with few staff, we made the following improvement:

- In October 2015, our turnaround time for reviewing products was an average of **41.39** days.
- In May 2016, our turnaround time for reviewing products was less than **30 days**.
- The shorter turnaround time means more approved products are out in the market giving consumers more choices and availability of products.

Another major efficiency resulted from Commissioner Wade's efforts on passage of PA 16-119 (effective July 1, 2017): "An Act Adopting the National Association of Insurance Commissioners' Interstate Insurance Product Regulation Compact." This public act, a policy priority of the Governor, adopts the NAIC's Interstate Insurance Product Regulation Compact and enters Connecticut into the Interstate Insurance Product Regulation Commission for life and annuity products only. Adoption of the Compact will allow the Department to focus on core services and to improve its regulatory efficiency by allowing more effective deployment of key professional resources to ensure consumer protection and more consumer choice.

Redeploying/Adding Resources to Enhance Regulatory Oversight in Key Areas: As a result of the Life and Health Division's efficiencies noted above the Department was able to redeploy two full-time staffers from Life and Health to other divisions in the Department where there was a greater need. One staffer was redeployed to the Market Conduct Division to increase oversight of carriers' business practices; the second staffer now works in the Financial Regulation Division, the Department's largest unit, helping to expedite that division's move toward an all- paperless system, which will improve data-sharing to enhance oversight. Commissioner Wade added resources to CID's review of health insurers by adding an examiner to Life and Health to review health networks and drug formularies.

Enhanced Customer Service: The Department implemented LEAN measures to improve customer service in the Licensing Division, which oversees the licensing of nearly 200,000 brokers, agents and bail bondsmen. Those measures included enhancements to the licensing phone system completed this fiscal year, improved communications with licensees through Phone Manager and Call Center software. The Licensing unit through the new "phone tree," which routs callers to staffers with subject matter expertise for specific license needs, has gained efficiencies to better track and respond to all licensee telephone inquiries, allowing licensees better service as they are routed more quickly to subject matter experts.

Regulatory Leadership

The Department is the lead regulator on seven (7) supervisory colleges – a regulatory collaboration among state and international insurance regulators to assess the financial health and risks of our Connecticut-based companies. We are also a participating regulator in six (6) supervisory colleges for companies that have divisions in Connecticut. In addition, the Commissioner worked closely with the Governor's Office and members of the General Assembly in the 2016 Legislative Session to promote laws that put the Insurance Department on regulatory parity with other states and in line with international standards. In addition to the Interstate Compact legislation, those legislative initiatives approved in the 2016 session are:

PA 16-205, An Act Concerning Standards and Requirements for Health Carriers' Provider Networks and Contracts Between Health Carriers and Participating Providers (effective January 1, 2017). This is a strong consumer protection law designed to ensure that people have access to robust networks and are adequately informed if networks change. The law gives the Insurance Department more oversight of contract information between carriers and providers, holds consumers harmless from certain out-of-network billing and makes certain consumers have access to care if their doctor is no longer in network.

PA 16-206, An Act Concerning Insurer Corporate Governance Annual Disclosures and the Regulation of Risk Retention Groups. This law is based on the National Association of Insurance Commissioners Model Act and is part of the NAIC's Solvency Modernization Initiative following the financial crisis. The Model Act is the result of regulators wanting to have a better understanding of insurers' governance practices and also to review and assess the information through the solvency-monitoring process. The law adopts the Corporate Governance Annual Disclosure Model Act and amends existing risk retention group statutes to bring them in line with the NAIC Model Risk Retention Act.

PA 16-213, An Act Concerning the Insurance Department's Market Conduct Authority and Data Call Confidentiality, Authorizing Multistate Health Care Centers in Connecticut, Eliminating a Health Carrier Utilization Review Report Filing Requirement, and Concerning Licensure of Single Purpose Dental Health Care Centers. This law expands the number of entities that can offer dental insurance to increase consumer choice. It also permits HMOs to consolidate their out-of-state operations into Connecticut-domiciled HMOs. The Market Conduct section of the law brings Connecticut in line with 47 other states in protecting personal and proprietary information that would be disclosed to the Department during a market conduct examination or data of carriers. Until passage of this law, the Department was prohibited from being the lead state on NAIC multistate exams of our domestic insurance companies from participating in the NAIC's Market Conduct Annual Statement.

PA 16-175, An Act Concerning Clinical Review Criteria for Utilization Review and Adverse Determination Notices (effective January 1, 2017) amends state statutes in response to outcomes from the Behavioral Health Working Group (PA 15-5, JSS). The act creates updated standards for utilization review, clarifies carriers' responsibilities relating to behavioral health utilization review requirements, and eliminates statutory requirements pertaining to certain proprietary information.

Participation on National/International Regulatory Groups: Commissioner Wade is Chair of the NAIC Health Insurance and Managed Care (B) Committee, a member of NAIC Executive Committee and serves on several other NAIC groups. She is a member of the U.S. Treasury's Federal Advisory Committee on Insurance, which provides advice and recommendations directly to the Federal Insurance Office (FIO) on a periodic basis. The Commissioner also serves on the Financial Stability and Technical Committee of the International Association of Insurance Supervisors (IAIS).

Consumer Education & Transparency

The Department's "[Insurance Matters,](#)" a free online consumer newsletter, launched by Commissioner Wade in 2015, continued to address topical issues of importance to Connecticut consumers. It enjoyed broader distribution and interest in 2016 and is being shared with state lawmakers in all 169 municipalities, brokers and other industry groups who are sharing it with their constituents and clients.

As we did the prior year, the Department again held [three public hearings](#) during August on health insurance rate increase applications, for rates that will affect consumers beginning in 2017. The companies subject to the hearings in 2016 – Anthem, ConnectiCare and Aetna – had requested increases on policies that would potentially affect more than 100,000 Connecticut policyholders.

A significant volume of information, including all companies' rate filings and comments from members of the public, were available for review at the Department's website, and public officials and others attending the meeting were provided a full opportunity to be heard on the issues raised by these applications. The Department believes it is important for consumers to have access to the information they need to better understand the regulatory review process and the factors that drive health care costs. The hearings were broadcast live by CT-N.

The Department is also planning a series of educational forums around the state on health insurance in the coming fall and winter. Public access has also been improved for all rate and product filings. Carriers use the System for Electronic Rate & Form Filing (SERFF) to file products and rates with state insurance regulators. The Department worked with SERFF in 2015 to include a direct link to SERFF from our Website. Prior to this, the public had to come to the Department and view filings from one of two computers with dedicated SERFF databases.

Cybersecurity

The Department continues to be focused on cybersecurity as one of its top regulatory priorities. The Commissioner and her team continue to be engaged with protocols and protections of Life, Health, Property and Casualty domestic carriers. The Department views cybersecurity as a catastrophic risk and is working with experts in the field to help the Department integrate effective risk assessments and operational assessment methods into our examination processes. Connecticut is a member of the NAIC's Cybersecurity Task Force, which is actively engaging in setting standards.

Captive Insurance Developments

Connecticut's captive insurance industry continues to grow since 2011 when the Department was provided the authority and resources to regulate captive insurers and risk retention groups. As a result, Connecticut has gone from having no captives in 2011 to 12 captive insurers currently, having licensed five new companies during the last year and with more in the pipeline. Captives are becoming a popular vehicle for businesses of all disciplines in managing their costs.

While some of the state's largest corporations have chosen to establish their captive in Connecticut rather than off-shore or another state, the Department has helped create captives for mid-size employers such as grocery chains, contractors and trucking companies.

In the case of CT Prime, the state's newest non-profit captive licensed in June 2016, member municipalities and school districts stand to benefit with potential cost savings for their health insurance. CT Prime is managed by the Capitol Region Education Council (CREC). CREC organized the captive to help municipalities who self-insure their employee health insurance. Towns that self-insure pay their own medical claims up to a certain threshold, but once that is exceeded, the towns have a "stop-loss" insurance policy through a private insurer to pay the rest. CT Prime will now give member towns more bargaining power with private insurers to get better rates.

The Department's Captive Division has solidified itself as a desirable domicile for the formation of new captive insurance operations. The Department also has oversight over risk retention groups (RRG) and risk purchasing groups (RPG) doing business in Connecticut and

currently maintains a registry of more than 150 RRGs and 1,000+ RPG specialty entities.

The annual Connecticut Captive Insurance Symposium allows the Department to highlight the benefits of captive insurance and promote Connecticut as an attractive domicile for captives. The 2016 annual will be held in 2016 on October 12-13 in Stamford.

Department Operations

The aforementioned are some highlights of the Department's recent activities. The following offers a more detailed look at each division and unit and updates achievements during the most recent fiscal year.

Our ***Actuarial staff*** are currently assigned within the Actuarial Division and various other divisions to ensure that sound actuarial input is provided to various Department functions and procedures. Actuaries participate in the analysis of the financial statements and other statutorily required information and also participate in office and on-site examinations of insurance companies. The CID's actuaries also make significant contributions to a number of NAIC task forces and working groups, helping to shape laws, regulations and guidelines. Finally, CID actuaries are responsible for examining the rates filed for all life, health, and property/casualty insurance companies to ensure compliance with Connecticut statutory requirements.

The ***Administration Division*** consists of the Department's Commissioner and Deputy Commissioner, as well as the Legal Division, the Business Services Office, Communication Unit, Computer Systems Support Unit, the Human Resources/Affirmative Action Unit and the Legislative and Public Affairs Unit.

Also within Administration is the ***Captive Insurance Unit***, which ensures that Connecticut's captive entities are adequately capitalized, have solid governance and are sustainable for the long term. (Broadly, captives are alternative risk entities, providing insurance and risk transfer services, outside the scope provided by most traditional property & casualty or life & health insurers.) The Unit evaluates licenses, regulates and examines captive insurers and risk retention groups in the alternative risk market for the State of Connecticut. Additionally, the Department's risk management specialists provide a creative and consultative approach to help the captive owners address their needs and better control their costs. Captive insurers utilize the services of various professionals (e.g. captive managers, actuaries, accountants, attorneys, claim administrators) to aid in running their business. As part of its oversight of the captive industry, the captive division maintains and publishes on its [website](#) a list of registered professionals authorized as CT captive service providers.

As of August, 2016 the captive programs authorized in Connecticut have direct and assumed premiums of \$115 million. State-domiciled captive programs provide a variety of coverages including Workers Compensation, General Liability, Automobile Liability, Medical Stop Loss, Professional Liability (E&O) and Property coverage for entities in Healthcare, government (Connecticut municipalities), Energy/Utilities/Telecommunications, Construction, Manufacturing and Finance/Banking/Insurance. Several new captive programs are currently under review.

During 2015 and 2016, the Captive Unit strategically participated in several domicile independent industry conferences including CICA (the largest independent captive conference worldwide), and by invitation addressed the Northeast Captive Conference and AIRROC, continuing to build awareness of Connecticut's attractiveness as a domicile. Numerous articles and professional journals have featured CT's capabilities and differentiators in the captive insurance arena. CT Prime, a captive insurer providing medical stop loss coverage to CREC member towns and boards of education, received extensive press coverage as a unique captive entity built on regional cooperation with assistance from the Captive staff. The organizational work completed by the division team in previous years establishing structure and format for captive insurance company review, monitoring and examination, has enabled the licensing of five new captive insurance companies in the last year. In 2016 legislation updating the captive insurance statutes specific to risk retention groups was signed into law. The Division has pursued relationships with educational institutions, including UCONN and University of Hartford to increase awareness of captive insurance among students pursuing degrees in finance, insurance and risk management. Interest and inquiries into captive insurance formation and re-domestication continues to increase. Division staff have presented to entities and groups throughout CT who expressed interest in formation of a captive insurance entity. Regularly there are between three and six entities exploring or pursuing a captive formation in the pipeline. Currently the Division has the opportunity to license up to five additional captive insurance companies before the end of 2016.

The *Communication Unit* launched new initiatives in 2016 to help raise public awareness of using the Department's consumer assistance services and create more user-friendly resources on the Web site. In addition, the Department had a six-week radio campaign initiative called "[Let's Be Clear](#)". The message was a simple – reminding consumers that they can turn to the Department to help clear up any confusion about their insurance issues. It featured a 30-second audio message from the Commissioner and was produced in conjunction with Capital Community College communications students. The Department is also working with the Community College to produce a series of videos this fall that will highlight consumer services and will be featured on our Web site and distributed through our social media platforms.

Each year the Department is required by statute to produce a number of [reports](#) and has enhanced its data collection in a number of areas, particularly on behavioral health coverage. The Communication Unit began revamping each report to provide more user-friendly functions – graphs, charts and easy-to-read summaries. The Communication Unit also produced a new report for 2016 – the Behavioral Health Working Group Report. Also in 2016, the Communication Unit is working with the Life & Health Division and the Connecticut Economic Resource Council to produce the annual Consumer Report Card, which will have a break-out focus on mental health parity and will be published in new format that will be significantly improved for consumer use. That report is due in October.

The new and updated reports so far in 2016 include:

- [Behavioral Health Working Group Report \(new for 2016\)](#)
- [Commissioner's Annual Report](#)
- [Managed Care Regulation Report](#)
- [Medical Malpractice Report](#)
- [Property & Casualty Insurance Rate Review](#)

The Department's ***Consumer Affairs Division*** (CAD) informs and educates the public on insurance matters; receives, reviews, and responds to complaints and inquiries from Connecticut residents concerning insurance-related problems, and serves as a mediator in claim disputes to determine if statutory requirements and contractual obligations within the Commissioner's jurisdiction have been met. During fiscal year 2015- 2016, the unit responded to 5,834 formal complaints, handled over 18,833 phone calls, and provided consumer education through distribution of approximately 3,832 informational pamphlets and booklets. Further, as a direct result of CAD involvement, \$5,587,495.99 was recovered for Connecticut consumers during the fiscal year.

Additionally, during the past year the CAD staff continued to work with the Department of Health and Human Services (HHS) to ensure compliance with all required changes due under the Patient Protection and Affordable Care Act (PPACA). CAD worked closely with the Connecticut Health Insurance Exchange during and after the open enrollment for Access Health CT from November 2015 through January 2016. It also worked directly with the insurance companies involved in the Exchange to iron out issues that occurred during open enrollment and throughout the year, the third year of enrollment and coverage showed continued improvement over the first two.

Consumer usage of the Department website and [online complaint system](#) continues to increase. Specific attention was paid to behavioral health issues, and the Department significantly updated information available regarding that subject. CAD's outreach program educated the community on insurance matters and represented the Insurance Department on a number of committees. The outreach programs assisted consumers in getting the proper information to make timely and informed decisions on what coverage would best meet their needs. The outreach program had specific issues to face in the past year; the Department teamed with Department of Mental Health and Addiction Services to attend opioid forums throughout the state to answer any insurance related questions regarding substance abuse treatment. We also worked closely with the Department of Consumer Protection and Attorney General's office in questions regarding crumbling concrete affecting homes in the northeastern part of the State as well as appearing at public forums and working with DCP on creating consumer information pamphlets.

The work of our ***Financial Regulation Division*** encompasses the mission critical task of monitoring the financial condition of domestic and global insurance companies, health care centers and fraternal benefit societies authorized to do business in Connecticut through a risk based audit approach. The Division has a priority-based/risk based approach to analysis and examination designed to provide timely identification of potential solvency concerns, and facilitate earlier regulatory intervention. In instances where Connecticut has been determined to be the Group-wide Supervisor, we are also responsible for understanding the entire group for solvency concerns. In this role, we communicate through the use of supervisory colleges, Own Risk Solvency Assessment (ORSA) reviews and Holding Company Analysis in order to provide information to other regulators/supervisors.

For the calendar year-end 2015, the Financial Regulation Division successfully passed the NAIC annual interim review, and in addition was awarded the maximum five-year accreditation award during 2014. Therefore, the Department's next full accreditation on-site review is scheduled for February 2019. Also, during the 2015-2016 fiscal year, the Financial Examinations unit completed nine on-site examinations of Connecticut domiciled insurers. As Group

Supervisor, the Financial Analysis unit hosted four supervisory colleges and participated in nine additional colleges during fiscal year 2015 -2016.

The ***Fraud Investigation Unit*** reviews & investigates complaints alleging fraud committed against insurers and allegations of wrongdoing on the part of individual licensees (agents). After conducting an investigation the unit may [issue sanctions against licensees](#), and/or refer cases to other agencies for criminal, regulatory or civil action as appropriate. The unit also handles the licensing of Bail Bond agents, Medical Discount Plans, Pharmacy Benefit Managers, Preferred Provider Networks and Life Settlement Providers. The unit facilitates the efforts of the insurance industry, law enforcement, and federal or state officials in the investigation and prosecution of insurance fraud committed in Connecticut. The Fraud Investigation Unit in fiscal year 2015-2016 the Fraud and Investigation Unit levied 13 fines totaling \$53,000. Additionally, the unit revoked 6 licenses and issued 3 suspensions and 2 probations.

The ***Legal Division*** directs the receivership and guaranty fund activities of the Insurance Department, and provides legal advice and related services to the Commissioner and the operating divisions of the Insurance Department on a broad spectrum of issues that arise in regulating the insurance industry. The legal staff also drafts, monitors, and analyzes legislation; drafts and promulgates regulations; and, participates in department hearings involving rates, license enforcement, and mergers or acquisitions of domestic insurance companies.

During Fiscal Year 2015-2016, the Legal Division promulgated one regulation, assisted in the issuance of 20 bulletins to insurers and other regulated entities to provide information or interpretations on recently enacted legislation or existing statutes and regulations, provided support to the Department in 74 administrative enforcement proceedings or stipulated settlements that resulted in the assessment of \$1,274,668.26, 44 insurance rate hearings, and two hearings under the Connecticut Insurance Holding Company System Regulatory Act regarding the merger or acquisition of control of a Connecticut domiciled insurer.

In accordance with Conn. Gen. Stat. § 38a-13, the Legal Division reports that during fiscal year 2015-2016, there were no insurance receivership proceedings pending in the State of Connecticut.

The ***Legislative Affairs Unit*** achieved successful passage of many Department aforementioned initiatives across a spectrum of categories, such as; regulatory oversight, regulatory competitiveness, regulatory and administrative efficiency, consumer protection, consumer choice, and initiatives that show Connecticut is “open for business.” The Legislative Affairs Unit also assists state and federal legislators with insurance-related constituent work.

The ***Licensing Unit*** is responsible for licensing professionals to ensure the quality and integrity of individuals and organizations in Connecticut which sell insurance products, provide insurance consulting services, appraise motor vehicle physical damage losses and adjust insurance claims. The Licensing Unit meets this benchmark by developing and maintaining up-to-date standards and educational programs for all licensees including, but not limited to, Continuing Education for resident producers. The unit also monitors and enforces compliance for residents and nonresident licensees through our alliance with the National Association of Insurance Commissioners (NAIC). The unit has continued to add online license options for most licenses, and implemented email renewal notifications, thereby enhancing the processing efficiencies types while concurrently reducing Department mail expenses.

The Licensing Unit brought in over \$57,783,057.24 in fees, license applications and taxes during this last fiscal year and added online renewal processing for an additional three new license types, providing for easy access and convenience to licensees using credit cards, to saving mailing, paper and internal production costs. Updating these processes allowed for less manual handling, faster processing and faster outcome for our licensees. The Unit contracts with a national vendor, Prometric, for testing and continuing education services, to aid in its' continuing efforts to streamline processing and issue licenses timely and efficiently.

The ***Life and Health Division*** reviews policy form and rate filings for all life and health insurance products to ensure compliance with Connecticut General Statutes and regulations. The Division oversees statutory requirements for managed care organizations, licenses utilization review companies, and publishes a managed care report card. The Division provides technical assistance to other divisions, agencies, and the Legislature; promulgates regulations; and takes enforcement action against carriers regarding non-compliance issues.

In October 2015, the Life and Health Division published the annual managed care report card. The Life and Health Division received for review approximately 2,300 form and rate filing submissions that contained multiple policy form and rate filings. In addition, licenses were issued or renewed to 60 utilization review companies.

The Division has been involved in various activities to implement the requirements of the Patient Protection and Affordable Care Act (PPACA) and recent state legislation. Processes have been put into place to review each health plan's formularies to ensure they are not discriminatory and to review the adequacy of networks used by the health plans. The Department has entered into a memorandum of understanding with the Health Insurance Exchange to assist in plan management functions and provide technical assistance as needed. Members of the Division serve on various advisory committees in the ongoing development of the state exchange.

The ***Market Conduct Unit*** conducts examinations of licensed insurers' and other business entities books and records as they relate to coverage written for Connecticut citizens and commercial enterprises. Market conduct examinations address perceived market problems or violations of Connecticut's insurance laws that affect Connecticut consumers. Examiners review insurance company market activity to insure compliance with Connecticut laws and regulations. Findings, indicating violations of Connecticut requirements, are resolved through administrative or disciplinary action. Examinations are conducted in accordance with uniform national standards and include investigations and examinations of insurers and other department licensees.

The Unit's activities recovered \$1,151,855 in fines as a result of comprehensive [Market Conduct examinations](#), during the 2015-2016 fiscal year. In addition, the Unit recovered \$685,500 in fines as a result of utilization review and Market Conduct examination surveys for the same reporting period.

The ***Property and Casualty (P&C) Division*** is primarily responsible for examining property and casualty insurance rates, rules, policy forms, and underwriting guidelines to ensure that the insurance products sold in Connecticut by licensed carriers comply with Connecticut statutory requirements. This is accomplished through review, analysis, oversight, and approval of insurance company programs covering home and automobile insurance; business property and liability; medical, legal, and other professional liability; and workers' compensation insurance. The Division also oversees the operation of assigned risk plans for automobile, property, and workers'

compensation insurance.

During 2015-2016 the P&C Division received over 6,300 insurance program filings of rates, rules, and forms, slight decrease from the previous filing year. To promote speed and efficiency, the L&H and P&C Divisions have since 2011 required all filings to be submitted via SERFF electronic filing system, and the Divisions no longer accept paper filings. The P&C Division continues to assess its processes to develop efficient handling of filings and has improved communication with filers to assure higher quality submissions. In the previous fiscal year the division ended the year with a backlog of slightly over 1,215 filings, this year we have managed to bring the backlog down to 726 filings. The division continues to manage to an average turnaround of the filings resolved once assigned in 90 days to just over 90%. As of June 2016 the average turnaround is now 83% reviewed in 90 days and tracking at the 60 day mark shows that 75% are closed in 60 days. This has primarily been impacted by our focus on moving older filings. Our goal in the future is to move this objective to 90% turnaround in 30 days.

The P&C division continues to actively review all homeowner rate submissions. The Department recorded effective sixty-five (65) homeowner insurance rate filings during calendar year 2015. The average statewide rate level change filed by these companies was +4.6%, the rate ultimately recorded effective after being reviewed by the Department was +4.0%. The overall rate increase is down from 2014 when the companies requested 6.8% and the department approved 4.8%. Of the rate filings submitted, there were ten 'flex' rate submissions. The Department continues to pay particular attention to revisions in rates in coastal areas.

After review by the Department companies agreed to modify (reduce) or withdraw the rate filing on eighteen (18) filings or 30.5% of the total filings submitted. Overall rates were reduced on twelve (12) of the homeowner rate filings for coastal rate submissions. The Department review resulted in premium rate savings to consumers of \$6,236,516 this year. Since 2012 the Department saved consumers \$56,816,585 in premium rate increases.

Information Reported as Required by State Statute

As reported by the Financial Regulation Division, as of July 1, 2015, there were 1,227 insurance companies licensed in Connecticut. Of that total, 115 were domiciled in the state of Connecticut. The Financial Regulation Division reviewed the applications of 22 insurers applying for licensure during the fiscal year. Of the 22 applications reviewed, 15 were licensed and 7 were rejected and/or withdrawn. In addition, 14 companies ceased to be licensed through dissolution, merger, liquidation, or voluntary surrender of their certificates of authority. As of June 30, 2016, there were 1,226 insurance companies licensed and authorized to transact business in Connecticut. Of that total, 111 were domiciled in the state of Connecticut. The following table indicates calendar year 2015 direct premiums written in Connecticut:

Life and Annuities	\$17,307,529,895
Property and Casualty Lines	7,718,448,923
Health	7,769,470,483
Surplus Lines (U.S. companies only)	388,727,627
Title	104,368,579
Pools and Associations	153,960,702
Total Premiums Written	\$33,442,506,209

In March 2015, the Department prepared and submitted a report to the Governor and General Assembly regarding the Insurance Commissioner's responsibility concerning managed care organizations. This report included a summary of quality assurance plans, potential modifications to the consumer report card, market conduct activity, a summary of complaints filed with the Department, a summary of violations, and a summary of issues discussed regarding managed care at public forums. In June 2015, the Life and Health Division reported to the Governor and General Assembly that no managed care organizations failed to file any data as required by Public Act 97-99.

The following information is provided in accordance with Conn. Gen. Stat. § 38a-13:

During fiscal year 2014-2015, there were no insurance receivership proceedings pending in the State of Connecticut.