



Utah Insurance Department

Presentation to the Business, Economic Development & Labor
Appropriations Subcommittee
January 21, 2022



Department Mission

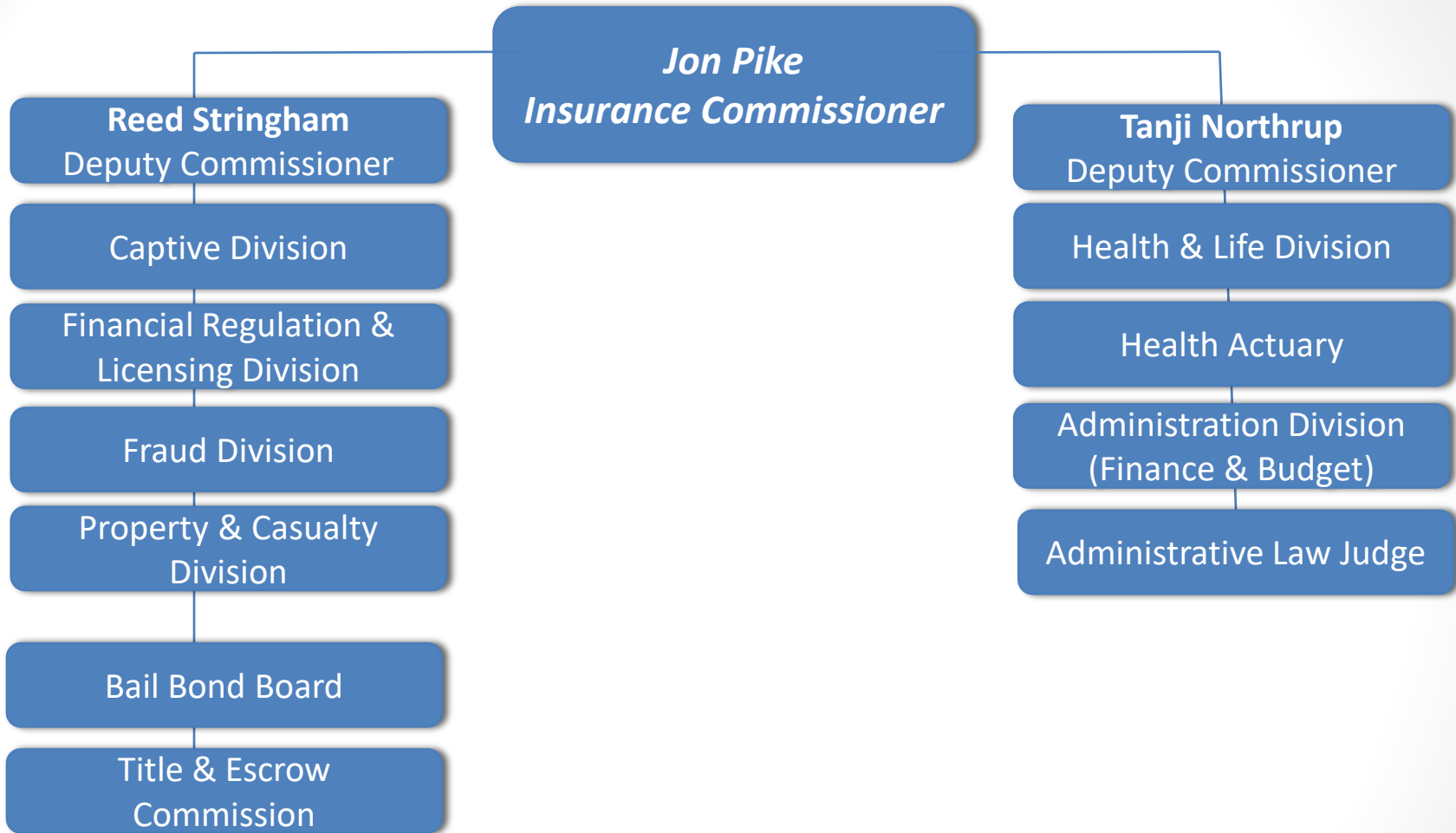
Foster a healthy insurance market by promoting fair and reasonable practices that ensure available, affordable and reliable insurance products and services.

We accomplish our mission by educating, serving and protecting consumers, governmental agencies and insurance industry participants at a reasonable cost.

We cooperate with and serve state and other governmental agencies in fulfilling these responsibilities.



UID Organization



UID Division/Area Responsibilities

ADMINISTRATION

Office of the Commissioner – Oversees all aspects of department regulation and enforcement activities; works with Governor's Office and Legislature regarding all policy-related matters for the department and industry

Administration Division – Keeps the department within appropriated budgets; handles all revenues & expenditures

ENFORCEMENT

Insurance Fraud Division – Investigates, prosecutes and seeks restitution from those who commit insurance fraud

Market Conduct Examiners – Within the Health & Life and the Property & Casualty Divisions, examiners protect Utah citizens and licensees from illegal and improper insurance actions

REGULATION

Captive Division – Regulates Utah captive insurance companies and promotes Utah as a favorable domicile

Financial Regulation & Licensing Division – Examines financial condition of insurers to reduce the risk of an inability to pay claims; administers individual and agency licensing and licensee continuing education

Health & Life Division – Regulates Utah's health and life insurance industry, including pharmaceutical pricing

Property & Casualty Division – Responsible for all issues dealing with property and casualty insurance



Insurance Industry

- **The Insurance Industry in Utah is a top contributor to Utah's General Fund:**
 - Insurance companies contributed ***\$847 million*** in premium taxes and ***\$77.7 million*** in other fees, assessments, penalties and other revenue from 2017 through 2021
 - Over \$20 billion/year industry in Utah based on premium volume
 - Percent of non-resident vs resident licenses 80%/20%
- **Insurance Premium Volume Growth in Utah**
 - \$20,366,058,700 written in 2020
 - \$19,186,192,700 written in 2019
 - ***27% increase*** in volume from 2016 to 2020
- **Captive Insurance Division**
 - Leads the nation in providing online solutions to regulation and reporting for captive insurers
 - 2nd largest captive domicile domestically, 5th largest globally
 - Over \$1.6 billion in yearly gross premiums written by Utah captive insurers

UID Budget Issues & Operations

The Insurance Department needs funding restored for 4.0 FTEs.

- The department monitors the operations and solvency of insurance entities that have increased in number from 2,641 to 3,543 since 2016.
- In contrast to the growth of Utah's insurance industry, the Department's FTEs decreased during the same time. They remained flat until 2020, when the legislature defunded 4.0 FTEs due to COVID-19: Assistant Director P&C Division (1); Health Insurance Analyst (1); and Insurance Financial Regulator (2).

REQUEST: The department is requesting the restoration of these 4.0 positions and they are included in the Governor's budget recommendations.