



ADOI *Fiscal Year* 2018 in Review

Relocations

The ADOI moved its e-mail and calendar event data from Outlook to Google in April 2018, relocated its computer servers to a centralized data center in May 2018, and relocated its office from 2910 North 44th Street to 100 North 15th Avenue in June 2018. All relocations were successful, resulting in virtually no operational down time.

Rate and form filing improvements

The ADOI made numerous improvements to its rate and form processes that benefit both citizens and insurers.

- The ADOI implemented the SFA system, which allows the general public to view closed form, rate, rule, and health plan binder filings that insurance companies submitted to the Department through the System for Electronic Rate and Form Filing (SERFF).
- The ADOI improved filing instructions and checklists to help insurers submit complete and correct form and rate filings.
- The ADOI improved the consistency and clarity of information presented in filing deficiency verbiage (“objections”) sent to insurers for filings that do not meet requirements in Arizona law, and created a reporting system that allows the ADOI to identify and focus on minimizing the most frequent problems with filings associated with each kind of insurance.

Metric	FY 2018	FY 2017
Average calendar days to review required rate, form and rule filings	10.5	15.6

New improvements in licensing

The ADOI made a variety of improvements to its licensing processes that improved ADOI’s operating efficiency and reduced burdens to license applicants.

- The ADOI eliminated ineffective fingerprinting requirements for owners, partners, officers and directors (“OPODs”) of Arizona-resident business-entity insurance agencies. The Department never had cause to take action against a business entity for results from a criminal background check of an OPOD. Submit fingerprints was burdensome on business-entity applicants because the OPODs may live throughout the U.S., and would each have to furnish their fingerprints to the business entity applicant, who would then need to submit all those fingerprints with their license application to the ADOI. Throughout the term of the business entity’s license, a business entity would also need to submit a set of fingerprints for each new OPOD appointed to

the business entity. Fingerprinting OPODs is unnecessary because the ADOI already requires fingerprints of individuals who sell, solicit or negotiate insurance as part of their license applications. Eliminating fingerprinting requirements for business entity OPODs accelerated business entity licensing and improved the completeness and accuracy of business entity license applications.

- The ADOI replaced its “on-the-spot” licensing process with a “no-wait drop-off” process. Prior to the change, the ADOI had dedicated a Licensing Section staff member to assist visitors on a one-by-one basis as they delivered application materials to the ADOI. This was inefficient, constantly disrupting the work of the staff member, and requiring the applicant to wait for the staff member to complete the review and data entry of the application. With the change, dropped off license applications are reviewed within a couple hours and applicants do not wait while the ADOI completes its review.
- The ADOI worked with ICM Document Solutions to implement a new online web portal (<https://azinsurance.online/Upload/tpa>), which beginning October 31, 2017, allows prospective and current life and health administrators to submit registration and renewal applications and fees, and to submit updated information about themselves. Between October 31, 2017, and June 30, 2018, 278 administrators filed 1,909 documents through the portal.

Metrics	FY 2018	FY 2017
Average calendar days to issue TPA registrations	6.0	25.7
Average calendar days to renew service company permits	6.7	9.0
Average calendar days to review insurance professional license and renewal applications	1.7	1.8
Average calendar days to review insurance company license and expansion applications	61.2	53.9

Improved surprise out-of-network billing dispute resolution laws

The ADOI helped facilitate discussions between health insurers and health care providers to formulate ideas incorporated into legislation that provides Arizona citizens the ability to request arbitration of surprise out-of-network bills for health care services provided starting January 1, 2019. “Surprise billing” refers to receiving a bill from a doctor, durable medical equipment provider, or other health care provider who isn’t part of your health plan’s network and for which you were not provided estimated costs for the health care services. The legislation ensures that health plan enrollees will either know they are receiving services from an out-of-network provider and the estimated costs of those services, or they will be able to request arbitration, which will limit the enrollee’s exposure to cost-sharing amounts (copays, deductibles, and coinsurance amounts) prescribed by the health plan contract/policy.

Better assistance to Arizona citizens and businesses

During FY 2018, the ADOI significantly reduced the average days to close an insurance consumer complaint and reduced its backlog of open complaints. Here’s how we did it:

- The ADOI created the beginnings of a new Internet-based resource (<https://insurance.az.gov/complaint>) to help citizens know the types of issues that are within the ADOI’s jurisdiction, and the best places to get help for issues that are outside ADOI’s authority.
- The ADOI worked with ICM Document Solutions to implement the “Insurance Complaint Response Portal,” which enables insurance companies to respond to our request for information about a consumer complaint by uploading files rather than by sending files on CD-ROMs or on paper. The files are automatically placed in the ADOI’s electronic complaints records collection, eliminating the ADOI’s need to maintain paper files for complaint cases.

Metrics	FY 2018	FY 2017
Average calendar days to close an insurance consumer complaint	57.6	147.6
Number of open complaints as of the end of the fiscal year	373	926

Employee engagement

...the extent to which an employee is involved in, enthusiastic about and committed to their work and their workplace.

ADOI scored a 6.5 engagement ratio with all ADOI employees participating in an April 2018 survey that probed opinions about how well our organization supports them and their efforts.

