

# 2008 Insurance Department Resources Report

## Introduction

Heightened public interest in insurance regulation and recent interest by Congress has focused attention on the activities and resources of state insurance departments. In the past decade, state insurance departments have experienced significant changes in available resources and considerable enhancement of their ability to meet the challenges of regulating an increasingly complex and competitive industry.

This report is the 22nd in an annual series published by the National Association of Insurance Commissioners (NAIC). It contains key statistics on the resources and regulatory activities of the members of the NAIC, which include the 50 states, the District of Columbia, American Samoa, Guam, Northern Mariana Islands, Puerto Rico and the U.S. Virgin Islands. The data presented in the report were obtained primarily through an extensive survey completed by each of the departments.

The report is organized into five key sections: Staffing; Budget and Funding; Examination and Oversight; Insurance Producers; and Consumer Services and Antifraud. Valuable statistics provided by each jurisdiction include the number of departmental staff, annual budgets, revenues collected, premium volume, number of insurers and producers, and the number of consumer complaints filed. Unless otherwise indicated, the statistics presented are for calendar year 2008.

Every effort has been made to compile the statistics on a consistent basis. However, because of differences between departments, this is not always possible. Where known, these differences are explained in the Technical Notes located at the end of the report. The efforts and cooperation of the insurance commissioners and their staffs in providing this information are greatly appreciated. Please see the Technical Notes section when reviewing Florida data, as since 2006, the data incorporates both the Florida Department of Financial Services and the Florida Office of Insurance Regulation.

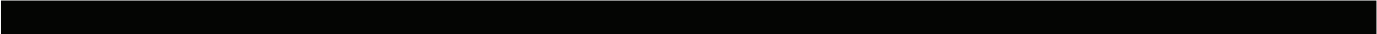
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## Overview

Overall, insurance department staffing levels decreased 2.4 percent from the 2007 level. Twenty departments increased staffing, and 19 decreased staff levels. The remaining departments either stayed the same or did not have sufficient data to determine the degree of change. The top five departments based on staffing levels were Texas, Florida, California, New York and North Carolina. Insurance department contractual staff (those hired for specific tasks but not employees of the insurance departments) decreased by 4.8 percent from 2007, and was down by 45.6 percent since 2004. Note that staffing percentages are affected by changes in Florida. Since 2006, Florida data incorporates both the Florida Department of Financial Services and the Florida Office of Insurance Regulation. Please see the Technical Notes section for further information.

Budget levels for fiscal year 2010 are expected to rise by 16.2 percent over 2009 amounts and to increase by 54.5 percent since 2006. Projected fiscal year 2010 budgets total \$1.9 billion. New York reported the largest 2010 budget, which is \$316.9 million greater than the second-largest 2010 budget (California). Twenty-one states reported decreased 2010 budget amounts from their 2009 reported budgets.



Revenues collected from the insurance industry increased 4.7 percent since 2007, to \$18.3 billion. Total taxes collected increased by \$727 million. Fees and assessments decreased by \$28.5 million, and fines and penalties decreased \$19.8 million.

Premiums increased by 3.5 percent to \$1.6 trillion since last year. The five states with the most premiums written in all lines were California, New York, Florida, Texas and Pennsylvania. These five states accounted for 40.4 percent of all insurance premiums in the United States.

The number of U.S. domestic insurers increased from 2007 to 7,948 companies. The total number of company examinations completed was 2,554. There were 341 liquidations in progress at year-end, as well as 61 conservations/rehabilitations in progress.

Licensed resident producers numbered 2 million individuals and 187,742 entities. Non-resident producers consisted of 3.7 million individuals and 270,675 entities. Meanwhile, 11,232 fines and 457 restitutions were levied against insurance producers, 1,836 licenses were suspended, and 1,470 licenses were revoked.

State insurance departments received more than 337,000 official complaints and 2.2 million inquiries. Forty states had separate criminal fraud investigation units, and 50 jurisdictions had company and producer licensing information available online.

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