

MISSISSIPPI INSURANCE DEPARTMENT

(501-00)

**MIKE CHANEY, COMMISSIONER OF INSURANCE
& STATE FIRE MARSHAL**



www.mid.ms.gov

**5-YEAR STRATEGIC PLAN
FOR THE FISCAL YEARS 2025-2029**

MISSISSIPPI INSURANCE DEPARTMENT (MID)

1. Comprehensive Mission Statement

The mission of the Mississippi Insurance Department is to impartially enforce the laws and regulations enumerated in Miss. Code Ann. §§ 83-1-1 et seq., thereby creating an environment conducive to a competitive marketplace for the sale of insurance products and services while providing the State's citizens with the maximum amount of consumer protection. Our aim is to create the highest degree of economic security, quality of life, public safety and fire protection for the State's citizens at the lowest possible cost. To accomplish this mission, we are committed to providing assistance to our customers in a timely, caring and ethical fashion.

2. Agency Philosophy

The Mississippi Insurance Department (MID) has a commitment to service in the public interest. This agency regulates the state's insurance industry and performs all the duties of the State Fire Marshal's Office. The philosophy of the Commission is to set a standard of excellence for insurance regulation through quality leadership, experience and innovation while adhering to the highest professional standards, quality of public service and for the rights of the consumers. MID is committed to consumer protection and to serving the state and consumers. MID's role is essential to maintaining existing business and industry, to growing the Mississippi economy and to protecting the lives and property of the state's citizens. We want to ensure that the insurance consumer is treated with respect and courtesy and are provided with a wealth of information through consumer product safety education and awareness programs.

3. Relevant Statewide Goals and Benchmarks

The Department will assess the impact of state legislation over the next 5 fiscal years with a goal of adopting the appropriate strategies to maximize the effective regulation of the insurance industry in the State of Mississippi, and to encourage public safety and fire protection for the State's citizens.

Statewide Goal #1: To execute all Licensing and Regulation relative to insurance companies, corporations, associations, insurance producers and other entities involved in the insurance business within the State of Mississippi; and to promote fire protection within this State.

Relevant Benchmark #1

- Implement clear standards
- Ensure compliance with state regulations
- Investigate the origin of every fire that may be incendiary in origin

Relevant Benchmark #2

- Establish market based solutions
- Reduce the regulatory burden on people and businesses
- Percentage of new and renewed professional licenses issued online

4. Overview of the Agency 5-year Strategic Plan

The agency will continue to expand in many areas over the next five years. Public demand is an external factor which will continue to impact our agency. The Mississippi Insurance Department's *FY 2025-2029 Strategic Plan* is the first step of the State's Strategic Planning and Budgeting System and serves as the foundation for appropriations request and budget structure. The regulatory philosophy of the department recognizes that MID exists to serve the citizens of the state. The Mississippi Insurance Department (MID) believes that it has a responsibility to the insurance industry and the people working in the insurance industry that serve Mississippi. The Department supports a fair, efficient, and productive industry dedicated to the long-term concept of insurance and its contributions to society. MID believes that each employee of the department is an integral part of its team effort to serve the people of the state of Mississippi.

5. Agency's External / Internal Assessment

INTERNAL

MID has developed and maintained an excellent reputation with its customers and stakeholders. The insurance industry recognizes and appreciates the quality of services that MID delivers, and the expertise that MID brings to the table. MID has experienced and knowledgeable employees who deliver excellent service to agency customers and stakeholders.

The strategic planning process provides state agencies an opportunity to evaluate trends and issues that affect operations and provides context for agencies to evaluate their vision, mission, objectives and strategies. The Mississippi Insurance Department has an in-house strategic plan to establish the direction of the agency. Through a process of monthly meetings, the Commissioner determines how well the needs of the Mississippians served have been met. Management policies are in place to address deficiencies in the process. Budgetary constraints are considered when new or expanded projects are requested.

All inquiries are investigated with the premise that it is the duty and responsibility of this agency to serve the citizens of Mississippi. MID closely monitors a range of issues affecting Mississippi insurance policyholders through the cooperation of the insurance committees of the Mississippi Senate and House of Representatives, and the agency's membership in the National Association of Insurance Commissioners (NAIC), the National Conference of Insurance Legislators (NCOIL) and other national associations serving the insurance industry. MID also works closely with the Mississippi Firefighters Association in addressing fire protection and training in this State.

EXTERNAL

A variety of current and changing external forces influence MID's ability to fulfill our mission and satisfy our customers' and stakeholders' needs and expectations. External factors that may affect the performance of the MID can be broken down into five areas: Industry Trends, State Policy and Economic Trends, Federal Policy Trends, Socio-Economic and Demographic Trends and Natural Disasters.

Industry Trends:

The COVID-19 pandemic and resulting economic fallout radically shifted consumer and employee needs, habits, and expectations, while compelling virtualization of insurer operations practically overnight. While most of those in the industry adapted quickly, insurers are still likely facing lingering obstacles to growth and profitability in the year ahead. Additionally, increased use of technology by the insurance industry, exhibited by trends such as sales of insurance over the Internet, presents new regulatory challenges for the Department.

State Policy Trends:

State policies that would impact the Department's regulatory duties include the implementation of compulsory auto liability, the establishment of a regulatory framework for the selling of pet insurance, viatical settlements, and mandated changes in pre-licensing and continuing education programs for insurance producers.

Federal Policy Trends:

The primary changes in federal laws affecting the Department include those changes involving health insurance as promulgated under the Affordable Care Act and regulations issued by the Centers for Medicare & Medicaid Services (CMS), cybersecurity laws, and federal regulatory changes that promote greater penetration of the banking and other financial industries into the insurance industry. Underlying this issue is the long-term trend of continued exertion of federal control over the regulation of insurance.

Socio-Economic and Demographic Trends:

The continued expansion of Mississippi's economy, and the possibility of an increase in the state's population base, will increase all facets of MID's workload, particularly regulation and consumer assistance. As the amount of activity and the health of Mississippi's economy increases, it is likely the number of companies doing business in Mississippi will increase and the amount of competition within the state will intensify, requiring additional insurance regulation.

Natural Disasters:

External factors that affect the agency's operations include natural disasters such as tornadoes and hurricanes. The Consumer Services Division is capable of setting up a temporary on-site claims assistance office in the aftermath of major natural disasters to expedite claims services. The State Fire Marshal's Division also works in conjunction with the Mississippi Emergency Management Agency (MEMA) to conduct on-site inspections for manufactured housing damage caused by tornadoes, hurricanes, and other natural disasters and provides the Emergency Coordinating Officer for firefighting resources responding to those disasters.

National Association of Insurance Commissioners (NAIC):

The NAIC was established in 1871 and represents the insurance commissioners from the 50 states, the District of Columbia and five U.S. territories. NAIC goals include enhancing the uniformity and consistency of the state-based system of insurance regulation. The NAIC develops model laws and regulations to help standardize insurance across the states. Its standing committees include life insurance and annuities, health insurance and managed care, property and casualty insurance, market regulation and consumer affairs, the financial condition of insurers, financial regulation standards and accreditation, and international insurance relations.

MID's participation and leadership in the NAIC allows the agency to establish standards and best practices, conduct peer review and coordinate their regulatory oversight.

6. Agency Goals, Objectives, Strategies and Measures by Program

Mississippi Insurance Department strives to meet all the operational efficiency goals of providing services within its budget while meeting all regulatory requirements set by the state. The agency has various broad goals with supporting objectives and strategies that help facilitate the achievement of the agency's mission. The agency currently has two programs:

PROGRAM 1: Licensing and Regulation Mississippi Insurance Companies & Insurance Producers



Mike Chaney, Mississippi's 11th Commissioner of Insurance and State Fire Marshal, is currently serving his fourth term in office. First elected in 2007, Chaney brought extensive business knowledge and experience to the office combined with 15 years of service in the Mississippi House and Senate. His priorities throughout his terms in office remain steadfastly committed to consumer protection and application of technology for efficiency of the department to serve the state and consumers. He is leading the department in making strides in healthcare reform; disaster recovery from flooding, tornado and hurricane events; and reductions in state fire deaths. The Commissioner encourages and supports all MID employees to attain and maintain professional designations in their career fields.

Program 1 consists of 13 Divisions:

Administrative Services Division (1)

The Administrative Services Division is responsible for providing the operational support to the agency in the most professional and efficient manner possible, enabling the agency to carry out its mission at the lowest possible cost to the state's taxpayers. The Division continues to perform its duties by developing, implementing, and enhancing administrative services, human resource planning and budgetary support to the agency. This division consists of three major areas of responsibility: Accounting and Finance, Human Resources, and Administrative Support. The daily functions include: purchasing, accounts payable, contract administration, financial

management, mail services, fleet management, inventory control, payroll, travel reimbursement, cash receipts, budget implementation, records management, equipment management and communication services.

Legal Division (2)

The Legal Division is responsible for consulting with the Commissioner and Deputy Commissioner, as well as technical and professional staff, to ensure compliance with state law and Department rules and regulations. The Division represents Commissioner in various proceedings such as receiverships, liquidations and insolvencies of insurance companies, administrative hearings and appeals. They ensure compliance with the Mississippi Insurance Code by all insurers and licensees and assist with legislative and regulatory initiatives. The Division serves as legal counsel for the Commissioner of Insurance, the State Fire Marshal Division, the Liquefied Compressed Gas Division, and the Mississippi State Fire Academy.

Investigations and Consumer Protection Division (3)

The Investigations and Consumer Protection Division is responsible for maintaining order in the Mississippi insurance market by reducing fraud and ensuring consumer protection for all citizens. They investigate criminal and regulatory violations of insurance laws, and confront suspected insurance fraud through prevention initiatives. Insurance producers and insurance company fraud is investigated by the Division. The Division collects, coordinates and presents evidence to the MID legal staff for use in administrative hearings and to law enforcement agencies for use in the prosecution of criminal activities.

Life and Health Actuarial Division (4)

The Life and Health Actuarial Division is responsible for reviewing and analyzing all individual/group forms and rates for life, health and accident and annuity insurance in Mississippi to ensure that they comply with state law. In addition, the Division is tasked with implementing and enforcing provisions that relate to health insurance. The Division works closely with CMS in regulatory matters such as balanced billing and air ambulance reimbursements.

Statutory Compliance Division (5)

The Statutory Compliance Division is responsible for the licensing and annual renewal of all types of insurance companies. The Division reviews and processes insurance company corporate and license amendment applications. The Division is responsible for the regulatory oversight and approval concerning the acquisition, mergers and restructuring of domestic insurance companies.

Financial and Market Regulation Division (6)

The Financial and Market Regulation Division assists the Commissioner in the execution of his duties by monitoring entities' solvency. For the protection of the policyholders, the Financial Division regulates and monitors entities' financial activities, operations, financial conditions, accounting practices, and cybersecurity protections; and also reviews market conduct areas such as consumer complaints, producer licensing, policies, rates, marketing, advertising, sales, claims, and policyholder service.

Licensing Division (7)

The Licensing Division is responsible for licensing insurance producers, adjusters and business entities. The Division ensures that all applicants have complied with the licensing laws prior to receiving a license to engage in the business of insurance in the State of Mississippi. The Division's primary goals are to provide prompt and efficient customer service and attain uniformity with other states.

Property and Casualty Rating Division (8)

The Property and Casualty (P&C) Rating Division is responsible for the review of rates, rules and forms of property and casualty products sold by licensed insurance companies in the State, other than lines excepted by statutory reference. The Division's personnel answer technical rate and policy form questions, and assist the public with insurance rate issues.

Consumer Services Division (9)

The Consumer Services Division (CSD) assists insurance consumers with complaints and inquiries regarding insurance companies, producers, and adjusters. The CSD investigates all complaints, working with the insurance company and the consumer to determine the appropriate course of action. CSD representatives travel statewide to provide educational information and materials regarding insurance issues. In the event of significant storm damage or disasters, staff members also travel to the damaged areas to assist homeowners with filing claims and obtaining emergency living expenses.

Information Technology Division (10)

The Information Technology Division (IT) provides technological support to MID. IT is responsible for serving as a strategic planning partner and proactive participant with the other divisions of MID, other state agencies and other state's Insurance Commissioners (through the National Association of Insurance Commissioners – NAIC). The IT Division continuously develops and uses its knowledge of technology in support of its mission.

Public Relations Division (11)

The mission of the Division of Public Relations is to coordinate a public information program to publicize and advance Department objectives and consumer-related issues. The Division's goals include achieving full use of technology, including the Internet, to maximize the publicity of the Department's achievements and goals, and to automate all information distribution functions of all Divisions in order to increase the productivity of the Department's staff. The Public Relations Division serves as the agency's primary media contact. This division coordinates MID's messages and objectives to consumers, the industry, the media and MID staff.

Elevator Conveyance Safety Division (12)

During the 2013 Regular Legislative Session, the Mississippi Legislature passed House Bill 817, the Mississippi Conveyance Safety Act. The purpose of this act is to provide for the safety of conveyance equipment and personnel, and to promote public safety awareness. This act establishes the minimum standards for conveyance personnel and services. The use of unsafe or defective lifting devices imposes a substantial probability of serious and preventable injury to employees and the public. The prevention of these injuries is in the best interest of the people of this state. The Act charges MID with establishing these minimum standards and with establishing a licensing program to license elevator mechanics, inspectors and contractors.

State Fire Marshal's Division (13)

The mission of the State Fire Marshal's Office is to foster, promote and develop ways and means of protecting life and property from fire and related perils through direct action and coordination with Mississippi fire and law enforcement services.

The Commissioner of Insurance, by virtue of his office, is also the State Fire Marshal and appoints the State Chief Deputy Fire Marshal. The Chief Deputy Fire Marshal along with other members of his staff have the primary duties of investigating the origin of fires occurring within this State to which his attention is called by the Chief of the Fire Department or other local law enforcement authority of any county or municipality. It is the duty of the Chief Deputy Fire Marshal to investigate or have investigated any fire requested by any party in interest, whenever in his judgment, there is sufficient evidence or circumstances indicating that such fire may be of an intentional or incendiary origin, Miss. Code Ann. § 45-11-1.

The State Chief Deputy Fire Marshal is charged with the enforcement of Mississippi Fire Prevention Code, Miss. Code Ann. § 45-11-101, regarding the inspection of all buildings owned by the state or state agencies, places of public assembly and sprinkler systems of high-rise buildings. In addition, the State Chief Deputy Fire Marshal is charged with regulating Manufactured Housing, Miss. Code Ann. § 75-49-1, which requires licensing of dealers, manufacturers, and independent contracted installer/transporters. Furthermore, the State Chief Deputy Fire Marshal serves as the State Administrative Agency (SAA) for the Department of Housing Urban Development for the State of Mississippi.

The State Fire Marshal's Division's functional areas are divided into seven main areas: Fire Investigations; Fire Code Enforcement; Factory-Built Homes; Fire Services Development; Fire Safety Education Division; the Mississippi Electronic Protection Licensing Act (REP); and the Liquefied Compressed Gas Division (L. C. Gas), which is a separate program under the State Fire Marshal's Office and will be discussed under its own section.

PROGRAM 1: Licensing and Regulation Mississippi Insurance Companies & Insurance Agents

6.1 GOALS:

Goal A: Provide consumers with access to affordable insurance while increasing the efficiency and effectiveness of MID's regulation of the insurance industry.

6.2 Objective A.1: Effectively regulate the insurance industry

Outcome 1: Provide quality customer service

Outcome 2: Enhance the agency's ability to protect insurance consumers ensure their fair treatment

Strategy A.1: Create a competitive marketplace for the sale of insurance licenses, products and services while providing consumers with the maximum amount of consumer protection

Output - Number of Licenses Issued
 Output Number of Agent's C/A's issued
 Output: Number of background checks
 Efficiency - Average Cost per License
 Efficiency - Average Cost per C/A
 Explanatory: Percent of premiums expended to insurer

6.2 Objective A.2: Reduce unfair and illegal insurer practices

Outcome 1: Number of enforcement cases investigated
 Outcome 2: Percent of insurer fraud cases referred to federal/state prosecutors

6.3 Strategy A.2: Respond promptly to complaints

Output: Number of complaints resolved
 Output: Amount returned to consumers because of resolved complaints
 Efficiency: Average response time to complaints
 Efficiency – Average Cost per Customer Inquiry

Goal B: Reduce the number of cases of loss of life and property due to fire

6.2 Objective B.1: Protect the public from loss of life and property due to fire

Outcome 1: Number of Fire Marshal Investigations
 Outcome 2: Number of Fire Marshal Inspections

6.3 Strategy B.1: Provide fire prevention through education and engineering

Output 1: Number of seminars conducted
 Output 2: Number of seminars attended
 Output 3: Number of smoke alarms installed
 Efficiency: Average cost per seminar
 Efficiency: Average cost per smoke alarm

6.3 Strategy B.2: Provide fire prevention through enforcement

Output 1: Number of Fire Marshal investigations completed
 Output 2: Number of Fire Marshal inspections resulting in prosecution
 Efficiency: Average cost per Fire Marshal inspection
 Efficiency: Average cost per Fire Marshal fire investigated

6.3 Strategy B.3: Increase the number of fire investigations in order to reduce the increased filings of fraud-related insurance claims.

Output – Number of Claims Processed
 Efficiency – Average Cost per Claim

PROGRAM 2: Liquefied Compressed Gas



The Liquefied Compressed Gas Division of the Mississippi Insurance Department is responsible for administering and enforcing the Liquefied Compressed Gas Equipment Inspection Law of Mississippi, Miss. Code Ann., § 75-57-1 through 75-57-63. The State Liquefied Compressed Gas Board is vested with the power to regulate matters pertaining to liquefied compressed gas, according to Miss. Code Ann., § 75-57-101. The Board also is charged with promoting the growth and development of the propane industry in Mississippi through the Propane Education and Research Program, Miss. Code Ann., § 75-57-119.

1. Comprehensive Mission Statement

The mission of Liquefied Compressed Gas (LCG) is to enforce the laws and regulations regarding the manufacturing of liquefied compressed gases located within Mississippi. All domestic, commercial and industrial premises or buildings where liquefied compressed gases may be received, stored, transported, sold, offered or exposed for sale, manufactured, refined, distilled, compounded or blended, as well as any liquefied compressed gas container, system, pump, equipment, tank car, storage tank, or other vehicle in which any liquefied compressed gas is stored, will be subject to regular inspections under this program.

2. Agency Philosophy

MID has a commitment to service in the public interest, and through the State Fire Marshal's Office and the LCG Division, life and property is protected through the diligent regulation and oversight of the liquefied compressed gas industry in this State.

3. Relevant Statewide Goals and Benchmarks

The Department will assess the impact of state legislation over the next 5 fiscal years with a goal of adopting the appropriate strategies to maximize the effective regulation of the liquefied compressed gas industry in the State of Mississippi.

Liquefied Compressed Gas inspectors have the responsibility of inspecting any liquefied compressed gas container, system, pump, equipment, tank car, storage tank, and other vehicles in which any liquefied compressed gas may be present. All domestic, commercial and industrial installations of liquefied compressed gas systems are subject to inspection.

The Propane Industry Class 1, 3, 7 and 8 in Mississippi consist of:

- 1,200 employees
- 459 Bulk Plants
- 465+ Trucks
- 159 Schools
- 197 Offices
- 499 Dispensing Stations

The LC Gas Division is responsible for training, testing, and keeping the 1,200 employees of the Mississippi propane industry in compliance. Miss. Code Ann. §§ 75-57-1 through 75-57-119 states the LC Division shall inspect all bulk plants, Bobtail propane delivery trucks, schools, domestic installations and dispensing stations at least once a year. There are 1,582 inspections required annually. The Code also states that the division must make an office visit once a month, resulting in 2,364 office visits a year. The Code also states we inspect a minimum of 30 home inspections, and all commercial installation a month. This is vital in helping keep death and property loss to a minimum. The Division is empowered to make inspections of premises where liquefied compressed gases may be received, stored, transported, sold, offered or exposed for sale, manufactured, refined, distilled, compounded or blended.

In order to provide necessary hands on training, the LC Gas Board provided the industry with a training trailer that is able to travel around the State promoting the training and safety of installing propane gas. With this facility being mobile, the division is able to do specific training on problems discovered in the field. The Board also invested in a training facility for generator installation. This gives the staff the opportunity to show companies the proper way to install generators. The NFPA 58 requires that every three years, every employee take a refresher course in CETP (Certified Employee Training Program), and the LCG Division is able to provide said training.

Statewide Goal #1: To regulate and enforce all matters pertaining to Liquefied Compressed Gas.

Relevant Benchmarks #1

- Inspecting all liquefied compressed gas containers containing liquefied compressed gas
- Establishing and enforcing liquefied compressed gas regulations for the safe use and handling of butane, propane and anhydrous ammonia
- Inspect all propane bulk plants, cylinder dispensing plants and cargo vehicles

4. Overview of the Agency 5-year Strategic Plan

The MID will continue to expand in many areas over the next five years. Public demand is an external factor that will continue to influence our agency. The Mississippi Insurance Department's *FY 2025-2029 Strategic Plan* is the first step of the State's Strategic Planning and Budgeting System and serves as the foundation for appropriations request and budget structure. The regulatory philosophy of the department recognizes that the department exists to serve the citizens of the state. The Mississippi Insurance Department (MID) believes that it has a responsibility to the people of this state to provide diligent oversight of the liquefied gas industry. The Liquefied Compressed Gas Division will continue to enforce laws and regulations affecting the liquefied compressed gas industry, which include butane, propane and anhydrous ammonia gases.

5. Agency's External / Internal Assessment

INTERNAL

MID has developed and maintained an excellent reputation with public. The insurance industry, the fire services industry, and the liquefied compressed gas industry recognize and appreciate the quality of services that MID delivers, and the expertise that MID brings to the table. MID has experienced, knowledgeable employees who deliver excellent service to the public and the industries it regulates.

Cutbacks and delays in hiring make it almost impossible to provide the proper safety training, and complete inspections required to the citizens of Mississippi using propane gas. In the past ten years, the LC Gas has seen accident rates fall to a very low number. The Division is working with the LC Gas Board to do more safety advertising using various media mediums to share safety information to Mississippi residents.

EXTERNAL

It is probable that due to state and federal legislative actions MID's regulatory duties will expand within the next five years, Furthermore, the changing needs of Mississippi citizens in regards to insurance and fire protection will continue to impact our agency. To accomplish these priorities MID must employ sufficient personnel with technical and legal expertise. MID must also have the sufficient funds to obtain the materials needed to provide safety training to necessary parties by the liquefied compress gas inspectors and the proper tools to provide this hands on training.

6. Agency Goals, Objectives, Strategies and Measures by Program

Liquefied Compressed Gas inspectors have the responsibility of inspecting any liquefied compressed gas container, system, pump, equipment, tank car, storage tank, and other vehicles in which any liquefied compressed gas may be present. All domestic, commercial and industrial installations of liquefied compressed gas systems are subject to inspection.

The Mississippi Insurance Department, the State Fire Marshal's Office, and the Liquefied Compressed Gas Division strive to meet all the operational efficiency goals of providing services within its budget while meeting all regulatory requirements set by the state. The agency has various broad goals with supporting objectives and strategies that help facilitate the achievement of the agency's mission.

PROGRAM 2: Liquefied Compressed Gas

6.1 GOALS:

GOAL A: Provide proper training and enforce all laws and regulations pertaining to liquefied compressed gases

6.2 Objective A.1: Effectively manage and increase the training and education of the Liquefied Compressed Gas industry

Outcome 1: Safety Training Schools (Increase Safety and Code Training Seminars)

Outcome 2: Number of Inspections (Increase Inspections)

6.3 Strategy A.1: Properly inspect all containers, systems, factories, cargo vehicles, equipment, tanks schools and public places in which any liquefied compressed gas containers are present

Output - Number of Inspections

Efficiency - Average Cost per Inspection

6.3 Strategy A.1: Conduct safety and code training seminars throughout the year

Output – Number of Safety Training Courses Offered

Efficiency – Average Cost per Safety / Training course

6.2 Objective A.2: Reduce the numbers of deaths caused by liquefied compressed gases

Outcome A.2: Number of Accidents Investigated (Decrease Accidents Investigated)

6.3 Strategy A.2: Increase industry and consumer product safety awareness while decreasing liquefied compressed gas accidents, deaths, injuries and property loss

Output – Number of Accidents Investigated

Efficiency – Average Cost per Accident Investigated