

MISSISSIPPI INSURANCE DEPARTMENT
(501-00)

MIKE CHANEY
Commissioner of Insurance and State Fire Marshal



www.mid.ms.gov

5-YEAR STRATEGIC PLAN
FOR THE FISCAL YEARS 2028-2032

MISSISSIPPI INSURANCE DEPARTMENT

Mission Statement

The mission of the Mississippi Insurance Department (MID or 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.

Philosophy Statement

MID has a commitment to service in the public interest. This Department 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.

Relevant Statewide Goals and Benchmarks

The Department will assess the impact of state legislation over the next five fiscal years with a goal of adopting the appropriate strategies to maximize the effective regulation of the insurance industry and to encourage public safety and fire protection throughout the State of Mississippi thereby furthering economic development.

Statewide Goal #1: To properly license and regulate all insurance companies, corporations, associations, insurance producers and other entities in the State of Mississippi

Statewide Benchmark #1:

- Measure percentage of new versus renewed licenses issued
- Measure number of requests for assistance
- Measure compliance with state regulations
- Measure market based solutions in industry

Statewide Goal #2: To promote fire safety throughout the State of Mississippi

Statewide Benchmark #2:

- Determine point of origin of fires that may be incendiary in origin
- Measure number of investigations
- Measure number of inspections
- Measure number of requests for assistance

Overview of Strategic Plan

The Department will continue to expand in many areas over the next five years. Public demand is an external factor which will continue to impact our Department. MID's *FY2028-2032 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 and we believe we have a responsibility to the insurance industry and the people working in the insurance industry who 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.

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 Department 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 Department. 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 Department 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 Department'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 Department'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 Department to establish standards and best practices, conduct peer review and coordinate their regulatory oversight.

Internal Management Systems Used to Evaluate Agency's Performance

MID evaluates its performance through an automated system called Sircon. The system provides MID with efficient means to manage, process and track critical insurance information from carriers and producers including fees for licensing and assessments and payments while ensuring compliance with a complex regulatory environment.

MID management policies outline the expectations of the targeted performance levels. Operational and tracking procedures ensure adherence to and compliance with state funding statutes, insurance regulations, and insurance law which sets the tone for optimal performance and evaluation. MID operates under the direction of the Insurance Commissioner who oversees a multi-faceted team tasked with meeting the targeted performance levels. Performance is evaluated utilizing reports and other data from Sircon.

Agency Goals, Objectives, Strategies and Measures by Program

The 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 Department has various broad goals with supporting objectives and strategies that help facilitate the achievement of the Department's mission. The Department currently has two programs including licensing and regulation of Mississippi Insurance Companies and Insurance Producers and Liquefied Compressed Gas.

PROGRAM 1. Licensing and Regulation

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

OBJECTIVE A.1.: Effectively regulate the insurance industry

Outcome 1: Provide quality customer service

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

A.1.1. STRATEGY: Create competitive marketplace for sale of insurance licenses, products and services while providing consumers with maximum amount of consumer protection

Output: Number of licenses issued

Output: Number of agent's Certificates of Authority (C/A's) issued

Output: Number of requests for assistance

Efficiency: Average cost per license

Efficiency: Average cost per C/A

Efficiency: Average cost per customer I/C addressed

Explanatory: Percent of premiums expended to insurer

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

A.2.1. STRATEGY: Respond promptly to complaints

Output: Number of complaints resolved

Output: Amount of returned money to consumers because of resolved complaints

Efficiency: Average response time to complaints

Efficiency: Average cost per customer inquiry

Explanatory: Increase in complaints

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

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

Outcome 1: Number of fire investigations

Outcome 2: Number of fire inspections

B.1.1. STRATEGY: Provide fire prevention through education and engineering

Output: Number of seminars conducted

Output: Number of seminars attended

Output: Number of smoke alarms installed

Efficiency: Average cost per seminar

Efficiency: Average cost per smoke alarm

Explanatory: Lack of community fire education

B.2.1. STRATEGY: Provide fire prevention through enforcement

Output: Number of fire investigations completed

Output: Number of fire inspections resulting in prosecution

Efficiency: Average cost per fire investigation

Efficiency: Percent of inspections leading to prosecution

Explanatory: Increase in number of fires

B.3.1. STRATEGY: Increase the number of fire investigations to reduce the increased filings of fraud-related insurance claims

Output: Number of investigations completed

Output: Number of fraud-related claims processed

Efficiency: Average cost per claim

Efficiency: Average cost per investigation

Explanatory: Increase in fraud-related claims

LIQUIFIED COMPRESSED GAS – Division of MID

The Liquefied Compressed Gas (LCG) 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.

LCG Mission Statement

The mission of the LCG Division 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.

LCG Philosophy Statement

The State Fire Marshal's Office and the LCG Division are committed protecting life and property through the diligent regulation and oversight of the liquefied compressed gas industry in Mississippi.

LCG Relevant Statewide Goals and Benchmarks

The Division will assess the impact of state legislation over the next five 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 LCG Division is responsible for training, testing, and keeping the 1,500 employees of the Mississippi propane industry in compliance with all Codes. Miss. Code Ann. §§ 75-57-1 through 75-57-119 states the LCG Division shall inspect all bulk plants, Bobtail propane delivery trucks, schools, domestic installations and dispensing stations at least once per year. There are a minimum of 1,500 inspections required annually. The Code also states that the Division must make an office visit once per month, resulting in almost 2,000 office visits per year. The Code also states that the Division must perform a minimum of 30 home inspections, and all commercial installations every 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 LCG

Statewide Benchmark #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

LCG Overview of Strategic Plan

The Division will continue to expand over the next five years. Public demand is an external factor that will continue to influence our Department. The Mississippi Insurance Department's *FY 2027-2031 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 believes that it has a responsibility to the people of this state to provide diligent oversight of the liquefied gas industry. The LCG Division will continue to enforce laws and regulations affecting the liquefied compressed gas industry, which include butane, propane and anhydrous ammonia gases.

LCG External/Internal Assessment

Internal

MID has developed and maintained an excellent reputation with public. The insurance, fire services, and liquefied compressed gas industries 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 Board 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 Department. 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.

Internal Management Systems Use to Evaluate Agency's Performance

LCG evaluates its performance through a combination of internal tracking mechanisms and compliance management tools including an automated system. The system provides a means to manage, process and track critical LCG information including LCG inspections, training, death investigations, and corrective measures to ensure compliance with a state regulatory requirements.

LCG management policies outline the expectations of the targeted performance levels. Operational and tracking procedures ensure adherence to and compliance with state funding statutes, insurance regulations, and insurance law which sets the tone for optimal performance and evaluation. MID operates under the direction of the State Fire Marshal who oversees the LCG team tasked with meeting the targeted performance levels. Performance is evaluated utilizing a combination of reports, queries and other documents.

LCG 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 MID, State Fire Marshal's Office, and 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 Department has various broad goals with supporting objectives and strategies that help facilitate the achievement of the Department's mission and ensure public safety.

PROGRAM 2: Liquefied Compress Gas

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

OBJECTIVE A.1.: Effectively manage and increase the training and education of the liquefied compressed gas industry

Outcome 1: Number of safety and code training seminars

Outcome 2: Number of Inspections

A.1.1. STRATEGY: Properly inspect all containers, systems, factories, cargo vehicles, equipment, tanks schools and public places where LCG containers are present

Output: Number of inspections

Efficiency: Average cost per inspection

Explanatory: Increased inspection requests

A.1.2. STRATEGY: Conduct safety and code training seminars throughout the year

Output: Number of safety training courses offered

Efficiency: Average cost per safety and code training course

Explanatory: Effective training

OBJECTIVE A.2.: Reduce numbers of deaths caused by liquefied compressed gases

Outcome 1: Number of accidents investigated

A.2.1. STRATEGY: 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

Explanatory: Increased number of accidents