

STRATEGIC PLAN N.C. DEPARTMENT OF INSURANCE 2025 - 2029

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A. Introduction

The North Carolina Department of Insurance is focused on consumers through fair ratemaking, injury prevention efforts, scrutinous regulation of insurance company solvency and industry practices, and protecting against insurance fraud. The Department accomplishes these goals by handling insurance-related complaints; licensing professional occupations such as insurance agents, adjusters, bail bondsmen and more; providing specialized counseling to people eligible for Medicare; and providing counseling and assistance to North Carolina citizens who have questions and complaints involving their health insurance.

B. Mission, Vision, & Values

1. Mission

To promote a stable insurance market through unbiased regulation and to protect the lives and property of every North Carolinian in all 100 counties while fostering superior, user-friendly service, courtesy, and respect.

2. Vision

To maintain the stabilization of the insurance industry in order to provide more products, competitive prices and consumer protection.

3. Values

- a. Accountability Accepts full responsibility for oneself and for one's contribution as a team member; displays honesty and truthfulness; confronts problems quickly; displays a strong commitment to organizational success and inspires others to commit to goals; demonstrates a commitment to delivering on his/her public duty and presenting oneself as a credible representative of the agency and state, to maintain the public's trust.
- b. Competence & Expertise Understands and applies specific technical and/or professional subject matter and concepts integral to the business in which they operate. Is trusted and recognized as a source for credible, reliable information about business policies, procedures, and practices. Demonstrates knowledge and understanding of emerging issues, trends, and developments based on research, program evaluation, and modeling of best practices.
- c. Customer Service Consistently demonstrates a strong commitment to providing value-added services to external and internal customers. Proactively identifies customer needs and requirements, delivers

quality service, and continuously improves performance of self and others. Develops, implements, and evaluates work processes which are both efficient and effective from the customers' perspectives.

- d. Organizational Effectiveness & Efficiency Effectively plans, prioritizes, organizes, and aligns human, financial, material, and information resources to meet work unit and organizational goals. Efficiently deploys resources when, where, and how they are needed. Communicates expectations clearly, provides performance-based feedback and coaching, and consistently measures progress. Deals effectively with performance problems.
- e. Professionalism Exhibits courteous, conscientious, and businesslike manner in work-related activities and when communicating with others in the workplace. Is knowledgeable about aspects of one's job. Acts for the public good without regard to convenience or self- interest. Is considered by others to be trustworthy and dependable in carrying out one's job responsibilities. Is respectful and cooperative when interacting with others in the workplace. Upholds behavioral and ethical standards relevant to one's job and/or profession. Honors commitments.

C. Goals, Objectives, & Performance Measures

1. Goal: Consumer Protection, Education and Support - Safeguard North Carolina residents through effective licensing, education, complaint resolution, and outreach efforts concerning insurance and related services.

| | Objective | Measure |
|---------------|---|---|
| | | |
| Objective 1.1 | Administer licensing and investigate licensee conduct to ensure fair treatment of insurance purchasers. | Initial action on 95% of complaints within 3 business days. |
| | | Monthly tracking of complaints received, resolved, and penalties imposed. |

| | Objective | Measure |
|---------------|---|--|
| | | Maintain real-time records of licensed individuals/entities. |
| Objective 1.2 | Assist applicants and licensees with timely resolutions for issues related to testing, licensing, and continuing education. | Respond to vendor- related issues within 24 hours of receipt in 90% of cases. |
| | | Notify licensees/applicants within 24 hours of updates in 90% of cases. |
| | | Maintain call abandonment rate ≤ 2%. |
| | | |
| Objective 1.3 | Provide responsive, multi- channel consumer assistance for insurance products and services. | Initial action on 95% of complaints within 3 business days. |
| | | Maintain ≤ 2% call abandonment rate. |
| | | Track lost policy recovery statistics and amounts recovered. |
| Objective 1.4 | Create and share educational content and updates with consumers and industry participants. | Distribute updated educational materials annually. |
| | | Attend ≥ 2 public speaking events annually. |
| | | Deliver regulatory updates via newsletters, emails, and bulletins. |

| | Objective | Measure |
|---------------|---|---|
| Objective 1.5 | Review, guide, and advocate legislation that protects insurance consumers and meets accreditation standards. | Maintain collaborative relations with legislative stakeholders. |
| | | Support and draft bills in partnership with internal divisions. Analyze 100% of |
| | | relevant bills and provide timely feedback. |
| Objective 1.6 | Engage directly with communities through festivals, fairs, and educational events. | Track outreach interactions, distributed materials, and complaints. Attend scheduled and |
| | | Commissioner- requested events monthly. |
| Objective 1.7 | Provide responsive, multi- channel consumer assistance for Medicare-related insurance products and services. | Initial action on 95% of complaints within 3 business days. |
| | | Counsel ≥ 3% of NC Medicare population annually. |
| | | Maintain ≤ 2% call abandonment rate. |
| | | Track Medicare supplement and LTCI recoveries. |
| | | Track cost savings resulting from enrollment and financial assistance program applications. |
| Objective 1.8 | Promote NC SHIIP services through educational materials, | Develop and distribute updated education materials annually. |

| | Objective | Measure |
|-------------------|---|--|
| | public presentations, and advertising campaigns. | |
| | | Conduct ≥ 2 Medicare 101 presentations in all NC counties annually. Report and track Group Outreach and Education Contacts. |
| Objective 1.9 | Establish and/or maintain a SHIIP physical presence through formal partnerships with community based organizations in all 100 North Carolina counties to ensure statewide access to Medicare counseling services. | Anually contract with entity to serve as SHIIP coordinating site subgrantee in all 100 counties. |
| | | Recruit and provide ongoing training to certified counselors in all 100 counties. |
| Objective 1.10 | Modernize SHIIP's volunteer management system by transitioning the Volunteer Registration Form and Annual Attestation to electronic formats, enhancing efficiency, compliance, and user experience. | Completion of both e- forms with automation by Q4 2026. |
| Objective 1.11 | Provide guidance and intervention for health insurance disputes and appeals. | Report dollar values recovered from appeals and complaint resolutions. Track consumers assisted via toll-free lines and outreach campaigns. |
| | | . 0 |

| | Objective | Measure |
|-------------------|---|--|
| Objective 1.12 | Assist consumers who have questions or problems about insurance or other products regulated by the Department or about their rights and responsibilities as it relates to their health insurance plans. | Coordinate outreach opportunities with public and private employers to educate their employees about how SMART NC can assist with health insurance denials. Add a permanent |
| | | position to enable SMART NC to provide quicker responses to consumers. Track consumers assisted via toll-free lines and outreach campaigns. |
| Objective 1.13 | Assist consumers with coverage disputes with their health insurance company by filing medical appeals, external review requests and filing complaints to self-funded and the NC State Health Plan for teachers and state employees. | Recover ≥ \$2 million for consumers that would otherwise had to pay for denied services annually. |
| | | Overturn denials of insurance services for consumers in ≥ 45% of cases involving external reviews or medical appeals. |

2. Goal: Insurer Financial Oversight and Transparency - Safeguard consumers' financial interests by ensuring the solvency, compliance, and transparency of licensed insurers and other regulated entities.

| | Objective | Measure |
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| | | |
| Objective 2.1 | Conduct timely and thorough reviews of new license applications to ensure only financially sound entities are approved to operate in North Carolina. | Complete reviews of applications for licensure or other authority in compliance with statutory requirements and within timeframes established by written Department policies. |
| Objective 2.2 | Perform ongoing solvency monitoring and analysis of insurers and other regulated entities to identify risks and ensure timely intervention. | Complete 100% of reviews within Department policy- defined timelines and in accordance with NAIC Accreditation Standards. |
| | | |
| Objective 2.3 | Review special filings for compliance with standards established by statue and regulation and to ensure they are financially prudent. | Complete 100% of reviews within Department policydefined timelines and in accordance statutory standards, NAIC or other relevant guidelines. |
| | | |
| Objective 2.4 | Conduct thorough financial examinations of insurers and other regulated entities in accordance with statute and/or NAIC Accreditation Standards. | Complete 100% of required exams within statutory requirements and timeframes and in accordance with standards established by Department policies and/or NAIC |

| | Objective | Measure |
|---------------|----------------------------------|------------------------|
| | | Accreditation |
| | | Standards. |
| | | |
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| Objective 2.5 | Implement targeted solvency | Identify and act on |
| | monitoring and interventions | 100% of troubled |
| | for companies deemed | company filings within |
| | financially unstable. Leverage | Department policy- |
| | analytics to flag emerging risks | defined timelines. |
| | and initiate corrective actions | |
| | to protect policyholders, | |
| | claimants, creditors and the | |
| | general public. | |
| | | Apply appropriate |
| | | provisions of NCGS 58- |
| | | 30 and NAIC |
| | | receivership best |
| | | practices in 100% of |
| | | relevant cases. |

3. Goal: Marketplace Optimization - Strengthen the North Carolina insurance marketplace through timely rate regulation, effective oversight, and a competitive climate for captive insurers.

| | Objective | Measure |
|----------------------|-----------------------------|--------------------------|
| | | |
| Objective 3.1 | Streamline and improve the | Achieve a 75% on-time |
| | timeliness of life, health, | review rate for life and |
| | property, and casualty | health filings within 40 |
| | insurance filing reviews. | days. |
| | | Achieve a 90% on-time |
| | | review rate for property |
| | | and casualty filings |
| | | within 30 days. |
| | | Comparative |
| | | performance vs. NAIC |
| | | standards. |

| | Objective | Measure |
|---------------|--|---|
| | | |
| Objective 3.2 | Conduct market conduct exams and data analysis to detect noncompliance, reduce | Complete ≥ 7 examination reports and ≥ 100 market |
| | consumer harm, and improve product implementation. | analysis activities annually. |
| | | |
| Objective 3.3 | Promote North Carolina as a premier domicile for captive insurance entities through efficient regulation and strategic outreach. | As measured by the increase in number of licensed captive entities and approved cells and growth in captive premium volume and estimated premium taxes. |
| | | Host or exhibit at ≥ 3 promotional events or outreach campaigns annually. |

4. Goal: Fraud Control and Public Safety - Protect North Carolinians from insurance fraud and improve public safety through technology, enforcement, and modernization initiatives.

| | Objective | Measure |
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| Objective 4.1 | Strengthen Insurance Fraud Enforcement - Investigate and prosecute individuals or entities committing insurance fraud to safeguard consumers and policyholders. | Recover ≥ \$10 million in restitution and government savings annually. |
| | | Achieve ≥ 400 arrests, prosecutions, and ≥ 200 convictions related to insurance fraud annually. |

| | Objective | Measure |
|---------------|--|---|
| Objective 4.2 | Integrate Artificial Intelligence (AI) into fraud detection - Leverage artificial intelligence tools to improve fraud detection and response across complaint and claims data. | Implement AI-driven predictive analytics into the complaints records management system by Q2 2026. |
| | | Deploy AI tools for image/video/document analysis in 100% of applicable investigations by Q3 2026. |
| | | Establish external data integrations to verify claim details in at least 75% of flagged cases. |
| Objective 4.3 | Modernize North Carolina's Bond Tracking System - Eliminate outdated paper bond powers by establishing a unified electronic bond tracking system across all jurisdictions. | Select and contract with software vendor by Q4 2025. |
| | | Secure commitment from 90% of relevant stakeholders (courts, law enforcement, bondsmen) by Q2 2026. |
| | | Finalize necessary legislative or rule changes to support implementation by Q3 2026. |

D. Priority Questions

- 1. How can we improve the distribution and effectiveness of educational materials and updates to consumers and industry participants?
- 2. How can we improve our ongoing solvency monitoring and analysis of insurers to identify risks and ensure timely intervention?
- 3. What methods can we use to detect noncompliance and reduce consumer harm through market conduct exams and data analysis?
- 4. How can we promote North Carolina as a premier domicile for captive insurance entities?
- 5. How can we integrate artificial intelligence tools to improve fraud detection and response across complaint and claims data?