

West Virginia Offices of the Insurance Commissioner



2020 Annual Report

Allan L. McVey
Insurance Commissioner

The information in this report reflects the current financial condition and economic importance of the overall insurance industry in West Virginia.



STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

Allan L. McVey
Insurance Commissioner

October 20, 2021

The Honorable Jim Justice
Governor of the State of West Virginia
State Capitol
Charleston, WV 25305

Dear Governor Justice:

The Annual Report of the Insurance Commissioner of the state of West Virginia for the calendar year 2020 is hereby submitted in accordance with Chapter 33, Article 2, Section 15, of the Code of West Virginia. An Executive Summary immediately follows this memorandum.

The information contained in this report reflects the economic importance and current financial condition of the insurance industry in our state. The included insurance entity statistics are compiled from the December 31, 2020 annual statements filed with this agency by the insurance companies licensed in this state. The financial information and statements in this report are from fiscal year 2020, which ended June 30, 2020, and aligns with the insurance statistics as well as the Offices of the Insurance Commissioner's functions, operations and activities occurring during calendar year 2020 as is required of this report.

Respectfully submitted,

Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner



EXECUTIVE SUMMARY

This report to the Governor of West Virginia provides detail of the previous calendar year operations and activities of the West Virginia Offices of the Insurance Commissioner. Due to the differences in calendar year and fiscal year dates, report data may be on a calendar year basis ending on December 31, 2020, or fiscal year data which ended on June 30, 2020. Datasets are appropriately marked throughout the report. The report is divided into three major sections. Each section is detailed below.

Section 1 of this report highlights the organization of the office and provides detail for \$198.6M in total revenue collected from the previous fiscal year. It includes an interdepartmental organizational chart, historical list of insurance commissioners, and proceeds to identify the individual revenue funds managed by the Offices of the Insurance Commissioner.

Section 2 of this report further identifies the functional divisions of this office and enumerates each division's individual activities during the past year. A summarization of those activities follows:

- The **Board of Review** (Workers' Compensation) exercises exclusive jurisdiction over all appeals from decisions issued by the Workers' Compensation Office of Judges pursuant to West Virginia Code §23-5-11 (see note in division section regarding the Appellate Reorganization Act of 2021). During 2020, the Board held telephonic hearings (in lieu of in-person hearings) due to COVID-19 and issued written rulings on Petitions to Stay, motions, appeals, and Petitions for Award of claimant's attorney fees and costs.
- The **Claims Services Division** oversees management of the workers' compensation Old Fund. As of June 30, 2020, there were 10,597 open claims with 37,364 (77.9%) old fund claims closed since January 31, 2008.
- The **Company Analysis and Examinations Division** is comprised of two (2) separate units. The summaries below outline each unit's activities during 2020.
 - The **Financial Conditions Unit** is responsible for the licensing, financial monitoring, and financial examinations of the insurance companies/entities admitted to do business in West Virginia, ensuring that policyholders are secure in purchasing insurance products from financially solvent and compliant insurance companies. This unit oversaw a total of 2,745 separate insurance entities transacting business in West Virginia during 2020. The unit has also been tasked with the oversight process of the Network Adequacy of insurers as a result of 2020 legislation.
 - The **Market Conduct Unit** performs analysis and examinations of insurance companies doing business in West Virginia for the purpose of determining statutory compliance. In 2020, the unit conducted forty (40) level one and fifteen (15) level two analysis reviews of licensed companies relating to compliance. Seven (7) Agreed Orders were entered by the Insurance Commissioner with penalties totaling \$12,500.00 assessed as a result of violations discovered during examinations. The unit also participated in one (1) multi-state collaborative action which resulted in \$10,530.42 in penalties and other assessments. The Market Conduct Unit completed four (4) comprehensive compliance audits of self-insured employers, resulting in penalties of \$6,950.00.

- The **Office of Consumer Advocacy** assisted consumers with first- and third-party complaints which yielded financial awards totaling \$13,646.58 in 2020. The Office of Consumer Advocacy also participated in the review of 96 Certificate of Need applications.
- The **Consumer Services Division** assists insurance consumers with questions and complaints. The Division received a total of 1,541 written complaints from insurance consumers in 2020. Over the course of the year, the Division responded to an average of 63 consumer inquiries per day.
- The **Employer Accounts Division** is comprised of three (3) workers' compensation units. This division receives, reviews, investigates, and processes applications for injured workers of uninsured employers. The separate units are Employer Coverage, Revenue Recovery and Self Insurance. The three (3) units encompass all OIC workers' compensation regulatory functions relating to employers.
 - The **Employer Coverage Unit** (Workers' Compensation) is responsible for reviewing and granting or denying requests for exemption applications that confirm the employer is statutorily exempt from workers' compensation coverage. Employer Coverage is the point of contact for other agencies regarding confirmation of workers' compensation compliance.
 - The **Revenue Recovery Unit** (Workers' Compensation) is responsible for the collection of all monies due the Uninsured Employers' Fund and the Old Fund, as well as the collection of fines imposed upon employers where workers' compensation coverage has been cancelled. The unit also collects from employers who have failed to maintain workers' compensation for monies expended by the state for an employee of the business who becomes injured while working.
 - The **Self-Insurance Unit** (Workers' Compensation) is responsible for regulating 56 employers that currently self-insure their workers' compensation coverage in West Virginia and approximately 100 employers who no longer self-insure but continue to administer claims incurred during their periods of self-insurance. No companies were approved for self-insured status in calendar year 2020.
- The **Financial Accounting Division** is responsible for the preparation of audited financial statements, monthly financial reports, the budget, management and administration of federal grant funds, daily cash management and investment processing which includes accounts payable and all agency cash receipts processing through the state's accounting system. The Division also contains the Tax Unit which collects premium taxes and surcharges for approximately 3,002 insurance companies and surplus lines licensees licensed in West Virginia. The Tax Unit also collects the examination assessment due July 1 of each year. In 2020, the Division received its fifteenth consecutive unmodified or "clean" opinion on the Audited Financial Statements.
- The **Health Policy Division** works toward the implementation of a Health Insurance Marketplace in West Virginia in conjunction with the Patient Protection and Affordable Care Act (ACA). In February 2013, West Virginia announced it would become a Partnership state, meaning that West Virginia consumers could utilize 'The Marketplace' as an online portal at www.Healthcare.gov to compare information on available health plan options, enroll in health plans and receive subsidies, if financially eligible.

- The **Legal Division** provides legal counsel to the Insurance Commissioner and staff, drafts and promulgates statutes, investigates code/rule violations, responds to litigation, hearings and coordinates receivership activities. During 2020, the Division issued 16 insurance bulletins, ten (10) emergency orders, received 665 referrals to the Regulatory Compliance Unit which resulted in the issuance of 75 orders, and held 19 hearings.
- The **Licensing and Education Division** presides over licensing, processing and maintaining records for more than 169,000 licensees transacting insurance business in West Virginia. In 2020, nearly 350,000 company appointments and appointment cancellations were processed and monitored by the Division. The Licensing and Education Division continues to see growth in the number of insurance adjusters licensed and maintained. House Bill 4502 was passed in 2020 that creates a new exam, license types, and lines of authority for adjusters. The Division maintains ongoing compliance with all Federal Bureau of Investigation (FBI) and West Virginia State Police criminal background search requirements.
- The **Office of Judges** (Workers' Compensation) provides the first level of judicial review in workers' compensation litigation by processing appeals from initial workers' compensation claim management decisions (see note in division section regarding the Appellate Reorganization Act of 2021). During 2020, this division ruled upon 5,786 written motions, acknowledged 2,115 protests and held 368 hearings.
- The **Rates and Forms Division** reviews and makes disposition on proposed insurance rates and forms for all regulated lines of insurance in West Virginia. During 2020, the Division received a total of 6,296 filings for all lines of insurance. Of the 6,296 new filings received, 46% (2,894) were property and casualty filings and 54% (3,402) were life and health filings.
- The **Special Investigations Division (Office of the Inspector General)** is responsible for facilitating a cooperative approach in the detection, investigation, and prosecution of insurance fraud. In 2020, the Division received a total of 666 insurance fraud referrals from the industry and public. The Special Investigations Division completed 281 field investigations, delivering investigative reports to State and Federal prosecutors, identifying more than \$14,700,000 in fraud, and resulting in 24 felony indictments.
- The **State Agency Workers' Compensation (SAWC) Program** is a group insurance policy that provides workers' compensation coverage for more than 100 state agencies and boards. The program includes over 900 locations throughout the state and provides coverage for approximately 25,000 state employees.
- The **State Office of the National Flood Insurance Program** was created by the West Virginia Legislature in 2020 with the Offices of the Insurance Commissioner named as the program administrator. The program issues regulation, guidance, and instructions as necessary, as well as conduct trainings and enforce adequate land use and development criteria that are consistent with the minimum standards established by the National Flood Insurance Program.

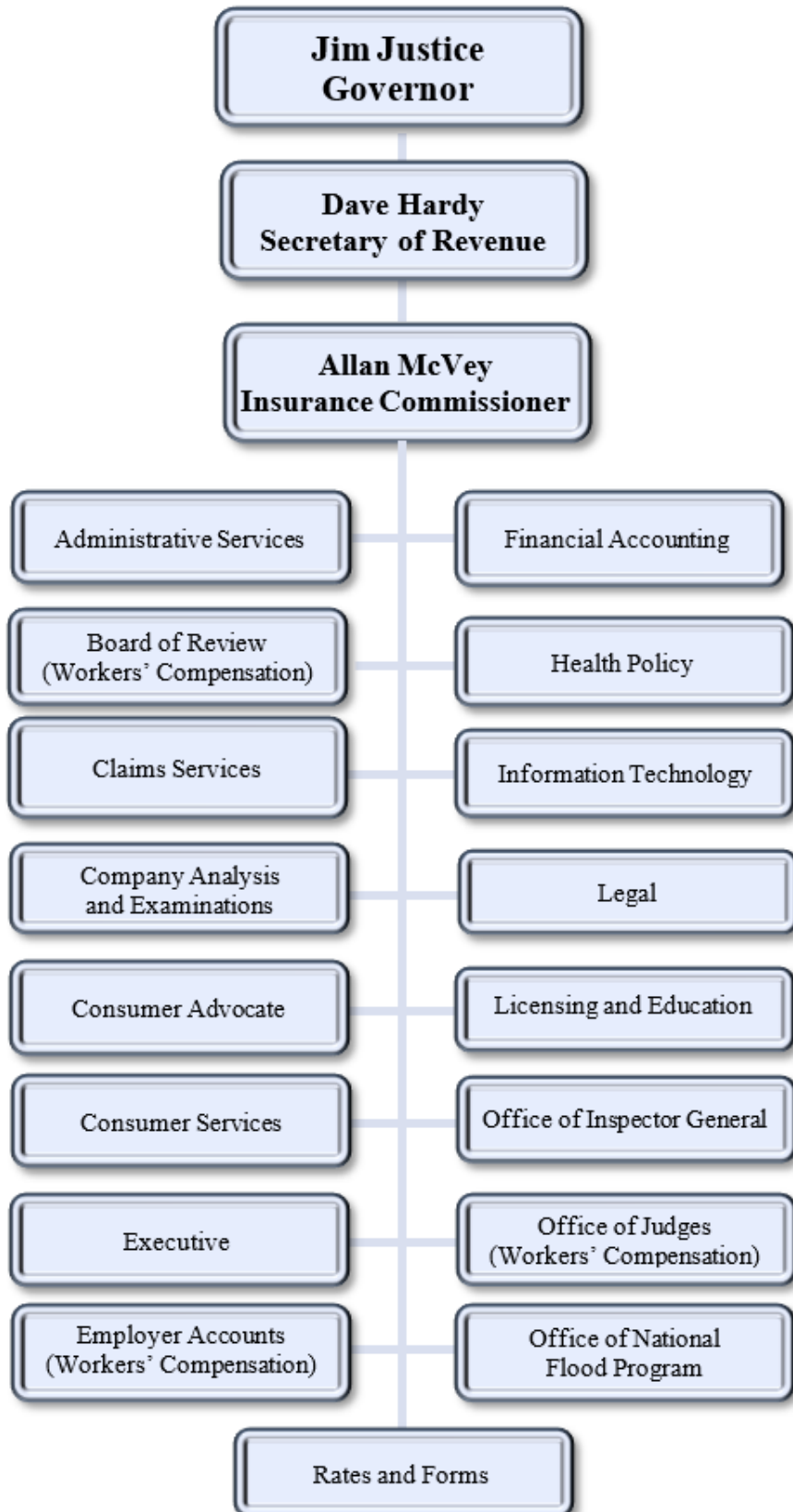
Section 3 of this report provides enhanced detail from each regulated line of insurance. This section shows the premium, market share, losses and pure loss ratios from lines of insurance separated into categories for Property and Casualty, Life, and Accident and Health.

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SECTION 1: GENERAL

ORGANIZATIONAL CHART



WEST VIRGINIA INSURANCE COMMISSIONERS

D. S. Butler	July 1, 1947 to April 30, 1948
Robert A. Crichton	May 1, 1949 to June 30, 1952
Hugh N. Mills	July 1, 1952 to June 30, 1953
Thomas J. Gillooly	July 1, 1953 to September 30, 1956
Louis Miller, Jr.	October 1, 1956 to June 30, 1957
Harold E. Neely	July 1, 1957 to February 5, 1958
C. Judson Pearson	February 7, 1958 to January 15, 1961
Hugh N. Mills	January 16, 1961 to May 16, 1961
Virginia Mae Brown	May 17, 1961 to September 3, 1962
Harlan Justice	September 4, 1962 to January 15, 1966
Frank Montgomery	January 16, 1966 to September 30, 1968
Robert J. Shipman	October 1, 1968 to January 30, 1969
Samuel H. Weese	January 31, 1969 to January 16, 1975
Donald W. Brown	January 16, 1975 to January 14, 1977
Richard G. Shaw	January 17, 1977 to January 11, 1985
Fred L. Wright	February 21, 1985 to June 30, 1988
Hanley C. Clark	July 1, 1988 to January 17, 1989*
Hanley C. Clark	January 18, 1989 to January 15, 2001
Jane L. Cline	January 15, 2001 to June 30, 2011
Michael D. Riley	July 1, 2011 to January 8, 2012*
Michael D. Riley	January 9, 2012 to January 31, 2017
Andrew R. Pauley	February 1, 2017 to March 31, 2017*
Allan L. McVey	April 1, 2017 to January 24, 2019
Erin K. Hunter	January 25, 2019 to March 1, 2019*
James A. Dodrill	March 2, 2019 to September 21, 2021
Allan L. McVey	September 22, 2021 to present

**Acting Insurance Commissioner during interim period*

FINANCIAL INFORMATION

FEES AND TAXES COLLECTED DURING THE LAST 5 FISCAL YEARS

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
GENERAL REVENUE					
INSURER EXAMINATION ASSESSMENT FEE	\$562,525	\$571,125	\$542,525	\$516,375	\$561,500
PENALTY FEE	\$288,810	\$538,560	\$594,853	\$541,348	\$368,470
TOTAL FOR GENERAL REVENUE	\$851,335	\$1,109,685	\$1,137,378	\$1,057,723	\$929,970
SPECIAL REVENUE					
*INSURANCE TAX FUND	\$116,588,197	\$119,635,733	\$123,661,383	\$128,049,651	\$129,116,290
INSURER EXAMINATION ASSESSMENT FEES	\$993,300	\$1,001,050	\$956,900	\$903,000	\$1,025,235
FEES & CHARGES	\$36,138,127	\$33,541,878	\$35,557,222	\$35,596,021	\$36,137,323
FIRE MARSHAL	\$1,298,879	\$609,178	\$2,075,092	\$2,130,494	\$2,184,470
MUN. PENSION & PROTECTION FUND	\$27,724,028	\$28,190,439	\$29,907,039	\$30,816,675	\$31,602,509
VOL. FIREMEN & TEACHERS RETIREMENT	\$13,328,521	\$13,539,015	\$14,536,542	\$14,965,354	\$14,738,860
TOTAL FOR SPECIAL REVENUE	\$196,071,053	\$196,517,293	\$206,694,178	\$212,461,195	\$214,804,687
GRAND TOTAL COLLECTED	\$196,922,388	\$197,626,978	\$207,831,556	\$213,518,918	\$215,734,657

* Revenue is net of Tobacco Settlement loan repayment, medical malpractice and Federal Flood transfer

**APPROPRIATED EXPENDITURE SCHEDULE
EXAMINATION FUND 7150
FISCAL YEAR 2020
JULY 1, 2019 - JUNE 30, 2020**

APPROPRIATED

Personal Services	541,186	
Increment	10,252	
Employee Benefits	197,326	
Other Expenses	<u>1,461,290</u>	
		<u>\$2,210,054</u>

ACTUAL EXPENDITURES

Personal Services	317,393	
Increment	5,220	
Employee Benefits	84,387	
Other Expenses	<u>646,440</u>	
TOTAL EXPENDITURES		1,053,440

APPROPRIATION BALANCE

Personal Services	223,793	
Increment	5,032	
Employee Benefits	112,939	
Other Expenses	814,850	
TOTAL FUNDS REMAINING		1,156,615
		<u>\$2,210,054</u>

**APPROPRIATED EXPENDITURE SCHEDULE
 CONSUMER ADVOCATE FUND 7151
 FISCAL YEAR 2020
 JULY 1, 2019 - JUNE 30, 2020**

APPROPRIATED

Personal Services	399,865	
Increment	8,880	
Employee Benefits	163,231	
Other Expenses	<u>265,702</u>	
		<u>\$837,678</u>

ACTUAL EXPENDITURES

Personal Services	226,042	
Increment	3,780	
Employee Benefits	74,150	
Other Expenses	<u>59,510</u>	
TOTAL EXPENDITURES		363,482

APPROPRIATION BALANCE

Personal Services	173,823	
Increment	5,100	
Employee Benefits	89,081	
Other Expenses	<u>206,192</u>	
TOTAL FUNDS REMAINING		474,196
		<u>\$837,678</u>

**APPROPRIATED EXPENDITURE SCHEDULE
INSURANCE COMMISSION FUND 7152
FISCAL YEAR 2020
JULY 1, 2019 - JUNE 30, 2020**

APPROPRIATED

Personal Services	16,195,061	
Increment	458,662	
Employee Benefits	7,515,298	
Other Expenses	<u>10,960,273</u>	
		<u>\$35,129,294</u>

ACTUAL EXPENDITURES

Personal Services	11,104,182	
Increment	241,173	
Employee Benefits	3,606,523	
Other Expenses	<u>5,205,095</u>	
TOTAL EXPENDITURES		20,156,973

APPROPRIATION BALANCE

Personal Services	5,090,879	
Increment	217,489	
Employee Benefits	3,908,775	
Other Expenses	<u>5,755,178</u>	
TOTAL FUNDS REMAINING		14,972,321
		<u>\$35,129,294</u>

Financial Statements

To view the OIC's FY2020 Financial Statements in their entirety, as well as access prior years' Financial Statements, please refer to the [OIC website](#).

West Virginia Offices of the Insurance Commissioner
Statement of Net Position
June 30, 2020 (In Thousands)

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 23,919	\$ 1,354,366	\$ 1,368,285
Receivables, Net:			
Statutory Allocations	-	6	6
Assessments	240	37	277
Employer Surcharge	3,571	-	3,571
Premiums	-	113	113
Other	11	49	60
Prepaid Assets	-	1,087	1,087
Loss Reserve Fund	-	12,534	12,534
Total Current Assets	27,741	1,378,192	1,405,933
Noncurrent Assets			
Other Receivables	158	-	158
Capital Assets, Net	174	-	174
Total Noncurrent Assets	332	-	332
Total Assets	28,073	1,378,192	1,406,265
Deferred Outflows of Resources			
Deferred outflows related to pension	1,197	-	1,197
Deferred outflows related to other post-employment benefit	479	-	479
Total Deferred Outflows of Resources	1,676	-	1,676
Total Assets and Deferred Outflows of Resources	29,749	1,378,192	1,407,941
LIABILITIES			
Current Liabilities			
Estimated Liability for Unpaid Claims and Claim Adjustment Expense	-	143,700	143,700
Compensated Absences	544	-	544
Accrued Expenses and Other Liabilities	1,214	9,371	10,585
Total Current Liabilities	1,758	153,071	154,829
Noncurrent Liabilities			
Estimated Liability for Unpaid Claims and Claim Adjustment Expense	-	1,205,800	1,205,800
Net Pension Liability	1,631	-	1,631
Compensated Absences	572	-	572
OPEB Liability	4,043	-	4,043
Total Noncurrent Liabilities	6,246	1,205,800	1,212,046
Total Liabilities	8,004	1,358,871	1,366,875
Deferred Inflows of Resources			
Deferred inflows related to pension	1,329	-	1,329
Deferred inflows related to other post-employment benefit	2,117	-	2,117
Total Deferred Inflows of Resources	3,446	-	3,446
Total Liabilities and Deferred Inflows of Resources	11,450	1,358,871	1,370,321
Net Position			
Invested in Capital Assets, Net of Related Debt	174	-	174
Restricted for:			
Coal Workers' Pneumoconiosis	-	16,283	16,283
Uninsured Fund	-	13,548	13,548
Self-Insured Funds	-	38,522	38,522
State Entities Workers' Compensation Program Fund	-	14,733	14,733
Unrestricted (Deficit)	18,125	(63,765)	(45,640)
Total Net Position	\$ 18,299	\$ 19,321	\$ 37,620

West Virginia Offices of the Insurance Commissioner
Statement of Activities
For the Fiscal Year Ended June 30, 2020 (In Thousands)

Functions/Programs	Expenses and Claims Provisions	Program Revenues	Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Governmental Activities	Business-Type Activities	Totals
Primary Government					
Governmental Activities					
General Government	\$ 20,717	\$ 35,917	\$ 15,200	\$ -	\$ 15,200
Depreciation, Unallocated	14	-	(14)	-	(14)
Total Governmental Activities	20,731	35,917	15,186	-	15,186
Business-type Activities					
Workers' Compensation	59,151	1,827	-	(57,324)	(57,324)
State Entities Workers' Compensation Program Fund	10,697	7,474	-	(3,223)	(3,223)
Total Business-Type Activities	69,848	9,301	-	(60,547)	(60,547)
Total Primary Government	\$ 90,579	\$ 45,218	15,186	(60,547)	(45,361)
General Revenues:					
Investment Earnings			9	53,515	53,524
Severance Tax			-	(2,255)	(2,255)
Total General Revenues			9	51,260	51,269
Change in Net Position Before Reappropriations/Interfund Transfers			15,195	(9,287)	5,908
Reappropriation to State of West Virginia General Revenue			(15,000)	-	(15,000)
Payments on Behalf of the WWOIC			245	-	245
Change in Net Position			440	(9,287)	(8,847)
Net Position, Beginning of year			17,859	28,608	46,467
Net Position, End of Year			\$ 18,299	\$ 19,321	\$ 37,620

SECTION 2: DIVISION REPORTS

BOARD OF REVIEW (WORKERS' COMPENSATION)

The statutory role of the Workers' Compensation Board of Review is set forth in West Virginia Code §23-5-12, which provides as follows: "Any employer, employee, claimant or dependent who shall feel aggrieved at any final action of the administrative law judge taken after a hearing held in accordance with the provisions of section nine of this article shall have the right to appeal to the board created in section eleven of this article for a review of such action. The Workers' Compensation Commission, the successor to the commission, other private insurance carriers and self-insured employers, whichever is applicable, shall likewise have the right to appeal to the board any final action taken by the administrative law judge." The primary goal at the Board of Review is to resolve appeals in a fair, efficient, and timely manner. The Board of Review is governed by procedural rules found in 102 CSR 1, Rules of Practice and Procedure.

During the course of an appeal, motions are submitted by the parties and the Board issues timely rulings in response to the motions. In addition to motions, the parties submit briefs and may present oral argument to the Board in accordance with West Virginia Code § 23-5-12(b). At the conclusion of the appeal process, the Board issues a written decision that is appealable to the Supreme Court of Appeals as set forth in West Virginia Code §23-5-15.

When a claimant successfully appeals the denial of medical benefits, the claimant's attorney may file a Petition for Award of Claimant's Attorney Fees and Costs if the claimant meets the criteria set forth in West Virginia Code §23-5-16(c). The Petition is submitted to the Board of Review if the final decision on the issue is entered by the Board. At the appropriate time, the Board issues a ruling on the Petition.

A statistical report is provided to the Workers' Compensation Industrial Council every month. This report includes information regarding incoming appeals, such as the issues being appealed and the parties filing the appeals. Additionally, the report provides data regarding the Board's decisions.

The Board and staff are committed to rendering the appeal process in a manner that provides a fair and efficient system to resolve appeals. In order to promote quicker resolution of claims for the parties and to provide consistent decisions, the Board at times consolidates the appeals in a claim for decision purposes. When this happens, the Board issues one order addressing multiple issues involved in a single injury.

Board member Rita Hedrick-Helmick resigned. Governor Jim Justice appointed Bradley Crouser to join Board Members Nick Casey and Patricia Jennings.

The Appellate Reorganization Act of 2021 ([Senate Bill 275](#)), was enacted and created an Intermediate Court of Appeals for West Virginia. The legislation eliminates the Workers' Compensation Office of Judges and established the West Virginia Workers' Compensation Board of Review as the initial reviewing body for objections to decisions made by insurers regarding workers' compensation claims. The transition of duties will become effective July 1, 2022.

CLAIMS SERVICES DIVISION

The Claims Services Division provides oversight of the Old Fund Program; the legacy claims liability that existed upon the privatization of workers' compensation and the Document and Imaging Unit that was transitioned to the Claims Services Division in February 2019. In addition, this Division provides claims oversight of the Uninsured Employer Fund (UEF), the Federal Black Lung Program with dates of last exposure prior to January 1, 2006, Guarantee and Security Funds, and the State Agency Workers' Compensation (SAWC) Program. Its primary objectives are to ensure claims are properly reserved and administered to the Best Claims Practice standards and are handled in compliance with statutory and regulatory provisions. The Claims Services Division is responsible for additional internal controls assuring proper management of these claims which include the Best Claims Practice Reviews conducted on-site, on-going quality assurance reviews which includes pharmacy expenditure review and lung transplant claims reviews by an on-staff Registered Nurse, large loss review staffing with each third-party administrator (TPA), indemnity payment approval threshold of \$25,000.00 or greater, and the settlement initiative. Regulatory duties of this Division include maintaining the Occupational Pneumoconiosis (OP) Board and the Permanent Total Disability Review Board (PTDRB) dockets, the Claims Index, maintaining the maximum allowable fee schedule, and the Electronic Data Interchange (EDI) program. The Claims Services Division coordinates with the West Virginia State Auditor's Office and the TPAs to establish Electronic Fund Transfers (EFTs) for injured workers or their dependents who receive benefits.

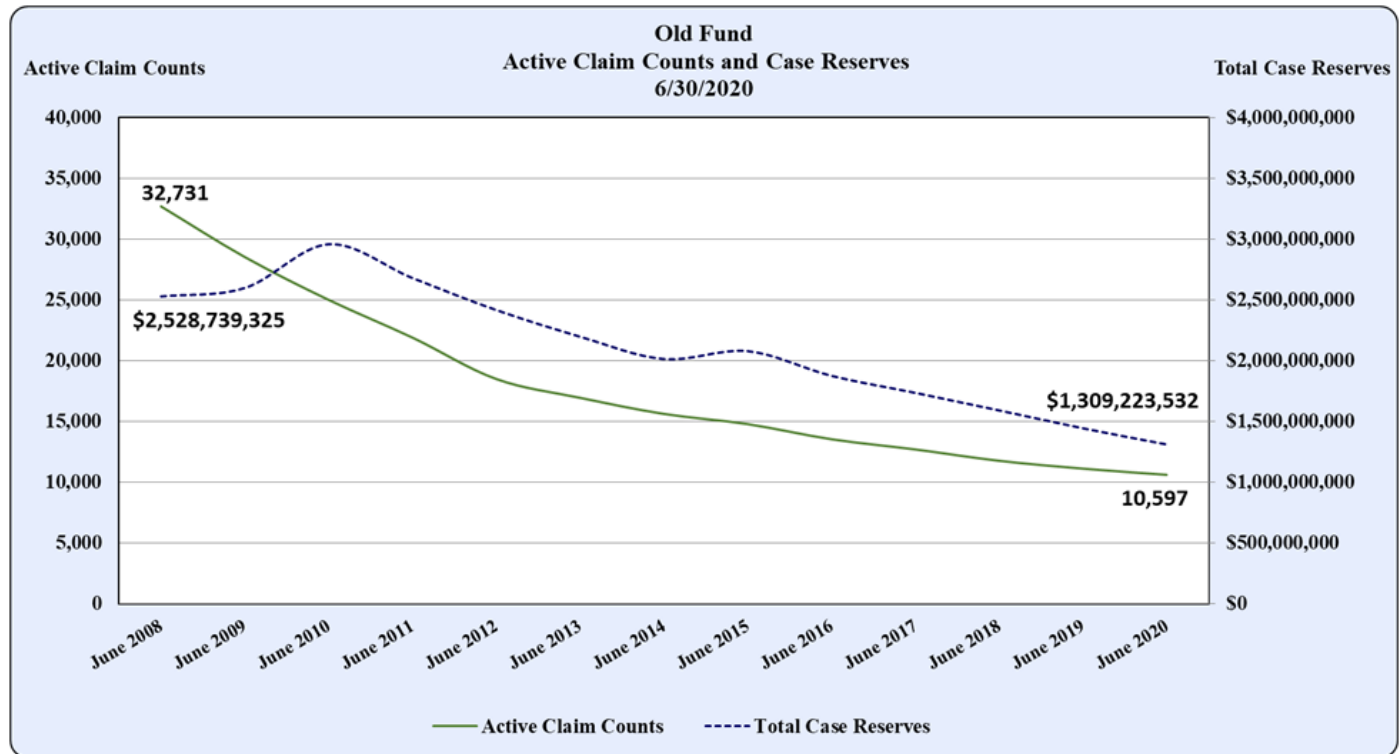
CLAIMS STATISTICS

On December 1, 2007, the OIC officially began managing 47,961 active old fund claims. Since that time, through proper claims handling utilizing industry accepted standards and a focused settlement initiative, approximately 77.90% of the active claim load has been closed as of June 30, 2020. With the passage of SB 531, which went into effect June 4, 2019, this provided a positive impact on the reduction of hearing loss claims through full and final settlement negotiations, further reducing the overall active claim count. It is worth mentioning that as of June 30, 2021, the closed claim percentage is now 80.99% with 9,115 active claims.

Annual active old fund claim counts for the TPAs are as follows:

Counts as of	Sedgwick	SmartCasualtyClaims	American Mining	Totals	Closed
6/30/2008	25,484	3,455	3,792	32,731	31.75%
6/30/2009	22,425	2,894	3,237	28,556	40.46%
6/30/2010	19,837	2,373	2,814	25,024	47.82%
6/30/2011	17,346	2,188	2,381	21,915	54.31%
6/30/2012	15,451	1,871	1,179	18,501	61.42%
6/30/2013	14,075	1,775	1,101	16,951	64.66%
6/30/2014	13,114	2,512	-0-	15,626	67.42%
6/30/2015	12,376	2,406	-0-	14,782	69.18%
6/30/2016	11,236	2,298	-0-	13,534	71.78%
6/30/2017	10,485	2,209	-0-	12,694	73.53%
6/30/2018	9,687	2,071	-0-	11,758	75.48%
6/30/2019	9,213	1,897	-0-	11,110	76.84%
6/30/2020	8,866	1,731	-0-	10,597	77.90%

A graphical representation of the Old Fund claim changes and total reserves is shown below.



QUALITY MEDICAL CARE AND COST CONTAINMENT INITIATIVES

The TPAs have contracted with Coventry, a managed care organization, on the Old Fund, UEF, Guaranty and Security Fund claims. This allows the OIC to monitor the quality of the care and provider efficiency in a cost-effective manner. SmartCasualtyClaims, formerly HealthSmart, is utilizing the HealthSmart Care Management Solutions transplant network, which has resulted in better care for claimants in a cost-effective manner. Sedgwick is utilizing the OneCall Network for efficient and cost-effective services for the hearing loss claimants. In addition, Sedgwick has implemented a new program with Examworks called RxAnalysis, they partner with Ascellus who provides trained addiction specialists and behavioral health providers to work with both the treating provider and the claimant for weaning and concerns of medication dependence, addiction, and/or misuse.

OCCUPATIONAL DISEASE CLAIMS

Please note that new occupational disease claims, such as Occupational Pneumoconiosis (OP) and Hearing Loss (HL) claims, are submitted to the Claims Services Division for entry and establishment of a new claim. The claim is then assigned to a TPA for administration. These applications have a date of last exposure prior to July 1, 2005. The State OP claims are part of the Old Fund liability. There are two other separate and distinct funds in which new claim filings may be received. The Uninsured Employer Fund (UEF), as previously indicated, commenced as of January 1, 2006. The Claims Services Division establishes these claims and assigns them to a TPA for administration. In addition, new claims for Federal Black Lung (FBL) benefits where the date of last exposure must be prior to January 1, 2006, are filed with this Division. The FBL claims are paid via the Coal Workers' Pneumoconiosis Fund (CWPF).

New Claim Filings	FY2016	FY2017	FY2018	FY2019	FY2020
State OP	116	134	62	53	41
HL & OD	8	11	5	6	1
Uninsured Employer Fund	12	11	10	4	5
FBL	385	400	416	448	392

REGULATORY BOARDS

As stated previously, regulatory duties of the Claims Services Division include maintaining the Occupational Pneumoconiosis (OP) Board and the Permanent Total Disability Review Board (PTDRB) dockets. The division prepares the files and maintains the docket for the OP Board and prepares files for hearings before the Office of Judges. In FY2020, there were 375 examinations scheduled before the OP Board and 30 fatality reviews. This Division has additionally provided PTDRB docket oversight since October 2008. In FY2020, the PTDRB had 14 reviews, including initial, remand, and final reviews. Applications are received for the Old Fund, new insurers and self-insured employers.

Regulatory Boards	FY2016	FY2017	FY2018	FY2019	FY2020
OP Board Examinations	724	1,064	950	561	375
OP Board Fatal Reviews	66	46	53	44	30
PTDRB Reviews	17	23	29	10	14

ELECTRONIC DATA INTERCHANGE (EDI) PROGRAM

The implementation of the Electronic Data Interchange (EDI) program resulted from the passage of §Title 85, Series 2, Workers' Compensation Claims Index. The purpose of EDI is to provide a consistent method for insurers or self-insured employers to report claims to the OIC. Any workers' compensation claim that is filed in the state of West Virginia is captured on the Claims Index System. Pursuant to regulations, the First Report of Injury (FROI) and Second Report of Injury (SROI) must be submitted electronically within 10 days of notification that an injury has occurred, using the Release 3 EDI standards as adopted by the International Association of Industrial Accident Boards and Commissions (IAIABC). The OIC's public website contains information and links to the EDI Implementation Guide. In addition, procedural steps on how to apply for a trading partner profile are provided to Carriers/TPAs/Self-Insured Employers through the EDI.

CLAIMS INDEX

The Claims Services Division also reviews applications for access to the Workers' Compensation Claims Index. The Claims Index is a legislatively mandated uniform system of gathering workers' compensation claim information through EDI and allows access to the information by approved participants. The Index contains basic demographic data to assist insurers in obtaining information from other insurers regarding previously filed workers' compensation claims by claimants.

DOCUMENT AND IMAGING UNIT

This unit is the repository of workers' compensation claim records, x-rays, etc. and distributes copies of records upon proper validation of requests. It is imperative that internal controls are in place and executed when relinquishing the records, including the redaction of sensitive information (PII), as well as psychiatric records. A conversion project of the records is currently in progress. All records have been sent to a third-party vendor for conversion of the microfiche, x-rays and CDs. This project allows for proper preservation of claim records to eliminate the continued loss of images. In addition, this project has allowed the Document and Imaging staff to relocate to the Lottery Building with the other Claims Services staff, eliminating additional rental space. The conversion project is currently in the quality assurance phase.

COMPANY ANALYSIS AND EXAMINATIONS DIVISION

In 2019 the Company Analysis and Examinations Division was created by combining two (2) units that were previously separate but similar in function. The Company Analysis and Examinations Division is responsible for the financial regulation and market conduct examinations of all insurers admitted to transact insurance business in West Virginia. The Company Analysis and Examinations Division includes the following units:

- Financial Conditions Unit - responsible for the licensing, financial monitoring and financial examinations of insurance companies and entities.
- Market Conduct Unit – performs examinations of insurance companies and self-insured employers doing business in West Virginia for the purpose of determining statutory compliance.

FINANCIAL CONDITIONS UNIT

The primary functions of the Unit include, but are not limited to:

- Licensing/Registration of Insurance Risk-Bearing Entities
- Financial Analysis/Surveillance of Admitted Insurance Companies
- Financial Examinations of Domestic Insurance Companies

The types of insurance companies/entities licensed and monitored include, but are not limited to, traditional Life and Health and Property and Casualty insurers as well as health care corporations such as Blue Cross/Blue Shield plans and Health Maintenance Organizations (HMOs). The Unit is also responsible for registering, licensing and/or monitoring Risk Retention Groups, Risk Purchasing Groups, Managing General Agents, Third-Party Administrators, Reinsurance Intermediaries, Viatical Settlement Providers, Discount Medical Plans, Discount Prescription Drug Plans, Professional Employer Organizations, Charitable Gift Annuities, Pharmacy Benefit Managers and Surplus Lines Insurers planning to do business in the State of West Virginia.

Prior to being admitted, companies must file an application with the West Virginia Offices of the Insurance Commissioner. The Unit utilizes the National Association of Insurance Commissioners (NAIC) Uniform Certificate of Authority Application (UCAA) process which is designed to allow insurers to file copies of the same application for admission in numerous jurisdictions. These applications, either foreign or domestic, are reviewed by the Unit to ensure that all applicable insurance laws and regulations have been satisfied regarding the companies' general corporate organization and financial strength. Recommendations are then made to the Commissioner as to the admissibility of the applicant companies.

Companies admitted by the WVOIC are then monitored by the Unit to ensure they maintain financial stability and solvency requirements necessary for the protection of West Virginia policyholders. Monitoring of the insurance industry is effectuated through complex analysis and/or financial examinations performed by financial analysts and certified financial examiners.

The Unit is also responsible for processing various corporate amendments submitted by a licensed entity. Corporate amendments include, but are not limited to, name changes, re-domestications, mergers, and amendments to articles of incorporation or bylaws.

2020 TOTAL CORPORATE AMENDMENTS	
Expansion Applications	17
New Applications	87
Extension of Authority	14
Mergers	4
Acquisitions (Change of Control)	32
Name Changes	46
Redomestications	19
Suspensions/Revocations/Fines	7
Withdrawal/Deletion of lines of authority	20
Amended By-Laws/Articles	48
Assumptions	1
Modifications/Address Changes	111
Service Area Expansion (HMO)	1
Conversions	4

MARKET CONDUCT UNIT

The Market Conduct Unit performs market-wide research, analysis and examinations of insurance entities regulated by the West Virginia Offices of the Insurance Commissioner. The Market Conduct Unit executes its primary activities, along with the Financial Conditions Unit, in a coordinated effort within the Company Analysis and Examinations Division.

Market conduct examiners are charged with reviewing insurers on a regular basis as well as reacting to developments in the marketplace. Examiners validate the business operations of insurers to ensure compliance with all applicable laws and rules.

Market analysis consists of gathering large volumes of data from insurers that reveals how the insurer is operating in the marketplace and, from that data, determining which companies may need further analysis or review. West Virginia cooperates with other jurisdictions in this process to foster possible collaborative actions.

Seven (7) agreed orders were entered by the Insurance Commissioner in 2020 as a result of market conduct examinations conducted in accordance with W. Va. Code §33-2-9. Penalties totaling \$12,500.00 were assessed as a result of violations discovered during these market conduct examinations. West Virginia also participated in one (1) multi-state collaborative action, resulting in \$10,530.42 in penalties and other assessments. Furthermore, the Market Conduct Unit completed four (4) comprehensive compliance examinations of employers which are self-insured for workers' compensation, resulting in penalties totaling \$6,950.00.

Additionally, the Market Conduct Unit conducted forty (40) level one and fifteen (15) level two analysis reviews on licensed companies concerning compliance with the West Virginia Code and the West Virginia Code of State Rules, as well as claims compliance analysis of employers that are actively self-insured for workers' compensation.

The West Virginia Offices of the Insurance Commissioner also received a total of 593 market conduct annual statements per the National Association of Insurance Commissioners' (NAIC) guidelines, further broken down by the following lines of business: Private Passenger Auto, 72 filings; Homeowners, 76 filings; Life, 189 filings; Annuity, 101 filings; Long-Term Care, 72 filings; Health 13 filings; Lender-Placed Insurance (LPI), 13 filings; and Disability Income (DI), 57 filings.

CONSUMER ADVOCATE DIVISION

In 2020, the Office of Consumer Advocate served the interests of the West Virginia insurance consumer and fulfilled the expanded duties conferred upon the Office in the tort reform measures passed in 2005 in Senate Bill 418. A large portion of the Office of the Consumer Advocate's time and resources was devoted to first- and third-party administrative cases.

During 2020, the efforts of the Office of the Consumer Advocate on behalf of West Virginia insurance consumers yielded financial awards totaling \$13,646.58 which go directly into the pocket of the consumer as well as several other important actions directly benefiting the West Virginia insurance consumer.

The Office of the Consumer Advocate has been involved in obtaining financial settlements totaling \$3,941,739.11 on behalf of West Virginia insurance consumers. These awards go directly into the pocket of the consumer. The Office of the Consumer Advocate is very proud of this accomplishment.

In the health care arena in 2020, the Office of the Consumer Advocate reviewed 96 Certificate of Need Applications. The Office of the Consumer Advocate was also previously charged with reviewing Rate Review Applications before the West Virginia Health Care Authority. After passage of SB 68, the WV Health Care Authority's ability to establish and regulate hospital rates ceased in 2017. As such, the Office of the Consumer Advocate did not review Rate Review Applications last year.

Normally, the Office of the Consumer Advocate would attend many state conferences and state festivals as a means of interacting with and disseminating information to West Virginia insurance consumers. Those festivals typically include the West Virginia Social Workers Conference, Older American Event, State Fair, Pumpkin Festival, Forest Festival, and the West Virginia Hunting and Fishing Show. Due to Covid-19, the Consumer Advocate division did not attend any festivals or outreach opportunities in 2020.

The Office of the Consumer Advocate kept abreast of any legislation that would affect West Virginia Consumers. When needed, representatives from the Office of the Consumer Advocate reviewed legislation and attended or watched via live web camera legislative hearings in both the House of Representatives and the Senate.

Finally, the Office of the Consumer Advocate maintained progress toward the ongoing goal of consumer outreach and education. The division achieved progress by fielding hundreds of calls and contacts from consumers. These contacts were responded to directly and/or referred to the proper agency for response.

REPRESENTATION IN FIRST- AND THIRD-PARTY ADMINISTRATIVE HEARINGS

In 2020, the Office of the Consumer Advocate provided formal representation to insurance consumers in twenty-five (25) consumer complaints before the West Virginia Insurance Commission. Twenty-one (21) of these consumer complaints were third party complaints and the remaining four (4) consumer complaints were first party complaints. First party complaints are complaints filed by a consumer against their own insurer, while third party complaints are complaints filed by a consumer against another person's insurer. In addition to formal representation, the Office of the Consumer Advocate assisted and advised hundreds of West Virginia consumers throughout the year be it via email inquiries, telephonic inquiries, office visits, or other means. This assistance has directly benefited those consumers and in many cases has resolved the consumers' insurance issues or queries without requiring the filing of an actual consumer complaint with the WVOIC.

FIRST PARTY COMPLAINTS

The Office of the Consumer Advocate actively worked four (4) first party cases in 2020. The results of said cases are as follows:

- In one (1) consumer complaint case, the consumer opted to obtain private counsel for representation.
- In one (1) consumer complaint case, the Consumer failed or declined to request representation.
- In two (2) consumer complaint cases, the matters are still pending and are either awaiting hearing or are awaiting final order or appealed to Circuit Court.

THIRD PARTY COMPLAINTS

The Office of the Consumer Advocate actively worked 21 third party cases in 2020. The results of said cases are as follows:

- A total of \$13,646.58 was awarded directly to West Virginia Consumers in the form of settlements in five (5) of the consumer complaints.
- In seven (7) consumer complaint cases, the consumer opted to obtain private counsel for representation.
- One (1) consumer complaint case went to a hearing before a WVOIC Hearing Examiner. The Consumer did not prevail at the hearing.
- In two (2) consumer complaint cases, the Consumer failed or declined to request representation.
- Six (6) consumer complaint cases are still pending and/or are still awaiting hearing.

CERTIFICATE OF NEED REVIEWS

In 2020, the Office of the Consumer Advocate participated in the review of 96 Certificate of Need (CON) applications before the Health Care Authority. All health care providers must obtain a CON from the West Virginia Health Care Authority to develop, add, or acquire new health care facilities and equipment. The Office of the Consumer Advocate reviews all CON applications and may intervene for the interests of West Virginia residents in the Health Care Authority's CON review process.

CONSUMER SERVICES DIVISION

The Consumer Services Division is responsible for the review of facts surrounding complaints received against insurance companies, adjusters, and agents. It is the division's aim to evaluate the facts of each complaint received to ensure compliance with the West Virginia Insurance Laws and contract in question. The division ensures a fair resolution to each complaint and provides a better understanding among the parties of their rights and responsibilities.

The division also educates the public regarding insurance topics through presentations at schools and civic organizations. The division staff identifies problem areas and trends by collecting information gathered from complaints. It performs research and surveys about areas that need special attention.

ORGANIZATION AND ACTIVITIES

The division receives consumer inquiries by mail, webmail, email, telephone, online complaint form, and public walk-ins. A complaint file is set up for each written inquiry. A total of 1,541 written inquiries and 15,495 telephone inquiries were received by the division in 2020. Due to the COVID-19 pandemic the division registered 63 walk-in clients. On average, the division handled 63 consumer inquiries per day. In 2020, complaint files were concluded in an average of 33 days.

The Consumer Services Division handled 224 third-party liability complaints during 2020; 112 were not resolved during the cure period resulting in those files being referred to our Legal Division for a determination of merit.

The division was unable to participate in public outreach during 2020 due to the COVID-19 mandates and restrictions within the state. As the pandemic lingers, the division will attend the West Virginia State Fair in 2021 but continued limitations are being followed well into 2021 to ensure employee and public safety in outreach opportunities.

**CONSUMER SERVICES DIVISION
COMPLAINTS
CALENDAR YEAR 2020**

Files Opened	1,541
Life, Accident and Sickness	683
Property and Casualty	669
Workers' Compensation	189
Telephone Activity	15,495
Life, Accident and Sickness	3,973
Property and Casualty	2,779
Workers' Compensation	2,229
Clerical	6,514
Office Visits	63
Life, Accident and Sickness	21
Property and Casualty	12
Workers' Compensation	13
Clerical (Other Divisions)	17

**CONSUMER SERVICES COMPLAINTS
CALENDAR YEAR 2020**

PROPERTY AND CASUALTY COMPANIES WITH TEN OR MORE COMPLAINTS

COMPANY NAME	# COMPLAINTS
State Farm Mutual Automobile Insurance Company	107
Erie Insurance Property and Casualty Company	37
Allstate Property and Casualty Insurance Company	27
State Farm Fire and Casualty Company	25
Progressive Max Insurance Company	19
Progressive Classic Insurance Company	17
GEICO Advantage Insurance Company	12
Trumbull Insurance Company	12
Nationwide Insurance Company of America	11
Farmers and Mechanics Mutual Insurance Company of WV	10
10 Companies	277 Complaints

**WORKERS' COMPENSATION COMPANIES AND
THIRD PARTY ADMINISTRATORS WITH TEN OR MORE COMPLAINTS**

COMPANY NAME	# COMPLAINTS
Sedgwick Claims Management Services, Inc.	45
Gallagher Bassett Services, Inc.	17
BrickStreet Mutual Insurance Company	14
3 Companies	76 Complaints

**LIFE, ACCIDENT AND SICKNESS COMPANIES AND HEALTH MAINTENANCE
ORGANIZATIONS WITH TEN OR MORE COMPLAINTS**

COMPANY NAME	# COMPLAINTS
Highmark West Virginia, Inc.	72
PEIA	38
UnitedHealthcare Insurance Company	36
Aetna Life Insurance Company	27
Metropolitan Life Insurance Company	27
CareSource West Virginia Company	26
Transamerica Premier Life Insurance Company	23
American General Life Insurance Company	18
The Health Plan of West Virginia, Inc.	16
Genworth Life and Annuity Company	15
Washington National Insurance Company	13
Cigna Health and Life Insurance Company	12
12 Companies	323 Complaints

TOP FIVE INSURANCE COVERAGE TYPES FOR COMPLAINTS

COVERAGE TYPES	# COMPLAINTS
Private Passenger Auto	343
Group Accident and Health	249
Individual Life and Annuity	205
Individual Accident and Health	197
Workers' Compensation	152
5 Coverage Types	1,146 Complaints

TOP FIVE INSURANCE REASONS FOR COMPLAINTS

COMPLAINT REASONS	# COMPLAINTS
Accident and Health Claim Handling - Denial of Claim	175
Auto Claim Handling – Denial of Claim	93
Workers' Compensation Claim Handling - Delays	92
Auto Claim Handling – Unsatisfactory Offer	73
Accident and Health Claim Handling – Unsatisfactory Offer	57
5 Complaint Reasons	490 Complaints

EMPLOYER ACCOUNTS DIVISION (WORKERS' COMPENSATION)

The Workers' Compensation Employer Accounts Division is responsible for the workers' compensation regulation of West Virginia employers and includes the following units:

- Employer Coverage Unit - ensures employers are compliant with current workers' compensation laws as related to requirements for mandatory coverage.
- Revenue Recovery Unit – calculates and collects fines in addition to the costs associated with claims administered by the Uninsured Employer Fund, from uninsured employers who are out of compliance with mandatory workers' compensation coverage requirements.
- Self-Insurance Unit – regulates self-insured employers and ensures compliance with West Virginia Code as well as monitors employers who no longer self-insure but continue to administer claims incurred during their periods of self-insurance.

EMPLOYER COVERAGE UNIT

The Employer Coverage Unit is responsible for confirming whether West Virginia businesses with employees are in compliance with current workers' compensation coverage requirements as established by Chapter 23 of the W.Va. Code.

COMPLIANCE WITH MANDATORY WORKERS' COMPENSATION COVERAGE

Workers' Compensation compliance reviews begin by extracting canceled and expired policy data provided by the National Council on Compensation Insurance (NCCI) and researching various databases to determine if coverage is required. If an employer is found to be non-compliant, the unit establishes an account to assess a fine to the employer. 1,059 uninsured employer fine accounts were created in 2020.

VERIFICATION OF EXEMPTION FROM MANDATORY COVERAGE

Certain employers are not required to maintain workers' compensation coverage, although they may elect to do so: an employer of domestic services, some employers in the agricultural service, an employer deemed to be a casual employer, an employer who is a church, an employer engaged in professional sports activities, a volunteer rescue squad or volunteer police auxiliary, and an employer whose employees are provided workers' compensation benefits under the Long Shoremen and Harbor Workers' Compensation Act. Employers who fall within any of these categories may request that a verification of exemption from workers' compensation coverage letter be issued by the OIC. Employer Coverage reviews such requests and issues the letters where appropriate. 173 such requests were received during 2020 and 73 verifications of exemption from workers' compensation coverage letters were issued by Employer Coverage. Employers who are confirmed to be exempted from workers' compensation coverage are entered into the NCCI POC system for compliance verification purposes.

PROOF OF COVERAGE

Employer Coverage also has the responsibility of overseeing insurer compliance within the Proof of Coverage (POC) system. Insurers that fail to report information timely as required by the POC guidelines are reported to OIC Legal for further review.

Employer Coverage assists members of the public, as well as other State agencies, with the utilization of the Proof of Coverage system, which is available on the OIC's website. Employer Coverage staff provides guidance to third party users on how to search the POC database and verify whether specific employers are maintaining the statutorily mandated workers' compensation coverage or are exempt from the requirement to maintain workers' compensation coverage. Increased usage of the POC database improves the likelihood that employers who are not in compliance will be reported to the OIC and brought into compliance.

WEST VIRGINIA UNINSURED EMPLOYER FUND APPLICATIONS FOR BENEFITS

Employer Coverage receives West Virginia Uninsured Employer Fund Applications for Benefits (UEF Applications) when an employee is allegedly injured on the job and is unable to verify whether their employer maintained workers' compensation coverage. If an injured worker is uninsured, the State of West Virginia becomes the chargeable entity. Employer Coverage verifies the correct employer, if the UEF applicant is an employee of the employer, whether that employer is required to maintain workers' compensation coverage and if so, whether that employer has maintained coverage. Five UEF Applications for Benefits were received in 2020. Four UEF Applications were accepted and forwarded to the Fund's third-party administrator for adjudication and one UEF Application was not accepted because the employer did maintain workers' compensation coverage.

Employer Coverage works closely with Revenue Recovery and the OIC's Legal Division to resolve out of compliance situations as quickly as possible and thereby reduce risk to the State of West Virginia.

CY2020 Statistics	
Compliance Requests Completed	1,046
DOL Reports Investigated	113
Uninsured Employer Accounts Established	1,059

REVENUE RECOVERY UNIT

The Revenue Recovery Unit is responsible for the collection of all monies due to the State for (1) past due balances related to the Old Fund, (2) expenditures from the West Virginia Uninsured Employer Fund, and (3) fines imposed upon employers who have not maintained statutorily required workers' compensation coverage.

The Unit contacts employers that have defaulted on their workers' compensation premium payments, and may take actions such as:

- Placement of employer on the Employer Violator System (EVS), and the Defaulted Employer Database.
- Compliance Posting (notice to inform employees of the employer's default on workers' compensation coverage)
- File liens (for fines owed) against the business and its individual owners, officers, partners or members.
- Request revocation of state issued licenses.
- Seek to enjoin the employer's operations.

The Revenue Recovery Unit also works with the Insurance Commission's Regulatory Compliance (Legal) Division and with the Employer Coverage Unit to enforce employer compliance with West Virginia workers' compensation laws and regulations.

DEFAULT NOTIFICATIONS AND EMPLOYER CONTACT

The Unit sends letters of notification to all employers that are reported as not having mandatory workers' compensation insurance. In 2020, there were 1,059 such notices sent to employers. There were over 3,000 contacts, both by telephone and in-person, between Revenue Recovery and uninsured employers.

EMPLOYER VIOLATOR SYSTEM (EVS)

The Unit reviews all employers reported as out of compliance with the statutory requirement to carry workers' compensation insurance and places all confirmed uninsured employers and the individual owners, officers, partners or members of the business on the EVS listing. This electronic report allows other state agencies to search for and identify out of compliance businesses and the related officers, owners, partners or members when such businesses apply for other state licenses or permits. If the employer and its associated individual owners, officers, partners or members are on EVS, other agencies may not grant licenses or permits until the default is cured and the business is appropriately insured. In 2020, an average of 2,300 businesses along with the individual owners, officers, partners and members were listed on EVS every month.

LIENS, INJUNCTIONS, AND REGULATORY COMPLIANCE

Liens are filed when an employer has not cured the fine caused by defaulting on its workers' compensation obligations and the lien releases are filed when the debt owed is cured. The Unit prepared and mailed 632 liens to the West Virginia County Clerks in 2020. The liens were placed on the businesses as well as on the individual owners, officers, partners or the members of the business as listed on the West Virginia Secretary of State's website. During the same timeframe, 246 lien releases were prepared and mailed to the county clerk offices.

REVENUE RECOVERY COLLECTIONS

CY2020 Collections	
January	\$43,246.40
February	\$30,651.97
March	\$31,273.51
April	\$38,514.50
May	\$22,892.14
June	\$25,583.71
July	\$29,504.01
August	\$31,982.44
September	\$38,387.49
October	\$40,965.44
November	\$19,356.89
December	\$33,768.53
Total	\$386,127.03

SELF-INSURANCE UNIT

The Workers' Compensation Self-Insurance Unit is responsible for regulating 56 employers that currently self-insure their workers' compensation coverage in West Virginia and the approximately 100 employers that no longer self-insure but continue to administer claims incurred during their period of self-insurance. No companies were approved for self-insured status in calendar year 2020.

Self-insured employers in West Virginia self-administer their claims. Ordinarily, the employer hires a third-party administrator (TPA) to manage and process claims, although a small number of employers truly self-administer through an internal claim management department or a subsidiary company. Self-administration provides the self-insured employer with a greater degree of control over the claim management process than participation in guaranty cost or deductible programs.

Regulation of the self-insured employers focuses primarily on two areas: maintenance of the risk pools and annual financial condition reviews. W. Va. Code St. R. § 85-19-1 et seq. establishes two risk pools in which the self-insured employers participate: the Security Risk Pool that covers claims with dates of injury, last exposure or death prior to July 1, 2004 (the date self-administration began) and the Guaranty Risk Pool that covers claims with dates of injury, last exposure or death on or after July 1, 2004. Active and inactive self-insured employers participate in the pools dependent upon each employer's exposure base since self-insured employers are joint and severally liable for defaults of other self-insured employers. The purpose of the risk pools is to provide the means to pay claims for defaulted self-insured employers without placing the burden on the taxpayers of West Virginia.

FINANCIAL ACCOUNTING DIVISION

The Financial Accounting (FA) Division is responsible for the preparation of the annual audited financial statements for the OIC which includes preparation of the trial balance, footnotes, required supplementary information, and other disclosures as required by Generally Accepted Accounting Principles (GAAP.) The FA Division works closely with consulting actuaries to assist with the annual reserve study of the OIC's claims liabilities. Work performed includes the preparation and coordination of data and the preliminary review and analysis of actuarial indications. The FA Division coordinates the information for the independent auditors and provides all supporting documentation for the financial statement.

The FA Division performs all daily cash management and investing activities of the OIC, and serves as the liaison with the Treasurer's Office, the Auditor's Office, the WV Investment Management Board, and the Board of Treasury Investments. The FA Division monitors investment performance and performs monthly investment analysis for all invested assets held by the OIC.

Daily operations of the FA Division include accounts payable processing through the State's accounting system. The FA Division coordinates with the OIC's contracted Third Party Administrators and claims services to disburse the claims payments to beneficiaries of the insurance programs administered by the OIC, including the workers' compensation related funds. The FA Division is also responsible for handling and processing all agency cash receipts processing for all units of the OIC through the State's accounting system and for depositing all non-lockbox checks with the Treasurer's Office.

The FA Division prepares and submits the OIC annual budget and budget narrative, as well as the appropriation and expenditure schedules as required for all OIC funds. The FA Division prepares and monitors budgets for fourteen separate OIC funds. An analysis of budget to actual expenditures is also prepared and analyzed.

The FA Division prepares and distributes monthly financial reports to the Commissioner. The OIC funds reported on a monthly basis consist of the Old fund, the State Entities Workers' Compensation fund, the Coal Workers' Pneumoconiosis fund, the Self-Insured Guaranty fund, the Self-Insured Security fund, the Uninsured fund, the Operating fund, the AccessWV fund, the Consolidated Federal funds, and the Closed Estate fund. These reports are used for internal analysis and for use at the legislative interim meetings.

The FA Division is responsible for the management and administration of federal funds for the agency including preparation of required reports and the drawing down of funds on the federal payment management system.

The Tax Unit in the FA Division is responsible for ensuring that insurance companies and brokers operating in West Virginia report and pay the appropriate taxes levied by West Virginia statutes. This process involves the reconciliation of companies' quarterly reports and payments to their year-end tax returns. This function also includes the tracking and collection of taxes generated by the surplus lines market. Surplus lines refer to business placed with companies that are not admitted in West Virginia. This occurs when certain lines of business are not readily available with companies licensed in West Virginia. Coverage is written with these surplus lines insurers by a licensed insurance broker that has obtained an excess lines broker's license from the Licensing and Education division. The surplus lines licensee must provide reports to the Tax Unit on individual policies written and remit the appropriate tax payment as detailed by the West Virginia code.

The Tax Unit is responsible for the collection of the examination assessment which covers the cost of examining the activities, operations, financial conditions and affairs of all persons transacting the business of insurance in WV and all persons otherwise subject to the jurisdiction of the commissioner. The assessment must be paid by July 1st of each year. This examination is performed in accordance with the guidelines set by the National Association of Insurance Commissioners (NAIC).

FINANCIAL ACCOUNTING ACCOMPLISHMENTS FOR 2019 - 2020

- Received a fifteenth consecutive unmodified or “clean” opinion on the OIC’s financial statements.
- Performed year end work on an interim basis when possible to do so and greatly reduced the amount of time necessary for the completion of the annual financial statement preparation.
- Prepared and distributed monthly financial reports for all OIC funds on a timely basis.
- Prepared the annual budget and all related documents on a timely basis.
- Collected \$277,684 for underpayment of taxes and \$177,460.68 in penalties and interest in 2020 for calendar year 2019.
- Achieved all formal staff training goals and objectives.

HEALTH POLICY DIVISION

The Health Policy (HP) Division of the OIC was formed in 2009 to begin research for a Health Insurance Exchange. In September 2009, West Virginia was awarded the State Health Access Program (SHAP) grant by Health Resources and Services Administration (HRSA). The SHAP grant gave the State its initial ability to utilize resources for research and concept development for the State's health reform plans.

The HP Division also assists other OIC divisions in communications with the Federal government, interpretation of the ACA Federal statute and regulations, Qualified Health Plan (QHP) review and certification decisions throughout the process. The Division conducts annual training for agents and assisters on West Virginia QHP products to be offered each year.

FEDERALLY FACILITATED EXCHANGE PARTNERSHIP

The Patient Protection and Affordable Care Act (ACA) was signed to law on March 23, 2010. Its stated purpose was to increase quality and affordability of health insurance and lower the uninsured rate by expanding public and private insurance coverage. The law introduced mandates, subsidies and insurance marketplaces. Each state was required to establish a Federal, a Partnership or a State Based Exchange.

In February 2013, West Virginia announced that it would become a Partnership state, meaning that the State has chosen to take on the functionalities of Consumer Assistance (through education and outreach) and Plan Management (prior approval on rates and forms) related to the Marketplace.

As a Partnership State, West Virginia consumers experience "The Marketplace" through the federal online portal at <http://www.Healthcare.gov> to compare information on available health plan options, enroll in health plans, and receive advanced premium tax credits (APTC) and cost sharing reductions (CSR), if financially eligible.

CONSUMER ASSISTANCE

Licensed health insurance agents and brokers may enroll individuals in coverage through the Marketplace. Federal training and certification requirements apply to agents and brokers who enroll or assist consumers in the Marketplace. The OIC supplements the federal training with state specific training.

The Centers for Medicare and Medicaid Services (CMS) established the Certified Application Counselor (CAC) program for organizations that are community health centers or other health care providers, hospitals, non-federal governmental or non-profit social service agencies that would like to help by training their staff and volunteers to assist consumers. The CAC program is active throughout West Virginia.

Additional support provided directly to West Virginia from CMS includes Navigators. Through a review and application process at the federal level, various organizations competed for consideration as a State based Navigator. Each year since 2014, West Virginia has had one to three Navigator organizations that operate statewide to educate and enroll consumers in health insurance.

PLAN MANAGEMENT

West Virginia is a prior approval state. This means policy rates, rules and forms must be approved by the West Virginia Insurance Commissioner prior to marketing plans to West Virginia consumers. W. Va. Code §33-6-8, 33-15-1b and 33-16B-1, is the primary authority for West Virginia to review and recommend Qualified Health Plans (QHPs) for certification.

Once the plans are reviewed and approved at the OIC level, QHPs being offered “Off Marketplace” receive final approval from the State. The QHP plans to be offered “On Marketplace” are sent to CMS. CMS then reviews the plan and finalizes it as a “Certified QHP” to be a Marketplace plan listed on www.Healthcare.gov. Upon certification, contracts are sent from CMS to each issuer to sign to have their plans on the Marketplace.

The certified QHPs offered through the Marketplace at www.Healthcare.gov, enable individuals who qualify to receive APTCs and cost sharing reductions. QHPs purchased “Off” Marketplace are available for individuals to purchase, but do not allow for APTCs or cost sharing.

WEST VIRGINIA MARKETPLACE ENROLLMENT FOR 2014 - 2020

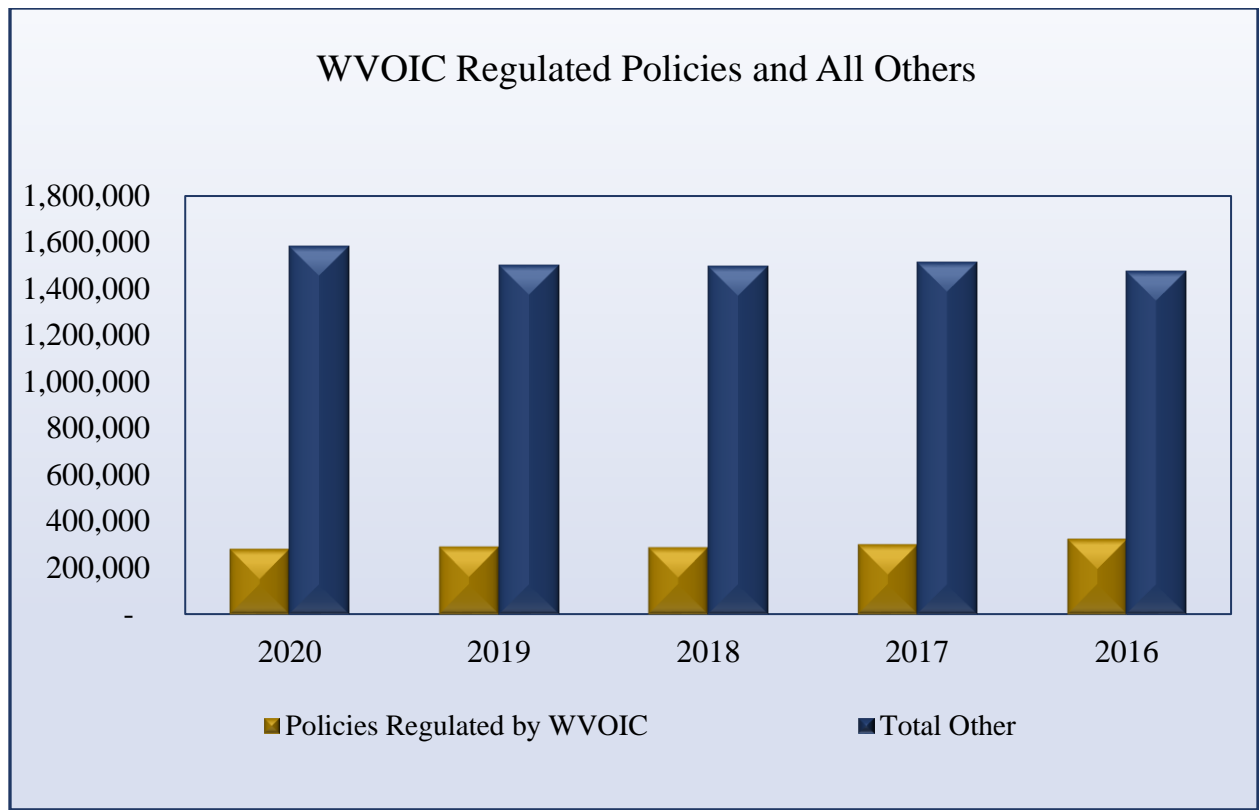
	2014	2015	2016	2017	2018	2019	2020
Received Advanced Premium Tax Credits (APTC)	87%	87%	88%	84%	86%	88%	87%
Received Cost Sharing Reduction (CSR) Payments*	56%	54%	52%	59%	55%	48%	46%
Did not receive premium assistance	13%	13%	12%	16%	14%	12%	13%
Total Enrollment	19,856	33,421	37,284	34,045	27,409	22,599	20,066

* All that received CSRs also received APTCs

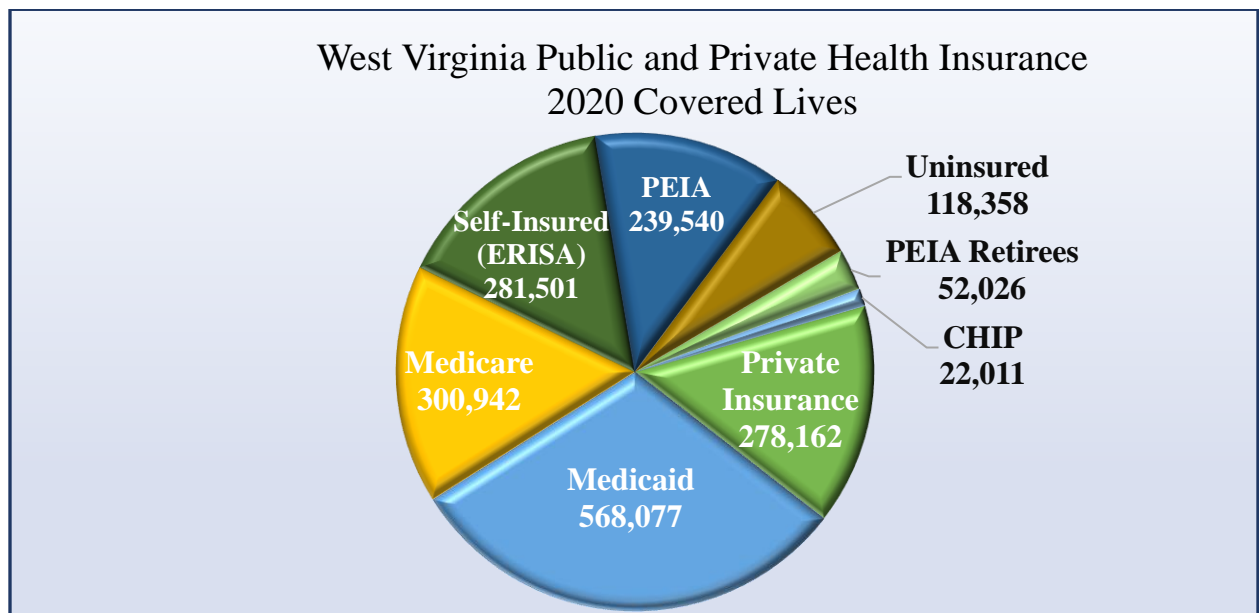
INSURANCE COMPANIES OFFERING COVERAGE ON THE MARKETPLACE

Company	2020	2019	2018	2017	2016	2015	2014
Highmark WV	Statewide	Statewide	Statewide	Statewide	Statewide	Statewide	Statewide
CareSource WV*	44 Counties	32 Counties	32 Counties	32 Counties	10 Counties	N/A	N/A

* CareSource WV began offering statewide coverage effective January 1, 2021.



2020 PUBLIC AND PRIVATE HEALTH INSURANCE COVERED LIVES



LEGAL DIVISION

The OIC's Legal Division performs many functions including providing legal counsel to the Insurance Commissioner and all associated divisions thereof, as well as carrying out many day-to-day legal responsibilities entrusted to the Insurance Commissioner by the West Virginia Legislature. Responsibilities of the Legal Division include:

LEGAL SUPPORT FOR ASSOCIATED DIVISIONS - The Legal Division provides general legal support for all other divisions of the OIC, including all insurance and workers' compensation related regulatory functions. This involves attending meetings with the directors and staff of other divisions, consulting on legal issues relating to activities of other divisions, and assisting with legal interpretations of statutes, case law, etc., as appropriate.

LEGISLATION AND RULES - The Legal Division drafts proposed legislation and legislative rules that are submitted for Legislative approval. Some bills and rules are based on models promulgated by the National Association of Insurance Commissioners ("NAIC") and others are custom drafted. Further, the Legal Division drafts legislative exempt workers' compensation rules that are submitted to the Workers' Compensation Industrial Council for review and approval. During the legislative sessions, Legal Division attorneys attend committee meetings to respond to questions relating to the proposed bills and rules. The Legal Division attorneys also attend Workers' Compensation Industrial Council meetings to answer questions during the public hearing process for workers' compensation rules. During the rule-making process, Legal Division attorneys receive and respond to public comments.

INSURANCE BULLETINS - When the Insurance Commissioner needs to provide information to the public and to regulated entities, an Insurance Bulletin, formerly called an Informational Letter, is drafted by the Legal Division. Insurance Bulletins are issued for many reasons, including the provision of guidance for compliance with laws or rules, or the introduction of clarity to an area that may be subject to differing legal interpretations. Other means of dissemination of policy and legal guidance from the Insurance Commissioner may also be drafted in the Legal Division.

ADMINISTRATIVE HEARINGS - The Legal Division also investigates complaints relating to alleged violations of unfair claims settlement practices provisions of the Unfair Trade Practices Act or other alleged violations of the West Virginia Code, and determines whether merit exists to proceed with hearing on the complaint. The process is described respectively in W.Va. Code of State R. §114-13-1, et seq. and §114-76-1, et seq.

INVESTIGATIONS - The Legal Division investigates complaints dealing with all aspects of insurance compliance contained in Chapters 33 and 23 of the West Virginia Code. The Legal Division receives referrals from various sources including the public, the insurance industry, and other divisions within the Insurance Commission, relating to possible misconduct by insurance industry representatives, insurance producers, and unauthorized insurers. These allegations are investigated to determine if West Virginia insurance laws or rules have been violated, and if so, the investigation will result in administrative action against the target of the investigation.

ADMINISTRATIVE ACTIONS - When necessary, the Legal Division files an administrative complaint against insurance companies seeking penalties and/or suspension or revocation of the Certificate of Authority, as appropriate. Administrative complaints may also be filed before the Insurance Commissioner to penalize an unauthorized insurer, or injunctive relief may be sought in Circuit Court to end the illegal operations of these entities. Administrative action may also be taken against insurance producers (agents), business entities (agencies), professional employer organizations (PEOs), third-party administrators, pharmacy benefit managers and many other entities regulated by Chapter 33 of the West Virginia Code when violations of statutes or rules have been committed.

LICENSURE ACTIONS - The Legal Division assists in license suspensions, revocations and/or fines regarding insurance producers (agents) and other licensees including, but not limited to, insurers that are found to be financially insolvent or found to be in such hazardous financial condition as to render their continued transaction of insurance business hazardous to their policyholders or the people of West Virginia.

APPEALS AND LITIGATION - When an order entered by the Insurance Commissioner is appealed, a Legal Division attorney may appear in Circuit Court to defend the Insurance Commissioner's action. The Legal Division also files actions in the Circuit Court of Kanawha County against employers who fail to maintain workers' compensation insurance in order to enjoin the employer from operating until it complies with the law.

FRAUD PROSECUTION - The Legal Division can directly represent the OIC in prosecution of fraudulent insurance activity or provide support to state and federal prosecutors on similar criminal issues.

WORKERS' COMPENSATION - The Legal Division supports the "Old Fund" as created by workers' compensation privatization legislation in 2005. Assistance may include working with claimants and their counsel, defense counsel, third-party administrators in all tribunals and courts including West Virginia circuit courts, the Office of Judges, the Board of Review and the West Virginia Supreme Court of Appeals.

In 2020, 128 referrals were made to the Legal Regulatory Compliance Unit for employer postings or employer compliance checks in regard to employers that failed to maintain mandatory workers' compensation coverage or were suspected of having lapsed workers' compensation coverage. Of those, 32 employers were formally posted. The remainder of referrals were resolved through compliance checks with the employers and/or other resolution of their accounts.

CONSUMER, INDUSTRY AND OTHER STAKEHOLDER INQUIRIES - While the Legal Division cannot provide legal advice to outside parties, it does endeavor to assist consumers and stakeholders, point inquiries in the appropriate direction where possible, provide analysis for the insurance and workers' compensation market as a whole, and opine on issues of broad importance.

FREEDOM OF INFORMATION ACT (FOIA) REQUESTS - All FOIA requests are directed to, and processed by, the Legal Division. Legal Division staff gathers all public records that are responsive to the request and provides them to the requester, pursuant to and in compliance with the Act.

LEGISLATION

The Insurance Bulletin available through the hyperlink below summarizes significant insurance and workers' compensation legislation enacted during the 2020 Regular Session of the West Virginia Legislature. It does not necessarily include all legislation that may affect the insurance industry or insurance consumers and is only intended to highlight the major points in the more important regulatory bills. The explanations contained herein should in no way be construed as being indicative of the Insurance Commissioner's views on, or interpretation of, the legislation.

The 2020 Legislative summary noted herein are available for review using the following hyperlink:
[2020 Legislation](#)

INSURANCE BULLETINS

Sixteen (16) Insurance Bulletins were issued by the Insurance Commissioner in 2020:

- 20 - 16 *Initial Compensability Determinations on Ambiguous Claims*
- 20 - 15 *COVID-19 Testing at Nursing Homes*
- 20 - 14 *At-Home COVID-19 Testing Kits*
- 20 - 13 *Summary of 2020 Legislation*
- 20 - 12 *Insurance Scoring*
- 20 - 11 *Insurance Premium Taxes and Surcharges*
- 20 - 10 *Loss of Health Insurance by Furloughed Workers*
- 20 - 09 *Application Fee for Pharmacy Benefit Managers*
- 20 - 08 *Coronavirus (COVID-19) - Business Interruption Insurance*
- 20 - 07 *Coronavirus (COVID-19) - Regulatory Guidance*
- 20 - 06a *Coronavirus (COVID-19) – Rescinding Temporary Producer Licensing*
- 20 - 05 *Coronavirus (COVID-19) – Drug Prescriptions*
- 20 - 04a *Continuity of Operations, Preparedness, Risk Management Plans and Coronavirus (COVID-19)*
- 20 - 03 *Coverage for Telehealth Services and Coronavirus (COVID-19)*
- 20 - 02 *Rebating; Value-Added Products and Services*
- 20 - 01 *Coronavirus (COVID-19)*

The Insurance Bulletins noted herein are available for review using the following hyperlink:
[Insurance Bulletins](#)

FREEDOM OF INFORMATION REQUESTS AND RESPONSES

One hundred twenty-six (126) requests for information were received and responded to by the Legal Division in accordance with the Freedom of Information Act in 2020.

EMERGENCY ORDERS

There were ten (10) Emergency Orders issued by the Insurance Commissioner in 2020.

20-EO-09	<i>Modifying and Rescinding Certain COVID-19 Related Emergency Orders</i>
20-EO-08	<i>COVID-19 Testing of Licensed Child Care Providers</i>
20-EO-07	<i>COVID-19 Testing of Residents/Staff Nursing Homes, Asstd. Living</i>
20-EO-06a	<i>COVID-19 State of Emergency, Door-To-Door/In-Home Ins. Trans.</i> (modified by 20-EO-09)
20-EO-06	<i>COVID-19 State of Emergency, Door-To-Door/In-Home Ins. Trans.</i> (replaced by 20-EO-06a)
20-EO-05	<i>State of Emergency Prescription Medication Delivery</i>
20-EO-04	<i>COVID-19 State of Emergency, Emergency Insurance Adjusters</i> (rescinded by 20-EO-09)
20-EO-03	<i>COVID-19 State of Emergency, Workers' Compensation Ins.</i> (modified and rescinded, in part, by 20-EO-09)
20-EO-02	<i>Proclamation of State of Emergency</i> (modified and rescinded, in part, by 20-EO-09)
20-EO-01	<i>COVID-19 Insurance Emergency</i> (rescinded by 20-EO-09)

The Emergency Orders noted herein are available for review using the following hyperlink:
[Emergency Orders](#)

REFERRALS OPENED

A total of 665 matters were opened by the Legal Regulatory Compliance Unit in 2020 upon referrals from various divisions within the OIC, the public, and outside state or federal agencies.

TYPE OF REFERRAL	NUMBER OF REFERRALS
Company	11
Financial Conditions	42
First-Party	37
General Inquiries	0
Market Conduct	14
Other Litigation	2
Producer Licensing - Administrative Action	47
Producer Licensing - Clearance	46
Third-Party	115
WC Claims	0
WCC Compliance - Failure to Timely Act	23
WCC Compliance - Injunctions	18
WCC Compliance - Pending Account/Compliance Check	309
WCC Compliance - Postings	1
TOTAL	665

ADMINISTRATIVE PROCEEDING CASES OPENED

A total of 202 administrative proceeding cases were opened by the Legal Regulatory Compliance Unit in 2020. An administrative proceeding is a case in which the Legal Division is asking the Insurance Commissioner to take an action against a regulated entity.

TYPE OF REFERRAL	# CASES OPENED
Administrative Proceeding – Producer Licensing	12
Administrative Proceeding – Company	2
Administrative Proceeding – Company – Rates & Forms	1
Administrative Proceeding – First-Party	10
Administrative Proceeding – Financial Conditions	35
Administrative Proceeding – Failure to Timely Act	23
Administrative Proceeding – General Referral	0
Administrative Proceeding – Market Conduct	4
Administrative Proceeding – Market Conduct – Self-Insured	2
Administrative Proceeding – Third-Party	113
TOTAL	202

ADMINISTRATIVE PROCEEDING CASES CLOSED

A total of 210 administrative proceeding cases were closed by the Legal Regulatory Compliance Unit in 2020.

TYPE OF REFERRAL	# CASES CLOSED
Administrative Proceeding – Producer Licensing	16
Administrative Proceeding – Company	4
Administrative Proceeding – Company – Rates & Forms	1
Administrative Proceeding – First-Party	6
Administrative Proceeding – Financial Conditions	29
Administrative Proceeding – Failure to Timely Act	15
Administrative Proceeding – General Referral	0
Administrative Proceeding – Market Conduct	5
Administrative Proceeding – Market Conduct – Self-Insured	2
Administrative Proceeding – Third-Party	132
TOTAL	210

HEARINGS

A total of 19 hearings were held in 2020 and 104 were scheduled by the Legal Regulatory Compliance Unit.

TYPE OF HEARINGS	# HEARINGS SCHEDULED	# HEARINGS HELD
1033 Committee Hearing	2	0
Appeal - Third Party	0	0
Company	0	0
Company - PEO	0	0
Company - Tax	0	0
Financial Conditions	0	0
First Party	10	5
General Inquiries	0	0
Producer Licensing	9	5
Restitution Hearing	0	0
Third Party	12	1
Third Party - Initial	55	0
WC Contempt	0	0
WC Injunction	16	8
WCC Compliance Rule 11	0	0
TOTAL	104	19

POSTINGS AND COMPLIANCE CHECKS

In 2020, 128 referrals were made to the Legal Regulatory Compliance Unit for employer postings or employer compliance checks in regard to employers that failed to maintain mandatory workers' compensation coverage or were suspected of having lapsed workers' compensation coverage. Of those, 32 employers were formally posted. The remainder of referrals were resolved through compliance checks with the employers and/or other resolution of their accounts.

WORKERS' COMPENSATION SUBROGATION

With respect to workers who suffered compensable injuries prior to July 1, 2005, resulting from the negligence of third parties, W. Va. Code §23-2A-1 creates subrogation liens in favor of the Insurance Commissioner against any amounts recovered by these workers from such third parties. In 2020, the OIC opened four (4) and closed two (2) subrogation cases and collected \$63,100 from settlements or awards.

PERMANENT TOTAL DISABILITY REVIEW BOARD

The Permanent Total Disability Review Board (Board) met three times in 2020. The Board reviews claims of injured workers to determine whether the worker has met the threshold for permanent and total disability. Once the Board determines a claimant has met the appropriate statutory thresholds for a permanent total disability (“PTD”) award, the Board will evaluate the case to determine whether the injured worker has rehabilitation potential to return to the workforce or if the worker should receive a PTD award. The Board is staffed with three medical physicians, and two vocational rehabilitation experts.

Given the COVID 19 pandemic, applications to the Board severely decreased in 2020. As such, for calendar year 2020, the Board recommended granting one PTD award and denying two PTD requests. Two PTD requests were settled by the parties. At the end of 2020, one recommendation granting benefits and one recommendation denying benefits were awaiting review and approval by the Board.

ORDERS AND COLLABORATIVE ACTIONS

A total of 75 orders were prepared by the Legal Regulatory Compliance Unit in 2020.

TYPE OF CASE	FINAL ORDERS	COLLABORATIVE ACTION	FINE AMOUNT	RESTITUTION AMOUNT
Company	3	-	\$120,000.00	-
Company – Rates & Forms	1	-	\$0.00	\$50,000.00
Company – Financial Conditions	32	-	\$54,000.00	-
First Party	2	-	\$0.00	-
Market Conduct -Multi State Collaborative Action	-	-	-	-
Market Conduct - Statutory	5	-	\$6,750.00	-
Market Conduct - Third Party	-	-	-	-
Market Conduct - Self Insured	3	-	\$5,700.00	-
Producer Licensing	5	-	\$6,000.00	-
Third Party	7	-	\$0.00	-
WCC Compliance - Contempt	-	-	-	-
WCC - Failure to Timely Act	17	-	\$0.00	-
WCC Compliance - Injunctions	-	-	-	-
TOTAL	75	0	\$192,450.00	\$50,000.00

LICENSING AND EDUCATION DIVISION

The Licensing and Education Division is responsible for processing and maintaining records on individual producers licensed to transact business in West Virginia. Licensees include residents who must complete educational and testing requirements to obtain a license. Residents of other states who have completed similar requirements in their states of domicile may apply for a West Virginia non-resident license by submitting the appropriate application and documentation for review. In addition to licensing of individual producers, the division oversees the licensing of Adjusters, Surplus Lines Licensees, Business Entities, Viatical Settlement Brokers, Viatical Settlement Business Entities and Travel Insurance Business Entities.

Producers must be appointed to represent each insurance company for which they are transacting business in West Virginia. Insurance companies are responsible for submitting appointment information and fees to our Licensing and Education Division for processing.

Resident producers must periodically complete continuing education to maintain their licenses. The continuing education program is governed by a six-member board appointed by the Insurance Commissioner. The representatives (all of whom are West Virginia resident insurance producers) of this Board represent various areas of the insurance industry as prescribed by law.

Administrative functions for the continuing education program are handled by Prometric. Prometric reviews provider and course applications under guidelines established by the Board of Insurance Agent Education. Additionally, Prometric banks the continuing education credits to the producers' records and, at compliance time, provides the Insurance Commissioner with data on compliant and noncompliant producers.

The Licensing and Education Division continues to see an increase in adjusters applying for and obtaining various adjuster license types. The Licensing and Education Division continues to follow FBI and West Virginia State Police background requirements.

In 2020, [House Bill 4502](#) was passed and signed into law. This bill overhauled the licensing and monitoring of adjusters in West Virginia. This created a new insurance exam, expanded the license types, and added seven (7) new lines of authority, created fingerprint requirements, and created fingerprint requirements with the West Virginia State Police and FBI.

The Licensing and Education Division updated the emergency adjuster application process that is required for House Bill 4502. The division continues to move toward more electronic application and less paper. In 2020, over 97% of applications were processed electronically.

The following tables and graphs are current statistics for the various activities of the Licensing and Education Division.

LICENSING ACTIVITY

NEW LICENSES ISSUED	2020
Resident Producer	906
Non-Resident Producer	24,613
Resident Adjuster	19
Non-Resident Adjuster	6,525
Surplus Lines	169
Viatical Settlement Broker	2
Business Entities (Includes all Types)	913
TOTAL NEW LICENSE ISSUED	33,147

LICENSING TRANSACTIONS	2020
Licenses Denied	222
License Suspended including for CE	717
Licenses Revoked	4
TOTAL	943

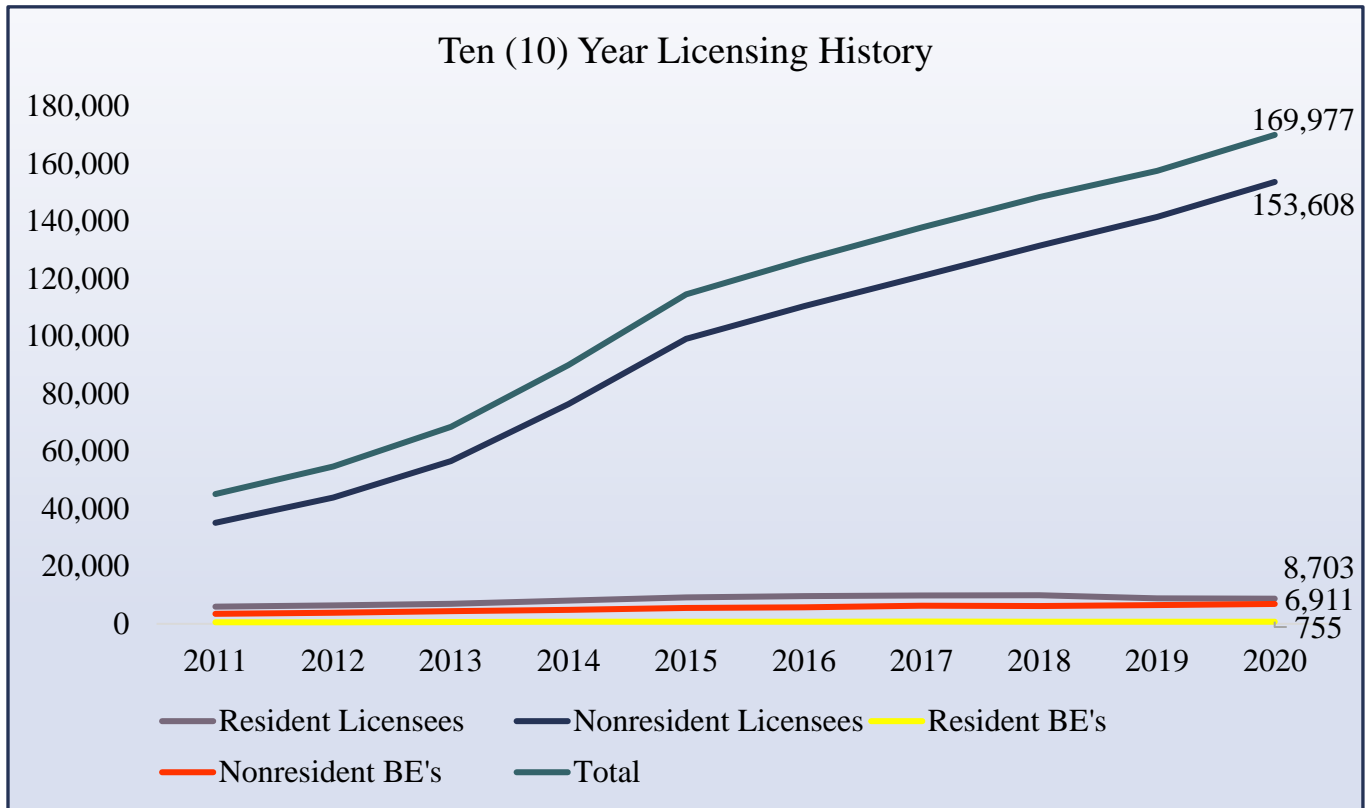
LICENSING CONTACT	2020
Telephone Activity	4,935
Office Visits	4
TOTAL	4,939

COMPANY APPOINTMENTS	2020
Companies with appointments	948
Number of company appointments	349,113

LICENSING EXAMINATION SUMMARY

TYPE OF EXAM	2020 Tested	2020 Passed	Percent Passed
Life	1,067	593	55.6%
Accident and Sickness	676	465	68.8%
Property and Casualty	511	229	44.8%
Property	10	4	40.0%
Casualty	9	4	44.4%
Company Adjuster	116	58	50.0%
Surplus Lines	1	1	100.0%
Public Adjuster	2	0	0.0%
Personal Lines	16	7	43.8%
TOTAL	2,408	1,361	56.5%

TEN YEAR LICENSING HISTORY



OFFICE OF JUDGES DIVISION (WORKERS' COMPENSATION)

The primary responsibility of the Office of Judges is to process initial appeals, commonly referred to as “protests,” from workers’ compensation claim management decisions made by insurers or their agents. Jurisdiction of the Office of Judges commenced on July 1, 1991. Early in the history of the office, the sole responsibility was to perform judicial review of actions of the Administrative Agency, the Workers’ Compensation Division. Since privatization of the workers’ compensation market in 2005, the Office of Judges reviews claim management decisions from private insurance carriers, self-insured employers, as well as claim management decisions from third-party administrators, which administer the legacy claims of the former Workers’ Compensation Commission. Our goal is to resolve these protests in a fair, efficient and timely manner.

In addition to the Chief Administrative Law Judge, one Deputy Chief Administrative Law Judge and nine Administrative Law Judges, the Office of Judges currently maintains a staff of 22 support personnel. The operation is housed in two locations including Charleston and Beckley. Evidentiary hearings are normally conducted in seven venues across the State, including Charleston, Beckley, Fairmont, Parkersburg, Wheeling, Elkins, and Charles Town; however, due to the COVID-19 pandemic, all hearings were held telephonically or by Zoom.

The issues in litigation traditionally arise under Chapter 23 of the West Virginia Code, as well as Workers’ Compensation Rules found in Title 85 of the Code of State Rules. The Office of Judges is governed by procedural rules found in W.Va. C.S.R. § 93-1, Litigation of Protests, and W.Va. C.S.R. § 93-2, Time Standard Rules. Pursuant to rule, the Office of Judges establishes a deadline for the filing of evidence by the parties. After all parties have been allowed an opportunity to submit evidence and argument to the Office of Judges, a written decision is issued by an Administrative Law Judge. Decisions from the Office of Judges may be appealed to the Workers’ Compensation Board of Review.

In addition to traditional workers’ compensation appeals, the Office of Judges also conducts hearings or reviews of other legal matters, including the following:

Failure to Timely Act or Rule on a Claim Request: The Offices of the Insurance Commissioner (OIC) has jurisdiction to hear complaints that an insurer has failed to perform an act required by Statute or rule within the time limits set by law. The OIC assigns the hearing of these matters to the Office of Judges.

Award of Attorney Fees for Unreasonable Denial of Benefits by the Insurance Carrier: W.Va. Code § 23-2C-21(c) provides that the Office of Judges may order a self-insured employer, or any private insurance carrier, to pay reasonable attorney fees and expenses to claimants when the Office of Judges determines that the original denial of a claim or treatment request was unreasonable.

Award of Claimant’s Attorney Fees and Expenses: W.Va. Code § 23-5-16(c) provides that an attorney’s fee for successful recovery of denied medical benefits may be charged or received by an attorney and paid by the private carrier or self-insured employer for a claimant or dependent.

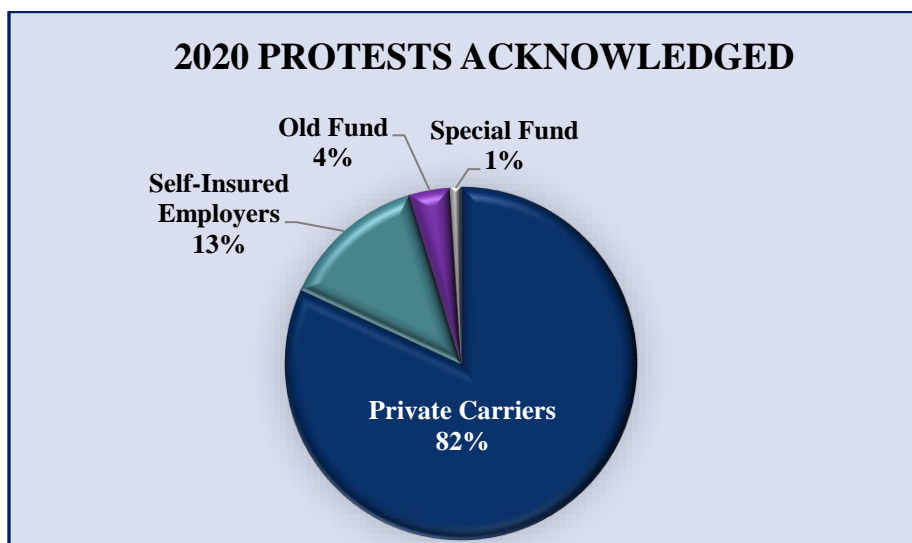
Unconscionable Settlement Review: In accordance with the provisions of W.Va. Code § 23-5-7, the Insurance Commissioner may review any workers’ compensation settlement entered into between an unrepresented claimant and their responsible insurance carrier and may declare any such settlement void if the Insurance Commissioner determines the settlement to be unconscionable pursuant to criteria set forth in W.Va. C.S.R. § 85-12. The Office of Judges has been designated as the entity to review requests for settlement review by the OIC.

Workers' Compensation Default List: An employer that fails to provide statutorily required workers' compensation insurance may be liable to the OIC for all medical and indemnity payments, administrative expenses, attorney fees and interest. The employer will remain on the default list until all payments are current and can be fined up to \$10,000.00. The Office of Judges has been designated as the entity to review final decisions by the OIC regarding placement of an employer on the Workers' Compensation Default List. Review by the Office of Judges must be conducted in accordance with the West Virginia Administrative Procedures Act.

WV Health Care Authority: Pursuant to Executive Order No. 3-99, the Office of Judges is designated as the entity to review final decisions of the West Virginia Health Care Authority with regard to their final written decisions on matters relative to certificates of need for new institutional health services and to rate setting of hospitals pursuant to W.Va. Code § 16-2D-1, *et. seq.* and § 16-29B-1, *et. seq.* The review is conducted in accordance with the West Virginia Administrative Procedures Act.

PROTESTS ACKNOWLEDGED

In calendar year 2020, the Office of Judges acknowledged 2,115 protests. The breakdown of protests is as follows: 1,732 protests from private carrier market, 283 protests from the self-insured market, 80 protests arising from the Old Fund, and 20 protests arising from Special Fund claims.

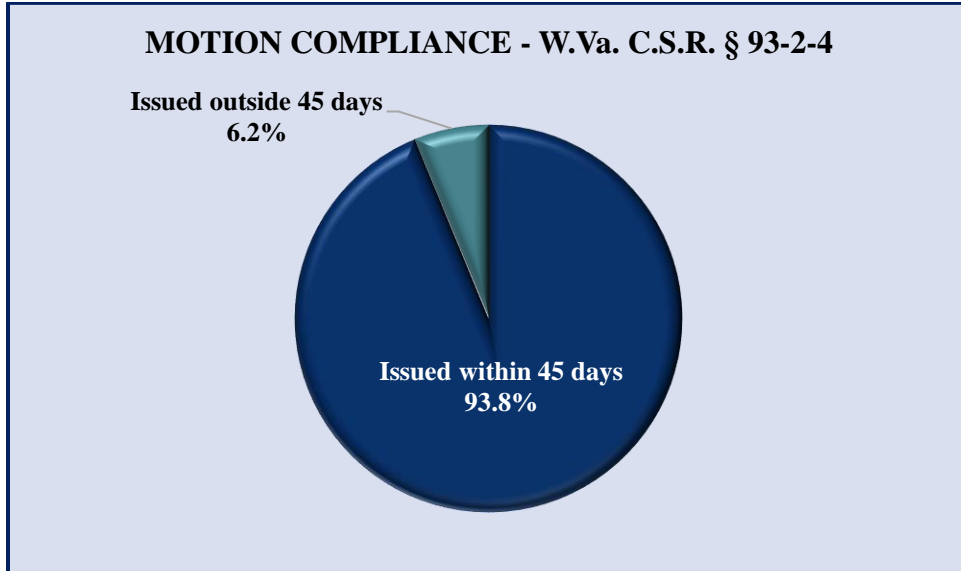


TIME STANDARD COMPLIANCE

Pursuant to regulation, the Office of Judges is required to process protests in a timely manner in order that the parties to litigation may receive decisions without unreasonable delay. Additionally, on an annual basis, the Office of Judges is required to report on "the degree of compliance" with the time limitations set forth in the Rule. The following statistical analysis reflects the performance of the Office of Judges for calendar year 2020.

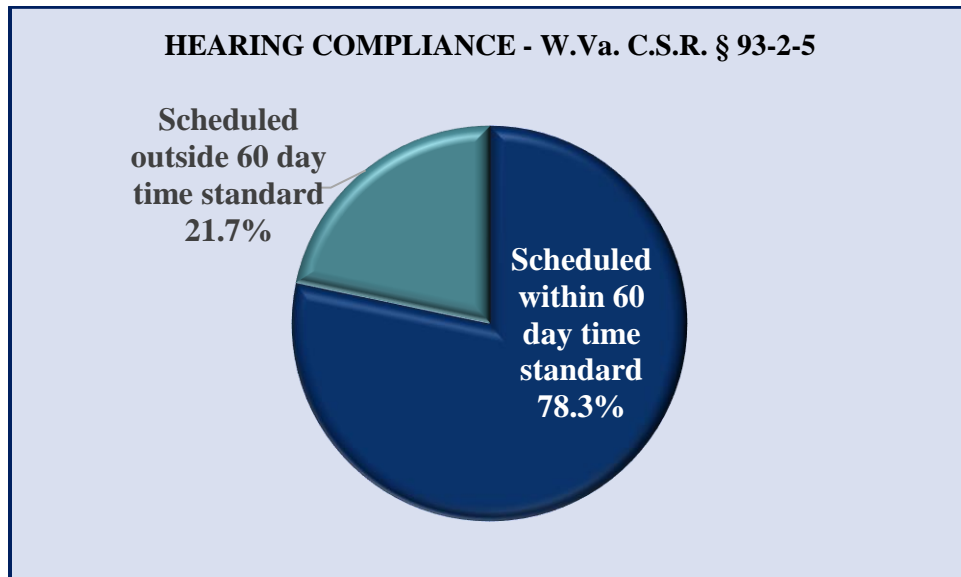
A. W.VA. C.S.R. § 93-2-4 MOTIONS

The Rule requires the Office of Judges to act upon a motion “within 45 days of the date of submission” of the motion or on the date of the final decision, whichever is earlier. Of the 5,786 written motions ruled upon in the 2020 calendar year, 93.8% were issued in compliance with the time standard.



B. W.VA. C.S.R. § 93-2-5 HEARINGS

The Rule requires the Office of Judges to schedule a hearing “within 60 days from the receipt of the request for hearing.” Of the 368¹ hearings scheduled from motions in calendar year 2020, 78.3% were scheduled in compliance with the time standard².

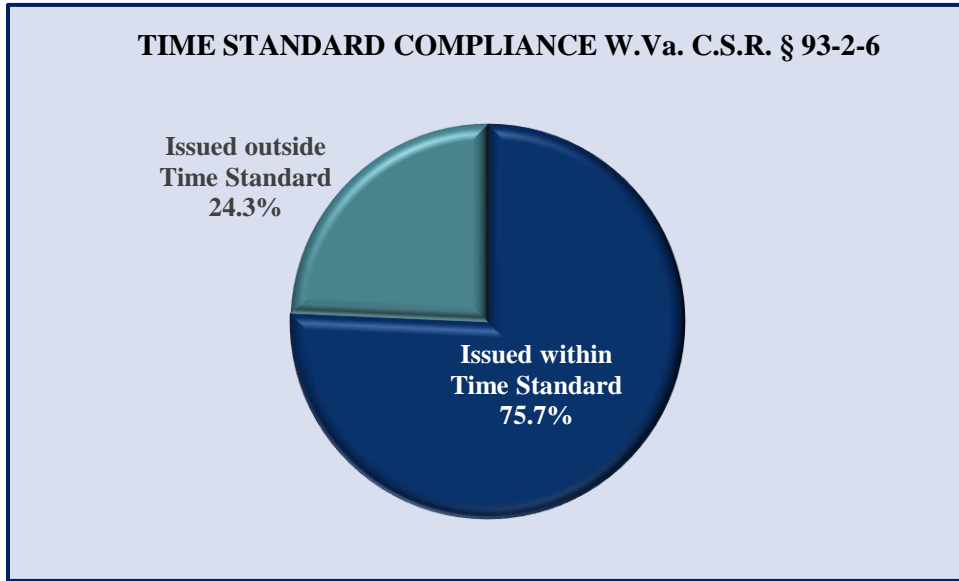


¹ The Office of Judges scheduled a total of 627 hearings in calendar year 2020, including 259 hearings that did not require a motion.

² Due to the COVID-19 pandemic and public restrictions, there were no OP Board hearings between March 18, 2020 and September 15, 2020.

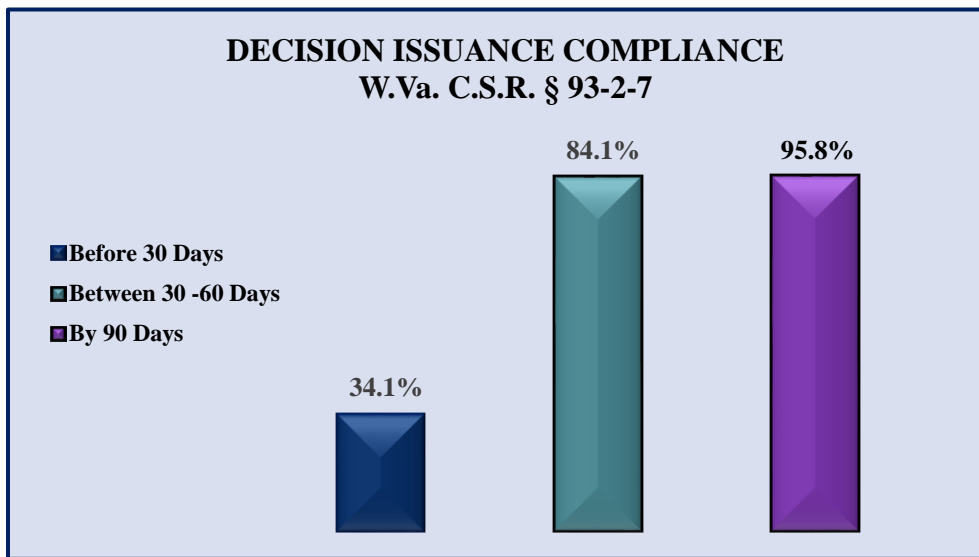
C. W.VA. C.S.R. § 93-2-6 TIME STANDARDS

The Rule requires the Office of Judges to issue a final decision within various time limits depending upon the issue involved (measuring time from the date of receipt of the protest to issuance of the decision). Pursuant to W.Va. C.S.R. § 93-2-3.1, the percentage of final decisions that must be at or under the applicable time standards as provided in W.Va. C.S.R. § 93-2-6 is 80%. In 2020, the Office of Judges issued 75.7% of its decisions within the time standard.³



D. W.VA. C.S.R. § 93-2-7 ISSUANCE OF DECISIONS

The Rule requires the Office of Judges to issue 60% of its decisions within 30 days of the Order to Submit; 80% of its decisions within 60 days of the Order to Submit; and 100% of its decisions within 90 days of the Order to Submit. Of the 1,319 decisions issued in calendar year 2020, 34.1% were issued in less than 30 days, 89.4% were issued within 60 days and 95.8% were issued within 90 days of the Order to Submit.



³ Due to the COVID-19 pandemic, the Office of Judges did not hold public meetings or hearings between March 18, 2020 through June 15, 2020.

Employees were able to provide most services during the COVID-19 state office shutdown. Expedited and evidentiary hearings were conducted telephonically. Occupational Pneumoconiosis (OP) Board hearings resumed on September 16, 2020; of those claims in which time standard compliance was not met, 75% were OP claims.

The Appellate Reorganization Act of 2021, ([Senate Bill 275](#)) was enacted and created an Intermediate Court of Appeals for West Virginia. The legislation eliminates the Workers' Compensation Office of Judges and established the West Virginia Workers' Compensation Board of Review as the initial reviewing body for objections to decisions made by insurers regarding workers' compensation claims. The transition of duties will become effective July 1, 2022.

The Office of Judges will officially terminate on or before October 1, 2022. On or before September 30, 2022, the Office of Judges must issue a final decision or otherwise dispose of each pending or unresolved matter.

RATES AND FORMS DIVISION

The Rates and Forms Division analyzes all rate, rule, form and advertising filings proposed by licensed insurance companies for use in the West Virginia insurance markets. Analysts review all such filings for automobile, homeowners, motorcycle, mobile homes, umbrella, business owners, inland marine, medical malpractice, credit, workers' compensation products, group and individual accident and sickness, life, disability, Medicare supplements, long term care, and annuities products. Filings are submitted through the System for Electronic Rate and Form Filings (SERFF) and divided among the OIC's analysts. West Virginia is a "prior approval" state, which means policy rates, rules and forms must be approved by the West Virginia Insurance Commissioner prior to marketing plans to West Virginia consumers for most product lines.

In addition, analysts review binders as submitted by major medical and dental companies as part of the certification process for Qualified Health Plans (QHPs) within the statutes of the Patient Protection and Affordable Care Act (ACA). Binders are also submitted through SERFF and consist of a series of templates that are used to transfer the plan data to the federal marketplace (www.Healthcare.gov). W. Va. Code §33-6-8, 33-15-1b and 33-16B-1, is the primary authority for West Virginia to review and recommend Qualified Health Plans (QHPs) for certification.

The OIC has established a certification "checklist" or set of standards against which QHP applications are evaluated. Reviews of QHP applications are performed by the Rates and Forms Division, in coordination and cooperation with other divisions within the OIC, such as Consumer Services, Financial Conditions, Health Policy, and Market Conduct, as necessary. SERFF is the primary technical system used to manage all steps in these business processes, including communications between the OIC and issuers during the evaluation and revisions to the plans.

Once the plans are reviewed and approved by the OIC, QHPs offered "Off Marketplace" receive final approval from the State. QHPs to be offered "On Marketplace" are sent to CMS/HHS via transmission from the SERFF binder through the Health Insurance Oversight System (HIOS). CMS/HHS then reviews the plan and finalizes it as a "Certified QHP" to be a Marketplace plan listed on www.Healthcare.gov. The final step of certification is a contract between CMS and the issuer, which must be signed, countersigned and distributed to states prior to the plans being included on the marketplace.

Analysts participate on various committees with the NAIC to work on national solutions to issues that span more than West Virginia. For example, the Life and Health Team continues to work on the NAIC's Long-Term Care Executive Task Force, along with the Insurance Commissioner. This Task Force is working on the tough issues surrounding long-term care using a multifaceted approach, and its efforts will affect and, hopefully, benefit West Virginia Long-Term Care Insurance consumers as they continue to be plagued by extraordinary rate increases.

Filings for noncommercial lines must be filed with the Division no less than 60 days in advance of the desired effective date per Code §33-6-8(b)(1) and §33-16B-1, and unless more information is requested from the insurance company, will be deemed approved at the end of the 60-day timeframe. Commercial lines and casualty risks, as well as any mass-marketed life and health product offered to members of an association must be filed with the Division as noted in Code §33-6-8(b)(2). However, there is no OIC prior approval needed before an insurer can implement the filing. The Commissioner may take action on such forms within 30 days. Code 33-6-9(e) requires the Insurance Commissioner to disapprove a form "if the coverages provided therein are not sufficiently broad to be in the public interest."

Property and Casualty		Life and Health	
Total Received	2,894	Total Received	3,402
Acknowledged	109	Acknowledged	493
Approved	2,762	Approved	2,101
Disapproved	21	Disapproved	4
Withdrawn	112	Withdrawn	86
Total Resolved	3,004	Total Resolved	2,684

Although the majority of filings are ultimately approved, many filings regularly require additional information, data and time to complete a comprehensive review. Several parties are involved in the rate review process. Consulting actuaries and opinions from our Legal Department are often relied upon before a final determination is made.

There are 305 insurers eligible to write workers' compensation insurance in West Virginia. Of the 305 carriers, 243 are writing at least one policy. That represents 79.7% of eligible insurers that are actively writing policies in West Virginia. As of December 31, 2020, the West Virginia residual market had 1,699 policies with a premium volume of \$8,078,359. The residual market share is 3.7% of the overall market.

There have been sixteen (16) consecutive annual workers' compensation loss cost decreases filed since the privatization in 2006. These decreases represent an overall premium savings to West Virginia employers of approximately \$417 million or 78.2%.

APPROVED RATE CHANGES

<u>Approved Rate Change History of Top 5 Insurers in the Market</u>					
<i>Private Passenger Auto</i>					
Market Share as of 2020	Company	Effective Date	% Requested	% Granted	WV File #:
23.90%	<i>State Farm Mutual Auto Ins Co</i>	11/16/2020	0.00%	0.00%	100053836
		1/4/2020	0.00%	0.00%	100051393
		5/27/2019	(5.80%)	(5.80%)	100049641
		1/1/2019	0.10%	0.10%	100048678
		10/15/2018	(2.40%)	(2.40%)	100047985
		8/20/2018	(2.90%)	(2.90%)	100047453
		5/7/2018	(2.90%)	(2.90%)	100046984
		1/1/2018	0.00%	0.00%	100045528
		12/11/2017	(0.30%)	(0.30%)	100045037
		1/1/2017	0.00%	0.00%	100040811
4/25/2016	(0.70%)	(0.70%)	100036061		
15.80%	<i>Erie Ins Property & Casualty</i>	9/1/2020	(4.90%)	(4.90%)	100053836
		1/1/2020	1.10%	1.10%	100051112
		1/1/2018	1.00%	1.00%	100045111
		1/1/2017	(0.10%)	(0.10%)	100043697
		1/1/2017	0.00%	0.00%	100040047
		1/1/2016	0.00%	0.00%	100034414
5.00%	<i>GEICO Advantage Insurance Company</i>	12/29/2017	4.2%	4.2%	100046350
		6/15/2017	3.9%	3.9%	100043003
		8/18/2016	1.6%	1.6%	100039242
		7/23/2015	1.4%	1.4%	100032504
4.90%	<i>Nationwide Mutual Insurance Company</i>	11/7/2018	1.10%	1.10%	100046860
		9/23/2017	0.00%	0.00%	100042248
		3/23/2017	0.00%	0.00%	100041070
		9/23/2016	2.90%	2.90%	100038244
		9/23/2015	0.00%	0.00%	100032839

Approved Rate Change History of Top 5 Insurers in the Market

Private Passenger Auto (Continued)

Market Share as of 2020	Company	Effective Date	% Requested	% Granted	WV File #:
4.90%	<i>Nationwide Ins Co of America</i>	12/13/2020	0.00%	0.00%	100053654
		4/28/2019	(1.70%)	(1.70%)	100049390
		11/7/2018	1.10%	1.10%	100046860
		9/23/2017	0.00%	0.00%	100042248
		3/23/2017	0.00%	0.00%	100041070
		9/23/2016	3.00%	3.00%	100038244
		9/23/2015	(1.40%)	(1.40%)	100032839
		3/23/2015	0.00%	0.00%	100029646
		8/27/2014	(2.80%)	(2.80%)	100025959

Approved Rate Change History of Top Insurers in the Market

Comprehensive Major Medical - Individual

2020 Market Share	Company	Eff Date	SERFF #
81.01%	<i>Highmark West Virginia, Inc.</i>	1/1/2020	MSBC-131604600
18.50%	<i>CareSource</i>	1/1/2020	CASO-131962860

Approved Rate Change History of Top Insurers in the Market

Comprehensive Major Medical – Small Group

2020 Market Share	Company	Eff Date	SERFF #
82.89%	<i>Highmark West Virginia, Inc.</i>	1/1/2020	MSBC-131966810
12.44%	<i>United Healthcare</i>	1/1/2020	UHLC-131909986
3.46%	<i>The Health Plan of West Virginia</i>	1/1/2020	THPI-131988050
0.89%	<i>THP</i>	1/1/2020	THPI-132441830

Approved Rating Factor Change History of Top Insurers in the Market

Comprehensive Major Medical - Fully Insured* Large Group

2020 Market Share	Company	Eff Date	SERFF #
82.89%	<i>Highmark West Virginia, Inc.</i>	1/1/2020	MSBC-132036152
10.78%	<i>The Health Plan of West Virginia</i>	1/1/2020	THPI-132131949
3.01%	<i>Aetna Life Insurance Co</i>	1/1/2020	AETN-131821647
1.62%	<i>UnitedHealthcare</i>	1/1/2020	UHLC-132166584

*A fully insured health plan is a health insurance plan where an employer pays a specific premium amount to an insurance company for health coverage for a set number of employees. Fully insured health plans are an alternative to self-funded plans, where an employer assumes all risk.

SPECIAL INVESTIGATIONS DIVISION - OFFICE OF INSPECTOR GENERAL

The Special Investigations Division was created under legislation passed by the WV Legislature during its 2004 regular session. The Special Investigations Division is responsible for facilitating a cooperative approach in the detection, investigation, and prosecution of insurance fraud, as well as making the public aware of insurance fraud and providing a way to report instances of suspected insurance fraud. Further, the Special Investigations Division is tasked with investigating persons suspected of engaging in insurance fraud and referring cases with merit to the appropriate authorities for criminal prosecution.

The Special Investigations Division currently consists of sixteen (16) allocated investigative positions, four (4) field supervisors (who also conduct investigations), two (2) WV State Police Officers and twelve (12) allocated analyst and support positions, and one (1) Director of Operations. Field Investigators currently occupy field offices in the following cities:

- Beckley
- Charleston
- Fairmont
- Martinsburg
- Wheeling

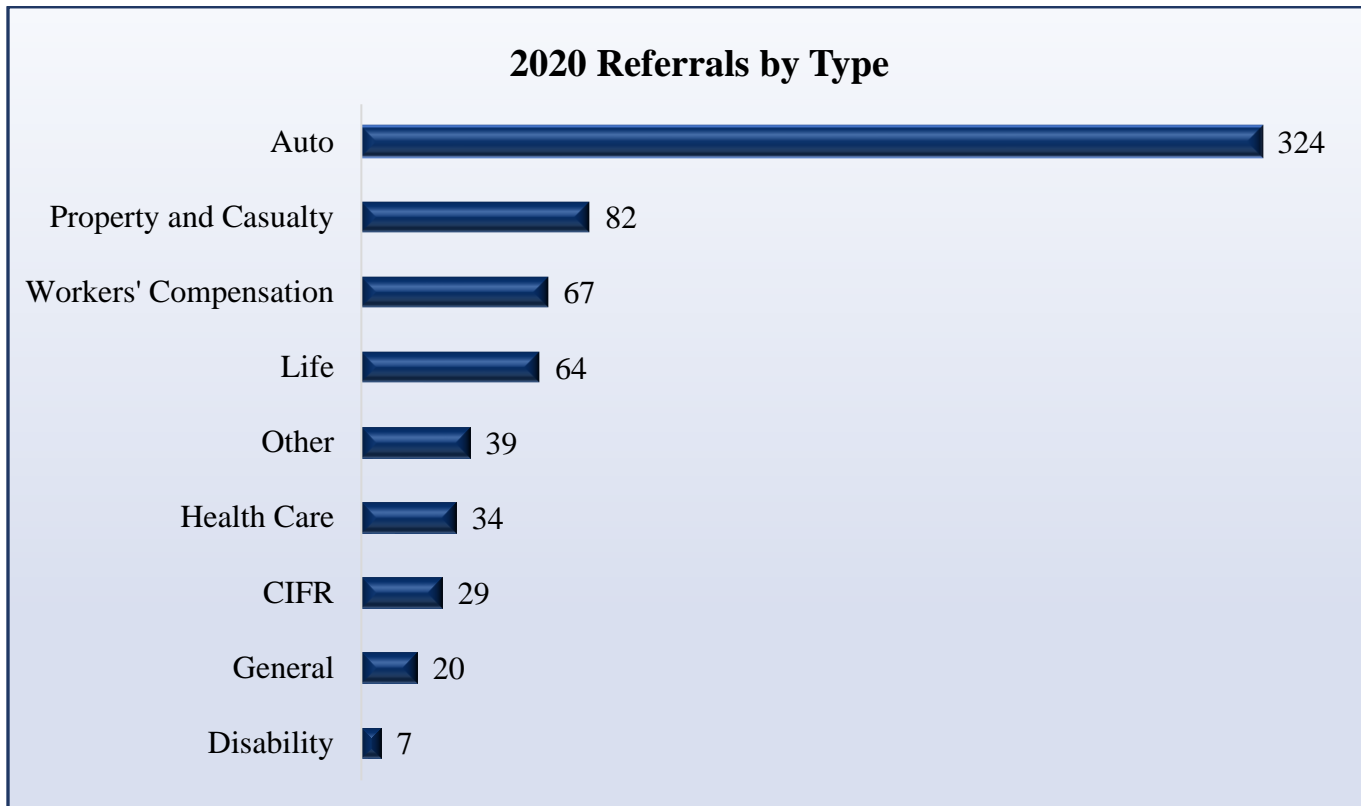
The geographic locations of these field offices allow Special Agents to respond quickly to reports of alleged insurance fraud. It also allows investigators to foster relationships with local law enforcement and prosecutors that the SID relies on and works with to bring about successful prosecutions.

There are three ways in which the public and the insurance industry can report suspected insurance fraud to the Special Investigations Division:

- by calling toll free at 1-800-779-6853
- online reporting at www.wvinsurance.gov
- and by correspondence at P.O. Box 2901; Charleston, WV; 25301-2901

The Special Investigations Division has been proactive in its approach to educate the public on what constitutes insurance fraud as well as the costs associated with insurance fraud. A brochure explaining the types of fraud, what the penalties are and what happens when someone reports suspected fraud was developed and is given out at fairs and festivals across the state as well as distributed to each WV State Police Detachment. Additionally, representatives from the Unit appear at various functions, events, and meetings statewide taking the message to the general public that insurance fraud is not a victimless crime, but one that victimizes everyone in the form of higher costs for goods and services.

The West Virginia Insurance Commission Special Investigations Division received 666 referrals or reports of suspected insurance fraud in 2020 from the insurance industry, the public and law enforcement. The following chart breaks down the referrals received:



In addition to the 666 referrals, investigators identified and opened an additional 246 criminal cases during their investigation of the initial referrals. Successful investigations resulting in prosecutions were conducted in numerous counties throughout the state. Prosecutions involved such activity as workers' compensation fraud; conventional insurance claimant fraud; staged motor vehicle crashes; fraudulent "slip, trip, and fall" claims against businesses; insurance fraud by means of arson; and embezzlement of policy holder premium funds by insurance industry personnel. Such successful prosecutions were the result of working in cooperation with local and state law enforcement agencies and locally elected prosecutors as well as the two (2) U.S. Attorney Offices.

As a result of thorough investigations and well-prepared reports, along with efficient case management of referrals, many successful prosecutions were realized. The Special Investigations Division completed 281 field investigations with reports submitted to State and Federal Prosecutors with identified fraudulent dollars totaling over \$14.7 million, resulting in 24 felony indictments.

The Special Investigations Division Investigators maintained an average of two-hundred six (206) open field investigations throughout 2020. The Special Investigations Division opened twenty-nine (29) cooperative investigations with, and at the request of Federal and State agencies on various insurance fraud cases including arson, public corruption, falsified claims, staged accidents (crash rings), workers' compensation and health care fraud. Cooperative Investigations often expand parameters of criminal investigations to include parallel insurance frauds.

2020 DIVISION ACCOMPLISHMENTS AND HIGHLIGHTS

I-SIGHT UPDATE

During the 2020 calendar year, the Special Investigations Division (SID) began the process of upgrading the sixteen (16) year old web-based case management system (I-Sight) that had served the agency well. However, new technology and service platforms were now available to upgrade the system in ways not previously possible. This “remodel” process began in December 2019 and was completed in March 2021. This upgrade will enable the SID to increase efficiency in managing incoming referrals received from multiple sources. It will also make I-Sight more efficient and easier to use for staff and allows system integration with outside agencies to receive referrals electronically directly into the new system.

DOCUMENT MANAGEMENT SYSTEM

A new document management system (DMS) was designed and brought online on a designated and secure server in 2020. This system enables the SID to have a central location for all documents/files associated with a referral. The system can be accessed remotely by Special Agents in the field. This improvement has significantly reduced Investigators need to travel as much to Charleston to retrieve files or the need to produce copies of extremely large files, which has subsequently brought about a substantial financial savings to the agency. Also, electronic file copies have and will greatly reduce the amount of physical storage space needed for investigations once closed.

ELECTRONIC EVIDENCE SYSTEM

The SID is currently developing an electronic evidence system that will serve to track evidence received in an investigation. This evidence tracking system has the capability to produce chain of custody and evidence inventory reports necessary and required for successful prosecutions. The evidence system will also make labels for investigators to better mark evidence. The system is currently in the testing phase.

EQUIPMENT ACQUISITIONS

In 2020, the Special Investigations Division accomplished several safety improvements for our Special Agents that include:

- The acquisition, transitional training, and deployment of S&W MP 9mm firearms to Fraud Investigators (Special Agents).
- The installation of an interoperability communication system (radios) in Special Agents vehicles which has significantly improved radio coverage throughout the state, as well as the ability to communicate with other law enforcement agencies.

WEST VIRGINIA CODE AMENDMENTS

During the 2020 Regular Session of the West Virginia Legislature, House Bill 4361 was passed and signed into law by Governor Jim Justice, which amended sections of W.Va. Code Chapter 33 Article 41. This amended code provided clarifications/definitions for acts of Insurance Fraud, the creation of the Insurance Commission Forfeiture Revenue Fund, and Insurer Antifraud Initiatives. In addition, this House Bill and its subsequent passage extended limited arrest powers for the Fraud Investigators which includes:

- Powers of arrest upon probable cause, without a warrant for a person found in the act of violating or attempting to violate an insurance law of West Virginia or related criminal law.
- The ability to execute search warrants and arrest warrants for criminal violations of the insurance laws of West Virginia or related crimes.

Provided: That those persons designated (Special Agents/Fraud Investigators) by the Commissioner to do so meet the requirements of and are certified law -enforcement officers under §30-29-5 of the WV Code and their certification is active.

STATE AGENCY WORKERS' COMPENSATION (SAWC) PROGRAM

As the State Agency Workers' Compensation Program (SAWC) entered its tenth policy year in 2020, the program has had some volatility but, in general, continues to experience a positive trend with decreased frequency and severity of claims and losses. The program currently includes more than 100 agencies, boards and commissions with over 900 locations across our state. It is estimated that approximately 25,000 public employees are covered under this consolidated policy. As the plan administrator, the West Virginia Offices of the Insurance Commissioner (WVOIC) continually monitors and evaluates loss trends and exposures to determine if they are being properly addressed as well as make safety recommendations to mitigate workplace injuries. This report outlines specific portions of the program's administration including safety visits and recommendations, policy experience rating factors, claims trending and summaries, and future focus areas for specific agencies. Zurich Insurance Company was the SAWC policy coverage provider from October 2011 through June 2017. Effective July 1, 2017, the SAWC policy transitioned to the Encova Insurance Group (formerly BrickStreet Mutual Insurance Company).

The SAWC program was greatly impacted by the COVID-19 pandemic during 2020 and 2021. In March 2020, many state employees were sent home to work remotely to reduce the spread of COVID at state offices. There were also many state employees (state hospitals, prisons, DOH) where working remotely was not an option, they continued to work on site using masks and social distancing to reduce virus spread at their workplaces. The large number of employees who were able to work remotely had a positive impact on the program, since it reduced the risk of workplace injuries. It also helped to reduce some agency premiums since many positions were changed to telecommuting, which is charged a lower rate than their normal position. Since many employees were working remotely, and staffed offices had no visitation policies, safety and risk management training and site visits were not completed for most of 2020 and much of 2021. Zoom, email and conference call assessments and claims discussions continued throughout the pandemic

Agency invoices for SAWC premiums were sent out to the agencies and were paid in a timely manner. There were no interruptions or loss of services to agencies or injured workers from the OIC or Encova, other than physical safety visits. While a COVID-19 claims frequency and severity summary is provided later in this report, it must be noted that the Department of Corrections suffered two (2) fatalities directly attributed to COVID-19. The State mourns the loss of the correctional guards and have ensured the families have received all benefits entitled to them.

SAFETY AND RETURN TO WORK INITIATIVES

Many of the SAWC Program members have welcomed the safety initiatives and have worked diligently in implementing suggestions for improvement from the safety professionals. These initiatives include:

- Establishing safety committees
- Establishing transitional work assignments that provide employees the opportunity to return to work on a limited basis (Return to Work Program)
- Incident and accident investigation training
- Defensive drivers' training
- Developing Emergency Action Plans
- Workplace violence training
- Enhanced patient observation by using cameras to reduce workplace violence
- Industrial hygiene studies were completed to address noise and air quality
- Industrial hygiene survey was completed related to airborne contaminants
- BRIM and OIC site visits to agencies to discuss strategies for reducing Motor Vehicle Accidents
- COVID-19 prevention training

SAFETY VISIT SUMMARY

Safety visits and evaluations continue to play an important role in all aspects of the SAWC Program. During the first SAWC policy year (October 2011), all plan members were visited by a safety professional. After the initial visitations to all agencies and follow-up reports were evaluated, it was determined that future safety resources should be focused on agencies with a higher frequency and severity of losses. The table below outlines the number of visits performed by policy year by Zurich (2011 -2016) and Encova (2017 - 2020) safety teams as well as the OIC Program Manager.

Policy Year	Number of Visits
2011	109
2012	102
2013	81
2014	90
2015	93
2016	90
2017	200
2018	173
2019	161
2020	84
Total	1,183

Many state agencies have already implemented safety programs or are in the process of implementing safety committees, policies, and procedures. Some notable safety initiatives that have been developed and implemented include:

- **Department of Health and Human Resources** – Workplace Violence Prevention Training, Return to Work Program, and installation of video cameras in some locations. The agency is conducting weekly employee injury meetings in an effort to prevent injuries.
- **Department of Veterans Assistance** – Workplace Violence Prevention Training and Return to Work Program.
- **Department of Military Affairs** – The Division of Corrections, Division of Juvenile Services and the Regional Jail and Correctional Facility Authority have combined resources in the past to focus on workplace and employee safety programs by forming a multi-Agency Shared Services Committee on Safety, Workplace Violence Prevention Training, and Return to Work Programs. Effective July 2018, HB 4338 merged these agencies into a single entity called the Department of Corrections and Rehabilitation (DCR). DCR will share a centralized safety and health program and return-to-work program. DCR has hired a return-to-work coordinator.
- **Division of Highways** – Slip, Trip and Fall Training, Confined Space Training, Silica Training, and additional OSHA training. DOT is also conducting additional training for safety in construction zones.

The WVOIC has worked extensively with SAWC Program members to develop Return to Work programs. The Return-to-Work programs have been finalized and implemented by several SAWC Program members. SAWC Program members have implemented functional Return to Work programs and continue to look for ways to improve the process for returning injured workers to the workplace. This is a critical area of success for the program and all agencies are encouraged to focus on implementing and maintaining an effective return to work program. The SAWC Program Manager is continuously monitoring the success of the program and is providing support to agencies that face challenges related to return-to-work program implementation.

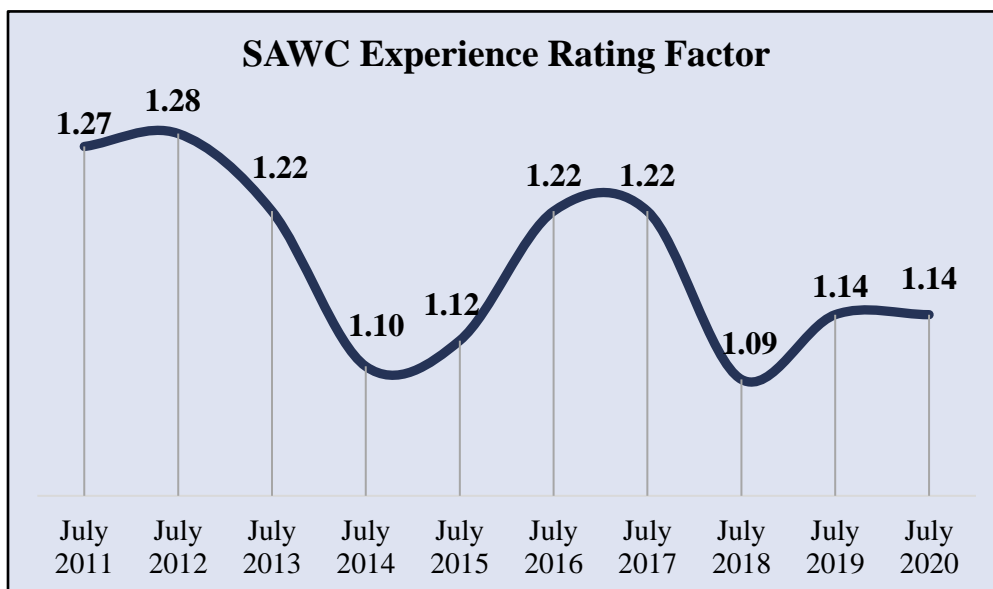
SAWC EXPERIENCE RATING FACTOR (EMOD)

An experience rating factor (emod) is an industry standard calculation that compares a policy’s expected losses to actual losses for a three (3) year period. An emod can increase or decrease premium based on a policy’s loss experience. If an insured has actual losses that are greater than the expected losses, a debit emod is applied to the policy. If an insured has fewer actual losses than expected losses, a credit emod is applied. The chart below illustrates how an experience rating factor impacts final premium.

Premium Component	Agency A	Agency B
Payroll	\$1,000,000	\$1,000,000
Rate	\$3.50	\$3.50
Manual Premium	\$35,000	\$35,000
Experience Rating Factor	1.10	0.90
Modified Premium	\$38,500	\$31,500
Schedule Rating Credit	25%	25%
Standard Premium	\$28,875	\$23,625

Through the hard work of agencies and WVOIC employees, the SAWC Program emod has decreased from 1.27 on the July 2011 policy to 1.14 for the July 2020 policy. The emod increase from the July 2014 policy includes the claim and loss effects from the 2012 derecho and 2012 Superstorm Sandy as well as several fatal claims and severe motor vehicle accidents. The experience is cyclical but the variability from 2018 to current has less dispersion and is more consistent or flat in trend analysis. The OIC is monitoring the emod increases of the latest policies and is working with Encova to ensure the safety of all state employees is the number one priority.

The chart below shows the experience rating factor progression throughout the SAWC Program by policy year:



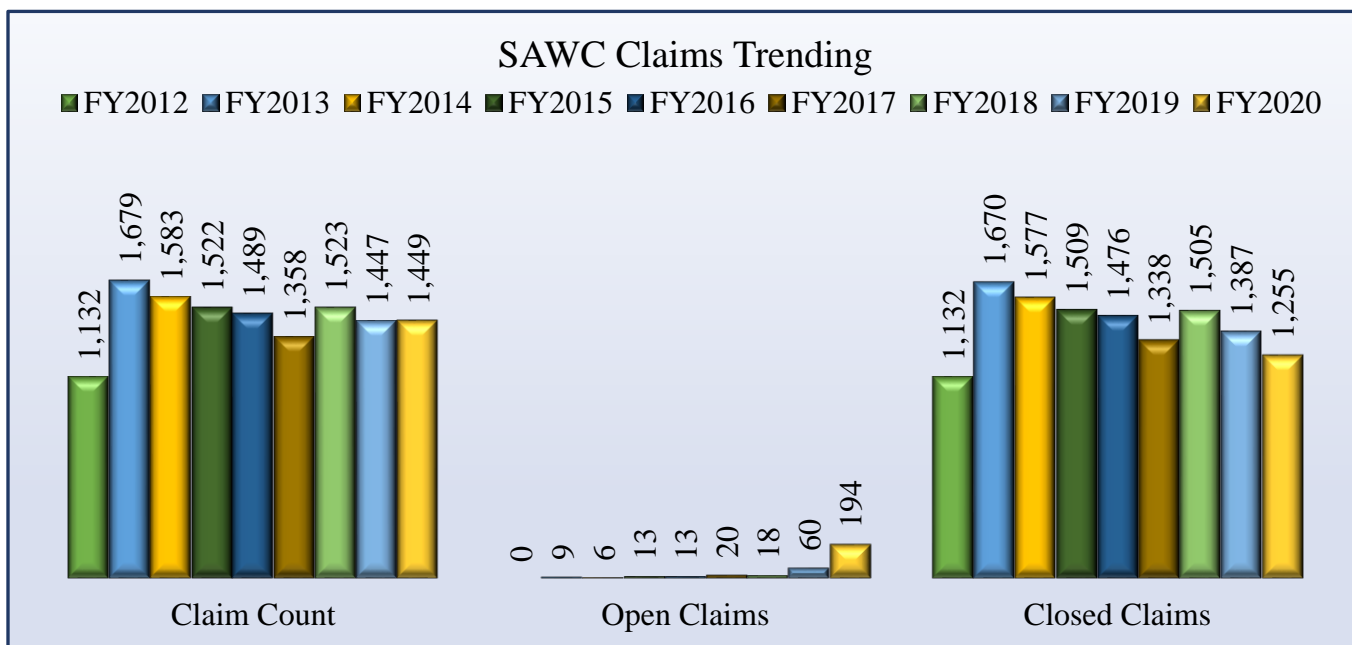
The aggregate policy emod is shown above and individual agency emods are calculated to allocate the premium by the risk and loss experience that each agency provides to the program. For the July 2020 policy, the individual agency emods summary is as follows:

Emod Range	Agency Count
Less than 1.00	25
Equal to 1.00	54
Greater than 1.00	21

For the July 2020 policy, the agencies with the lowest emods are the Department of Environmental Protection (0.50) and the Department of Education (0.58). The agencies with the highest emods are Mildred Mitchell Bateman Hospital (3.34) and Regional Jail Authority (2.11).

SAWC CLAIMS SUMMARY

As of July 31, 2020, there have been 8,763 SAWC claims submitted to Zurich with dates of injury between October 2011 and June 2017. There have been 4,419 SAWC claims submitted to Encova with dates of injury between July 2017 and June 2020 for a total SAWC claim count of 13,182. The charts below represent claims trending analysis by fiscal year:

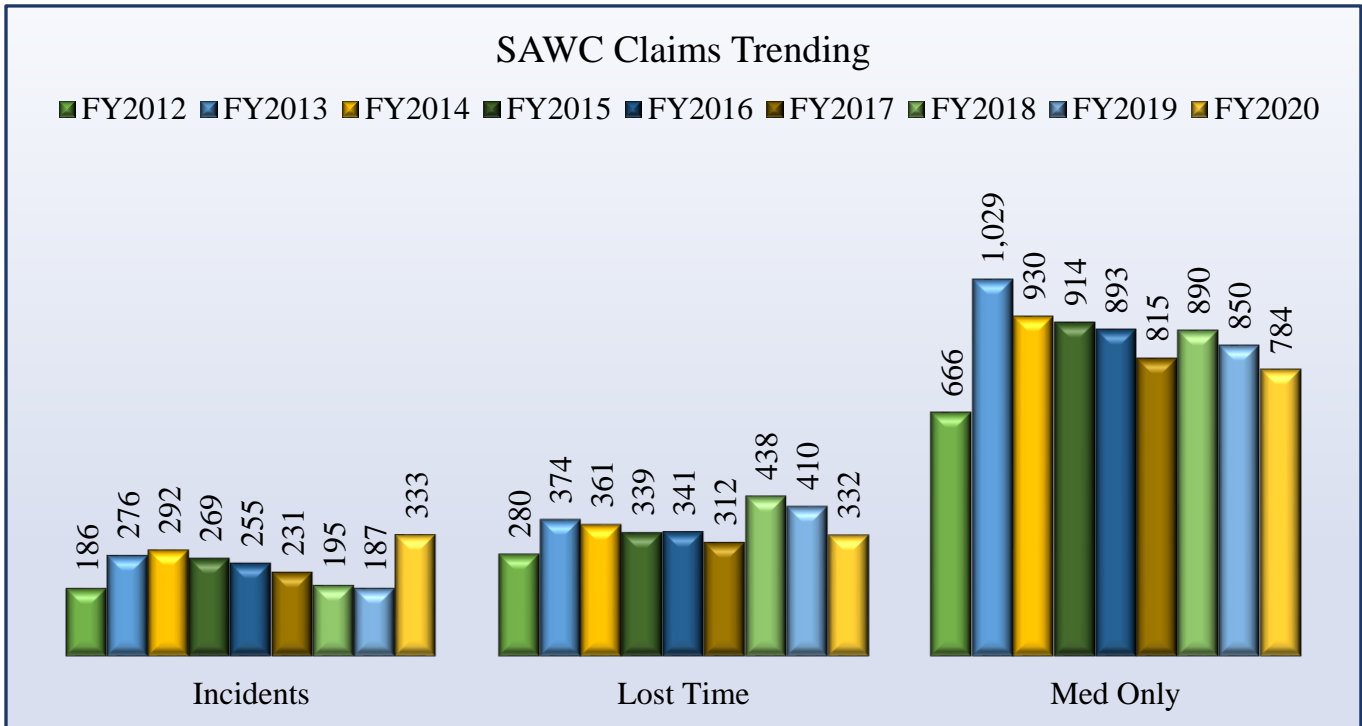


Data as of July 31, 2020

FY2012 from October 2011 – June 2012

FY2012 – FY2017 are Zurich claims; FY2018 – FY2020 are Encova claims

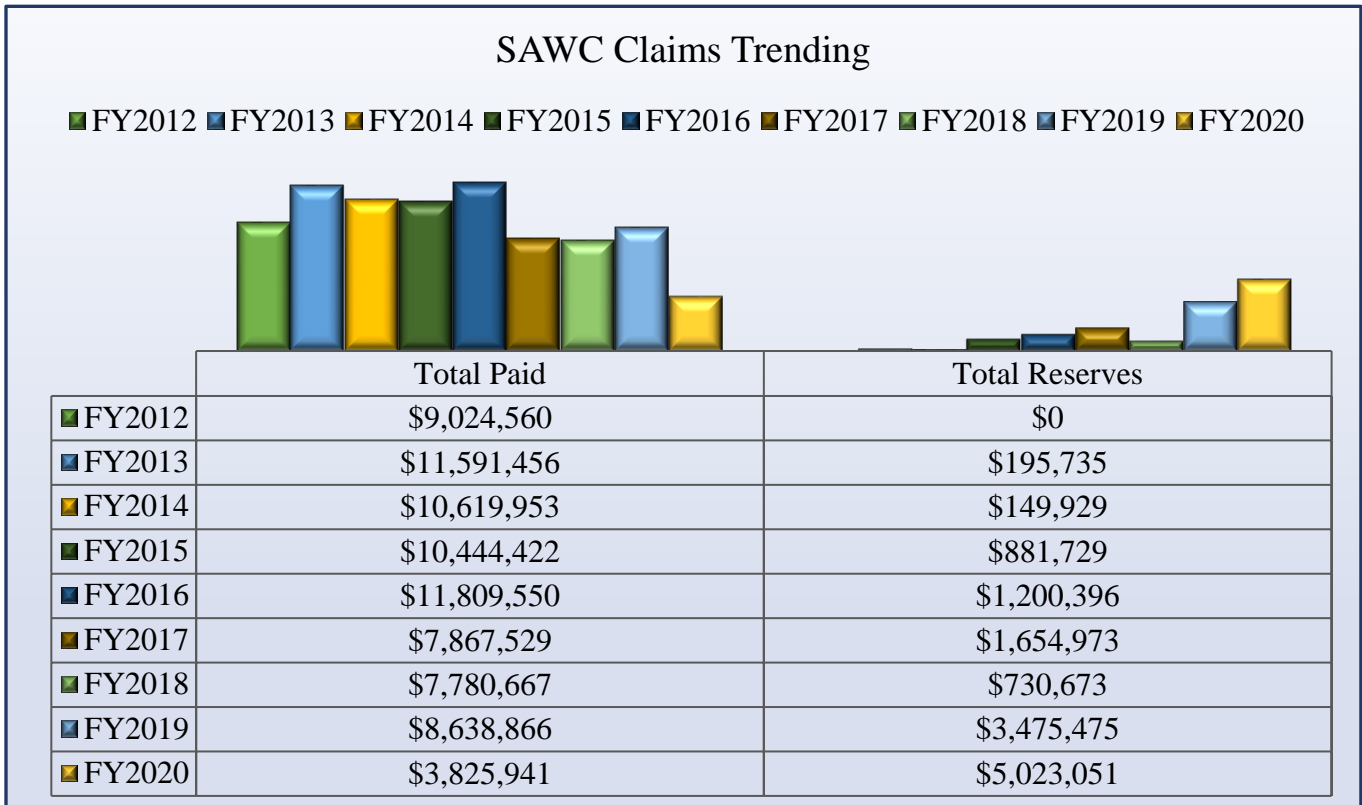
Of the 13,182 total claims reported to Zurich and Encova 2,224 (17%) have resulted in being closed with no payments (incidents).



Data as of July 31, 2020

FY2012 from October 2011 – June 2012

FY2012 – FY2017 are Zurich claims; FY2018 – FY2020 are Encova claims



Data as of July 31, 2020

FY2012 from October 2011 – June 2012

FY2012 – FY2017 are Zurich claims; FY2018 – FY2020 are Encova claims

As indicated by the trending charts, the SAWC Program realized decreasing frequency from FY2013 through FY2017. However, FY2018 had a 12% frequency increase over FY2017. The frequency declined by 5% in FY2019 and remained static for FY2020. The severity continues to be volatile with significant fluctuations. The severity increased dramatically from FY2018 to FY2019 resulting in a 50% increase due to large loss claims. However, in FY2020 the severity decreased more than 27% over the FY2019 results even with a slightly higher frequency. This indicates the safety initiatives implemented to address the more severe injuries were successful and will continue to be utilized by state employees and agencies.

There are currently 21 claims in excess of the \$250,000 deductible per claim limit. These 21 claims have a total incurred claims cost of \$13,569,606.

Further claims analysis of the SAWC Program shows there are 26 employees with seven (7) or more claims each between October 2011 and June 2020. The total incurred claims cost for these multiple claimants is \$1,038,056. A claimant review is below:

- Three employees have 11 claims each for a total incurred cost of \$90,819
- Two employees have 10 claims each for a total incurred cost of \$204,617
- Two employees have nine claims each for a total incurred cost of \$196,342
- Four employees have eight claims for a total incurred cost of \$15,876
- 15 employees have seven claims each for a total incurred cost of \$530,402

COVID-19 IMPACT

As previously mentioned, the SAWC was impacted by the COVID-19 virus. The agencies reporting COVID-19 cases to Encova were generally frontline workers in the state hospitals and public safety agencies such as Corrections; although there were several agencies that reported exposures to positive co-workers as well. Encova investigated each report to ensure cases were contracted at work rather than part of community spread. Most claims were reported as incidents with no medical or indemnity losses (exposures only – no positive test). Most of the cases were due to community spread and the virus was contracted outside of the work environment.

A table showing the agencies frequency and severity of reported COVID-19 cases is provided below. Please note that the COVID-19 data has a different valuation date to provide the most current, and ongoing, pandemic effects to the SAWC policy. This dataset is as of June 30, 2021.

Agency	Claim Count	Incurred
ALCOHOL BEVERAGE CONTROL ADMINISTRATION	2	\$0
DEPARTMENT OF CORRECTIONS	1	\$1,170,493
DEPARTMENT OF HEALTH AND HUMAN RESOURCES	18	\$0
DIVISION OF HIGHWAYS	2	\$7,500
HOPEMONT HOSPITAL	22	\$0
JACKIE WITHROW HOSPITAL	1	\$0
LAKIN STATE HOSPITAL	20	\$0
MILDRED MITCHELL BATEMAN HOSPITAL	67	\$0
REGIONAL JAIL & CORRECTIONAL FACILITY	4	\$1,759,698
WELCH EMERGENCY HOSPITAL	44	\$0
WILLIAM R SHARPE JR HOSPITAL	3	\$0
Total	184	\$2,937,690

Data as of June 30, 2021

Of the 184 total claims reported, 175 (95%) were incidents, six (6) were indemnity (lost wages) claims and three (3) were medical only claims. Seven (7) of the 184 were denied due to no coverage (contract workers) or no known exposures in the workplace. The large incurred values were two (2) fatal claims of correctional officers within the Department of Corrections and Rehabilitation cabinet.

While many state employees were telecommuting, there was a single claim filed and ruled compensable for a state employee that was injured outside of their home while walking to their car to drive into work to mail correspondence as part of their job expectations. The employee slipped on their icy driveway. The claim was medical only with \$1,137 in total incurred costs and is now closed.

Lastly, from a premium standpoint, telecommuting was beneficial to state agencies. The telecommuting rate on the current SAWC policy is \$0.03 per \$100.00 of payroll and there was approximately \$71.5M in the class. The clerical rate is \$0.09. While the OIC cannot know with certainty what classes the wages would have been reported under if not telecommuting, it can be stated that because the rate is lower than clerical and if all the wages had been reported as clerical, premium savings may be as much as \$250,000. Some agencies saved 10% or more in premium from pre-COVID-19 calculations.

SAWC SUMMARY

The SAWC Program has a complex workforce doing tasks that at times place employees in danger. Our employees are our greatest asset, and their safety is of the utmost importance. Safety policies and procedures have been developed for employees to follow to minimize these risks. Efforts have been made in all agencies to ensure that policies and procedures are in place and are being followed by all employees to prevent workplace injuries. This task has been hindered due to COVID-19 and employee turnover in State agencies by adversely impacting implementation of safety programs, initiatives and return-to-work programs.

Major training campaigns will continue throughout 2021 for motor vehicle accident (MVA) prevention strategies, defensive driving training, Return-to-Work Implementation, workplace violence, sprain, and strain reduction as well as fall prevention.

The OIC has partnered with BRIM in a shared services approach to provide motor vehicle accident prevention techniques and strategies to agencies with a goal of reducing the frequency and severity of MVAs. For the FY2018 through FY2020 policies written by Encova, MVAs accounted for 114 of the total 4,421 claims or ~2.6% of the claims frequency. Those 114 claims accounted for \$1,006,982 of the total incurred costs or ~3.4% of the claims severity.

The SAWC Program was not able to host a 2020 annual conference for in-person attendance but did work with Encova to provide agencies with a video recorded presentation outlining the state of the program and encouraging safe workplace practices while observing all COVID-19 precautions. The SAWC also will not host a 2021 annual conference due to uncertainty in COVID-19 trends and variant surges.

STATE OFFICE OF THE NATIONAL FLOOD INSURANCE PROGRAM

The State Office of the National Flood Insurance Program (SONFIP) was created by the Legislature's passage of [Senate Bill 586](#) and became effective May 28, 2020. The Legislature found that the National Flood Insurance Program is a voluntary federal program under which federal flood insurance is made available to participating communities is of vital importance to the citizens of West Virginia and thereby created SONFIP as part of the Offices of the Insurance Commissioner.

The objectives of SONFIP include:

- Issue such regulations, guidance, and instructions as necessary to effectively administer the program
- Conduct trainings and will adopt and enforce adequate land use and development criteria that are consistent with the minimum standards established by the National Flood Insurance Program
- Develop and publish a strategic plan to establish shared goals, define a path to meet those goals, and shall invite other governmental units to adopt these goals and objectives
- Establish and enforce flood plain management regulations for any state property in special hazard areas
- Fully cooperate with the State Resiliency Office to assist that office in fulfilling its duties

The SONFIP provides guidance for 278 community officials, as well as citizens, realtors, and insurance agents. SONFIP conducts training, adopts and enforces adequate land use and development criteria that are consistent with minimum standards established by the National Flood Insurance Program. The SONFIP establishes and enforces floodplain management regulations for any state property in the Special Flood Hazard Area (SFHA) at a minimum to satisfy mandated criteria.

In 2020, SONFIP responded to 455 general technical assistance telephone calls. In addition to the calls, SONFIP had multiple Community Assistant Calls (CAC) with West Virginia counties and cities and performed numerous Community Assistant Visits (CAV) to assess county needs and provide flood reduction strategies.

SONFIP coordinated multiple training opportunities specific to informing the public, insurance agents, claims adjusters, surveyors, lenders and others of the importance of flood insurance and the risks of not being prepared for a flood event or other natural disaster.

As SONFIP is dedicated to aiding West Virginia counties and communities, the office meets with many organizations around the state on a regular basis. The meetings include coordination efforts, data verification, hazard mitigation plans, debris removal and other multiple risks or hazards.

SONFIP is involved in overhauling the floodplain mapping project. A minimum of thirteen (13) counties have been evaluated for county wide mapping purposes or disaster studies.

The SONFIP is a member of the [West Virginia Silver Jackets](#) (WVSJ). Formed in 2013, Silver Jackets teams across the United States bring together multiple state, federal, and local agencies to learn from one another in reducing flood risk and other natural disasters. By applying their shared knowledge, the teams enhance response and recovery efforts when such events do occur.

The SONFIP has sponsored West Virginia Silver Jackets projects including a Multi-Hazard Tournament; a simulation exercise designed to aid decision-making by playing out potential strategies to reduce drought and flood risk that is attended by industry professionals, colleges, stakeholders and interested individuals. The tournament occurred in Braxton County and focused on a dam inundation in the event of a breach or catastrophic failure.

The SONFIP performs community outreach and awareness by participating in the K-12 school program. The K-12 program educates and informs school aged children on the functions of the floodplain and riparian zones, the importance of clean water, and environmental benefits of keeping streams and rivers litter free.

A grant issued by U.S. Department of Homeland Security (DHS) Federal Emergency Management Agency (FEMA), Federal Insurance & Mitigation Administration (FIMA), and Risk Mitigation Directorate titled Community Assistance Program – State Support Services Element (CAP-SSSE) for \$146,888 was awarded to SONFIP for expenditures occurring between July 1, 2020 – June 30, 2021. The funds are currently used for salaries, travel and office expenses for the flood office. The grant is available each year for application.

The SONFIP coordinates the West Virginia Disaster Response Team (WVDRT) Program. The purpose of the WVDRT is to assist communities in times of flooding and other natural disasters. Substantial damage teams are being formed around the state to assist with this program. There will be seven (7) teams of two (2) specially trained volunteers to assist communities in times of disaster. This will help expedite requests for a Federal declaration. They can assist with temporary housing coordination, utility assistance, substantial damage assessments or any other tasks that local officials may request.

Flooding is the number one cause of disaster in the state of West Virginia. Considering this fact, the WVOICNFIP has proposed a flood reduction pilot project for consideration for funding under the Section 22 Planning Assistance to States (PAS) Authority of the United States Army Corps of Engineers. The purpose of the study is to determine the source and/or cause of flooding. The study would help to determine the local factors that are contributing to flooding in Kanawha County, which may include fill that has been placed in the floodplain, buildup of sediment, low bridges and under-sized culverts, trash, and debris, and/or other factors.

It has been shown that every dollar spent on mitigation produces up to six dollars in savings on future flood damages. The stream has been selected for the study that is in a highly populated area that would get the most benefit from the study based on previous flood events. The study would take into consideration loss of life, damages to homes and infrastructure, and loss of time away from work and school. The area that has been chosen for the study has had 44 swift water rescues in the past eight (8) years and has over 500 structures that are in the Special Flood Hazard Area. The objective of the proposed project is to complete a conceptual-level study that would then be ready for design and implementation of a shovel ready project/application, and to apply for federal grant funding to reduce loss of life and damages caused by flooding.

SECTION 3: INSURANCE BUSINESS IN WEST VIRGINIA

2020 WEST VIRGINIA PROPERTY AND CASUALTY SUMMARY REPORT

Line of Business	Direct Premiums Written	Market Share	Direct Premiums Earned	Direct Losses Incurred	Pure Direct Loss Ratio
Other private passenger auto liability	\$668,907,299	23.3%	\$675,389,833	\$321,269,922	47.6%
Private passenger auto physical damage	\$589,919,598	20.5%	\$587,859,525	\$327,999,209	55.8%
Homeowners multiple peril	\$470,741,304	16.4%	\$463,918,267	\$242,298,280	52.2%
Workers' compensation	\$219,273,713	7.6%	\$229,267,220	\$97,524,485	42.5%
Commercial multiple peril (non-liability portion)	\$133,757,987	4.7%	\$130,515,187	\$46,043,919	35.3%
Other commercial auto liability	\$132,303,975	4.6%	\$143,044,758	\$62,384,297	43.6%
Other liability - occurrence	\$91,341,673	3.2%	\$116,262,091	\$23,140,839	19.9%
Inland marine	\$86,218,959	3.0%	\$84,646,758	\$33,624,313	39.7%
Commercial multiple peril (liability portion)	\$72,775,358	2.5%	\$71,937,779	\$22,188,616	30.8%
Fire	\$57,805,825	2.0%	\$60,108,334	\$20,262,926	33.7%
Commercial auto physical damage	\$56,427,463	2.0%	\$57,156,067	\$24,985,702	43.7%
Surety	\$50,097,381	1.7%	\$48,730,140	\$3,525,981	7.2%
Other liability - claims-made	\$47,574,660	1.7%	\$45,285,408	\$37,529,775	82.9%
Allied lines	\$38,315,630	1.3%	\$36,896,926	\$14,852,685	40.3%
Medical professional liability	\$26,997,921	0.9%	\$27,239,408	\$31,802,726	116.8%
Group accident and health	\$20,164,740	0.7%	\$20,259,695	\$14,855,554	73.3%
Farmowners multiple peril	\$17,608,932	0.6%	\$17,195,157	\$6,546,669	38.1%
Mortgage guaranty	\$15,543,252	0.5%	\$16,224,334	\$4,730,291	29.2%
Federal flood	\$12,656,841	0.4%	\$12,694,153	\$830,873	6.5%
Guaranteed renewable A&H	\$8,157,487	0.3%	\$8,022,520	\$6,517,675	81.2%
Boiler and machinery	\$7,910,689	0.3%	\$10,127,883	\$1,335,755	13.2%
Credit	\$7,091,738	0.2%	\$7,223,985	\$3,354,328	46.4%
Products liability	\$6,789,273	0.2%	\$7,133,585	\$5,100,525	71.5%

2020 WEST VIRGINIA PROPERTY AND CASUALTY SUMMARY REPORT CONTINUED

Line of Business	Direct Premiums Written	Market Share	Direct Premiums Earned	Direct Losses Incurred	Pure Direct Loss Ratio
Excess workers' compensation	\$4,661,772	0.2%	\$4,567,463	(\$251,998)	(5.5%)
Warranty	\$4,618,706	0.2%	\$3,992,348	\$2,440,400	61.1%
Fidelity	\$3,856,434	0.1%	\$3,814,793	\$1,397,670	36.6%
Aircraft (all perils)	\$3,752,716	0.1%	\$3,398,744	\$1,498,759	44.1%
Aggregate write-ins for other lines of business	\$3,415,551	0.1%	\$3,350,341	\$1,780,089	53.1%
Ocean marine	\$3,177,007	0.1%	\$3,243,731	\$1,542,413	47.6%
Multiple peril crop	\$2,001,009	0.1%	\$3,081,557	\$1,790,204	58.1%
Private flood	\$1,805,222	0.1%	\$1,726,077	\$71,676	4.2%
All other A&H	\$1,583,515	0.1%	\$1,582,782	\$635,802	40.2%
Earthquake	\$1,160,898	0.0%	\$1,141,044	\$10,280	0.9%
Burglary and theft	\$1,056,555	0.0%	\$1,154,627	\$739,691	64.1%
Financial guaranty	\$1,021,363	0.0%	\$876,158	\$0	0.0%
Non-renewable for stated reasons only	\$201,166	0.0%	\$203,846	\$10,350	5.1%
Other accident only	\$178,395	0.0%	\$178,519	\$23,579	13.2%
Commercial auto no-fault (personal injury protection)	\$32,938	0.0%	\$25,019	\$17,619	70.4%
Credit A&H (group and individual)	\$29,054	0.0%	\$31,729	(\$1,434)	(4.5%)
Private crop	\$4,245	0.0%	\$4,245	\$696	16.4%
Non-cancelable A&H	\$109	0.0%	\$6,073	\$0	0.0%
Collectively renewable A&H	\$0	0.0%	\$0	\$0	0.0%
Medicare Title XVIII exempt from state taxes or fees	\$0	0.0%	\$0	\$0	0.0%
Federal employees health benefits plan premium	\$0	0.0%	\$0	\$0	0.0%
Private passenger auto no-fault (personal injury protection)	\$0	0.0%	\$77	\$828,796	1076358.4%
International	\$0	0.0%	\$0	\$0	0.0%

WV Totals for all Property and Casualty Business \$2,870,938,353 100.0% \$2,909,518,186 \$1,365,239,937 46.9%

2020 WEST VIRGINIA LIFE SUMMARY REPORT

Line of Business	Direct Premiums Written	Market Share	Direct Losses Paid	Pure Direct Loss Ratio*
Ordinary Life (Total Life and Annuity Considerations)	\$1,449,888,651	44.9%	\$1,590,114,511	109.7%
Group Life (Total Life and Annuity Considerations)	\$872,943,189	27.1%	\$766,770,098	87.8%
Group A&H	\$521,008,309	16.1%	\$394,627,337	75.7%
Guaranteed Renewable A&H	\$174,459,475	5.4%	\$111,943,529	64.2%
Medicare Title XVIII	\$167,773,650	5.2%	\$135,679,534	80.9%
Non-cancelable A&H	\$20,043,833	0.6%	\$15,265,645	76.2%
Federal Employee Health Benefit Program	\$6,785,534	0.2%	\$5,047,044	74.4%
Credit Life (Total Life and Annuity Considerations)	\$4,929,392	0.2%	\$1,983,778	40.2%
Credit A&H	\$3,867,995	0.1%	\$1,819,878	47.0%
All Other A&H	\$3,104,638	0.1%	\$1,749,047	56.3%
Non-renewable A&H	\$1,073,628	0.0%	\$392,863	36.6%
Other Accident	\$659,352	0.0%	\$105,930	16.1%
Collectively Renewable A&H	\$70,263	0.0%	\$32,925	46.9%
Industrial Life (Total Life and Annuity Considerations)	\$20,200	0.0%	\$2,402,459	11893.4%

WV Totals for all Life Business \$3,226,628,109 100.0% \$3,027,934,578 93.8%

* Pure Direct Loss Ratio is generally calculated by dividing direct losses by earned premium. This summary uses direct losses divided by written premium due to reporting constraints from the NAIC.

2020 WEST VIRGINIA ACCIDENT AND HEALTH SUMMARY REPORT

Line of Business*	Direct Premiums Written	Market Share	Direct Premiums Earned	Direct Claims Incurred	Pure Direct Loss Ratio
Title XVIII Medicare	\$1,882,874,002	36.3%	\$1,875,742,484	\$1,550,853,937	82.7%
Title XIX Medicaid	\$1,794,035,725	34.6%	\$1,794,035,725	\$1,505,493,063	83.9%
Group Comprehensive	\$606,592,415	11.7%	\$606,592,415	\$518,014,125	85.4%
Federal Employees Health	\$436,754,949	8.4%	\$430,867,219	\$400,648,042	93.0%
Individual Comprehensive	\$289,244,005	5.6%	\$289,244,005	\$181,055,338	62.6%
Other	\$105,651,757	2.0%	\$106,135,121	\$83,736,312	78.9%
Dental Only	\$38,170,061	0.7%	\$38,295,345	\$23,072,917	60.2%
Vision Only	\$5,305,722	0.1%	\$5,306,056	\$3,626,944	68.4%

WV Totals for all A&H Business \$5,158,628,636 100.0% \$5,146,218,370 \$4,266,500,678 82.9%

* Long Term Care and Medicare Supplement lines of insurance are removed from the analysis due to reporting constraints from the NAIC.