

DIRECTORS OF INSURANCE

YEAR	NAME	YEAR	NAME
1864-1913	Insurance Supervised by Auditors Office	1959-1961	William E. Grubbs
1913-1915	Lawson G. Brian	1961-1967	Frank J. Barrett
1915-1918	W. B. Eastham	1967-1971	Benjamin C. Neff
1919-1922	W. B. Young	1971-1972	Samuel Van Pelt
1922-1924	W. A. Fairchild	1972-1975	James M. Jackson
1924-1927	John D. Dumont	1975-1976	E. Benjamin Nelson
1927-1934	David Dort	1976-1979	M. Berri Balka
1934-1935	Lee Herdman	1979-1983	Walter D. Weaver
1935-1941	Charles Smrha	1983-1987	Michael J. Dugan
1941-1946	C. C. Frazier	1987-1994	William H. McCartney
1946-1946	Stanley R. Matzke	1994-1997	Robert G. Lange
1946-1947	Donald R. Hodder	1998-1999	Timothy J. Hall
1947-1953	Bernard Stone	1999-2007	L. Tim Wagner
1953-1953	Loren H. Laughlin	2007-2010	Ann M. Frohman
1953-1957	Tom Pansing	2010-Present	Bruce R. Ramge
1957-1959	John Binning		

THIS PAGE INTENTIONALLY LEFT BLANK

DEPARTMENT OF INSURANCE STAFF

Department Home Page: www.doi.ne.gov

Telephone: (402)471-2201

Fax: (402)471-4610

ADMINISTRATION

Bruce R. Range, CPCU, CIE
Christine Neighbors
Peg Jasa
Judy Meisner

Director of Insurance
Deputy Director & General Counsel
Public Information Officer
Secretary

ADMINISTRATIVE SERVICES DIVISION

Gary Timm, CPA
Glen Riedel, CNE
Mark Peterson, MCP
Cyndie White
Sue Williams
Nora Arizola
Julie Neal
Kathy Hoppel
Rae Miller
Jillian Boston

Accounting and Finance Manager
Infrastructure Support Analyst Senior
Infrastructure Support Analyst
Infrastructure Support Analyst
Office Services Manager
Accounting Clerk II
Accounting Clerk II
Word Processing Technician
Accounting Clerk I
Office Clerk III

CONSUMER AFFAIRS DIVISION

Jane Francis, FLMI
Karen Dyke, CIE
Barbara Peterson
Jeanette McArthur, AU
Carol McDermitt
Mickey Scheidt
Cynthia Williamson, AIE, CLU, CEBS, PIR, RHU
Scott Zager, ACS, AFSI, AIE, FLMI
Valarie Jones

Administrator
Insurance Investigator
Staff Assistant

EXAMINATION DIVISION

James Nixon, CFE
Justin Schrader, CFE
Jeff Green, CFE
Terry Sindelar, CFE
Bruce Bornman, CFE
Annie Elliott, CFE

Christopher Amory, CFE
Alfred Berchtold, CFE
Lyuba Berzin
Brandis Courser
Lindsay Crawford, CFE
Jennifer Cuda, CFE
Gordan Hay, FCAS, MAAA, CPCU

Dan Eckstein, ASA, CIE
Gary Evans, CFE
Wade Fleischacker
Robert Gardner, CFE, CIE
Jill Gleason, CFE
Martha Hettenbaugh
Elizabeth Hofker
Joe Hofmeister, AFE
Kim Hurst, CFE
Megan Keck
Dan Kosmicki, CFE
Skyler Lawyer, CFE
Erin Marsch
Noah Nelson, AFE
Darin Reha
Isaak Russell, CFE
Bill Schmid
Linda Scholl, CFE
Larry Shaw, CFE
Matthew Sporhase, CFE, ALMI
Andrea Szwanek, CFE
Karen Walth, CFE
Tadd Wegner, CFE
Lynn Wiese, CFE
Melissa Zade, CFE

Chief Examiner
Deputy Chief Examiner
Assistant Chief Examiner
Insurance Company Administrator
Investment Specialist
Examination Supervisor/Reinsurance
Specialist
Financial Analyst
Financial Analyst Supervisor
Burial Pre-Need Examiner
Staff Assistant II
Financial Analyst
Financial Analyst Supervisor
Property and Casualty Actuarial
Examiner
Life and Health Actuarial Examiner
Financial Examiner
Financial Examiner
Financial Examiner
Financial Analyst Supervisor
Premium Tax Supervisor
Financial Examiner
Financial Analyst
Financial Examiner
Administrative Secretary
Financial Analyst
Financial Examiner
Financial Examiner
Financial Analyst
Financial Analyst
Examiner Supervisor
Financial Examiner
Financial Examiner
Financial Analyst
Financial Analyst
Financial Examiner
Financial Analyst
Financial Examiner
Assistant Company Administrator
Financial Analyst

HUMAN RESOURCES DIVISION

Kathy Vandenberg

Personnel Officer

INSURANCE FRAUD PREVENTION DIVISION

Charles Starr, SCLA, CIFI, AHFI
Mike Engel, FCLS
Mark Wolfe, FCLA, CIFI
Connie Drake

Division Chief
Fraud Investigator
Fraud Investigator
Administrative Assistant

LEGAL DIVISION

Christine Neighbors
Mike Boyd
Eric Dunning
Joel Green
Martin Swanson
Matt Holman
Tracy Gruhn

General Counsel & Deputy Director
Agency Counsel
Agency Counsel
Agency Counsel
Agency Counsel
Agency Counsel
Administrative Secretary

LIFE AND HEALTH DIVISION

Holly Blanchard, FRLMI, AIE, AINS, AIRC,
CCP, ACP
Dan Eckstein, ASA, CIE
John Rink
Maryana Grodnova-Ware, ALMI, AFSI
Rebecca Dennis
Deb Maher

Administrator
Life and Health Actuarial Examiner
Actuarial Assistant
Life and Health Analyst II
Life and Health Analyst II
Staff Assistant

MARKET CONDUCT

Reva Vandevoorde, CIE, CPCU, MCM, ALMI
Cathy Hoban, CIE, FLMI, AIRC, FLHC, CCP,
CICSR, ASC
Ted Johnson, CLU, CPCU, ARM, AIC
John Koenig, CIE, ACS, HIA, FLMI
Brenda Lenhoff
Marilyn Meier

Market Conduct Administrator
Market Conduct Examiner II
Market Conduct Examiner II
Market Conduct Analyst
Market Conduct Examiner II
Market Conduct Examiner II

PRODUCERS' LICENSING DIVISION

Jason McCartney
Rae Ann Mastny
Beth Krutz
Lori Bruss

Administrator
Staff Assistant
Staff Assistant
Staff Assistant

PROPERTY AND CASUALTY DIVISION

Beverly Anderson, CPCU
Stephanie Hobelman
Connie Van Slyke
Chris Williamson
Gina Goodro

Administrator
Property and Casualty Analyst
Property and Casualty Analyst
Property and Casualty Analyst
Staff Assistant

SENIORS HEALTH INSURANCE INFORMATION PROGRAM

Alicia Jones
Bobbi Kierstead
Cari Clauss
Sue Kuzelka

SHIIP Program Coordinator
SHIIP Training Coordinator
SHIIP Training Specialist
SHIIP Staff Assistant

**STATE OF NEBRASKA
DEPARTMENT OF INSURANCE**

The Department of Insurance shall have general supervision, control and regulation of insurance companies, associations and societies, and the business of insurance in Nebraska, including companies in process of organization. The Director of Insurance shall be the chief administrative officer of the Department and shall have the power and duty to enforce and execute all the insurance laws of this state and make all needful rules and regulations for the purpose of carrying out the true spirit and meaning on this enactment and all laws relating to the business of insurance, and, to that end, may authorize and empower an assistant or employee to do any and all things that he/she may do on his/her behalf, and he/she shall see that all laws respecting insurance companies and insurance agents are faithfully executed. The Director or his/her representative shall issue all certificates and licenses as provided for in Chapter 44. The Director and his/her authorized representative shall have the power and authority to do all things and to perform all acts the Department is given the power and authority to do.

The Department of Insurance operates on a fiscal year that begins July 1 and ends June 30. Various fees that the Department collects fund the Department's operations. The table below presents the fees collected during the last three fiscal years.

Fees: (Fiscal Year)	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>FY 10-11</u>
Examination Fees	\$ 4,709,450	\$ 4,526,714	\$ 3,278,940
Admin. Fee Professional Medical Liability	159,262	194,725	201,254
Publications/Photocopies/Fraud Conference	22,501	19,485	15,240
Agent Certification	25,415	26,105	24,315
Legal Filing Fees	7,893	11,572	15,471
Miscellaneous Fees (Filing Fees)	909,956	1,026,210	1,061,716
Admin. Fees - Premium Taxes	32,938	30,930	30,930
Pre-Admission Review Fees	25,500	22,000	15,000
P&C Filing Fees	338,021	437,510	504,998
L&H Filing Fees	127,945	101,915	119,056
Fraud Fee	720,558	417,808	378,917
Certificate of Authority	75,109	66,609	67,535
Agency License	499,225	533,645	537,659
Company Appointment/Cancellation	5,082,528	4,619,755	5,070,227
Agent's License	2,546,317	2,606,417	2,803,886
Utilization Review Agents	6,100	5,800	4,200
Continuing Education Approval/Course Comp.	53,240	42,550	42,725
Reinsurance Intermediary	1,250	2,250	4,250
Third Party Administrator	65,655	69,210	69,035
Pre-License Certification/Course Approval	4,890	250	550
TOTAL FEES	<u>\$15,413,753</u>	<u>\$14,761,460</u>	<u>\$14,245,904</u>

The Department of Insurance also collects taxes based on the premiums charged for insurance written in Nebraska. Tax revenue collected by the Department is distributed to other governmental units, including the General Fund, the Workers' Compensation Court, School Districts, Counties and Municipalities. The table below represents the premium tax revenue and administrative fines collected by the Department of Insurance and distributed to other government units for the last three tax years.

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Premium Tax	\$ 45,954,839	\$ 56,307,913	\$ 44,479,957
Fire Insurance Tax	2,783,783	2,798,571	2,895,484
Workers' Compensation Cash Fund	3,260,883	3,062,041	3,218,927
Workers' Compensation Trust Fund	-0-	-0-	-0-
Premium Tax transferred to CHIP			
Fund (Net) (1)	<u>26,533,247</u>	<u>17,775,047</u>	<u>33,489,244</u>
TOTAL TAXES	\$ 78,532,752	\$ 79,943,572	\$ 84,083,612
Interest Income from Premium Tax Prepayments/CHIP Fund	\$ 661,304	\$ 809,673	\$ 548,302
Late Payment Penalties and Administrative Fines (2)	<u>341,699</u>	<u>34,638</u>	<u>173,963</u>
TOTAL INTEREST AND PENALTIES	\$ 1,003,003	\$ 844,311	\$ 722,265
TOTAL REVENUE DISTRIBUTED TO OTHER GOVERNMENTAL ENTITIES/FUNDS	<u>\$ 79,535,755</u>	<u>\$ 80,787,883</u>	<u>\$ 84,805,877</u>

- (1) To more accurately reflect the premium taxes paid by insurers, net transfers to the CHIP (Comprehensive Health Insurance Pool) Fund have been included. The CHIP Fund provides funding per Neb. Rev. Stat. §44-4225.
- (2) Includes Neb. Rev. Stat. §44-322 forfeiture amount of \$100 per day until Annual Statement submission requirements are met.

ADMINISTRATIVE SERVICES DIVISION

The Administrative Services Division provides support functions for all Divisions of the Department of Insurance. This Division plays a key role in the development and operation of all agency information systems. This Division also provides all administrative support functions of the agency including budget and accounting functions, purchasing, records management, mail management, telephone services, word processing, office utilization, and general clerical support.

CONSUMER AFFAIRS DIVISION

The Consumer Affairs Division personnel educate consumers and investigate consumer complaints. Through the complaint process, the Division verifies proper handling of insurance transactions and ensures fair treatment of the parties involved. During 2011, the Division closed 1,398 cases. The cases closed during 2011 reflect the following:

<u>Automobile</u>	<u>Investigations</u>	<u>Accident and Health</u>	<u>Investigations</u>
Private Passenger	329	Group	215
Commercial	20	Individual	276
Motor Sports	2	Credit	5
Motorcycle	4	Other	6
Other	2	Total	502
Total	357		

<u>Homeowners</u>	<u>Investigations</u>	<u>Fire, Allied Lines & Commercial Multi-Peril</u>	<u>Investigations</u>
Homeowners	189	Builder's Risk	1
Mobil Homeowner	1	Commercial Multi-peril	19
Farmowner/Ranchowner	21	Dwelling Fire	15
Renters/Tenants	8	Crop/Hail	4
Condo/Townhouse	3	Other	1
Other	3	Total	40
Total	225		

<u>Liability</u>	<u>Investigations</u>	<u>Life and Annuity</u>	<u>Investigations</u>
General	29	Individual Life	113
Umbrella	1	Annuities	32
Professional/E&O	1	Group Life	11
Total	31	Credit Life	3
		Group Annuities	3
		Other	3
		Total	165

<u>Miscellaneous</u>	<u>Investigations</u>
Extended Warranty/Svc. Contrac	11
Federal Crop	2
Federal Flood	6
Fidelity and Surety	1
Inland Marine	3
Other	29
Surplus Lines	2
Title	14
Watercraft	2
Workers' Compensation	8
Total	78

EXAMINATION DIVISION

The Examination Division conducts examinations of licensed insurance companies to determine the financial condition of the company, its ability to meet and fulfill its obligations, and whether it has complied with the provisions of the Nebraska Statutes. Examiners' salaries and expenses are paid from a cash fund, the income of which is the reimbursement from insurance companies for time spent on, and actual expense incurred during the examination.

The Division's staff of financial analysts review the financial statements of the approximate 1,549 insurance companies licensed to do business in Nebraska. The analysts may recommend that an examination be conducted or that a company's authority to do business in Nebraska be suspended or revoked.

This Division is also responsible for audit and collection of premium tax, fire insurance tax, workers' compensation taxes and various renewal fees.

In addition to the above, major responsibilities include the admission of companies to do business in Nebraska, the regulation and examination of burial pre-need sales, regulation of purchasing and risk retention groups, regulation of third party administrators, review of holding company filings, and administration of insurance company securities placed on deposit with the Department.

The present staff of the Examination Division consists of a Chief Examiner, a Deputy Chief Examiner, two Assistant Chief Examiners, a Life and Health Actuarial Examiner, a Property and Casualty Actuarial Examiner, an Investment Specialist, a Examination Supervisor/Reinsurance Specialist, an Assistant Company Administrator, thirteen financial examiners, a burial pre-need examiner, thirteen financial analysts, a premium tax analyst, a staff assistant, and an administrative secretary.

FINANCIAL EXAMINATIONS COMPLETED IN 2010

Company Name	Examination Type
GEICO Advantage Insurance Company	Qualifying
GEICO Choice Insurance Company	Qualifying
GEICO Secure Insurance Company	Qualifying
Ability Insurance Company	Target
Preferred Professional Insurance Company	Target
Acceptance Insurance Company	Financial
Central National Insurance Company	Financial
Central States Indemnity Company	Financial
Columbia National Insurance Company	Financial
Inland Insurance Company	Financial
Platte River Insurance Company	Financial
Universal Surety Company	Financial
CSI Life Insurance Company	Financial
Liberty National Life Insurance Company	Financial
West Coast Life Insurance Company	Financial
United Healthcare of the Midlands, Inc.	Financial
Woodmen of the World Insurance Company	Financial
NASB all lines Interlocal Cooperative Aggregate	Financial
Capitol Casualty Company	Financial
Nebraska Community College Ins Trust	Financial
First National Life Insurance Company of the U.S.A	Financial
Mutual Insurance Company of Saline and Seward County	Financial
Olive Branch Assessment Ins Society, Inc.	Financial
NIRMA	Financial
NIRMA II	Financial
Western United Mutual Insurance Association	Financial

German Farmers Mutual Assess of Hall County	Financial
Scandinavian Mutual Ins. Co. of Axtell, NE	Financial
Washington County Mutual Insurance	Financial
German Mutual Insurance Company of Dodge County	Financial

HUMAN RESOURCES DIVISION

The employees of the Department of Insurance are our most important resource, therefore, nondiscriminatory recruitment; selection of new employees entering the Department workforce; maintenance and retention of existing employees; and the training and promotion of Department employees is an ongoing concern.

The Human Resources Division:

- ▶ Provides information and support to employees regarding recruitment, hiring, wage and salary administration (payroll), the labor contract, enrollment of employees in benefit programs and training programs such as defensive driving, supervisory training, educational videos, etc. and maintenance of individual personnel records. Additionally Human Resources provides information and support relative to performance evaluations and performance plans and all other personnel related benefit programs.
- ▶ Administers the Affirmative Action Plan, Americans with Disabilities Act, Family Medical Leave Act, Tuition Assistance Educational Program, Awards Program, Annual Staff Development Day and special projects as assigned by the Department Director.
- ▶ Creates and assists with enforcement of the Department's Personnel policies and procedures.

INSURANCE FRAUD PREVENTION DIVISION

The duties and responsibilities of the Insurance Fraud Prevention Division (IFPD) are to conduct investigations independently or in conjunction with other law enforcement agencies when the IFPD has cause to believe that an act of insurance fraud has been committed. The IFPD works in cooperation with law enforcement, prosecuting attorneys, and the insurance industry in the investigation and prosecution of insurance fraud violations. The IFPD also provides a resource of expertise and training opportunities for consumers, the insurance industry, and law enforcement agencies.

The IFPD continues to see an increase in referrals involving health care fraud and organized criminal activity. Please refer to the IFPD website for additional information: www.ReportInsuranceFraud.ne.gov.

2011 Insurance Fraud Statistics

The Insurance Fraud Prevention Division (IFPD) received **611** case referrals regarding potential violations of the Nebraska Insurance Fraud Act during 2011. Of the referrals received, 319 (52%) were made through the National Insurance Crime Bureau (NICB) and 25 (4%) were made via the National Association of Insurance Commissioners' (NAIC) online fraud reporting system. The remainder of the referrals were primarily submitted by victims or concerned consumers.

Actual or potential monetary losses, exceeding **\$7.6 million**, were reported for 45% (273) of the cases.

Cases are evaluated based upon a number of criteria, including the statute of limitations, applicability of Nebraska statutes, and solvability factors. Upon completion of the case review, a status letter is sent to the complainant advising them of disposition.

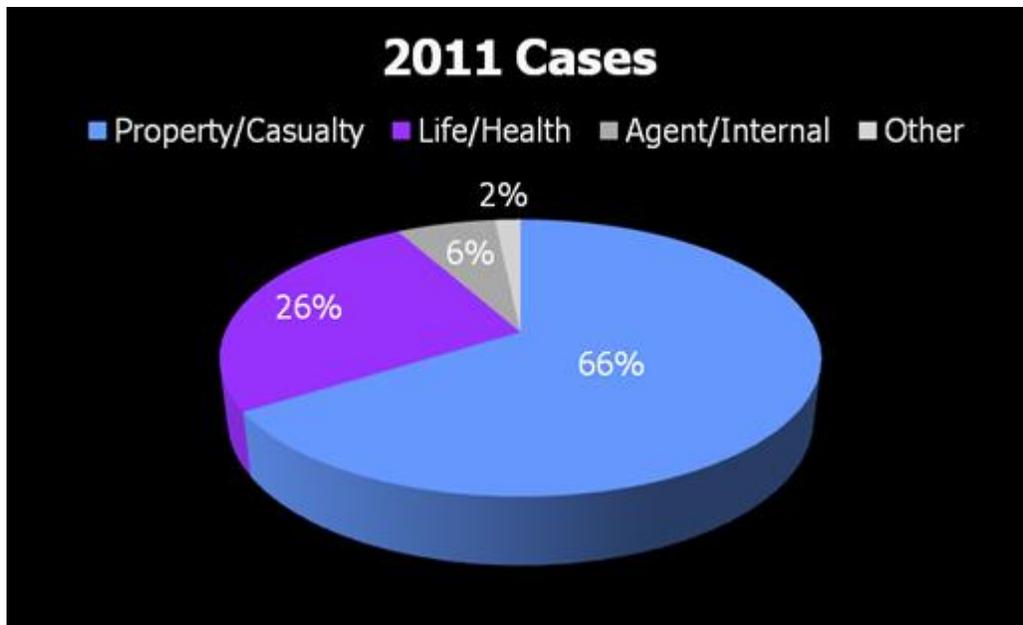
The IFPD investigated the following types of insurance fraud cases during 2011:

Property/Casualty = 403 Cases (66%)

Life/Health = 159 Cases (26%)

Agent or Internal Fraud = 39 Cases (6%)

Other Fraud = 10 Cases (2%)



LEGAL DIVISION

The Legal Division prepares Department regulations, bulletins and legal interpretations, represents the Department in administrative hearings, and processes applications by domestic insurers for certificates of authority, mergers, acquisitions and domestications. This Division also renders legal advice on policy form approvals, financial transactions, investments and agreements entered into by insurers as well as coordinating legislative matters. Enforcement of compliance with the Nebraska Insurance Statutes and Department of Insurance regulations by all insurers, insurance agents, brokers, and all others licensed by the Department of Insurance as well as unauthorized entities is performed by the Legal Division. The counsel for the Department acts as a liaison with the Attorney General's Office regarding all pending litigation and/or appeals from administrative rulings. The Legal Division also acts as counsel for the Director in connection with the supervision, rehabilitation or liquidation of insurance companies and advises the Director in connection with the operation of the Nebraska Property and Liability Insurance Guaranty Association, the Nebraska Life and Health Insurance Guaranty Association, the Medical Malpractice Excess Liability Fund and the Comprehensive Health Insurance Pool.

LIFE AND HEALTH DIVISION

Policy forms and health rates must be filed with and approved by the Life and Health Division prior to use pursuant to Neb. Rev. Stat. §44-710 and §44-511. During 2011, the Life and Health Division approved

8,007 various life and health forms, including policies, riders, endorsements, applications and advertising. A total of 3,238 health insurance rate filings were also reviewed.

Other activities of the Life and Health Division include the issuing of valuation certificates for all domestic life companies and collaboration with other Divisions on a variety of life and health insurance issues. The Life and Health Division reviews annual filing requirements including long-term care and Medicare supplement reports, prompt payment certifications and small group certifications. In addition to these duties, the Life and Health Division works closely with Department, Federal and other agency personnel to ensure the appropriate implementation for the Patient Protection and Affordable Care Act.

MARKET CONDUCT DIVISION

The Market Conduct Division performs market analysis in order to develop a baseline understanding of the marketplace and to identify regulated entities for further review or practices that deviate significantly from the norm or that may pose a potential harm to consumers. The Market Conduct Division performs a range of continuums of regulatory responses appropriate for the circumstance, from office-based information gathering to comprehensive market conduct examinations. Continuums are conducted on licensed insurance companies and health maintenance organizations as well as licensed producers and agencies.

The present staff of the Market Conduct Division consists of an Administrator, a Market Analyst and four Market Conduct Examiners.

MARKET CONDUCT EXAMINATIONS COMPLETED IN 2011

Company Name
Delta Dental of Nebraska
Pacific Life Insurance Company
Woodmen of the World Life Insurance Company

PRODUCERS' LICENSING DIVISION

Any individual, whether or not compensated, who solicits, negotiates, sells to risks located in Nebraska, unless exempted by law, must be licensed as a producer in the appropriate lines of insurance.

No insurance company admitted to do business in this state shall accept applications for, write, place or cause to be written or placed any policy of insurance the solicitation of which involves an insurance producer, or insurance agency and which covers risks located or residing in this state except through a licensed producer who has been appointed by such company or through an individual licensed as a producer acting as a broker in the state.

Any partnership, unincorporated association, corporation or Limited Liability Company, Limited Liability Partnership, or other legal entity transacting business with the public or insurance companies as an insurance producer must be licensed as an insurance agency. The following reflects active licenses for the year ending December 31, 2011:

Resident Producers	15,691	Nonresident Consultants	156
Nonresident Producers	54,601	Insurance Agencies	8,366
Resident Consultants	199	Agent's Appointments	317,913

PROPERTY AND CASUALTY DIVISION

The Property and Casualty Division analyzes and takes final action on policy and endorsement filings made by insurance companies and other entities such as advisory organizations. The Division provides relevant technical support in property and casualty matters to other areas within the Department. The Division also handles most of the day-to-day administrative activities of the Excess Liability and Residual Funds. These funds provide excess and "Assigned risk" medical professional liability insurance for doctors, hospitals and other specific Nebraska health care providers.

Dependent on the line of insurance, and the nature of the entity making the filing, the majority of the filings are processed on a File and use or Prior approval basis. Most filings are governed by the Property and Casualty Insurance Rate and Form Act (Neb. Rev. Stat. §§44-7501 to 44-7535).

Motor vehicle service contract filings submitted to the Division are governed by the Motor Vehicle Service Contract Reimbursement Insurance Act (Neb. Rev. Stat. §§44-3520 to 44-3526).

During 2011, the Property and Casualty Division received 3,948 new filings, including those made by advisory organizations. Final action was taken on 4,078 filings, which were reviewed on prior approval or file and use basis - depending on the line of insurance.

As of May 1, 2010 the Department required that with one exception, all filings submitted to the Department would be submitted electronically through the System for Electronic Rate and Form Filings (SERFF). The only exception is for those carriers who only have a Certificate of Authority for the State of Nebraska.

PROPERTY AND CASUALTY ACTUARIAL DIVISION

The Actuarial Division provides support for the Examination Division, the Property and Casualty Division, the Excess Liability Fund and the Office of the Director. Duties include review of rates and policy issues for the Property and Casualty Division, review of casualty reserves and actuarial opinions for the Examination Division, review of reserves and assessment levels for the Excess Liability Fund and handling of casualty actuarial and other professional studies for the Department.

SENIORS HEALTH INSURANCE INFORMATION PROGRAM (SHIIP)

The Nebraska Senior Health Insurance Information Program (SHIIP) informs, educates, and assists seniors and those with disabilities to make informed decisions on topics related to health insurance. SHIIP provides assistance to Medicare beneficiaries and caregivers with questions or concerns about Medicare, Medicare supplement insurance, Medicare Health Plans, Medicare Part D, Medicaid and other types of health insurance.

SHIIP currently has more than 300 trained volunteers across the state, providing free and unbiased counseling to the more than 266,000 Nebraska Medicare beneficiaries.