

**Statewide Vision:** An Arizona for everyone.

**Agency Vision :** Facilitating growing, healthy, innovative, and safe insurance and financial services industries in Arizona as an efficient and responsive regulator.

**Agency Mission:** Protect consumers, provide certainty on regulatory matters, and perform with efficiency and integrity as good stewards of taxpayer resources.

**Agency Description:** Licenses, monitors, investigates, examines, facilitates compliance of, and ensures the safety and financial soundness of, regulated entities; helps resolve consumer complaints against financial-services and insurance entities; takes action in response to violations of law; encourages competition, innovation and economic development; collects taxes and assessments that support State government operations; combats auto theft and insurance fraud through public awareness campaigns, a dedicated fraud unit, and funding for law enforcement and dedicated prosecutors.

**Resource Assumptions:** Enter Full-Time Employees (FTEs) and funding data by type (General fund (GF), other appropriated funds (AF), non-appropriated funds (NAF), and federal funds (FED). *Includes three years with actuals reflected for first year and approved for second and third year.*

FY	FTEs	Funding Types:				Total
		GF	AF	NAF	FED	
23	152	\$7,751,700	\$11,287,300	\$19,462,000	\$123,700	\$38,624,700
24	155.4	\$8,548,500	\$12,398,700	\$19,612,700	\$123,700	\$40,683,600
25	159.4	\$8,326,000	\$12,786,100	\$18,916,100	N/A	\$40,028,200

\*Total reflects GF + AF + NAF. FED funding shown is broken out from NAF.

**Executive Summary:** The Department of Insurance and Financial Institutions (DIFI) identified the following strategic priorities:

**Improve Agency Modernization and Resilience** by reorganizing to more effectively leverage efficiencies, streamline the agency’s leadership structure, and increase resources in key areas.

**Provide Effective Stakeholder Communication** by continuing effective communication of agency activity and regulatory expectations with various stakeholder groups.

**Continuously Improve Consumer Services** by monitoring and adapting to changes in network adequacy requirements, provider grievances, and consumer-related requests.

**Facilitate Healthy and Growing Industry Stakeholder Communities** by efficiently and effectively providing required regulatory oversight, quickly approving and reviewing filings or applications of all kinds, and providing policy leadership on emerging areas of interest to stakeholder communities.

# Dept. of Insurance and Financial Institutions

## FY 2025 -2029 Strategic Plan

### Summary of 5-Year Agency Outcomes (Outcomes are the desired result or impact of addressing strategic issues)

#	Agency Five-Year Outcomes	Start Year	Linked to Gov. Priority Outcome?	Progress / Status
1	Implement 15 reforms and initiatives to improve access to insurance coverage, focusing on Health, Homeowner, Life, Long Term Care, Auto, and Title lines by June 2029.	2024	Affordable and Thriving Economy  Putting Money in Arizonans' Pockets	This involves researching ways to enhance access to insurance coverage, with a focus on Health, Homeowner, Life, Long Term Care, Auto, and Title Lines, while creating suitable educational outreach tools tailored to the needs of Arizonans.
2	DIFI will implement 6 cost mitigating strategies & supporting actions through 3 new industry-focused stakeholder advisory groups in (Property & Casualty; Life & Health; Producers & Brokers) by June 2029.	2024	Affordable and Thriving Economy  Putting Money in Arizonans' Pockets	Develop advisory groups in 2024 to discuss consumer costs for home, auto and health insurance and launch consumer outreach campaigns targeting market and compliance issues causing premium increases.
3	DIFI will increase customer satisfaction with website accessibility by June 2029.	2024		DIFI will develop and implement a customer satisfaction survey focused on website accessibility and will annually assess the website for usability and readability. This will enhance consumer education, improve satisfaction, and reduce simple service calls, allowing staff to focus on more complex issues.
4	An increase of 10% in investigation capacity, by June 2029.	2024	Affordable and Thriving Economy  Putting Money in Arizonans' Pockets	DIFI needs to improve processing and reduce manual work to increase investigative capacity. Focusing on restructuring the division's management and reporting structure will enhance outcomes by using existing resources more effectively.
5	By June 2029, reduce backlogs in existing examinations by 80%.	2024	Affordable and Thriving Economy  Putting Money in Arizonans' Pockets	Research existing processes to identify causes of delays and implement new procedures to improve existing examination processes.

Outcome #	FY25 Annual Objectives	Objective Metrics	Annual Initiatives
1	1.a.Generate a report detailing DIFI’s reforms and initiatives, including the time required to complete each item by June 30, 2025.	# of recommendations for proposed initiatives # of outreach events conducted in support of initiatives	Determine the necessary resource from the detailed report to generate 15 reforms and initiatives by June of 2030.
2	2a. Establish a template charter to use as a base for each of 3 industry-focused stakeholder advisory groups (Property & Casualty; Life & Health; Producers & Brokers) by June 2025.	# of advisory groups established # of meetings with industry stakeholders discussing home, auto, and health insurance # of new initiatives that DIFI has added as a result of the recommendations generated by the advisory groups # of recommendations provided by the advisory groups	Outline the necessary steps to draft a charter for each advisory group.
3	3.a Complete an accessibility audit of DIFI’s website to establish a baseline of ease of use and readability by June 30, 2025. <b>*Breakthrough Project*</b>	# of website usability issues resolved % of accessibility audit/report complete	Develop an internal and external survey to identify issues with DIFI’s website and gather ideas for improvements.  Develop a brief phone survey that the licensing division can direct calls to after each interaction. The survey aims to gather information about the ease of using DIFI’s website.
4	4.a. Review all current forms used by DIFI to make recommendations to preserve, update or sunset by June 30, 2025.  4.b Improve Administrative Enforcement Section (AES) processes by June 30, 2025.  4.c Improve Product Filing and Compliance Division (PFCD) processes by June 30, 2025.	<b>4.a. % of recommended actions complete</b> % of forms reviewed and referred for action  <b>4.b % of AES improvement milestones complete.</b> Decrease the average investigation time to 80 days for AES cases  <b>4.c. % of PFCD improvement milestones complete.</b> Decrease the average time to complete an Market Regulation and Consumer Services (MRCS) investigation by 5%  Track average type of cases assigned/handled by AES Unit based on difficulty criteria	Create a report showing opportunities to decrease manual tasks and outlining areas for enhancement.  Identify software capable of automating tasks, if appropriate.  Develop the quantitative criteria for AES Investigation.

Outcome #	FY25 Annual Objectives	Objective Metrics	Annual Initiatives
5	<p>5.a Implement procedures for eliminating backlog and timely reviews for financial enterprises by June 2025.</p> <p>5.b Implement procedure addressing backlog and timely reviews of Long-Term Care (LTC) filings by June 2025.</p>	<p><b>5.a</b> Decrease the # of past due examinations</p> <p><b>5.a.</b> Increase the # of completed examinations by calendar year</p> <p><b>5.a.</b> # of processes and procedures implemented towards eliminating financial enterprises' backlogs</p> <p><b>5.b.</b> # of LTC filings closed after 60 days for non-responsive or missing information</p> <p><b>5.b.</b> # of LTC filings requiring additional actuarial peer reviews</p>	<p>Identify problems, simplify processes, and evaluate the need for more examiners in each industry category based on the report.</p> <p>Develop a report that identifies the obstacles in conducting examinations as scheduled.</p> <p>Establish a process for recruiting interns to help reduce the administrative burden for financial enterprises.</p> <p>Implement new processes that aim to eliminate existing backlogs.</p> <p>Assess strategies implemented by other states in conducting financial enterprises examinations to identify and adopt best practices.</p> <p>Create a process for recruiting Actuarial interns.</p> <p>Outline the steps required to develop a new process for LTC filings.</p>

**Stakeholder Engagement Plan (Summary):**

**Internal:** We organized planning sessions and working groups involving all Assistant Directors to explore opportunities within their divisions. This initiative aimed to establish goals for the next five years.

**External:** We received feedback from consumers about difficulties navigating our website and finding the necessary information. Additionally, we listened to concerns regarding the rising costs of health, auto, and homeowners insurance, as well as the increasing number of individuals who are uninsured or underinsured.

**Communication Plan (Summary):**

**Internal:** We plan to publish the new Strategic Plan on our intranet and create a video to explain it. The Business Operations Administrator will meet with each division during team huddles to emphasize the plan's significance. DIFI will hold monthly Operations Review meetings to discuss our annual objectives and the progress we are making. Additionally, we will produce quarterly update videos to share our progress.

**External:** The new Strategic Plan will be posted on the agency's website, accompanied by a video outlining its key points. This video will also be shared on DIFI's YouTube channel and other social media platforms. Furthermore, quarterly update videos will be posted to provide progress updates on the Strategic Plan.