

Director: Charles R. Cohen

JLBC Analyst: Steve Grunig

	FY 2002 Actual	FY 2003 Estimate	FY 2004 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	102.5	114.9	114.9 ^{1/}
Personal Services	3,448,100	3,682,800	3,682,800
Employee Related Expenditures	816,900	827,800	882,300
Professional and Outside Services	117,800	116,100	116,600
Travel - In State	43,700	43,700	43,700
Travel - Out of State	11,700	14,700	14,700
Other Operating Expenditures	868,600	905,100	948,700
Equipment	63,100	0	0
OPERATING SUBTOTAL	5,369,900	5,590,200	5,688,800
SPECIAL LINE ITEMS			
Managed Care and Dental Plan Oversight	466,500	504,200	517,000
AGENCY TOTAL	5,836,400	6,094,400	6,205,800^{2/}
FUND SOURCES			
General Fund	5,836,400	6,094,400	6,205,800
AGENCY TOTAL	5,836,400	6,094,400	6,205,800

AGENCY DESCRIPTION — *The department regulates the insurance industry. The department’s major duties include solvency regulation, collection and audit of insurance premium taxes, agent licensing, company certification, consumer assistance, complaint resolution, rate and policy form regulation, and administration of companies in receivership. The department collects various filing and licensing fees, which are deposited to the state General Fund. The revenues derived from these fees are required by law to be between 95% and 110% of the department’s state General Fund appropriation.*

PERFORMANCE MEASURES	FY 2002	FY 2002	FY 2003	FY 2004
	Appropriation	Actual	Appropriation	Appropriation
• Average calendar days to complete a consumer complaint investigation	90	64.3	90	64
• Number of new domestic company receiverships	0	0	0	--
• Average days required to complete fraud investigations	100	278	100	100
• % of survey licensees respondents indicating “satisfied” or “better”	85	88.2	85	88
• % of consumer services survey respondents indicating “satisfied” or “better”	88	73.4	88	80
• Average days to issue license after receiving all required information from applicant	31.4	16.1	31.4	16
• Maximum number of days for approval of new products	60	NA	60	--
• Maximum number of days for approval of new rates	60	NA	60	--
• % of agency staff turnover	15.1	10.5	15.1	15.0
• Administration as a % of total cost	22.3	4.9	22.1	4.9

Comment: The agency did not submit information for any measure labeled as “NA.” The Department of Insurance no longer collects information on days for approval of new products or approval of new rates.

^{1/} Includes 9.7 FTE Positions funded from Special Line Items in FY 2004.

^{2/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

Technical Adjustments — The FY 2004 approved amount includes technical adjustments for Employee Related Expenditures, Risk Management charges, and state-owned rent charges. *(Please see the General Provisions section at the end of this Appropriations Report for further details on these changes.)*

Special Line Items

Managed Care and Dental Plan Oversight — This line item reflects monies related to the transfer of regulatory responsibilities for overseeing health care service delivery by Health Care Service Organizations and Prepaid Dental Plan Organizations. These service delivery organizations function as insurance companies and health care providers in that they both finance the cost of health care and provide and arrange health care delivery. The approved amount is unchanged from FY 2003 except for technical adjustments. The line item includes 9.7 General Fund FTE Positions.

Additional Legislation: Budget Reconciliation; Public Finances (Chapter 263) — The Public Finances Omnibus Reconciliation Bill (ORB) suspends in FY 2004 the statutory requirement that fee revenue be between 95% and 110% of the department's appropriation. With prior budget reductions, the department is likely to collect fee revenue in excess of 110% of its FY 2004 appropriation. The ORB provision will allow the department to collect revenue in excess of 110%. Fee revenue is deposited in the General Fund.

[Click here to return to the Table of Contents](#)