

Director: Christina Urias

JLBC Analyst: Steve Grunig

	FY 2003 Actual	FY 2004 Estimate	FY 2005 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	114.9	114.9	114.9 ^{1/}
Personal Services	3,369,400	3,782,200	3,887,400
Employee Related Expenditures	856,800	1,064,900	1,052,800
Professional and Outside Services	102,400	113,600	113,600
Travel - In State	38,600	43,200	43,200
Travel - Out of State	5,200	8,000	8,000
Other Operating Expenditures	825,800	691,800	691,800
Equipment	25,300	0	0
OPERATING SUBTOTAL	5,223,500	5,703,700	5,796,800
SPECIAL LINE ITEMS			
Managed Care and Dental Plan Oversight	495,900	518,300	526,700
AGENCY TOTAL	5,719,400	6,222,000	6,323,500^{2/}
FUND SOURCES			
General Fund	5,719,400	6,222,000	6,323,500
SUBTOTAL - Appropriated Funds	5,719,400	6,222,000	6,323,500
Other Non-Appropriated Funds	11,660,100	14,640,500	14,640,500
TOTAL - ALL SOURCES	17,379,500	20,862,500	20,964,000

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 2003 Appropriation	FY 2003 Actual	FY 2004 Appropriation	FY 2005 Appropriation
• Average calendar days to complete a consumer complaint investigation	90	79.0	64	64
• Average days required to complete fraud investigations	100	57	100	100
• % of survey licensees respondents indicating “satisfied” or “better”	85	89.4	88	88
• % of consumer services survey respondents indicating “satisfied” or “better”	88	70.4	80	80
• Average days to issue license after receiving all required information from applicant	31.4	15.5	16	16
• % of agency staff turnover	15.1	17.3	15.0	15.0
• Administration as a % of total cost	22.1	10.1	4.9	4.9

^{1/} Includes 9.7 FTE Positions funded from Special Line Items in FY 2005.

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

Operating Budget

The budget provides \$5,796,800 from the General Fund for the operating budget in FY 2005. This amount includes an increase for statewide salary and other adjustments. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

Special Line Items

Managed Care and Dental Plan Oversight

The budget provides \$526,700 from the General Fund for Managed Care and Dental Plan Oversight in FY 2005. This amount includes an increase for statewide salary and other adjustments. 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 line item includes 9.7 General Fund FTE Positions.

Additional Legislation

State Fees; Budget Reconciliation

The State Fees Budget Reconciliation Bill (Laws 2004, Chapter 286) suspends in FY 2005 the statutory requirement that fee revenue be between 95% and 110% of the department's appropriation. The department is likely to collect fee revenue in excess of 110% of its FY 2005 appropriation. Fee revenue is deposited in the General Fund. Therefore, this provision will allow the department to collect revenue in excess of 110%.

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