

OFFICE OF THE COMMISSIONER OF INSURANCE

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY05 Adjusted Base	FY06 Recommended	% Change Over FY05	FY07 Recommended	% Change Over FY06
PR-O	12,982,900	13,347,100	2.8	13,459,900	0.8
PR-S	4,187,900	4,272,200	2.0	4,401,600	3.0
SEG-O	87,134,500	87,706,700	0.7	87,797,700	0.1
TOTAL	104,305,300	105,326,000	1.0	105,659,200	0.3

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY05 Adjusted Base	FY06 Recommended	FTE Change From FY05	FY07 Recommended	FTE Change From FY06
PR-O	93.25	92.55	-0.70	92.55	0.00
PR-S	24.00	24.00	0.00	18.00	-6.00
SEG-O	13.75	13.75	0.00	13.75	0.00
TOTAL	131.00	130.30	-0.70	124.30	-6.00

AGENCY DESCRIPTION

The agency was created by the Legislature in 1871, and the original intent of the agency has not changed drastically over the past 133 years. The agency is vested with broad powers to ensure that the insurance industry responsibly and adequately meets the insurance needs of Wisconsin citizens. The agency performs a variety of tasks to protect insurance consumers and ensure a competitive insurance environment. The agency's major functions include: reviewing insurance policies that are sold in Wisconsin to make sure they meet the requirements set forth in Wisconsin law; conducting examinations of domestic and foreign insurers to ensure compliance with Wisconsin laws and rules; monitoring the financial solvency of licensed companies to make sure that consumers have the insurance coverage they expect when they need it; issuing licenses to the various parties involved in selling and marketing insurance products; assisting insurance consumers with their insurance problems; researching special insurance issues to understand and assess their impact on Wisconsin; providing technical assistance on legislation and promulgating administrative rules to interpret insurance laws; creating and distributing public information and consumer education pieces to educate people about insurance; and operating a state life insurance fund, a property fund for the property owned by local units of government, and an injured patients and families compensation fund insuring health care providers for medical malpractice.

MISSION

The mission of the agency is to lead the way in informing and protecting the public and responding to its insurance needs.

PROGRAMS, GOALS, OBJECTIVES AND ACTIVITIES

Program 1: Supervision of the Insurance Industry

Goal: Proactively address the root causes of problems in the insurance marketplace through effective regulation, with an emphasis on early detection and prevention.

Objective/Activity: Aggressively conduct all regulatory core mission functions, including information collection, analysis, licensing and adjudication; refine and improve early warning systems in financial and market regulation; train staff to facilitate intra-agency communication and early identification of regulatory issues; and encourage external interaction and feedback.

Goal: Provide information and assistance to the public, including consumers, legislators, insurers, agents, other states, the federal government and other organizations.

Objective/Activity: Ensure that staff directly interacting with the public have the training and equipment to provide information and assistance in a timely and courteous manner; continue to use and improve performance measures; provide public information through the development and implementation of a coordinated communication plan; and improve and preserve state regulation of insurance by communicating with and informing the public.

Goal: Provide ongoing support and development of each staff member.

Objective/Activity: Provide a healthy and safe work environment; develop the full potential of staff by promoting training and growth opportunities; foster diversity in the workplace; promote positive communication, cooperation and mutual respect within and among all work units, and continue to develop work group teams to improve cross-functional work processes; through continued use of performance standards, strive to improve all functions; and assess restructuring and reallocation of staff resources as appropriate to better address work needs.

Goal: Use appropriate technology to provide tools for the regulation of insurance.

Objective/Activity: Continually review emerging technologies and conduct cost-benefit analyses of applications; encourage officewide participation in technology planning and implementation such as through the Information Technology Strategic Planning Committee; improve state regulation and service by implementing the use of technology to facilitate the sharing of information with other regulatory authorities; and provide opportunities for staff to research and develop new approaches to optimize the use of technology.

Program 2: Injured Patients and Families Compensation Fund

The major objective of the program is to assure that adequate funds are available to compensate patients for serious injuries resulting from acts of medical malpractice. Approximately 13,191 health care providers are covered by the fund. From its inception in 1975 through December 2003, the fund paid 609 claims totaling \$548,014,819.

Goal: Provide excess medical malpractice coverage for Wisconsin health care providers.

Objective/Activity: Ensure the sound fiscal management and integrity of the fund and provide a regular accounting or audit of the fund.

Program 3: Local Government Property Insurance Fund

The purpose of the fund is to make reasonably-priced property insurance available for tax-supported local government property such as government buildings, schools, libraries and motor vehicles. The fund provides policy and claim service to the policyholders. As of June 30, 2003, the fund insured 1,206 policyholders. The total amount of insurance in force as of June 30, 2003, was \$32.7 billion, up from \$29.7 billion at the previous fiscal year end.

Goal: Make reasonably-priced property insurance available for tax-supported local government property.

Objective/Activity: Ensure the sound fiscal management and integrity of the fund and provide a regular accounting or audit of the fund.

Program 4: State Life Insurance Fund

The fund is a state-sponsored program established to provide low-cost life insurance coverage. The maximum level of coverage available to each policyholder is \$10,000.

Goal: Provide a state-sponsored life insurance program for the benefit of residents of Wisconsin.

Objective/Activity: Ensure the sound fiscal management and integrity of the fund and provide a regular accounting or audit of the fund.

PERFORMANCE MEASURES

HISTORICAL DATA

Prog. No.	Performance Measure	Actual 2000	Actual 2001	Actual 2002
1.	Number of financial examinations.	47	54	57
1.	Number of market conduct examinations.	9	16	13
1.	Consumer complaints handled in a timely fashion.	93%	91.9%	92%
1.	Policy form reviews conducted in a timely manner. ¹	46,628	38,580	6,500
1.	Insurance intermediary licensing function processed in a timely manner.	15,340	15,461	20,800
1.	Develop, maintain and distribute consumer education material to the public in a timely manner. ^{2,3}	282 2 347,775	261 0 226,800	192 2 43,335
1.	Continually update the Web site so users can find the information they need. ⁴	636 31,321	811 40,104	669 60,382
2.	Patients compensation fund report accepted by Board of Governors.	Report accepted	Report accepted	Report accepted
3.	Submit annual statement to regulator of the fund timely and in accordance with statutory and GAAP reporting requirements.	Met GAAP standards	Met GAAP standards	Met GAAP standards
3.	Provide a regular accounting or audit of fund via a Legislative Audit Bureau audit, which results in no major issues being identified or qualified audit opinion being rendered.	Unqualified opinion	Unqualified opinion	Unqualified opinion
4.	Submit annual statement to regulator of the fund timely and in accordance with statutory and GAAP reporting requirements.	Met GAAP standards	Met GAAP standards	Met GAAP standards
4.	Provide a regular accounting or audit of fund via a Legislative Audit Bureau audit, which results in no major issues being identified or qualified opinion being rendered.	Unqualified opinion	Unqualified opinion	Unqualified opinion

Note: Based on calendar year.

¹The way policy forms are counted changed due to a new system – each submission is counted rather than each document in a submission. The first full year of the new system was 2002.

²Three figures are presented. The first is the number of "views" of the Consumer Publications List on the Web site. The second is the number of new publications developed. The third is the number of printed publications distributed.

³The number of printed publications will continue to decrease because more information is being made available electronically. As the number of "hits" per week on the Web site went up, the number of printed publications substantially decreased.

⁴Two numbers are presented. The first is the number of major updates or additions to the Web site per year. The second is the total number of "hits" per week on the Web site.

2003 AND 2004 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2003	Actual 2003	Goal 2004	Actual 2004
1.	Number of financial examinations.	55	59	54	N/A
1.	Number of market conduct examinations.	12	10	8	N/A
1.	Consumer complaints handled in a timely fashion.	90%	93%	92%	N/A
1.	Policy form reviews conducted in a timely manner.	55,000	6,325	6,000	N/A
1.	Insurance intermediary licensing function processed in a timely manner.	10,000	16,847	15,000	N/A
1.	Develop, maintain and distribute consumer education material to the public in a timely manner. ^{1,2}	450 2 50,000	707 3 48,046	780 2 45,000	N/A
1.	Continually update the Web site so users can find the information they need. ³	2,000 60,000	2,178 53,736	2,180 72,550	N/A
2.	Patients compensation fund report accepted by Board of Governors.	Report accepted	Report accepted	Report accepted	N/A
3.	Submit annual statement to regulator of the fund timely and in accordance with statutory and GAAP reporting requirements.	Meet GAAP standards	Met GAAP standards	Meet GAAP standards	N/A
3.	Provide a regular accounting or audit of fund via a Legislative Audit Bureau audit, which results in no major issues being identified or qualified audit opinion being rendered.	Unqualified opinion	Unqualified opinion	Unqualified opinion	N/A
4.	Submit annual statement to regulator of the fund timely and in accordance with statutory and GAAP reporting requirements.	Meet GAAP standards	Met GAAP standards	Meet GAAP standards	N/A
4.	Provide a regular accounting or audit of fund via a Legislative Audit Bureau audit, which results in no major issues being identified or qualified opinion being rendered.	Unqualified opinion	Unqualified opinion	Unqualified opinion	N/A

Note: Based on calendar year.

¹Three figures are presented. The first is the number of "views" of the Consumer Publications List on the Web site. The second is the number of new publications developed. The third is the number of printed publications distributed.

²The number of printed publications will continue to decrease because more information is being made available electronically. As the number of "hits" per week on the Web site has gone up, the number of printed publications has substantially decreased.

³Two numbers are presented. The first is the number of major updates or additions to the Web site per year. The second is the total number of "hits" per week on the Web site.

2005, 2006 AND 2007 GOALS

Prog. No.	Performance Measure	Goal 2005	Goal 2006	Goal 2007
1.	Number of financial examinations.	58	56	57
1.	Number of market conduct examinations.	8	8	8
1.	Consumer complaints handled in a timely fashion.	92%	92%	92%
1.	Policy form reviews conducted in a timely manner.	6,000	6,000	6,000
1.	Insurance intermediary licensing function processed in a timely manner.	15,000	15,000	15,000
1.	Develop, maintain and distribute consumer education material to the public in a timely manner. ^{1,2}	780 2 40,000	780 2 39,000	780 2 38,000
1.	Continually update the Web site so users can find the information they need. ³	2,180 72,550	2,180 72,550	2,180 72,550
2.	Injured patients and families compensation fund report accepted by Board of Governors.	Report accepted	Report accepted	Report accepted
3.	Submit annual statement to regulator of the fund timely and in accordance with statutory and GAAP reporting requirements.	Meet GAAP standards	Meet GAAP standards	Meet GAAP standards
3.	Provide a regular accounting or audit of fund via a Legislative Audit Bureau audit, which results in no major issues being identified or qualified audit opinion being rendered.	Unqualified opinion	Unqualified opinion	Unqualified opinion
4.	Submit annual statement to regulator of the fund timely and in accordance with statutory and GAAP reporting requirements.	Meet GAAP standards	Meet GAAP standards	Meet GAAP standards
4.	Provide a regular accounting or audit of fund via a Legislative Audit Bureau audit, which results in no major issues being identified or qualified opinion being rendered.	Unqualified opinion	Unqualified opinion	Unqualified opinion

Note: Based on calendar year.

¹Three figures are presented. The first is the number of "views" of the Consumer Publications List on the Web site. The second is the number of new publications developed. The third is the number of printed publications distributed.

²The number of printed publications will continue to decrease because more information is being made available electronically. As the number of "hits" per week on the Web site goes up, the number of printed publications will substantially decrease.

³Two numbers are presented. The first is the number of major updates or additions to the Web site per year. The second is the total number of "hits" per week on the Web site.

OFFICE OF THE COMMISSIONER OF INSURANCE**GOVERNOR'S BUDGET RECOMMENDATIONS****RECOMMENDATIONS**

1. Streamlining Administrative Services
2. Attorney Consolidation
3. Program and Segregated Revenue Transfers
4. Injured Patients and Families Compensation Fund Transfer
5. Senior Citizen Consumer Protection
6. Board on Aging and Long-Term Care's Medigap Helpline
7. Staff for Financial Analysis and Examinations
8. Travel for Financial Examiners
9. COSMOS Maintenance Contract
10. Pay Progression Adjustments
11. Injured Patients and Families Compensation Fund – Actuarial Services
12. Local Government Property Insurance Fund – Administration
13. State Life Insurance Fund – Reestimate
14. Standard Budget Adjustments

ITEMS NOT APPROVED

15. Insurance Outreach
16. Applications Development Contract
17. Web Programming Services
18. Work Load Support
19. PR-S Chargeback of Supplements
20. Fifth Week of Vacation as Cash

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

	ACTUAL FY04	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		BASE FY05	FY06	FY07	FY06	FY07
PROGRAM REVENUE (2)	\$16,205.8	\$17,170.8	\$20,569.4	\$20,768.4	\$17,619.3	\$17,861.5
State Operations	16,205.8	17,170.8	20,569.4	20,768.4	17,619.3	17,861.5
SEGREGATED REVENUE (3)	48,324.4	87,134.5	87,718.4	87,884.7	87,706.7	87,797.7
State Operations	2,243.1	2,530.5	2,673.4	2,696.7	2,661.7	2,609.7
Local Assistance	19,728.6	26,926.6	26,926.6	26,926.6	26,926.6	26,926.6
Aids to Ind. & Org.	26,352.7	57,677.4	58,118.4	58,261.4	58,118.4	58,261.4
TOTALS-ANNUAL	64,530.2	104,305.3	108,287.8	108,653.1	105,326.0	105,659.2
State Operations	18,448.9	19,701.3	23,242.8	23,465.1	20,281.0	20,471.2
Local Assistance	19,728.6	26,926.6	26,926.6	26,926.6	26,926.6	26,926.6
Aids to Ind. & Org.	26,352.7	57,677.4	58,118.4	58,261.4	58,118.4	58,261.4

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

Table 2
Department Position Summary by Funding Source (in FTE positions) (4)

	ADJUSTED	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
	BASE FY05	FY06	FY07	FY06	FY07
PROGRAM REVENUE (2)	117.25	131.25	131.25	116.55	110.55
SEGREGATED REVENUE (3)	13.75	13.75	13.75	13.75	13.75
TOTALS-ANNUAL	131.00	145.00	145.00	130.30	124.30

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

(4) All positions are State Operations unless otherwise specified

Table 3
Department Budget Summary by Program (in thousands of dollars)

	ACTUAL FY04	ADJUSTED BASE FY05	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY06	FY07	FY06	FY07
1. Supervision of the insurance industry	\$16,205.8	\$17,170.8	\$20,569.4	\$20,768.4	\$17,619.3	\$17,861.5
2. Injured patients and families compensation fund	24,116.4	55,789.5	55,888.6	55,888.6	55,882.3	55,807.3
3. Local government property insurance fund	20,510.4	27,715.2	27,786.4	27,809.4	27,784.8	27,807.8
4. State life insurance fund	3,697.6	3,629.8	4,043.4	4,186.7	4,039.6	4,182.6
TOTALS	64,530.2	104,305.3	108,287.8	108,653.1	105,326.0	105,659.2

Table 4
Department Position Summary by Program (in FTE positions)

	ADJUSTED BASE FY05	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
		FY06	FY07	FY06	FY07
1. Supervision of the insurance industry	117.25	131.25	131.25	116.55	110.55
2. Injured patients and families compensation fund	8.11	8.11	8.11	8.11	8.11
3. Local government property insurance fund	1.07	1.07	1.07	1.07	1.07
4. State life insurance fund	4.57	4.57	4.57	4.57	4.57
TOTALS	131.00	145.00	145.00	130.30	124.30

1. Streamlining Administrative Services

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-S	0	0.00	0	0.00	0	0.00	0	-6.00
TOTAL	0	0.00	0	0.00	0	0.00	0	-6.00

The Governor recommends consolidating server and network support, certain procurement and purchasing functions, and human resources and payroll benefit services in the Department of Administration beginning in FY07 to create administrative efficiencies. To achieve this, the Governor recommends reducing the office's position authority by: (a) 1.2 FTE positions related to server and network consolidation; (b) 0.8 FTE position related to procurement and purchasing consolidation; and (c) 4.0 FTE positions related to human resources and payroll benefit services consolidation. The Governor further recommends retaining funding associated with these positions in the office to cover chargebacks for these services from the Department of Administration. See Department of Administration, Item #1.

2. Attorney Consolidation

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	0	0.00	0	0.00	0	-4.70	0	-4.70
TOTAL	0	0.00	0	0.00	0	-4.70	0	-4.70

The Governor recommends improving the provision of state legal services by consolidating attorneys and legal support staff under the secretary of the Department of Administration on January 1, 2006. The Department of Administration secretary will determine the assignment of attorneys to individual agencies. To achieve this, the Governor recommends transferring 5.7 FTE positions to the Department of Administration. The Governor further recommends retaining the funding associated with these positions in the office to purchase legal services from the Department of Administration. In addition, 1.0 FTE unclassified position is created to provide general counsel services. See Department of Administration, Item #3.

3. Program and Segregated Revenue Transfers

The Governor recommends transferring balances to the general fund from the following appropriation: (a) \$1,538,300 PR in FY06 and \$3,038,300 PR in FY07 from s. 20.145(1)(g).

4. Injured Patients and Families Compensation Fund Transfer

The Governor recommends creating a health care quality improvement fund for the purpose of promoting improvements in medical technology and funding it through a transfer of \$179.4 million from the injured patients and families compensation fund for activities to reform Medical Assistance, improve physician resident training and promote quality health care. The new fund will provide the following: (a) \$10 million for quality improvement grants and loans to health care providers; (b) \$19.4 million to fund Medical Assistance supplemental payments to hospitals, primarily for physician resident training; and (c) \$150 million to fund Medical Assistance reform. See Department of Administration, Item #4 and Department of Health and Family Services, Item #16.

5. Senior Citizen Consumer Protection

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	57,800	1.00	67,800	1.00	57,800	1.00	67,800	1.00
PR-S	3,100	0.00	600	0.00	3,100	0.00	600	0.00
TOTAL	60,900	1.00	68,400	1.00	60,900	1.00	68,400	1.00

The Governor recommends providing funding and position authority to create a market regulation examiner position dedicated to conducting investigations, carrying out enforcement actions and providing consumer education to seniors to protect them from buying fraudulent insurance products.

6. Board on Aging and Long-Term Care's Medigap Helpline

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	20,200	0.00	24,700	0.00	21,500	0.00	25,200	0.00
TOTAL	20,200	0.00	24,700	0.00	21,500	0.00	25,200	0.00

The Governor recommends providing additional funding, after making a technical change, to support the increased costs of operating the Medigap hotline at the Board on Aging and Long-Term Care on behalf of the office. The hotline provides public education to seniors and their families about various types of long-term care insurance policies, including Medicare.

7. Staff for Financial Analysis and Examinations

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	737,400	12.00	820,400	12.00	191,600	3.00	213,600	3.00
PR-S	37,200	0.00	7,200	0.00	9,300	0.00	1,800	0.00
TOTAL	774,600	12.00	827,600	12.00	200,900	3.00	215,400	3.00

The Governor recommends providing 3.0 FTE financial examiner positions to recapture prior year tax assessment credits, to more closely audit interstate reciprocal premium tax returns and to process a backlog of insurer license applications to do business in Wisconsin. The agency should use one examiner to first address the backlog of license applicants until it is eliminated and use the other two examiners to focus on the larger revenue-generating activities. The agency estimates that performing these additional duties should result in an additional \$4.7 million in GPR-Earned by FY07.

8. Travel for Financial Examiners

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	85,600	0.00	0	0.00	85,600	0.00	0	0.00
TOTAL	85,600	0.00	0	0.00	85,600	0.00	0	0.00

The Governor recommends providing additional funding for travel costs of financial examiners in FY06, when more out-of-state companies will be audited. The office monitors the solvency of over 300 domestic insurance companies, which requires staff to travel to both in-state and out-of-state sites to conduct financial examinations.

9. COSMOS Maintenance Contract

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	175,000	0.00	270,000	0.00	20,000	0.00	159,400	0.00
PR-S	175,000	0.00	270,000	0.00	20,000	0.00	159,400	0.00
TOTAL	350,000	0.00	540,000	0.00	40,000	0.00	318,800	0.00

The Governor recommends that the agency use the master lease program to support funding for ongoing maintenance and system upgrade costs of COSMOS, which is the office's primary computer operating system used to regulate the insurance industry. The funding for maintenance is not currently in the agency's base because it was included in the costs of moving to and remodeling the office's new location in the GEF III building. In addition, approval of system change costs in each year will allow the agency to install the upgraded COSMOS system called SIRCON-gov (State Insurance Regulatory Connection for Government).

10. Pay Progression Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	31,900	0.00	55,200	0.00	31,900	0.00	55,200	0.00
TOTAL	31,900	0.00	55,200	0.00	31,900	0.00	55,200	0.00

The Governor recommends providing additional expenditure authority for pay progression series increases negotiated under contract with the Wisconsin Professional Employee Council for insurance examiners and insurance financial examiners.

11. Injured Patients and Families Compensation Fund – Actuarial Services

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	75,000	0.00	75,000	0.00	75,000	0.00	0	0.00
TOTAL	75,000	0.00	75,000	0.00	75,000	0.00	0	0.00

The Governor recommends providing funding to hire an outside actuary to audit the practices used to set assessments and reserve requirements for the injured patients and families compensation fund as recommended by the Legislative Audit Bureau. The Board of Governors of the fund should establish a policy to do such a review every few years.

12. Local Government Property Insurance Fund – Administration

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	67,000	0.00	90,000	0.00	67,000	0.00	90,000	0.00
TOTAL	67,000	0.00	90,000	0.00	67,000	0.00	90,000	0.00

The Governor recommends providing additional expenditure authority to support increased costs of contracting to administer the local government property insurance fund. The contract cost is based on the number of policies and amount of coverage in force. As the number of participants in the fund and amount of coverage increases, administrative costs also increase.

13. State Life Insurance Fund – Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
SEG-O	441,000	0.00	584,000	0.00	441,000	0.00	584,000	0.00
TOTAL	441,000	0.00	584,000	0.00	441,000	0.00	584,000	0.00

The Governor recommends reestimating the benefits appropriation for the state life insurance fund to more closely match payout experience in prior years.

14. Standard Budget Adjustments

Source of Funds	Agency Request				Governor's Recommendation			
	FY06		FY07		FY06		FY07	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
PR-O	-44,200	0.00	-44,200	0.00	-44,200	0.00	-44,200	0.00
PR-S	51,900	0.00	51,900	0.00	51,900	0.00	51,900	0.00
SEG-O	-10,800	0.00	-10,800	0.00	-10,800	0.00	-10,800	0.00
TOTAL	-3,100	0.00	-3,100	0.00	-3,100	0.00	-3,100	0.00

The Governor recommends adjusting the agency's base budget for: (a) turnover (-\$145,200 each year); (b) full funding of continuing position salaries and fringe benefits (\$142,100 in each year); and (c) minor transfers within the same alpha appropriation.

ITEMS NOT APPROVED

The following requests are not included in the Governor's budget recommendations for the Office of the Commissioner of Insurance.

Decision Item	Source of Funds	FY06		FY07	
		Dollars	Positions	Dollars	Positions
15. Insurance Outreach	PR-O	165,200	1.00	176,800	1.00
	PR-S	9,300	0.00	1,800	0.00
16. Applications Development Contract	PR-O	513,000	0.00	517,900	0.00
	PR-S	513,000	0.00	517,900	0.00
17. Web Programming Services	PR-O	171,000	0.00	172,600	0.00
	PR-S	171,000	0.00	172,600	0.00
18. Work Load Support	PR-O	117,000	0.00	107,900	0.00
	PR-S	84,000	0.00	81,100	0.00
19. PR-S Chargeback of Supplements	PR-O	229,900	0.00	229,900	0.00
20. Fifth Week of Vacation as Cash	PR-O	72,800	0.00	73,400	0.00
	PR-S	21,500	0.00	22,100	0.00
	SEG-O	11,700	0.00	12,000	0.00
TOTAL OF ITEMS NOT APPROVED	PR-O	1,268,900	1.00	1,278,500	1.00
	PR-S	798,800	0.00	795,500	0.00
	SEG-O	11,700	0.00	12,000	0.00