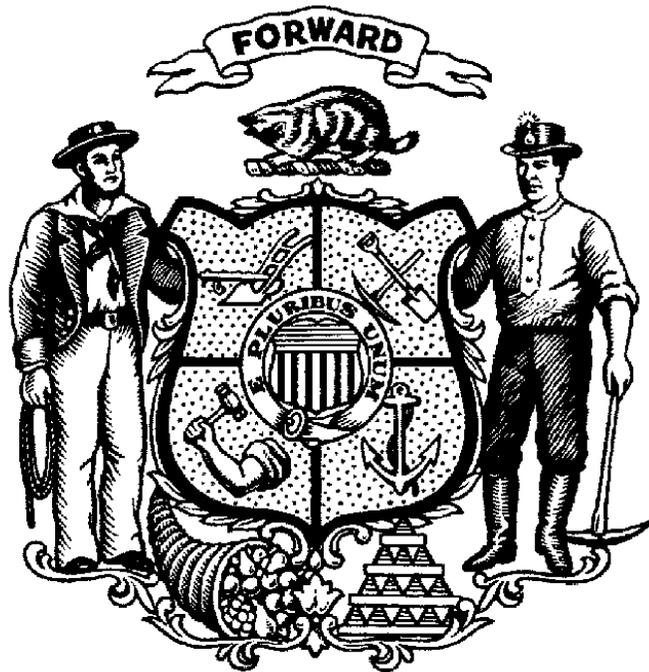


# State of Wisconsin

## Office of the Commissioner of Insurance



Agency Budget Request  
2017 – 2019 Biennium  
September 15, 2016

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State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Scott Walker, Governor  
Theodore K. Nickel, Commissioner

Wisconsin.gov

September 15, 2016

125 South Webster Street • P.O. Box 7873  
Madison, Wisconsin 53707-7873  
Phone: (608) 266-3585 • Fax: (608) 266-9935  
E-Mail: [ociinformation@wisconsin.gov](mailto:ociinformation@wisconsin.gov)  
Web Address: [oci.wi.gov](http://oci.wi.gov)

Scott Neitzel, Secretary  
Department of Administration  
101 East Wilson Street, 10<sup>th</sup> Floor  
Madison, WI 53702

Dear Secretary Neitzel:

Attached is the 2017-2019 biennial budget request from the Office of the Commissioner of Insurance (OCI). This request represents a very basic, cost-to-continue budget for the agency as OCI continues to be a good steward of its financial resources and remains fiscally prudent. There is no General Purpose Revenue (GPR) funding or Full-Time Equivalent (FTE) positions included in this submission.

This modest budget request is needed so that effective insurance regulation will be maintained, Wisconsin's policyholders will continue to be adequately protected, and that a stable business base for Wisconsin domestic insurers will be provided.

Thank you for your consideration of this budget request.

Sincerely,

Theodore K. Nickel  
Commissioner

## **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 145 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 office-wide 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.

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.

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.

**2015 AND 2016 GOALS AND ACTUALS**

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2015</b>	<b>Actual 2015</b>	<b>Goal 2016</b>	<b>Actual 2016</b>
1.	Number of financial examinations (calendar year basis).	63	52	47	Data is on a calendar year basis and is therefore not available yet.
1.	Number of market conduct examinations (calendar year basis).	Determined by need for examination	None, as other outstanding exams were completed	Determined by need for examination	Data is on a calendar year basis and is therefore not available yet.
1.	Consumer complaints handled in a timely fashion (calendar year basis).	95%	95%	95%	Data is on a calendar year basis and is therefore not available yet.
1.	Policy form reviews conducted in a timely manner (calendar year basis).	6,000	6,127	6,000	Data is on a calendar year basis and is therefore not available yet.
1.	Insurance intermediary licensing function processed in a timely manner (calendar year basis).	22,000	39,000	22,000	Data is on a calendar year basis and is therefore not available yet.
1.	Develop, maintain and distribute consumer education material to the public in a timely manner (calendar year basis). <sup>1</sup>	15,500 1 17,800	12,619 1 10,600	15,500 1 17,800	Data is on a calendar year basis and is therefore not available yet.
1.	Continually update the Web site so users can find the information they need (calendar year basis). <sup>2</sup>	975 50,750	968 50,386	975 50,750	Data is on a calendar year basis and is therefore not available yet.
2.	Injured patients and families compensation fund report accepted by Board of Governors.	Report accepted	Report accepted	Report accepted	The report is not due until 03/01/17.

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2015</b>	<b>Actual 2015</b>	<b>Goal 2016</b>	<b>Actual 2016</b>
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	The report is on a calendar year basis and is not due yet.
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	LAB has not yet conducted its audit of this year's financial statements.	Unqualified opinion	LAB has not yet conducted its audit of this year's financial statements.
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	The report is on a calendar year basis and is not due yet.
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	LAB audit is currently in process.	Unqualified opinion	LAB has not yet conducted its audit of this year's financial statements.

Note: Data is based on calendar year. Therefore, the actuals for 2016 are not yet available.

<sup>1</sup>Three 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.

<sup>2</sup>Two 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.

**2017, 2018 AND 2019 GOALS**

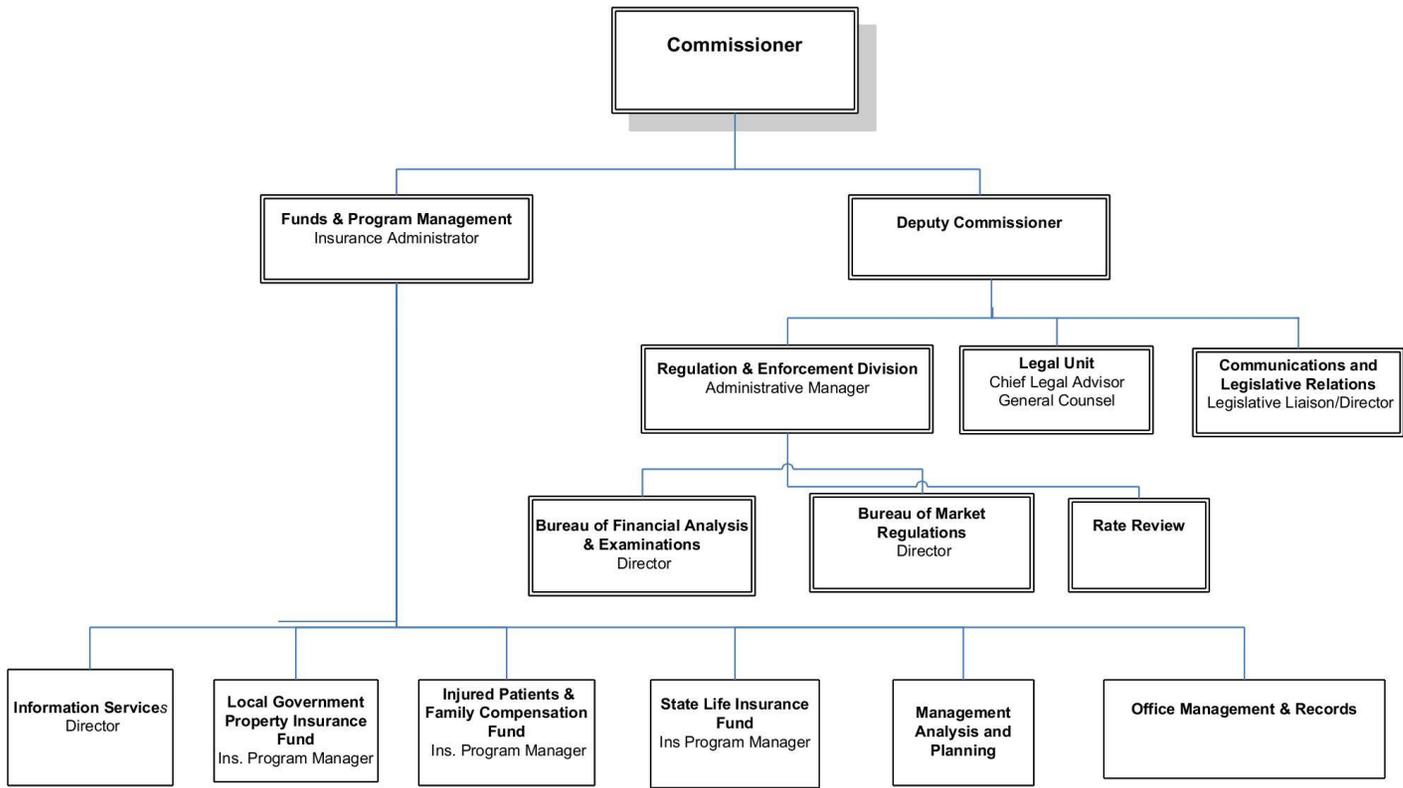
<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2017</b>	<b>Goal 2018</b>	<b>Goal 2019</b>
1.	Number of financial examinations (calendar year basis).	55	55	55
1.	Consumer complaints handled in a timely fashion (calendar year basis).	95%	95%	95%
1.	Policy form reviews conducted in a timely manner (calendar year basis).	6,000	6,000	6,000
1.	Insurance intermediary licensing function processed in a timely manner (calendar year basis).	39,000	39,000	39,000
1.	Develop, maintain and distribute consumer education material to the public in a timely manner (calendar year basis). <sup>1</sup>	15,500 1 350,000	15,500 1 350,000	15,500 1 350,000
1.	Continually update the Web site so users can find the information they need (calendar year basis). <sup>2</sup>	975 50,750	975 50,750	975 50,750
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

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2017</b>	<b>Goal 2018</b>	<b>Goal 2019</b>
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: Goals are based on a calendar year.

<sup>1</sup>Three 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 viewed publications online.

<sup>2</sup>Two 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.



# Agency Total by Fund Source

Office of the Commissioner of Insurance

1719 Biennial Budget

		ANNUAL SUMMARY					BIENNIAL SUMMARY				
Source of Funds		Prior Year Total	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
PR	S	\$17,720,676	\$18,887,400	\$18,499,700	\$18,529,500	131.65	131.65	\$37,774,800	\$37,029,200	(\$745,600)	-2.0%
<b>Total</b>		\$17,720,676	\$18,887,400	\$18,499,700	\$18,529,500	131.65	131.65	\$37,774,800	\$37,029,200	(\$745,600)	-2.0%
PR Federal	S	\$1,035,426	\$0	\$601,000	\$601,000	7.10	7.10	\$0	\$1,202,000	\$1,202,000	
<b>Total</b>		\$1,035,426	\$0	\$601,000	\$601,000	7.10	7.10	\$0	\$1,202,000	\$1,202,000	
SEG	A	\$13,720,736	\$58,643,400	\$58,643,400	\$58,643,400	0.00	0.00	\$117,286,800	\$117,286,800	\$0	0.0%
SEG	L	\$13,114,448	\$29,660,200	\$29,660,200	\$29,660,200	0.00	0.00	\$59,320,400	\$59,320,400	\$0	0.0%
SEG	S	\$2,914,264	\$3,475,700	\$3,438,200	\$3,439,400	12.75	12.75	\$6,951,400	\$6,877,600	(\$73,800)	-1.1%
<b>Total</b>		\$29,749,448	\$91,779,300	\$91,741,800	\$91,743,000	12.75	12.75	\$183,558,600	\$183,484,800	(\$73,800)	0.0%
<b>Grand Total</b>		\$48,505,550	\$110,666,700	\$110,842,500	\$110,873,500	151.50	151.50	\$221,333,400	\$221,716,000	\$382,600	0.2%

# Agency Total by Program

145 Insurance, Office of the Commissioner of

1719 Biennial Budget

Source of Funds	ANNUAL SUMMARY						BIENNIAL SUMMARY			
	Prior Year Actual	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
<b>01 SUPERVISION OF THE INSURANCE INDUSTRY</b>										
<b>Non Federal</b>										
PR	\$17,720,676	\$18,887,400	\$18,499,700	\$18,529,500	131.65	131.65	\$37,774,800	\$37,029,200	(\$745,600)	-1.97%
S	\$17,720,676	\$18,887,400	\$18,499,700	\$18,529,500	131.65	131.65	\$37,774,800	\$37,029,200	(\$745,600)	-1.97%
<b>Total - Non Federal</b>	<b>\$17,720,676</b>	<b>\$18,887,400</b>	<b>\$18,499,700</b>	<b>\$18,529,500</b>	<b>131.65</b>	<b>131.65</b>	<b>\$37,774,800</b>	<b>\$37,029,200</b>	<b>(\$745,600)</b>	<b>-1.97%</b>
S	\$17,720,676	\$18,887,400	\$18,499,700	\$18,529,500	131.65	131.65	\$37,774,800	\$37,029,200	(\$745,600)	-1.97%
<b>Federal</b>										
PR	\$1,035,426	\$0	\$601,000	\$601,000	7.10	7.10	\$0	\$1,202,000	\$1,202,000	0.00%
S	\$1,035,426	\$0	\$601,000	\$601,000	7.10	7.10	\$0	\$1,202,000	\$1,202,000	0.00%
<b>Total - Federal</b>	<b>\$1,035,426</b>	<b>\$0</b>	<b>\$601,000</b>	<b>\$601,000</b>	<b>7.10</b>	<b>7.10</b>	<b>\$0</b>	<b>\$1,202,000</b>	<b>\$1,202,000</b>	<b>0.00%</b>

## Agency Total by Program

### 145 Insurance, Office of the Commissioner of

### 1719 Biennial Budget

S	\$1,035,426	\$0	\$601,000	\$601,000	7.10	7.10	\$0	\$1,202,000	\$1,202,000	0.00%
<b>PGM 01 Total</b>	<b>\$18,756,102</b>	<b>\$18,887,400</b>	<b>\$19,100,700</b>	<b>\$19,130,500</b>	<b>138.75</b>	<b>138.75</b>	<b>\$37,774,800</b>	<b>\$38,231,200</b>	<b>\$456,400</b>	<b>1.21%</b>
<b>PR</b>	<b>\$18,756,102</b>	<b>\$18,887,400</b>	<b>\$19,100,700</b>	<b>\$19,130,500</b>	<b>138.75</b>	<b>138.75</b>	<b>\$37,774,800</b>	<b>\$38,231,200</b>	<b>\$456,400</b>	<b>1.21%</b>
S	\$18,756,102	\$18,887,400	\$19,100,700	\$19,130,500	138.75	138.75	\$37,774,800	\$38,231,200	\$456,400	1.21%
<b>TOTAL 01</b>	<b>\$18,756,102</b>	<b>\$18,887,400</b>	<b>\$19,100,700</b>	<b>\$19,130,500</b>	<b>138.75</b>	<b>138.75</b>	<b>\$37,774,800</b>	<b>\$38,231,200</b>	<b>\$456,400</b>	<b>1.21%</b>
S	\$18,756,102	\$18,887,400	\$19,100,700	\$19,130,500	138.75	138.75	\$37,774,800	\$38,231,200	\$456,400	1.21%

**Agency Total by Program**

145 Insurance, Office of the Commissioner of

1719 Biennial Budget

Source of Funds	ANNUAL SUMMARY						BIENNIAL SUMMARY			
	Prior Year Actual	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
<b>02 INJURED PATIENTS AND FAMILIES COMPENSATION FUND</b>										
<b>Non Federal</b>										
<b>SEG</b>	<b>\$10,837,262</b>	<b>\$55,517,700</b>	<b>\$55,521,500</b>	<b>\$55,522,200</b>	<b>8.11</b>	<b>8.11</b>	<b>\$111,035,400</b>	<b>\$111,043,700</b>	<b>\$8,300</b>	<b>0.01%</b>
A	\$9,599,120	\$54,150,400	\$54,150,400	\$54,150,400	0.00	0.00	\$108,300,800	\$108,300,800	\$0	0.00%
S	\$1,238,142	\$1,367,300	\$1,371,100	\$1,371,800	8.11	8.11	\$2,734,600	\$2,742,900	\$8,300	0.30%
<b>Total - Non Federal</b>	<b>\$10,837,262</b>	<b>\$55,517,700</b>	<b>\$55,521,500</b>	<b>\$55,522,200</b>	<b>8.11</b>	<b>8.11</b>	<b>\$111,035,400</b>	<b>\$111,043,700</b>	<b>\$8,300</b>	<b>0.01%</b>
A	\$9,599,120	\$54,150,400	\$54,150,400	\$54,150,400	0.00	0.00	\$108,300,800	\$108,300,800	\$0	0.00%
S	\$1,238,142	\$1,367,300	\$1,371,100	\$1,371,800	8.11	8.11	\$2,734,600	\$2,742,900	\$8,300	0.30%
<b>PGM 02 Total</b>	<b>\$10,837,262</b>	<b>\$55,517,700</b>	<b>\$55,521,500</b>	<b>\$55,522,200</b>	<b>8.11</b>	<b>8.11</b>	<b>\$111,035,400</b>	<b>\$111,043,700</b>	<b>\$8,300</b>	<b>0.01%</b>

## Agency Total by Program

145 Insurance, Office of the Commissioner of

1719 Biennial Budget

<b>SEG</b>	<b>\$10,837,262</b>	<b>\$55,517,700</b>	<b>\$55,521,500</b>	<b>\$55,522,200</b>	<b>8.11</b>	<b>8.11</b>	<b>\$111,035,400</b>	<b>\$111,043,700</b>	<b>\$8,300</b>	<b>0.01%</b>
A	\$9,599,120	\$54,150,400	\$54,150,400	\$54,150,400	0.00	0.00	\$108,300,800	\$108,300,800	\$0	0.00%
S	\$1,238,142	\$1,367,300	\$1,371,100	\$1,371,800	8.11	8.11	\$2,734,600	\$2,742,900	\$8,300	0.30%
<b>TOTAL 02</b>	<b>\$10,837,262</b>	<b>\$55,517,700</b>	<b>\$55,521,500</b>	<b>\$55,522,200</b>	<b>8.11</b>	<b>8.11</b>	<b>\$111,035,400</b>	<b>\$111,043,700</b>	<b>\$8,300</b>	<b>0.01%</b>
A	\$9,599,120	\$54,150,400	\$54,150,400	\$54,150,400	0.00	0.00	\$108,300,800	\$108,300,800	\$0	0.00%
S	\$1,238,142	\$1,367,300	\$1,371,100	\$1,371,800	8.11	8.11	\$2,734,600	\$2,742,900	\$8,300	0.30%

# Agency Total by Program

145 Insurance, Office of the Commissioner of

1719 Biennial Budget

Source of Funds	ANNUAL SUMMARY						BIENNIAL SUMMARY			
	Prior Year Actual	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
<b>03 LOCAL GOVERNMENT PROPERTY INSURANCE FUND</b>										
<b>Non Federal</b>										
<b>SEG</b>	<b>\$14,264,867</b>	<b>\$31,089,400</b>	<b>\$31,086,900</b>	<b>\$31,087,000</b>	<b>1.07</b>	<b>1.07</b>	<b>\$62,178,800</b>	<b>\$62,173,900</b>	<b>(\$4,900)</b>	<b>-0.01%</b>
L	\$13,114,448	\$29,660,200	\$29,660,200	\$29,660,200	0.00	0.00	\$59,320,400	\$59,320,400	\$0	0.00%
S	\$1,150,419	\$1,429,200	\$1,426,700	\$1,426,800	1.07	1.07	\$2,858,400	\$2,853,500	(\$4,900)	-0.17%
<b>Total - Non Federal</b>	<b>\$14,264,867</b>	<b>\$31,089,400</b>	<b>\$31,086,900</b>	<b>\$31,087,000</b>	<b>1.07</b>	<b>1.07</b>	<b>\$62,178,800</b>	<b>\$62,173,900</b>	<b>(\$4,900)</b>	<b>-0.01%</b>
L	\$13,114,448	\$29,660,200	\$29,660,200	\$29,660,200	0.00	0.00	\$59,320,400	\$59,320,400	\$0	0.00%
S	\$1,150,419	\$1,429,200	\$1,426,700	\$1,426,800	1.07	1.07	\$2,858,400	\$2,853,500	(\$4,900)	-0.17%
<b>PGM 03 Total</b>	<b>\$14,264,867</b>	<b>\$31,089,400</b>	<b>\$31,086,900</b>	<b>\$31,087,000</b>	<b>1.07</b>	<b>1.07</b>	<b>\$62,178,800</b>	<b>\$62,173,900</b>	<b>(\$4,900)</b>	<b>-0.01%</b>

## Agency Total by Program

145 Insurance, Office of the Commissioner of

1719 Biennial Budget

<b>SEG</b>	<b>\$14,264,867</b>	<b>\$31,089,400</b>	<b>\$31,086,900</b>	<b>\$31,087,000</b>	<b>1.07</b>	<b>1.07</b>	<b>\$62,178,800</b>	<b>\$62,173,900</b>	<b>(\$4,900)</b>	<b>-0.01%</b>
L	\$13,114,448	\$29,660,200	\$29,660,200	\$29,660,200	0.00	0.00	\$59,320,400	\$59,320,400	\$0	0.00%
S	\$1,150,419	\$1,429,200	\$1,426,700	\$1,426,800	1.07	1.07	\$2,858,400	\$2,853,500	(\$4,900)	-0.17%
<b>TOTAL 03</b>	<b>\$14,264,867</b>	<b>\$31,089,400</b>	<b>\$31,086,900</b>	<b>\$31,087,000</b>	<b>1.07</b>	<b>1.07</b>	<b>\$62,178,800</b>	<b>\$62,173,900</b>	<b>(\$4,900)</b>	<b>-0.01%</b>
L	\$13,114,448	\$29,660,200	\$29,660,200	\$29,660,200	0.00	0.00	\$59,320,400	\$59,320,400	\$0	0.00%
S	\$1,150,419	\$1,429,200	\$1,426,700	\$1,426,800	1.07	1.07	\$2,858,400	\$2,853,500	(\$4,900)	-0.17%

# Agency Total by Program

145 Insurance, Office of the Commissioner of

1719 Biennial Budget

Source of Funds	ANNUAL SUMMARY						BIENNIAL SUMMARY			
	Prior Year Actual	Adjusted Base	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE	Base Year Doubled (BYD)	Biennial Request	Change From (BYD)	Change From BYD %
<b>04 STATE LIFE INSURANCE FUND</b>										
<b>Non Federal</b>										
<b>SEG</b>	<b>\$4,647,319</b>	<b>\$5,172,200</b>	<b>\$5,133,400</b>	<b>\$5,133,800</b>	<b>3.57</b>	<b>3.57</b>	<b>\$10,344,400</b>	<b>\$10,267,200</b>	<b>(\$77,200)</b>	<b>-0.75%</b>
A	\$4,121,616	\$4,493,000	\$4,493,000	\$4,493,000	0.00	0.00	\$8,986,000	\$8,986,000	\$0	0.00%
S	\$525,703	\$679,200	\$640,400	\$640,800	3.57	3.57	\$1,358,400	\$1,281,200	(\$77,200)	-5.68%
<b>Total - Non Federal</b>	<b>\$4,647,319</b>	<b>\$5,172,200</b>	<b>\$5,133,400</b>	<b>\$5,133,800</b>	<b>3.57</b>	<b>3.57</b>	<b>\$10,344,400</b>	<b>\$10,267,200</b>	<b>(\$77,200)</b>	<b>-0.75%</b>
A	\$4,121,616	\$4,493,000	\$4,493,000	\$4,493,000	0.00	0.00	\$8,986,000	\$8,986,000	\$0	0.00%
S	\$525,703	\$679,200	\$640,400	\$640,800	3.57	3.57	\$1,358,400	\$1,281,200	(\$77,200)	-5.68%
<b>PGM 04 Total</b>	<b>\$4,647,319</b>	<b>\$5,172,200</b>	<b>\$5,133,400</b>	<b>\$5,133,800</b>	<b>3.57</b>	<b>3.57</b>	<b>\$10,344,400</b>	<b>\$10,267,200</b>	<b>(\$77,200)</b>	<b>-0.75%</b>

## Agency Total by Program

145 Insurance, Office of the Commissioner of

1719 Biennial Budget

<b>SEG</b>	<b>\$4,647,319</b>	<b>\$5,172,200</b>	<b>\$5,133,400</b>	<b>\$5,133,800</b>	<b>3.57</b>	<b>3.57</b>	<b>\$10,344,400</b>	<b>\$10,267,200</b>	<b>(\$77,200)</b>	<b>-0.75%</b>
A	\$4,121,616	\$4,493,000	\$4,493,000	\$4,493,000	0.00	0.00	\$8,986,000	\$8,986,000	\$0	0.00%
S	\$525,703	\$679,200	\$640,400	\$640,800	3.57	3.57	\$1,358,400	\$1,281,200	(\$77,200)	-5.68%
<b>TOTAL 04</b>	<b>\$4,647,319</b>	<b>\$5,172,200</b>	<b>\$5,133,400</b>	<b>\$5,133,800</b>	<b>3.57</b>	<b>3.57</b>	<b>\$10,344,400</b>	<b>\$10,267,200</b>	<b>(\$77,200)</b>	<b>-0.75%</b>
A	\$4,121,616	\$4,493,000	\$4,493,000	\$4,493,000	0.00	0.00	\$8,986,000	\$8,986,000	\$0	0.00%
S	\$525,703	\$679,200	\$640,400	\$640,800	3.57	3.57	\$1,358,400	\$1,281,200	(\$77,200)	-5.68%
<b>Agency Total</b>	<b>\$48,505,550</b>	<b>\$110,666,700</b>	<b>\$110,842,500</b>	<b>\$110,873,500</b>	<b>151.50</b>	<b>151.50</b>	<b>\$221,333,400</b>	<b>\$221,716,000</b>	<b>\$382,600</b>	<b>0.17%</b>

# Agency Total by Decision Item

Office of the Commissioner of Insurance

1719 Biennial Budget

Decision Item	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
2000 Adjusted Base Funding Level	\$110,666,700	\$110,666,700	151.50	151.50
3001 Turnover Reduction	(\$260,800)	(\$260,800)	0.00	0.00
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$346,500	\$346,500	0.00	0.00
3010 Full Funding of Lease and Directed Moves Costs	\$63,400	\$96,900	0.00	0.00
4001 Fully Fund the Board on Aging and Long-Term Care's Medigap Helpline	\$26,700	\$24,200	0.00	0.00
<b>TOTAL</b>	<b>\$110,842,500</b>	<b>\$110,873,500</b>	<b>151.50</b>	<b>151.50</b>

# GPR Earned

1719 Biennial Budget

	CODES	TITLES
DEPARTMENT	145	Office of the Commissioner of Insurance
PROGRAM	01	Supervision of the insurance industry

DATE September 12, 2016

Revenue	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$0	\$0	\$0	\$0
GPR-Earned on Revenue	\$25,375,500	\$23,950,400	\$23,114,900	\$23,114,900
DOA Allocated Lapse	\$902,700	\$902,700	\$902,700	\$902,700
<b>Total</b>	<b>\$26,278,200</b>	<b>\$24,853,100</b>	<b>\$24,017,600</b>	<b>\$24,017,600</b>

# Program Revenue

1719 Biennial Budget

	CODES	TITLES
DEPARTMENT	145	Office of the Commissioner of Insurance
PROGRAM	01	Supervision of the insurance industry
SUBPROGRAM		
NUMERIC APPROPRIATION	31	General program operations

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
<b>Opening Balance</b>	<b>\$2,118,900</b>	<b>\$1,498,300</b>	<b>\$1,171,000</b>	<b>\$1,309,700</b>
CMO Examinations	\$244,300	\$244,000	\$244,000	\$244,000
DOA Allocated Lapse	(\$902,700)	(\$902,700)	(\$902,700)	(\$902,700)
Transfer to GPR Earned	(\$25,375,500)	(\$23,950,400)	(\$23,114,900)	(\$23,114,900)
Fees	\$35,705,000	\$35,500,000	\$34,891,200	\$34,891,200
Exam Assessments	\$7,314,200	\$7,300,000	\$7,300,000	\$7,300,000
Interfund Transfers	\$114,800	\$125,000	\$125,000	\$125,000
<b>Total Revenue</b>	<b>\$19,219,000</b>	<b>\$19,814,200</b>	<b>\$19,713,600</b>	<b>\$19,852,300</b>
<b>Expenditures</b>	<b>\$17,720,676</b>	<b>\$18,643,200</b>	<b>\$0</b>	<b>\$0</b>

2000 Adjusted Base Funding Level	\$0	\$0	\$18,887,400	\$18,887,400
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$0	\$0	(\$222,700)	(\$222,700)
3010 Full Funding of Lease and Directed Moves Costs	\$0	\$0	\$69,100	\$101,400
4001 Fully Fund the Board on Aging and Long-Term Care's Medigap Helpline	\$0	\$0	\$26,700	\$24,200
3001 Turnover Reduction	\$0	\$0	(\$260,800)	(\$260,800)
<b>Total Expenditures</b>	<b>\$17,720,676</b>	<b>\$18,643,200</b>	<b>\$18,499,700</b>	<b>\$18,529,500</b>
<b><u>Closing Balance</u></b>	<b>\$1,498,324</b>	<b>\$1,171,000</b>	<b>\$1,213,900</b>	<b>\$1,322,800</b>

# Program Revenue

1719 Biennial Budget

	CODES	TITLES
DEPARTMENT	145	Office of the Commissioner of Insurance
PROGRAM	01	Supervision of the insurance industry
SUBPROGRAM		
NUMERIC APPROPRIATION	41	Federal funds

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
<b>Opening Balance</b>	\$0	\$18,000	\$0	(\$601,000)
Federal Grant Revenue	\$1,053,400	\$568,600	\$0	\$0
<b>Total Revenue</b>	<b>\$1,053,400</b>	<b>\$586,600</b>	<b>\$0</b>	<b>(\$601,000)</b>
<b>Expenditures</b>	<b>\$1,035,426</b>	<b>\$586,600</b>	<b>\$0</b>	<b>\$0</b>
2000 Adjusted Base Funding Level	\$0	\$0	\$0	\$0
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$0	\$0	\$601,000	\$601,000
<b>Total Expenditures</b>	<b>\$1,035,426</b>	<b>\$586,600</b>	<b>\$601,000</b>	<b>\$601,000</b>
<b>Closing Balance</b>	<b>\$17,974</b>	<b>\$0</b>	<b>(\$601,000)</b>	<b>(\$1,202,000)</b>

# Segregated Funds Revenue and Balances Statement

1719 Biennial Budget

	<b>CODES</b>	<b>TITLES</b>
<b>DEPARTMENT</b>	145	Office of the Commissioner of Insurance
<b>NUMERIC APPROPRIATION</b>		
<b>PROGRAM</b>	02	Injured patients and families compensation fund
<b>SUBPROGRAM</b>		
<b>WISMA RT FUND</b>	533	

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
<b>Opening Balance</b>	<b>\$1,209,409,300</b>	<b>\$1,207,207,200</b>	<b>\$1,261,971,700</b>	<b>\$1,273,546,800</b>
Investment Income	\$83,437,000	\$52,500,000	\$49,500,000	\$51,400,000
Assessments	\$22,733,900	\$20,900,000	\$17,600,000	\$17,600,000
<b>Total Revenue</b>	<b>\$1,315,580,200</b>	<b>\$1,280,607,200</b>	<b>\$1,329,071,700</b>	<b>\$1,342,546,800</b>
<b>Expenditures</b>	<b>\$10,837,300</b>	<b>\$18,635,500</b>	<b>\$0</b>	<b>\$0</b>
2000 Adjusted Base Funding Level	\$0	\$0	\$55,517,700	\$55,517,700
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$0	\$0	\$7,200	\$7,200

3010 Full Funding of Lease and Directed Moves Costs	\$0	\$0	(\$3,400)	(\$2,700)
<b>Total Expenditures</b>	<b>\$10,837,300</b>	<b>\$18,635,500</b>	<b>\$55,521,500</b>	<b>\$55,522,200</b>
<u><b>Closing Balance</b></u>	<b>\$1,304,742,900</b>	<b>\$1,261,971,700</b>	<b>\$1,273,550,200</b>	<b>\$1,287,024,600</b>

# Segregated Funds Revenue and Balances Statement

1719 Biennial Budget

	CODES	TITLES
DEPARTMENT	145	Office of the Commissioner of Insurance
NUMERIC APPROPRIATION		
PROGRAM	03	Local government property insurance fund
SUBPROGRAM		
WiSMART FUND	531	

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
<b>Opening Balance</b>	<b>\$18,100,600</b>	<b>\$8,063,200</b>	<b>\$2,060,700</b>	<b>(\$25,573,900)</b>
Assessments and Fees	\$4,225,000	\$3,495,000	\$3,450,000	\$3,450,000
Investment Income	\$2,500	\$2,500	\$2,500	\$2,500
<b>Total Revenue</b>	<b>\$22,328,100</b>	<b>\$11,560,700</b>	<b>\$5,513,200</b>	<b>(\$22,121,400)</b>
<b>Expenditures</b>	<b>\$14,264,900</b>	<b>\$9,500,000</b>	<b>\$0</b>	<b>\$0</b>
2000 Adjusted Base Funding Level	\$0	\$0	\$31,089,400	\$31,089,400
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$0	\$0	(\$2,300)	(\$2,300)

3010 Full Funding of Lease and Directed Moves Costs	\$0	\$0	(\$200)	(\$100)
<b>Total Expenditures</b>	<b>\$14,264,900</b>	<b>\$9,500,000</b>	<b>\$31,086,900</b>	<b>\$31,087,000</b>
<b><u>Closing Balance</u></b>	<b>\$8,063,200</b>	<b>\$2,060,700</b>	<b>(\$25,573,700)</b>	<b>(\$53,208,400)</b>

# Segregated Funds Revenue and Balances Statement

1719 Biennial Budget

	CODES	TITLES
DEPARTMENT	145	Office of the Commissioner of Insurance
NUMERIC APPROPRIATION		
PROGRAM	04	State life insurance fund
SUBPROGRAM		
WISMA RT FUND	532	

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
<b>Opening Balance</b>	<b>\$127,597,500</b>	<b>\$130,005,400</b>	<b>\$131,325,400</b>	<b>\$132,201,400</b>
Premiums	\$628,500	\$620,000	\$611,500	\$603,000
Investment Income	\$6,426,700	\$5,200,000	\$5,400,000	\$5,400,000
<b>Total Revenue</b>	<b>\$134,652,700</b>	<b>\$135,825,400</b>	<b>\$137,336,900</b>	<b>\$138,204,400</b>
<b>Expenditures</b>	<b>\$4,647,300</b>	<b>\$4,500,000</b>	<b>\$0</b>	<b>\$0</b>
2000 Adjusted Base Funding Level	\$0	\$0	\$5,172,200	\$5,172,200
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$0	\$0	(\$36,700)	(\$36,700)

3010 Full Funding of Lease and Directed Moves Costs	\$0	\$0	(\$2,100)	(\$1,700)
<b>Total Expenditures</b>	<b>\$4,647,300</b>	<b>\$4,500,000</b>	<b>\$5,133,400</b>	<b>\$5,133,800</b>
<u><b>Closing Balance</b></u>	<b>\$130,005,400</b>	<b>\$131,325,400</b>	<b>\$132,203,500</b>	<b>\$133,070,600</b>

**Decision Item (DIN) - 2000**

**Decision Item (DIN) Title - Adjusted Base Funding Level**

**NARRATIVE**

Adjusted Base Funding Level

# Decision Item by Line

1719 Biennial Budget

	<b>CODES</b>	<b>TITLES</b>
<b>DEPARTMENT</b>	145	Office of the Commissioner of Insurance
	<b>CODES</b>	<b>TITLES</b>
<b>DECISION ITEM</b>	2000	Adjusted Base Funding Level

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$9,482,400	\$9,482,400
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$38,100	\$38,100
05	Fringe Benefits	\$3,674,800	\$3,674,800
06	Supplies and Services	\$7,979,300	\$7,979,300
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13	Special Purpose	\$89,492,100	\$89,492,100
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0

<b>17</b>	<b>Total Cost</b>	<b>\$110,666,700</b>	<b>\$110,666,700</b>
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	147.50	147.50
20	Unclassified Positions Authorized	4.00	4.00

# Decision Item by Numeric

## Office of the Commissioner of Insurance

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	<b>2000</b>	<b>Adjusted Base Funding Level</b>			
<b>01</b>	<b>Supervision of the insurance industry</b>				
	31 General program operations	\$18,887,400	\$18,887,400	131.65	131.65
	41 Federal funds	\$0	\$0	7.10	7.10
	<b>Supervision of the insurance industry SubTotal</b>	<b>\$18,887,400</b>	<b>\$18,887,400</b>	<b>138.75</b>	<b>138.75</b>
<b>02</b>	<b>Injured patients and families compensation fund</b>				
	61 Administration	\$1,222,100	\$1,222,100	6.61	6.61
	62 Peer review council	\$145,200	\$145,200	1.50	1.50
	76 Specified responsibilities, inv. board payments and future medical expenses	\$54,150,400	\$54,150,400	0.00	0.00
	<b>Injured patients and families compensation fund SubTotal</b>	<b>\$55,517,700</b>	<b>\$55,517,700</b>	<b>8.11</b>	<b>8.11</b>
<b>03</b>	<b>Local government property insurance fund</b>				
	61 Administration	\$1,429,200	\$1,429,200	1.07	1.07
	76 Specified payments, fire dues and reinsurance	\$29,660,200	\$29,660,200	0.00	0.00
	<b>Local government property insurance fund SubTotal</b>	<b>\$31,089,400</b>	<b>\$31,089,400</b>	<b>1.07</b>	<b>1.07</b>
<b>04</b>	<b>State life insurance fund</b>				

# Decision Item by Numeric

## Office of the Commissioner of Insurance

	61 Administration	\$679,200	\$679,200	3.57	3.57
	76 Specified payments and losses	\$4,493,000	\$4,493,000	0.00	0.00
	<b>State life insurance fund SubTotal</b>	<b>\$5,172,200</b>	<b>\$5,172,200</b>	<b>3.57</b>	<b>3.57</b>
	<b>Adjusted Base Funding Level SubTotal</b>	<b>\$110,666,700</b>	<b>\$110,666,700</b>	<b>151.50</b>	<b>151.50</b>
	<b>Agency Total</b>	<b>\$110,666,700</b>	<b>\$110,666,700</b>	<b>151.50</b>	<b>151.50</b>

# Decision Item by Fund Source

## Office of the Commissioner of Insurance

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	2000	Adjusted Base Funding Level				
	PR	S	\$18,887,400	\$18,887,400	131.65	131.65
	PR Federal	S	\$0	\$0	7.10	7.10
	SEG	A	\$58,643,400	\$58,643,400	0.00	0.00
	SEG	L	\$29,660,200	\$29,660,200	0.00	0.00
	SEG	S	\$3,475,700	\$3,475,700	12.75	12.75
	<b>Total</b>		<b>\$110,666,700</b>	<b>\$110,666,700</b>	<b>151.50</b>	<b>151.50</b>
<b>Agency Total</b>		<b>\$110,666,700</b>	<b>\$110,666,700</b>	<b>151.50</b>	<b>151.50</b>	

**Decision Item (DIN) - 3001**

**Decision Item (DIN) Title - Turnover Reduction**

**NARRATIVE**

Standard Budget Adjustment - Turnover Reduction

# Decision Item by Line

1719 Biennial Budget

	<b>CODES</b>	<b>TITLES</b>
<b>DEPARTMENT</b>	145	Office of the Commissioner of Insurance
	<b>CODES</b>	<b>TITLES</b>
<b>DECISION ITEM</b>	3001	Turnover Reduction

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	(\$260,800)	(\$260,800)
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$0	\$0
06	Supplies and Services	\$0	\$0
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13	Special Purpose	\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0

<b>17</b>	<b>Total Cost</b>	<b>(\$260,800)</b>	<b>(\$260,800)</b>
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

# Decision Item by Numeric

## Office of the Commissioner of Insurance

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	<b>3001</b>	<b>Turnover Reduction</b>			
<b>01</b>	<b>Supervision of the insurance industry</b>				
	31 General program operations	(\$260,800)	(\$260,800)	0.00	0.00
	<b>Supervision of the insurance industry SubTotal</b>	<b>(\$260,800)</b>	<b>(\$260,800)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Turnover Reduction SubTotal</b>	<b>(\$260,800)</b>	<b>(\$260,800)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Agency Total</b>	<b>(\$260,800)</b>	<b>(\$260,800)</b>	<b>0.00</b>	<b>0.00</b>

# Decision Item by Fund Source

Office of the Commissioner of Insurance

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
<b>Decision Item</b>	<b>3001</b>	<b>Turnover Reduction</b>				
	PR	S	(\$260,800)	(\$260,800)	0.00	0.00
	<b>Total</b>		<b>(\$260,800)</b>	<b>(\$260,800)</b>	<b>0.00</b>	<b>0.00</b>
<b>Agency Total</b>			<b>(\$260,800)</b>	<b>(\$260,800)</b>	<b>0.00</b>	<b>0.00</b>

**Decision Item (DIN) - 3003**

**Decision Item (DIN) Title - Full Funding of Continuing Position Salaries and Fringe Benefits**

**NARRATIVE**

Standard Budget Adjustment - Full Funding of Continuing Position Salaries and Fringe Benefits

# Decision Item by Line

1719 Biennial Budget

	<b>CODES</b>	<b>TITLES</b>
<b>DEPARTMENT</b>	145	Office of the Commissioner of Insurance
	<b>CODES</b>	<b>TITLES</b>
<b>DECISION ITEM</b>	3003	Full Funding of Continuing Position Salaries and Fringe Benefits

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$379,300	\$379,300
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	(\$32,800)	(\$32,800)
06	Supplies and Services	\$0	\$0
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13	Special Purpose	\$0	\$0
14		\$0	\$0
15		\$0	\$0

16		\$0	\$0
<b>17</b>	<b>Total Cost</b>	<b>\$346,500</b>	<b>\$346,500</b>
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

# Decision Item by Numeric

## Office of the Commissioner of Insurance

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	<b>3003</b>	<b>Full Funding of Continuing Position Salaries and Fringe Benefits</b>			
<b>01</b>	<b>Supervision of the insurance industry</b>				
	31 General program operations	(\$222,700)	(\$222,700)	0.00	0.00
	41 Federal funds	\$601,000	\$601,000	0.00	0.00
	<b>Supervision of the insurance industry SubTotal</b>	<b>\$378,300</b>	<b>\$378,300</b>	<b>0.00</b>	<b>0.00</b>
<b>02</b>	<b>Injured patients and families compensation fund</b>				
	61 Administration	\$8,600	\$8,600	0.00	0.00
	62 Peer review council	(\$1,400)	(\$1,400)	0.00	0.00
	<b>Injured patients and families compensation fund SubTotal</b>	<b>\$7,200</b>	<b>\$7,200</b>	<b>0.00</b>	<b>0.00</b>
<b>03</b>	<b>Local government property insurance fund</b>				
	61 Administration	(\$2,300)	(\$2,300)	0.00	0.00
	<b>Local government property insurance fund SubTotal</b>	<b>(\$2,300)</b>	<b>(\$2,300)</b>	<b>0.00</b>	<b>0.00</b>
<b>04</b>	<b>State life insurance fund</b>				
	61 Administration	(\$36,700)	(\$36,700)	0.00	0.00
	<b>State life insurance fund SubTotal</b>	<b>(\$36,700)</b>	<b>(\$36,700)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Full Funding of Continuing Position Salaries and Fringe Benefits SubTotal</b>	<b>\$346,500</b>	<b>\$346,500</b>	<b>0.00</b>	<b>0.00</b>

# Decision Item by Numeric

Office of the Commissioner of Insurance

	<b>Agency Total</b>	<b>\$346,500</b>	<b>\$346,500</b>	<b>0.00</b>	<b>0.00</b>

# Decision Item by Fund Source

## Office of the Commissioner of Insurance

		Source of Funds	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
Decision Item	3003	Full Funding of Continuing Position Salaries and Fringe Benefits				
	PR	S	(\$222,700)	(\$222,700)	0.00	0.00
	PR Federal	S	\$601,000	\$601,000	0.00	0.00
	SEG	S	(\$31,800)	(\$31,800)	0.00	0.00
	<b>Total</b>		<b>\$346,500</b>	<b>\$346,500</b>	<b>0.00</b>	<b>0.00</b>
<b>Agency Total</b>			<b>\$346,500</b>	<b>\$346,500</b>	<b>0.00</b>	<b>0.00</b>

**Decision Item (DIN) - 3010**

**Decision Item (DIN) Title - Full Funding of Lease and Directed Moves Costs**

**NARRATIVE**

Standard Budget Adjustment - Full Funding of Lease and Directed Moves Costs

# Decision Item by Line

1719 Biennial Budget

	<b>CODES</b>	<b>TITLES</b>
<b>DEPARTMENT</b>	145	Office of the Commissioner of Insurance
	<b>CODES</b>	<b>TITLES</b>
<b>DECISION ITEM</b>	3010	Full Funding of Lease and Directed Moves Costs

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$0	\$0
06	Supplies and Services	\$63,400	\$96,900
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13	Special Purpose	\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0

<b>17</b>	<b>Total Cost</b>	<b>\$63,400</b>	<b>\$96,900</b>
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

# Decision Item by Numeric

## Office of the Commissioner of Insurance

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	<b>3010</b>	<b>Full Funding of Lease and Directed Moves Costs</b>			
<b>01</b>	<b>Supervision of the insurance industry</b>				
	31 General program operations	\$69,100	\$101,400	0.00	0.00
	<b>Supervision of the insurance industry SubTotal</b>	<b>\$69,100</b>	<b>\$101,400</b>	<b>0.00</b>	<b>0.00</b>
<b>02</b>	<b>Injured patients and families compensation fund</b>				
	61 Administration	(\$2,700)	(\$2,100)	0.00	0.00
	62 Peer review council	(\$700)	(\$600)	0.00	0.00
	<b>Injured patients and families compensation fund SubTotal</b>	<b>(\$3,400)</b>	<b>(\$2,700)</b>	<b>0.00</b>	<b>0.00</b>
<b>03</b>	<b>Local government property insurance fund</b>				
	61 Administration	(\$200)	(\$100)	0.00	0.00
	<b>Local government property insurance fund SubTotal</b>	<b>(\$200)</b>	<b>(\$100)</b>	<b>0.00</b>	<b>0.00</b>
<b>04</b>	<b>State life insurance fund</b>				
	61 Administration	(\$2,100)	(\$1,700)	0.00	0.00
	<b>State life insurance fund SubTotal</b>	<b>(\$2,100)</b>	<b>(\$1,700)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Full Funding of Lease and Directed Moves Costs SubTotal</b>	<b>\$63,400</b>	<b>\$96,900</b>	<b>0.00</b>	<b>0.00</b>

# Decision Item by Numeric

## Office of the Commissioner of Insurance

	Agency Total	\$63,400	\$96,900	0.00	0.00
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# Decision Item by Fund Source

## Office of the Commissioner of Insurance

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
<b>Decision Item</b>	<b>3010</b>	<b>Full Funding of Lease and Directed Moves Costs</b>				
	PR	S	\$69,100	\$101,400	0.00	0.00
	SEG	S	(\$5,700)	(\$4,500)	0.00	0.00
	<b>Total</b>		<b>\$63,400</b>	<b>\$96,900</b>	<b>0.00</b>	<b>0.00</b>
<b>Agency Total</b>			<b>\$63,400</b>	<b>\$96,900</b>	<b>0.00</b>	<b>0.00</b>

## **Decision Item (DIN) - 4001**

### **Decision Item (DIN) Title - Fully Fund the Board on Aging and Long-Term Care's Medigap Helpline**

#### **NARRATIVE**

##### **I. Request**

The Office of the Commissioner of Insurance (OCI) is requesting change in expenditure authority in the amount of \$26,700 for FY 2018 and \$24,200 in FY 2019 to fully fund the Board on Aging's Medigap Helpline. This request helps to achieve the state's goals of promoting healthy people and communities and improving government service delivery. It would also help support our agency's goal of providing information and assistance to our public, including consumers, legislators, agents, other states, the federal government, and other organizations

##### **II. Benefit**

The Board on Aging bills OCI for the costs of running the Medigap Helpline. Since the Board on Aging is submitting an increase in expenditure authority in the 2017-2019 biennial budget, OCI will request a corresponding increase in expenditure authority in order to reimburse the Board on Aging for its increased costs.

##### **III. Background**

The Board on Aging runs a Medigap Helpline to assist the elderly. The Board on Aging bills OCI for the costs associated with the Medigap Helpline. As the costs of the Medigap Helpline change, OCI's expenditure authority must change accordingly so that it can fully reimburse the Board on Aging for these costs.

##### **IV. Analysis of Need**

The Board on Aging is requesting an expenditure authority increase from its current base funding level that OCI has for the Medigap Helpline. The change is \$26,700 in FY 2018 and \$24,200 in FY 2019. OCI will need this changed expenditure authority to fully reimburse the Board on Aging for the anticipated costs of running the Medigap Helpline.

##### **V. Alternatives**

- A. Request a change in expenditure authority to fully reimburse the Board on Aging for the costs related to the Medigap Helpline.
- B. Not fully reimburse the Board on Aging for the costs of the Medigap Helpline.

# Decision Item by Line

1719 Biennial Budget

	<b>CODES</b>	<b>TITLES</b>
<b>DEPARTMENT</b>	145	Office of the Commissioner of Insurance
	<b>CODES</b>	<b>TITLES</b>
<b>DECISION ITEM</b>	4001	Fully Fund the Board on Aging and Long-Term Care's Medigap Helpline

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$0	\$0
06	Supplies and Services	\$0	\$0
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$0	\$0
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13	Special Purpose	\$26,700	\$24,200
14		\$0	\$0
15		\$0	\$0

16		\$0	\$0
<b>17</b>	<b>Total Cost</b>	<b>\$26,700</b>	<b>\$24,200</b>
18	Project Positions Authorized	0.00	0.00
19	Classified Positions Authorized	0.00	0.00
20	Unclassified Positions Authorized	0.00	0.00

# Decision Item by Numeric

## Office of the Commissioner of Insurance

Program	Decision Item/Numeric	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
	<b>4001</b>	<b>Fully Fund the Board on Aging and Long-Term Care's Medigap Helpline</b>			
<b>01</b>	<b>Supervision of the insurance industry</b>				
	31 General program operations	\$26,700	\$24,200	0.00	0.00
	<b>Supervision of the insurance industry SubTotal</b>	<b>\$26,700</b>	<b>\$24,200</b>	<b>0.00</b>	<b>0.00</b>
	<b>Fully Fund the Board on Aging and Long-Term Care's Medigap Helpline SubTotal</b>	<b>\$26,700</b>	<b>\$24,200</b>	<b>0.00</b>	<b>0.00</b>
	<b>Agency Total</b>	<b>\$26,700</b>	<b>\$24,200</b>	<b>0.00</b>	<b>0.00</b>

# Decision Item by Fund Source

## Office of the Commissioner of Insurance

	Source of Funds		1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
<b>Decision Item</b>	<b>4001</b>	<b>Fully Fund the Board on Aging and Long-Term Care's Medigap Helpline</b>				
	PR	S	\$26,700	\$24,200	0.00	0.00
	<b>Total</b>		<b>\$26,700</b>	<b>\$24,200</b>	<b>0.00</b>	<b>0.00</b>
<b>Agency Total</b>			<b>\$26,700</b>	<b>\$24,200</b>	<b>0.00</b>	<b>0.00</b>

## **Decision Item (DIN) - 4002**

### **Decision Item (DIN) Title - Cease Operations of the Local Government Property Insurance Fund**

#### **NARRATIVE**

##### **I. Request**

The Office of the Commissioner of Insurance (OCI) recommends ceasing operations of the Local Government Property Insurance Fund (LGPIF) and stop the issuance of new policies and the renewals of existing policies to eventually phase out the program.

##### **II. Benefit**

The LGPIF has had significant net losses for the past several years and as a result has a negative surplus balance and has had to borrow General Purpose Revenue (GPR).

The LGPIF has shrunk significantly in size in the last several years from well over 1,000 local government members and over \$52 billion total insured value to less than 150 local government members and shrinking. In short, the shrinking of the fund has demonstrated that capacity exists and private market coverage is available to local units of government.

##### **III. Background**

The LGPIF was created in its current form by statute in 1979 after the State Insurance Property Fund was split into two entities. Since that time, the OCI has administered LGPIF.

For many years, LGPIF had been the dominant insurer in the local government property insurance market. In 2009, LGPIF insured over 1,000 units of local government and covered approximately \$50 billion in property values. At that point, LGPIF had an approximate positive balance of \$41 million as reported by the Legislative Audit Bureau. Following the 2009 experience, it was determined that LGPIF should declare a dividend of almost \$12 million to policyholders. The net result was a loss of \$9 million for the year and the beginning of consistent losses in future years. LGPIF lost \$11 million in 2011, \$6 million in 2012, \$131,000 in 2013, \$14 million in 2014 and almost \$5 million in 2015.

During those years, LGPIF consistently increased rates as well as instituted a number of important policy changes. In 2015, LGPIF instituted a rate increase of approximately 73 percent rate to better reflect the actual cost of fund coverage. The number of fund participants has dropped to under 150 members (from 955 the previous year) as private market coverage has become more affordable.

##### **IV. Analysis of Need**

At one time there were limited options to insure many local government properties, which necessitated the creation of the property fund. The continuation of the property fund is now unnecessary since Wisconsin's insurance market is highly competitive, there are sufficient commercial insurance companies to provide property insurance to local governments.

LGPIF will likely continue to borrow additional GPR. It is unlikely at this membership level that the LGPIF could continue to support itself.

## ACT 201

Proposal under s. 16.42(4)(b)2.: **0% change in each fiscal year**

FY: **FY18**

Agency: **OCI - 145**

Exclusions: Federal  
Debt Service

Columns A-G were prepopulated for agencies to reflect state operations adjusted base and reductions agreed to by DOA and LFB. See Appendix H for instructions on how to complete these templates.

**Proposed \$ and Proposed FTE columns reflect total agency proposed spending and positions for indicated fiscal year. These amounts should include standard budget adjustments (SBAs), any proposed reallocations or reductions to meet the target, and any other requests that the agency would want considered under this proposal.**

Appropriations with zero dollars and zero FTEs are not loaded into the template. If you have any questions, contact your SBO analyst.

**IF YOUR AGENCY PLANS TO TAKE THE SAME CUTS OVER BOTH YEARS, YOU SHOULD ONLY FILL OUT ONE GRID FOR 0% GROWTH AND ONE GRID FOR 5% REDUCTION, THEN CHANGE FY18 TO FY18 AND 19.**

Agency	Appropriation		Fund Source	Adjusted Base		(See Note 1) 0% Change		Proposed Budget 2017-18			Change from Adj Base		(See Note 2) Remove SBAs		Change from Adjusted Base after Removal of SBAs	
	Alpha	Numeric		\$	FTE	Target	0	Proposed \$	Proposed FTE	Item Ref.	\$	FTE	\$	FTE	\$	FTE
145	1g	131	PR	18,887,400	131.65	0	0	18,473,000	131.65	1	(414,400)	0.00	414,400	0.00	0	0.00
145	2u	261	SEG	1,222,100	6.61	0	0	1,228,000	6.61	1	5,900	0.00	(5,900)	0.00	0	0.00
145	2um	262	SEG	145,200	1.50	0	0	143,100	1.50	1	(2,100)	0.00	2,100	0.00	0	0.00
145	3u	361	SEG	1,429,200	1.07	0	0	1,426,700	1.07	1	(2,500)	0.00	2,500	0.00	0	0.00
145	4u	461	SEG	679,200	3.57	0	0	640,400	3.57	1	(38,800)	0.00	38,800	0.00	0	0.00
<b>Totals</b>				<b>22,363,100</b>	<b>144.40</b>	<b>0</b>	<b>0</b>	<b>21,911,200</b>	<b>144.40</b>		<b>(451,900)</b>	<b>0.00</b>	<b>451,900</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = 0

Difference = **0**  
Should equal \$0

**Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency**

1 No proposed changes are needed, proposed budget already accounts for zero percent growth.

## ACT 201

Proposal under s. 16.42(4)(b)1.: 5% change in each fiscal year

FY: **FY18**

Agency: **OCI - 145**

Exclusions Federal  
Debt Service

Columns A-G were prepopulated for agencies to reflect state operations adjusted base and reductions agreed to by DOA and LFB. See Appendix H for instructions on how to complete these templates.

**Proposed \$ and Proposed FTE columns reflect total agency proposed spending and positions for indicated fiscal year. These amounts should include standard budget adjustments (SBAs), any proposed reallocations or reductions to meet the target, and any other requests that the agency would want considered under this proposal.**

Appropriations with zero dollars and zero FTEs are not loaded into the template. If you have any questions, contact your SBO analyst.

**IF YOUR AGENCY PLANS TO TAKE THE SAME CUTS OVER BOTH YEARS, YOU SHOULD ONLY FILL OUT ONE GRID FOR 0% GROWTH AND ONE GRID FOR 5% REDUCTION, THEN CHANGE FY18 TO FY18 AND 19.**

Agency	Appropriation		Fund Source	Adjusted Base		(See Note 1)	Proposed Budget 2017-18			Change from Adj Base		(See Note 2)		Change from Adjusted Base after Removal of SBAs	
	Alpha	Numeric		\$	FTE	5% Reduction Target	Proposed \$	Proposed FTE	Item Ref.	\$	FTE	\$	FTE	\$	FTE
145	1g	131	PR	18,887,400	131.65	(944,400)	17,528,600	131.65	1-4	(1,358,800)	0.00	414,400	0.00	(944,400)	0.00
145	2u	261	SEG	1,222,100	6.61	(61,100)	1,166,900	6.61	1-4	(55,200)	0.00	(5,900)	0.00	(61,100)	0.00
145	2um	262	SEG	145,200	1.50	(7,300)	135,800	1.50	3, 4	(9,400)	0.00	2,100	0.00	(7,300)	0.00
145	3u	361	SEG	1,429,200	1.07	(71,500)	1,355,200	1.07	3, 4	(74,000)	0.00	2,500	0.00	(71,500)	0.00
145	4u	461	SEG	679,200	3.57	(34,000)	606,400	3.57	3, 4	(72,800)	0.00	38,800	0.00	(34,000)	0.00
<b>Totals</b>				<b>22,363,100</b>	<b>144.40</b>	<b>(1,118,300)</b>	<b>20,792,900</b>	<b>144.40</b>		<b>(1,570,200)</b>	<b>0.00</b>	<b>451,900</b>	<b>0.00</b>	<b>(1,118,300)</b>	<b>0.00</b>

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = (1,118,300)

Difference = **0**  
Should equal \$0

**Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency**

- 1 Reduction of IT Contractors
- 2 Reduction of IT related purchases
- 3 Reduction of travel and training expenses
- 4 Reduction of additional supplies and services

## ACT 201

Proposal under s. 16.42(4)(b)2.: **0% change in each fiscal year**

FY: **FY19**

Agency: **OCI - 145**

**IF YOUR AGENCY PLANS TO TAKE THE SAME CUTS OVER BOTH YEARS, YOU SHOULD ONLY FILL OUT ONE GRID FOR 0% GROWTH AND ONE GRID FOR 5% REDUCTION, THEN CHANGE FY18 TO FY18 AND 19.**

Agency	Appropriation		Fund Source	Adjusted Base		(See Note 1)	Proposed Budget 2018-19			Change from Adj Base		(See Note 2)		Change from Adjusted Base after Removal of SBAs	
	Alpha	Numeric		\$	FTE	0% Change Target	Proposed \$	Proposed FTE	Item Ref.	\$	FTE	\$	FTE	\$	FTE
145	1g	131	PR	18,887,400	131.65	0	18,505,300	131.65	1	(382,100)	0.00	382,100	0.00	0	0.00
145	2u	261	SEG	1,222,100	6.61	0	1,228,600	6.61	1	6,500	0.00	(6,500)	0.00	0	0.00
145	2um	262	SEG	145,200	1.50	0	143,200	1.50	1	(2,000)	0.00	2,000	0.00	0	0.00
145	3u	361	SEG	1,429,200	1.07	0	1,426,800	1.07	1	(2,400)	0.00	2,400	0.00	0	0.00
145	4u	461	SEG	679,200	3.57	0	640,800	3.57	1	(38,400)	0.00	38,400	0.00	0	0.00
<b>Totals</b>				<b>22,363,100</b>	<b>144.40</b>	<b>0</b>	<b>21,944,700</b>	<b>144.40</b>		<b>(418,400)</b>	<b>0.00</b>	<b>418,400</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = 0

Difference = **0**

Should equal \$0

**Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency**

- No proposed changes are needed, proposed budget already accounts for zero percent growth.

## ACT 201

Proposal under s. 16.42(4)(b)1.: 5% change in each fiscal year

FY: **FY19**

Agency: **OCI - 145**

**IF YOUR AGENCY PLANS TO TAKE THE SAME CUTS OVER BOTH YEARS, YOU SHOULD ONLY FILL OUT ONE GRID FOR 0% GROWTH AND ONE GRID FOR 5% REDUCTION, THEN CHANGE FY18 TO FY18 AND 19.**

Agency	Appropriation		Fund Source	Adjusted Base		(See Note 1)	Proposed Budget 2018-19			Change from Adj Base		(See Note 2)		Change from Adjusted Base after Removal of SBAs	
	Alpha	Numeric		\$	FTE	5% Reduction Target	Proposed \$	Proposed FTE	Item Ref.	\$	FTE	\$	FTE	\$	FTE
145	1g	131	PR	18,887,400	131.65	(944,400)	17,560,900	131.65	1-4	(1,326,500)	0.00	382,100	0.00	(944,400)	0.00
145	2u	261	SEG	1,222,100	6.61	(61,100)	1,167,500	6.61	1-4	(54,600)	0.00	(6,500)	0.00	(61,100)	0.00
145	2um	262	SEG	145,200	1.50	(7,300)	135,900	1.50	3, 4	(9,300)	0.00	2,000	0.00	(7,300)	0.00
145	3u	361	SEG	1,429,200	1.07	(71,500)	1,355,300	1.07	3, 4	(73,900)	0.00	2,400	0.00	(71,500)	0.00
145	4u	461	SEG	679,200	3.57	(34,000)	606,800	3.57	3, 4	(72,400)	0.00	38,400	0.00	(34,000)	0.00
<b>Totals</b>				<b>22,363,100</b>	<b>144.40</b>	<b>(1,118,300)</b>	<b>20,826,400</b>	<b>144.40</b>		<b>(1,536,700)</b>	<b>0.00</b>	<b>418,400</b>	<b>0.00</b>	<b>(1,118,300)</b>	<b>0.00</b>

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = (1,118,300)

Difference = **0**  
Should equal \$0

**Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency**

- 1 Reduction of IT Contractors
- 2 Reduction of IT related purchases
- 3 Reduction of travel and training expenses
- 4 Reduction of additional supplies and services