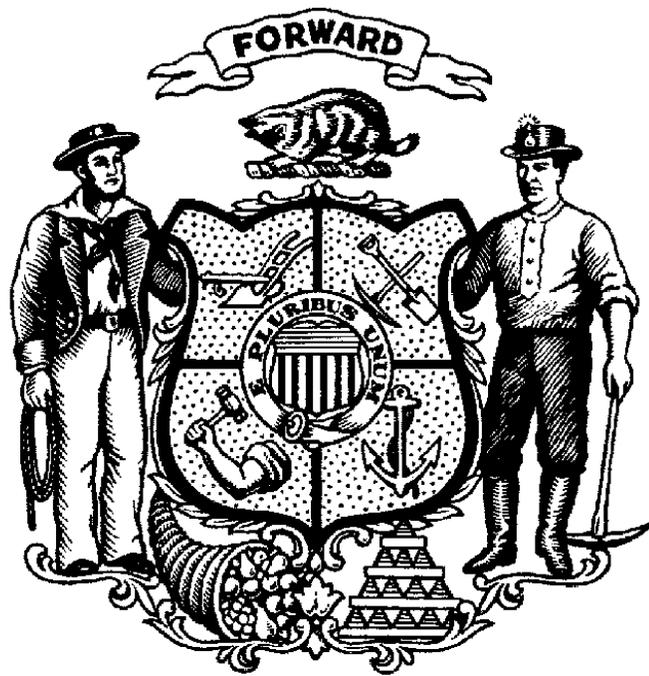


# State of Wisconsin

## Office of the Commissioner of Insurance



Agency Budget Request

2021 – 2023 Biennium

September 15, 2020

## Table of Contents

Cover Letter .....	3
Description .....	4
Mission .....	5
Goals .....	7
Performance Measures.....	9
Organization Chart.....	10
Agency Total by Fund Source.....	11
Agency Total by Program .....	13
Agency Total by Decision Item (DIN).....	22
General Purpose Revenue (GPR) - Earned .....	23
Program Revenue and Balances Statement .....	25
Segregated Revenue and Balances Statement.....	27
Decision Items.....	31



Wisconsin Office of the  
**COMMISSIONER**  
OF **INSURANCE**

Tony Evers, Governor of Wisconsin  
Mark Afable, Commissioner of Insurance

September 15, 2020

Joel Brennan, Secretary  
Department of Administration  
101 East Wilson Street, 10th Floor  
Madison, WI 53702

Dear Secretary Brennan:

Attached is the 2021-2023 biennial budget request from the Office of the Commissioner of Insurance (OCI). There is no General Purpose Revenue (GPR) funding or Full-Time Equivalent (FTE) positions included in this submission.

This 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,

*Mark V. Afable*

Mark Afable  
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 and an injured patients and families compensation fund insuring health care providers for medical malpractice.

## **MISSION**

The mission of the agency is to protect and educate Wisconsin consumers by maintaining and promoting a strong insurance industry.

## **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 members 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.

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 Fund made insurance available for local government property such as municipal buildings, schools, libraries and vehicles. The Fund was administered by OCI.

The Fund was closed through 2017 Wisconsin Act 59 which outlined the following deadlines for closing the Fund.

- No coverage renewed after December 31, 2017.

- No coverage may terminate later than December 31, 2018.
- All claims must be filed no later than July 1, 2019.
- No claim filed after July 1, 2019 will be covered by 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.

#### **Program 5: Wisconsin Healthcare Stability Plan**

OCI developed a 1332 Waiver for State Innovation Application under the Affordable Care Act pursuant to the 2017 Wisconsin Act 138 allowing Wisconsin to leverage federal funding for the operation of a state-based reinsurance plan.

A 1332 Waiver permits states to pursue innovative strategies to ensure residents have access to affordable health insurance options.

On July 29, 2018, the U.S. Department of Health and Human Services and the U.S. Department of the Treasury approved Wisconsin's 1332 Waiver application. The approval is effective January 1, 2019, through December 31, 2023.

## PERFORMANCE MEASURES

### 2019 AND 2020 GOALS AND ACTUALS

Prog. No.	Performance Measure	Goal 2019	Actual 2019	Goal 2020	Actual 2020
1.	Number of financial examinations conducted.	62	61	34	N/A
1.	Consumer complaints handled in a timely fashion.	95%	99.75%	95%	N/A
1.	Policy form reviews conducted in a timely manner.	6,000	13,161	6,000	N/A
1.	Insurance intermediary licensing function processed in a timely manner.	39,000	43,712	39,000	N/A
1.	Develop, maintain and distribute consumer education material to the public in a timely manner. <sup>1</sup>	1 350,000	1 320,380	1 350,000	N/A
1.	Continually update the Web site so users can find the information they need. <sup>2</sup>	975 50,750	790 23,018	975 50,750	N/A
2.	Injured patients and families 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	Audit has not yet occurred
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	Audit has not yet occurred

Note: Based on calendar year. Actuals for 2020 are not yet available.

<sup>1</sup>Two figures are presented. The first is the number of new publications developed. The second is the number of viewed publications online.

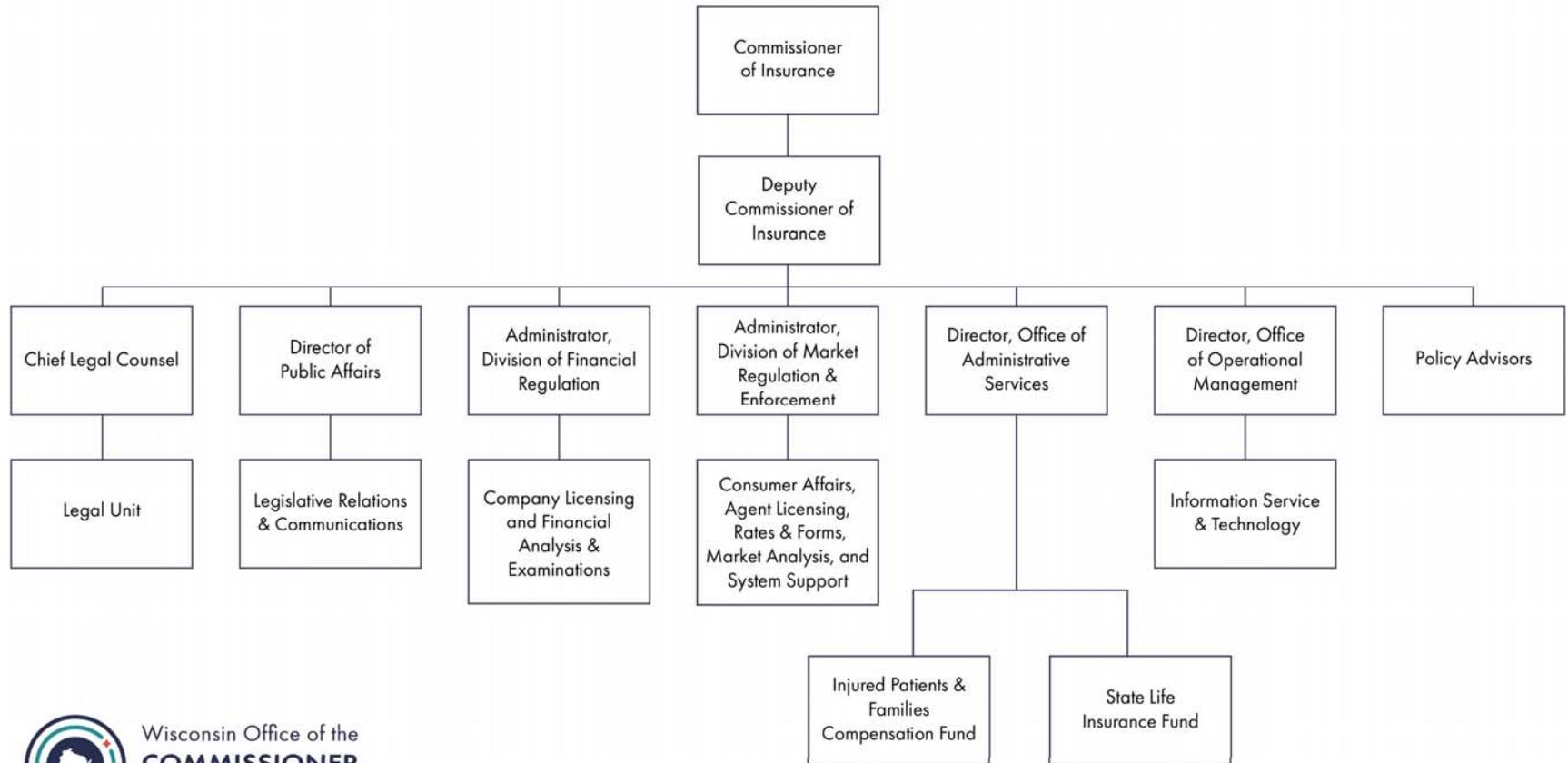
<sup>2</sup>Two numbers are presented. The first is the number of major updates to the Web site per year. The second is the total number of views per week on the Web site.

### 2021, 2022 AND 2023 GOALS

<b>Prog. No.</b>	<b>Performance Measure</b>	<b>Goal 2021</b>	<b>Goal 2022</b>	<b>Goal 2023</b>
1.	Number of financial examinations conducted during the fiscal year.	41	44	61
1.	Consumer complaints handled in a timely fashion.	95%	95%	95%
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.	39,000	39,000	39,000
1.	Increase number of first-time visitors to OCI website.	5% Year over Year	5% Year over Year	5% Year over Year
1.	Website Sessions.	368,000	368,000	368,000
1.	Publication page views.	16,000	16,000	16,000
1.	Increase engagement for Facebook, Twitter, Instagram and LinkedIn.	5% Year over Year	5% Year over Year	5% Year over Year
2.	Injured patients and families compensation fund report accepted by Board of Governors.	Report accepted	Report accepted	Report accepted
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.

Office of the Commissioner of Insurance  
**Organizational Chart**



# Agency Total by Fund Source

Office of the Commissioner of Insurance

2123 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 %
GPR	S	\$0	\$72,273,700	\$58,044,800	\$58,044,800	0.00	0.00	\$144,547,400	\$116,089,600	(\$28,457,800)	-19.7%
<b>Total</b>		\$0	\$72,273,700	\$58,044,800	\$58,044,800	0.00	0.00	\$144,547,400	\$116,089,600	(\$28,457,800)	-19.7%
PR	S	\$18,267,277	\$20,398,300	\$20,548,100	\$20,548,600	124.15	124.15	\$40,796,600	\$41,096,700	\$300,100	0.7%
<b>Total</b>		\$18,267,277	\$20,398,300	\$20,548,100	\$20,548,600	124.15	124.15	\$40,796,600	\$41,096,700	\$300,100	0.7%
PR Federal	S	\$0	\$127,726,300	\$141,955,200	\$141,955,200	0.00	0.00	\$255,452,600	\$283,910,400	\$28,457,800	11.1%
<b>Total</b>		\$0	\$127,726,300	\$141,955,200	\$141,955,200	0.00	0.00	\$255,452,600	\$283,910,400	\$28,457,800	11.1%
SEG	A	\$26,361,863	\$58,643,400	\$58,643,400	\$58,643,400	0.00	0.00	\$117,286,800	\$117,286,800	\$0	0.0%
SEG	L	\$159,113	\$500,000	\$500,000	\$500,000	0.00	0.00	\$1,000,000	\$1,000,000	\$0	0.0%
SEG	S	\$1,478,849	\$2,101,500	\$7,952,400	\$3,317,300	10.68	10.68	\$4,203,000	\$11,269,700	\$7,066,700	168.1%
<b>Total</b>		\$27,999,825	\$61,244,900	\$67,095,800	\$62,460,700	10.68	10.68	\$122,489,800	\$129,556,500	\$7,066,700	5.8%
<b>Grand Total</b>		\$46,267,102	\$281,643,200	\$287,643,900	\$283,009,300	134.83	134.83	\$563,286,400	\$570,653,200	\$7,366,800	1.3%

# Agency Total by Program

145 Insurance, Office of the Commissioner of

2123 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>										
<b>PR</b>	<b>\$18,267,277</b>	<b>\$20,398,300</b>	<b>\$20,548,100</b>	<b>\$20,548,600</b>	<b>124.15</b>	<b>124.15</b>	<b>\$40,796,600</b>	<b>\$41,096,700</b>	<b>\$300,100</b>	<b>0.74%</b>
S	\$18,267,277	\$20,398,300	\$20,548,100	\$20,548,600	124.15	124.15	\$40,796,600	\$41,096,700	\$300,100	0.74%
<b>Total - Non Federal</b>	<b>\$18,267,277</b>	<b>\$20,398,300</b>	<b>\$20,548,100</b>	<b>\$20,548,600</b>	<b>124.15</b>	<b>124.15</b>	<b>\$40,796,600</b>	<b>\$41,096,700</b>	<b>\$300,100</b>	<b>0.74%</b>
S	\$18,267,277	\$20,398,300	\$20,548,100	\$20,548,600	124.15	124.15	\$40,796,600	\$41,096,700	\$300,100	0.74%
<b>PGM 01 Total</b>	<b>\$18,267,277</b>	<b>\$20,398,300</b>	<b>\$20,548,100</b>	<b>\$20,548,600</b>	<b>124.15</b>	<b>124.15</b>	<b>\$40,796,600</b>	<b>\$41,096,700</b>	<b>\$300,100</b>	<b>0.74%</b>
<b>PR</b>	<b>\$18,267,277</b>	<b>\$20,398,300</b>	<b>\$20,548,100</b>	<b>\$20,548,600</b>	<b>124.15</b>	<b>124.15</b>	<b>\$40,796,600</b>	<b>\$41,096,700</b>	<b>\$300,100</b>	<b>0.74%</b>
S	\$18,267,277	\$20,398,300	\$20,548,100	\$20,548,600	124.15	124.15	\$40,796,600	\$41,096,700	\$300,100	0.74%

**Agency Total by Program**

**145 Insurance, Office of the Commissioner of**

**2123 Biennial Budget**

<b>TOTAL 01</b>	<b>\$18,267,277</b>	<b>\$20,398,300</b>	<b>\$20,548,100</b>	<b>\$20,548,600</b>	<b>124.15</b>	<b>124.15</b>	<b>\$40,796,600</b>	<b>\$41,096,700</b>	<b>\$300,100</b>	<b>0.74%</b>
S	\$18,267,277	\$20,398,300	\$20,548,100	\$20,548,600	124.15	124.15	\$40,796,600	\$41,096,700	\$300,100	0.74%

# Agency Total by Program

145 Insurance, Office of the Commissioner of

2123 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>\$23,542,665</b>	<b>\$55,559,700</b>	<b>\$61,412,200</b>	<b>\$56,777,100</b>	<b>7.11</b>	<b>7.11</b>	<b>\$111,119,400</b>	<b>\$118,189,300</b>	<b>\$7,069,900</b>	<b>6.36%</b>
A	\$22,544,096	\$54,150,400	\$54,150,400	\$54,150,400	0.00	0.00	\$108,300,800	\$108,300,800	\$0	0.00%
S	\$998,569	\$1,409,300	\$7,261,800	\$2,626,700	7.11	7.11	\$2,818,600	\$9,888,500	\$7,069,900	250.83%
<b>Total - Non Federal</b>	<b>\$23,542,665</b>	<b>\$55,559,700</b>	<b>\$61,412,200</b>	<b>\$56,777,100</b>	<b>7.11</b>	<b>7.11</b>	<b>\$111,119,400</b>	<b>\$118,189,300</b>	<b>\$7,069,900</b>	<b>6.36%</b>
A	\$22,544,096	\$54,150,400	\$54,150,400	\$54,150,400	0.00	0.00	\$108,300,800	\$108,300,800	\$0	0.00%
S	\$998,569	\$1,409,300	\$7,261,800	\$2,626,700	7.11	7.11	\$2,818,600	\$9,888,500	\$7,069,900	250.83%
<b>PGM 02 Total</b>	<b>\$23,542,665</b>	<b>\$55,559,700</b>	<b>\$61,412,200</b>	<b>\$56,777,100</b>	<b>7.11</b>	<b>7.11</b>	<b>\$111,119,400</b>	<b>\$118,189,300</b>	<b>\$7,069,900</b>	<b>6.36%</b>
<b>SEG</b>	<b>\$23,542,665</b>	<b>\$55,559,700</b>	<b>\$61,412,200</b>	<b>\$56,777,100</b>	<b>7.11</b>	<b>7.11</b>	<b>\$111,119,400</b>	<b>\$118,189,300</b>	<b>\$7,069,900</b>	<b>6.36%</b>

**Agency Total by Program**

**145 Insurance, Office of the Commissioner of**

**2123 Biennial Budget**

A	\$22,544,096	\$54,150,400	\$54,150,400	\$54,150,400	0.00	0.00	\$108,300,800	\$108,300,800	\$0	0.00%
S	\$998,569	\$1,409,300	\$7,261,800	\$2,626,700	7.11	7.11	\$2,818,600	\$9,888,500	\$7,069,900	250.83%
<b>TOTAL 02</b>	<b>\$23,542,665</b>	<b>\$55,559,700</b>	<b>\$61,412,200</b>	<b>\$56,777,100</b>	<b>7.11</b>	<b>7.11</b>	<b>\$111,119,400</b>	<b>\$118,189,300</b>	<b>\$7,069,900</b>	<b>6.36%</b>
A	\$22,544,096	\$54,150,400	\$54,150,400	\$54,150,400	0.00	0.00	\$108,300,800	\$108,300,800	\$0	0.00%
S	\$998,569	\$1,409,300	\$7,261,800	\$2,626,700	7.11	7.11	\$2,818,600	\$9,888,500	\$7,069,900	250.83%

**Agency Total by Program**

**145 Insurance, Office of the Commissioner of**

**2123 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>	\$159,113	\$500,000	\$500,000	\$500,000	0.00	0.00	\$1,000,000	\$1,000,000	\$0	0.00%
L	\$159,113	\$500,000	\$500,000	\$500,000	0.00	0.00	\$1,000,000	\$1,000,000	\$0	0.00%
<b>Total - Non Federal</b>	\$159,113	\$500,000	\$500,000	\$500,000	0.00	0.00	\$1,000,000	\$1,000,000	\$0	0.00%
L	\$159,113	\$500,000	\$500,000	\$500,000	0.00	0.00	\$1,000,000	\$1,000,000	\$0	0.00%
<b>PGM 03 Total</b>	\$159,113	\$500,000	\$500,000	\$500,000	0.00	0.00	\$1,000,000	\$1,000,000	\$0	0.00%
<b>SEG</b>	\$159,113	\$500,000	\$500,000	\$500,000	0.00	0.00	\$1,000,000	\$1,000,000	\$0	0.00%
L	\$159,113	\$500,000	\$500,000	\$500,000	0.00	0.00	\$1,000,000	\$1,000,000	\$0	0.00%

**Agency Total by Program**

**145 Insurance, Office of the Commissioner of**

**2123 Biennial Budget**

<b>TOTAL 03</b>	<b>\$159,113</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>0.00</b>	<b>0.00</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$0</b>	<b>0.00%</b>
L	\$159,113	\$500,000	\$500,000	\$500,000	0.00	0.00	\$1,000,000	\$1,000,000	\$0	0.00%

# Agency Total by Program

145 Insurance, Office of the Commissioner of

2123 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>\$4,298,047</b>	<b>\$5,185,200</b>	<b>\$5,183,600</b>	<b>\$5,183,600</b>	<b>3.57</b>	<b>3.57</b>	<b>\$10,370,400</b>	<b>\$10,367,200</b>	<b>(\$3,200)</b>	<b>-0.03%</b>
A	\$3,817,767	\$4,493,000	\$4,493,000	\$4,493,000	0.00	0.00	\$8,986,000	\$8,986,000	\$0	0.00%
S	\$480,280	\$692,200	\$690,600	\$690,600	3.57	3.57	\$1,384,400	\$1,381,200	(\$3,200)	-0.23%
<b>Total - Non Federal</b>	<b>\$4,298,047</b>	<b>\$5,185,200</b>	<b>\$5,183,600</b>	<b>\$5,183,600</b>	<b>3.57</b>	<b>3.57</b>	<b>\$10,370,400</b>	<b>\$10,367,200</b>	<b>(\$3,200)</b>	<b>-0.03%</b>
A	\$3,817,767	\$4,493,000	\$4,493,000	\$4,493,000	0.00	0.00	\$8,986,000	\$8,986,000	\$0	0.00%
S	\$480,280	\$692,200	\$690,600	\$690,600	3.57	3.57	\$1,384,400	\$1,381,200	(\$3,200)	-0.23%
<b>PGM 04 Total</b>	<b>\$4,298,047</b>	<b>\$5,185,200</b>	<b>\$5,183,600</b>	<b>\$5,183,600</b>	<b>3.57</b>	<b>3.57</b>	<b>\$10,370,400</b>	<b>\$10,367,200</b>	<b>(\$3,200)</b>	<b>-0.03%</b>
<b>SEG</b>	<b>\$4,298,047</b>	<b>\$5,185,200</b>	<b>\$5,183,600</b>	<b>\$5,183,600</b>	<b>3.57</b>	<b>3.57</b>	<b>\$10,370,400</b>	<b>\$10,367,200</b>	<b>(\$3,200)</b>	<b>-0.03%</b>

**Agency Total by Program**

**145 Insurance, Office of the Commissioner of**

**2123 Biennial Budget**

A	\$3,817,767	\$4,493,000	\$4,493,000	\$4,493,000	0.00	0.00	\$8,986,000	\$8,986,000	\$0	0.00%
S	\$480,280	\$692,200	\$690,600	\$690,600	3.57	3.57	\$1,384,400	\$1,381,200	(\$3,200)	-0.23%
<b>TOTAL 04</b>	<b>\$4,298,047</b>	<b>\$5,185,200</b>	<b>\$5,183,600</b>	<b>\$5,183,600</b>	<b>3.57</b>	<b>3.57</b>	<b>\$10,370,400</b>	<b>\$10,367,200</b>	<b>(\$3,200)</b>	<b>-0.03%</b>
A	\$3,817,767	\$4,493,000	\$4,493,000	\$4,493,000	0.00	0.00	\$8,986,000	\$8,986,000	\$0	0.00%
S	\$480,280	\$692,200	\$690,600	\$690,600	3.57	3.57	\$1,384,400	\$1,381,200	(\$3,200)	-0.23%

# Agency Total by Program

145 Insurance, Office of the Commissioner of

2123 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>05 WISCONSIN HEALTHCARE STABILITY PLAN</b>										
<b>Non Federal</b>										
GPR	\$0	\$72,273,700	\$58,044,800	\$58,044,800	0.00	0.00	\$144,547,400	\$116,089,600	(\$28,457,800)	-19.69%
S	\$0	\$72,273,700	\$58,044,800	\$58,044,800	0.00	0.00	\$144,547,400	\$116,089,600	(\$28,457,800)	-19.69%
<b>Total - Non Federal</b>	<b>\$0</b>	<b>\$72,273,700</b>	<b>\$58,044,800</b>	<b>\$58,044,800</b>	<b>0.00</b>	<b>0.00</b>	<b>\$144,547,400</b>	<b>\$116,089,600</b>	<b>(\$28,457,800)</b>	<b>-19.69%</b>
S	\$0	\$72,273,700	\$58,044,800	\$58,044,800	0.00	0.00	\$144,547,400	\$116,089,600	(\$28,457,800)	-19.69%
<b>Federal</b>										
PR	\$0	\$127,726,300	\$141,955,200	\$141,955,200	0.00	0.00	\$255,452,600	\$283,910,400	\$28,457,800	11.14%
S	\$0	\$127,726,300	\$141,955,200	\$141,955,200	0.00	0.00	\$255,452,600	\$283,910,400	\$28,457,800	11.14%
<b>Total - Federal</b>	<b>\$0</b>	<b>\$127,726,300</b>	<b>\$141,955,200</b>	<b>\$141,955,200</b>	<b>0.00</b>	<b>0.00</b>	<b>\$255,452,600</b>	<b>\$283,910,400</b>	<b>\$28,457,800</b>	<b>11.14%</b>
S	\$0	\$127,726,300	\$141,955,200	\$141,955,200	0.00	0.00	\$255,452,600	\$283,910,400	\$28,457,800	11.14%
<b>PGM 05 Total</b>	<b>\$0</b>	<b>\$200,000,000</b>	<b>\$200,000,000</b>	<b>\$200,000,000</b>	<b>0.00</b>	<b>0.00</b>	<b>\$400,000,000</b>	<b>\$400,000,000</b>	<b>\$0</b>	<b>0.00%</b>

## Agency Total by Program

145 Insurance, Office of the Commissioner of

2123 Biennial Budget

GPR	\$0	\$72,273,700	\$58,044,800	\$58,044,800	0.00	0.00	\$144,547,400	\$116,089,600	(\$28,457,800)	-19.69%
S	\$0	\$72,273,700	\$58,044,800	\$58,044,800	0.00	0.00	\$144,547,400	\$116,089,600	(\$28,457,800)	-19.69%
PR	\$0	\$127,726,300	\$141,955,200	\$141,955,200	0.00	0.00	\$255,452,600	\$283,910,400	\$28,457,800	11.14%
S	\$0	\$127,726,300	\$141,955,200	\$141,955,200	0.00	0.00	\$255,452,600	\$283,910,400	\$28,457,800	11.14%
<b>TOTAL 05</b>	<b>\$0</b>	<b>\$200,000,000</b>	<b>\$200,000,000</b>	<b>\$200,000,000</b>	<b>0.00</b>	<b>0.00</b>	<b>\$400,000,000</b>	<b>\$400,000,000</b>	<b>\$0</b>	<b>0.00%</b>
S	\$0	\$200,000,000	\$200,000,000	\$200,000,000	0.00	0.00	\$400,000,000	\$400,000,000	\$0	0.00%
<b>Agency Total</b>	<b>\$46,267,102</b>	<b>\$281,643,200</b>	<b>\$287,643,900</b>	<b>\$283,009,300</b>	<b>134.83</b>	<b>134.83</b>	<b>\$563,286,400</b>	<b>\$570,653,200</b>	<b>\$7,366,800</b>	<b>1.31%</b>

# Agency Total by Decision Item

Office of the Commissioner of Insurance

2123 Biennial Budget

Decision Item	1st Year Total	2nd Year Total	1st Year FTE	2nd Year FTE
2000 Adjusted Base Funding Level	\$281,643,200	\$281,643,200	134.83	134.83
3001 Turnover Reduction	(\$264,300)	(\$264,300)	0.00	0.00
3002 Removal of Noncontinuing Elements from the Base	(\$81,300)	(\$81,300)	0.00	0.00
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$301,800	\$301,800	0.00	0.00
3010 Full Funding of Lease and Directed Moves Costs	\$79,400	\$79,400	0.00	0.00
4001 Fully Fund the Board on Aging and Long-Term Care's Medigap Helpline	\$5,800	\$6,300	0.00	0.00
4002 Conversion of Project Position to Permanent	\$81,300	\$81,300	0.00	0.00
4003 Re-estimate of Wisconsin Healthcare Stability Plan	\$0	\$0	0.00	0.00
4004 Injured Patients and Families Compensation Fund system solution	\$5,878,000	\$1,242,900	0.00	0.00
<b>TOTAL</b>	<b>\$287,643,900</b>	<b>\$283,009,300</b>	<b>134.83</b>	<b>134.83</b>

# GPR Earned

2123 Biennial Budget

	CODES	TITLES
DEPARTMENT	145	Office of the Commissioner of Insurance
PROGRAM	01	Supervision of the insurance industry
DATE	September 06, 2020	

Revenue	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
Opening Balance	\$0	\$0	\$0	\$0
GPR-Earned on Revenue	\$25,148,300	\$24,100,000	\$21,900,000	\$20,900,000
<b>Total</b>	<b>\$25,148,300</b>	<b>\$24,100,000</b>	<b>\$21,900,000</b>	<b>\$20,900,000</b>

# Program Revenue

2123 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>\$2,725,500</b>	<b>\$2,832,200</b>	<b>\$3,417,400</b>	<b>\$2,160,900</b>
CMO Examinations	\$122,100	\$122,100	\$122,100	\$122,100
Transfer to GPR Earned	(\$25,148,300)	(\$24,100,000)	(\$21,900,000)	(\$20,900,000)
Fees	\$36,009,100	\$34,500,000	\$33,900,000	\$33,900,000
Exam Assessments	\$7,321,600	\$7,250,000	\$7,100,000	\$7,100,000
Interfund Transfers	\$69,500	\$69,500	\$69,500	\$69,500
<b>Total Revenue</b>	<b>\$21,099,500</b>	<b>\$20,673,800</b>	<b>\$22,709,000</b>	<b>\$22,452,500</b>
<b>Expenditures</b>	<b>\$18,267,300</b>	<b>\$17,256,400</b>	<b>\$0</b>	<b>\$0</b>
3001 Turnover Reduction	\$0	\$0	(\$264,300)	(\$264,300)
3002 Removal of Noncontinuing Elements from the	\$0	\$0	(\$81,300)	(\$81,300)

Base				
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$0	\$0	\$326,100	\$326,100
4002 Conversion of Project Position to Permanent	\$0	\$0	\$81,300	\$81,300
4001 Fully Fund the Board on Aging and Long-Term Care's Medigap Helpline	\$0	\$0	\$5,800	\$6,300
3010 Full Funding of Lease and Directed Moves Costs	\$0	\$0	\$82,200	\$82,200
2000 Adjusted Base Funding Level	\$0	\$0	\$20,398,300	\$20,398,300
<b>Total Expenditures</b>	<b>\$18,267,300</b>	<b>\$17,256,400</b>	<b>\$20,548,100</b>	<b>\$20,548,600</b>
<b><u>Closing Balance</u></b>	<b>\$2,832,200</b>	<b>\$3,417,400</b>	<b>\$2,160,900</b>	<b>\$1,903,900</b>

# Segregated Funds Revenue and Balances Statement

2123 Biennial Budget

	CODES	TITLES
DEPARTMENT	145	Office of the Commissioner of Insurance
NUMERIC APPROPRIATION		
PROGRAM	02	Injured patients and families compensation fund
SUBPROGRAM		
WISMART FUND	533	

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
<b>Opening Balance</b>	<b>\$1,418,520,600</b>	<b>\$1,576,570,000</b>	<b>\$1,593,670,000</b>	<b>\$1,571,207,800</b>
Investment Income	\$170,531,000	\$29,500,000	\$28,400,000	\$28,900,000
Assessments	\$11,061,100	\$10,500,000	\$10,550,000	\$10,450,000
<b>Total Revenue</b>	<b>\$1,600,112,700</b>	<b>\$1,616,570,000</b>	<b>\$1,632,620,000</b>	<b>\$1,610,557,800</b>
<b>Expenditures</b>	<b>\$23,542,700</b>	<b>\$22,900,000</b>	<b>\$0</b>	<b>\$0</b>
4004 Injured Patients and Families Compensation Fund system solution	\$0	\$0	\$5,878,000	\$1,242,900
2000 Adjusted Base Funding Level	\$0	\$0	\$55,559,700	\$55,559,700
3003 Full Funding of Continuing Position Salaries	\$0	\$0	(\$23,900)	(\$23,900)

and Fringe Benefits				
3010 Full Funding of Lease and Directed Moves Costs	\$0	\$0	(\$1,600)	(\$1,600)
<b>Total Expenditures</b>	<b>\$23,542,700</b>	<b>\$22,900,000</b>	<b>\$61,412,200</b>	<b>\$56,777,100</b>
<b><u>Closing Balance</u></b>	<b>\$1,576,570,000</b>	<b>\$1,593,670,000</b>	<b>\$1,571,207,800</b>	<b>\$1,553,780,700</b>

# Segregated Funds Revenue and Balances Statement

2123 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>\$5,968,300</b>	<b>\$5,837,600</b>	<b>\$5,837,600</b>	<b>\$5,337,600</b>
Investment Income	\$28,400	\$0	\$0	\$0
<b>Total Revenue</b>	<b>\$5,996,700</b>	<b>\$5,837,600</b>	<b>\$5,837,600</b>	<b>\$5,337,600</b>
<b>Expenditures</b>	<b>\$159,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
2000 Adjusted Base Funding Level	\$0	\$0	\$500,000	\$500,000
<b>Total Expenditures</b>	<b>\$159,100</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$500,000</b>
<b>Closing Balance</b>	<b>\$5,837,600</b>	<b>\$5,837,600</b>	<b>\$5,337,600</b>	<b>\$4,837,600</b>

# Segregated Funds Revenue and Balances Statement

2123 Biennial Budget

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

Revenue and Expenditures	Prior Year Actuals	Base Year Estimate	1st Year Estimate	2nd Year Estimate
<b>Opening Balance</b>	<b>\$133,219,600</b>	<b>\$147,963,200</b>	<b>\$148,665,000</b>	<b>\$149,155,900</b>
Premiums	\$613,600	\$576,200	\$558,900	\$542,100
Investment Income	\$18,428,000	\$5,115,600	\$5,115,600	\$5,115,600
<b>Total Revenue</b>	<b>\$152,261,200</b>	<b>\$153,655,000</b>	<b>\$154,339,500</b>	<b>\$154,813,600</b>
<b>Expenditures</b>	<b>\$4,298,000</b>	<b>\$4,990,000</b>	<b>\$0</b>	<b>\$0</b>
2000 Adjusted Base Funding Level	\$0	\$0	\$5,185,200	\$5,185,200
3003 Full Funding of Continuing Position Salaries and Fringe Benefits	\$0	\$0	(\$400)	(\$400)
3010 Full Funding of Lease and Directed Moves	\$0	\$0	(\$1,200)	(\$1,200)

Costs				
<b>Total Expenditures</b>	<b>\$4,298,000</b>	<b>\$4,990,000</b>	<b>\$5,183,600</b>	<b>\$5,183,600</b>
<b><u>Closing Balance</u></b>	<b>\$147,963,200</b>	<b>\$148,665,000</b>	<b>\$149,155,900</b>	<b>\$149,630,000</b>

**Decision Item (DIN) - 2000**

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

**NARRATIVE**

Adjusted Base Funding Level

# Decision Item by Line

2123 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	\$9,500,400	\$9,500,400
02	Turnover	\$0	\$0
03	Project Position Salaries	\$67,100	\$67,100
04	LTE/Misc. Salaries	\$38,100	\$38,100
05	Fringe Benefits	\$3,403,200	\$3,403,200
06	Supplies and Services	\$8,268,600	\$8,268,600
07	Permanent Property	\$0	\$0
08	Unalloted Reserve	\$0	\$0
09	Aids to Individuals Organizations	\$200,000,000	\$200,000,000
10	Local Assistance	\$0	\$0
11	One-time Financing	\$0	\$0
12	Debt Service	\$0	\$0
13	Special Purpose	\$60,365,800	\$60,365,800
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
<b>17</b>	<b>Total Cost</b>	<b>\$281,643,200</b>	<b>\$281,643,200</b>

18	Project Positions Authorized	1.00	1.00
19	Classified Positions Authorized	129.83	129.83
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	\$20,398,300	\$20,398,300	124.15	124.15
	41 Federal funds	\$0	\$0	0.00	0.00
	<b>Supervision of the insurance industry SubTotal</b>	<b>\$20,398,300</b>	<b>\$20,398,300</b>	<b>124.15</b>	<b>124.15</b>
<b>02</b>	<b>Injured patients and families compensation fund</b>				
	61 Administration	\$1,259,000	\$1,259,000	5.61	5.61
	62 Peer review council	\$150,300	\$150,300	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>\$55,559,700</b>	<b>\$55,559,700</b>	<b>7.11</b>	<b>7.11</b>
<b>03</b>	<b>Local government property insurance fund</b>				
	61 Administration	\$0	\$0	0.00	0.00
	76 Specified payments, fire dues and reinsurance	\$500,000	\$500,000	0.00	0.00
	<b>Local government property insurance fund SubTotal</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>0.00</b>	<b>0.00</b>
<b>04</b>	<b>State life insurance fund</b>				
	61 Administration	\$692,200	\$692,200	3.57	3.57
	76 Specified payments and losses	\$4,493,000	\$4,493,000	0.00	0.00

# Decision Item by Numeric

## Office of the Commissioner of Insurance

	<b>State life insurance fund SubTotal</b>	<b>\$5,185,200</b>	<b>\$5,185,200</b>	<b>3.57</b>	<b>3.57</b>
<b>05</b>	<b>Wisconsin Healthcare Stability Plan</b>				
	02 Reinsurance plan; state subsid	\$72,273,700	\$72,273,700	0.00	0.00
	40 Federal funds; reinsurance pla	\$127,726,300	\$127,726,300	0.00	0.00
	<b>Wisconsin Healthcare Stability Plan SubTotal</b>	<b>\$200,000,000</b>	<b>\$200,000,000</b>	<b>0.00</b>	<b>0.00</b>
	<b>Adjusted Base Funding Level SubTotal</b>	<b>\$281,643,200</b>	<b>\$281,643,200</b>	<b>134.83</b>	<b>134.83</b>
	<b>Agency Total</b>	<b>\$281,643,200</b>	<b>\$281,643,200</b>	<b>134.83</b>	<b>134.83</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>2000</b>	<b>Adjusted Base Funding Level</b>				
	GPR	S	\$72,273,700	\$72,273,700	0.00	0.00
	PR	S	\$20,398,300	\$20,398,300	124.15	124.15
	PR Federal	S	\$127,726,300	\$127,726,300	0.00	0.00
	SEG	A	\$58,643,400	\$58,643,400	0.00	0.00
	SEG	L	\$500,000	\$500,000	0.00	0.00
	SEG	S	\$2,101,500	\$2,101,500	10.68	10.68
	<b>Total</b>		<b>\$281,643,200</b>	<b>\$281,643,200</b>	<b>134.83</b>	<b>134.83</b>
<b>Agency Total</b>			<b>\$281,643,200</b>	<b>\$281,643,200</b>	<b>134.83</b>	<b>134.83</b>

**Decision Item (DIN) - 3001**

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

**NARRATIVE**

Standard Budget Adjustment - Turnover Reduction

# Decision Item by Line

2123 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	(\$264,300)	(\$264,300)
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>(\$264,300)</b>	<b>(\$264,300)</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	(\$264,300)	(\$264,300)	0.00	0.00
	<b>Supervision of the insurance industry SubTotal</b>	<b>(\$264,300)</b>	<b>(\$264,300)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Turnover Reduction SubTotal</b>	<b>(\$264,300)</b>	<b>(\$264,300)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Agency Total</b>	<b>(\$264,300)</b>	<b>(\$264,300)</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	(\$264,300)	(\$264,300)	0.00	0.00
	<b>Total</b>		<b>(\$264,300)</b>	<b>(\$264,300)</b>	<b>0.00</b>	<b>0.00</b>
<b>Agency Total</b>			<b>(\$264,300)</b>	<b>(\$264,300)</b>	<b>0.00</b>	<b>0.00</b>

**Decision Item (DIN) - 3002**

**Decision Item (DIN) Title - Removal of Noncontinuing Elements from the Base**

**NARRATIVE**

Standard Budget Adjustment - Removal of Noncontinuing Elements from the Base

# Decision Item by Line

2123 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>	3002	Removal of Noncontinuing Elements from the Base

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$0	\$0
02	Turnover	\$0	\$0
03	Project Position Salaries	(\$58,600)	(\$58,600)
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	(\$22,700)	(\$22,700)
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>(\$81,300)</b>	<b>(\$81,300)</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>3002</b>	<b>Removal of Noncontinuing Elements from the Base</b>			
<b>01</b>	<b>Supervision of the insurance industry</b>				
	31 General program operations	(\$81,300)	(\$81,300)	0.00	0.00
	<b>Supervision of the insurance industry SubTotal</b>	<b>(\$81,300)</b>	<b>(\$81,300)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Removal of Noncontinuing Elements from the Base SubTotal</b>	<b>(\$81,300)</b>	<b>(\$81,300)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Agency Total</b>	<b>(\$81,300)</b>	<b>(\$81,300)</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>3002</b>	<b>Removal of Noncontinuing Elements from the Base</b>				
	PR	S	(\$81,300)	(\$81,300)	0.00	0.00
	<b>Total</b>		<b>(\$81,300)</b>	<b>(\$81,300)</b>	<b>0.00</b>	<b>0.00</b>
<b>Agency Total</b>			<b>(\$81,300)</b>	<b>(\$81,300)</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

2123 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	(\$8,600)	(\$8,600)
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$310,400	\$310,400
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>\$301,800</b>	<b>\$301,800</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>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	\$326,100	\$326,100	0.00	0.00
	<b>Supervision of the insurance industry SubTotal</b>	<b>\$326,100</b>	<b>\$326,100</b>	<b>0.00</b>	<b>0.00</b>
<b>02</b>	<b>Injured patients and families compensation fund</b>				
	61 Administration	(\$19,200)	(\$19,200)	0.00	0.00
	62 Peer review council	(\$4,700)	(\$4,700)	0.00	0.00
	<b>Injured patients and families compensation fund SubTotal</b>	<b>(\$23,900)</b>	<b>(\$23,900)</b>	<b>0.00</b>	<b>0.00</b>
<b>04</b>	<b>State life insurance fund</b>				
	61 Administration	(\$400)	(\$400)	0.00	0.00
	<b>State life insurance fund SubTotal</b>	<b>(\$400)</b>	<b>(\$400)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Full Funding of Continuing Position Salaries and Fringe Benefits SubTotal</b>	<b>\$301,800</b>	<b>\$301,800</b>	<b>0.00</b>	<b>0.00</b>
	<b>Agency Total</b>	<b>\$301,800</b>	<b>\$301,800</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>3003</b>	<b>Full Funding of Continuing Position Salaries and Fringe Benefits</b>				
	PR	S	\$326,100	\$326,100	0.00	0.00
	SEG	S	(\$24,300)	(\$24,300)	0.00	0.00
	<b>Total</b>		<b>\$301,800</b>	<b>\$301,800</b>	<b>0.00</b>	<b>0.00</b>
<b>Agency Total</b>			<b>\$301,800</b>	<b>\$301,800</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

2123 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	\$79,400	\$79,400
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>\$79,400</b>	<b>\$79,400</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	\$82,200	\$82,200	0.00	0.00
	<b>Supervision of the insurance industry SubTotal</b>	<b>\$82,200</b>	<b>\$82,200</b>	<b>0.00</b>	<b>0.00</b>
<b>02</b>	<b>Injured patients and families compensation fund</b>				
	61 Administration	(\$1,200)	(\$1,200)	0.00	0.00
	62 Peer review council	(\$400)	(\$400)	0.00	0.00
	<b>Injured patients and families compensation fund SubTotal</b>	<b>(\$1,600)</b>	<b>(\$1,600)</b>	<b>0.00</b>	<b>0.00</b>
<b>04</b>	<b>State life insurance fund</b>				
	61 Administration	(\$1,200)	(\$1,200)	0.00	0.00
	<b>State life insurance fund SubTotal</b>	<b>(\$1,200)</b>	<b>(\$1,200)</b>	<b>0.00</b>	<b>0.00</b>
	<b>Full Funding of Lease and Directed Moves Costs SubTotal</b>	<b>\$79,400</b>	<b>\$79,400</b>	<b>0.00</b>	<b>0.00</b>
	<b>Agency Total</b>	<b>\$79,400</b>	<b>\$79,400</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>3010</b>	<b>Full Funding of Lease and Directed Moves Costs</b>				
	PR	S	\$82,200	\$82,200	0.00	0.00
	SEG	S	(\$2,800)	(\$2,800)	0.00	0.00
	<b>Total</b>		<b>\$79,400</b>	<b>\$79,400</b>	<b>0.00</b>	<b>0.00</b>
<b>Agency Total</b>			<b>\$79,400</b>	<b>\$79,400</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 a change in expenditure authority in the amount of \$5,800 for FY 2022 and \$6,300 for FY 2023 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 2021-2023 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 \$5,800 in FY 2022 and \$6,300 in FY 2023. 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

2123 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	\$5,800	\$6,300
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	\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
<b>17</b>	<b>Total Cost</b>	<b>\$5,800</b>	<b>\$6,300</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	\$5,800	\$6,300	0.00	0.00
	<b>Supervision of the insurance industry SubTotal</b>	<b>\$5,800</b>	<b>\$6,300</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>\$5,800</b>	<b>\$6,300</b>	<b>0.00</b>	<b>0.00</b>
	<b>Agency Total</b>	<b>\$5,800</b>	<b>\$6,300</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	\$5,800	\$6,300	0.00	0.00
	<b>Total</b>		<b>\$5,800</b>	<b>\$6,300</b>	<b>0.00</b>	<b>0.00</b>
<b>Agency Total</b>			<b>\$5,800</b>	<b>\$6,300</b>	<b>0.00</b>	<b>0.00</b>

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

### **Decision Item (DIN) Title - Conversion of Project Position to Permanent**

#### **NARRATIVE**

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

The Office of the Commissioner of Insurance (OCI) recommends changing 1.0 FTE within the Division of Financial Regulation (DFR) from a Project Permanent position to a Permanent position. The position is at the Insurance Financial Examiner – Entry classification.

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

Making this position a permanent position will allow OCI to continue to meet the accreditation standards of the National Association of Insurance Commissioners (NAIC). The NAIC issues standards for jurisdictions in regulating the solvency of the insurance industry. If Wisconsin were to become unaccredited as a result of not meeting these standards, then other jurisdictions will not be able to rely on our work and would then perform analysis and examinations on Wisconsin domestic insurers at additional cost to the insurers. In addition, it would damage OCI's reputation of being a strong and fair regulator. This would eventually lead to insurers domiciling outside of Wisconsin, including a loss of jobs and potentially tax revenue to Wisconsin. On June 30, 2020, Wisconsin had 333 domestic entities it regulates of which 234 are insurance companies; including large employers; such as, American Family and Northwestern Mutual Life, among others.

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

The position is currently funded from OCI's s.20.145 (1) (g) general program operations appropriation with 100 percent of the costs paid for by Wisconsin domestic insurers and would continue to be funded in this manner. Funding in this OCI appropriation derives from a combination of assessments levied by OCI on insurance companies and fees paid by insurance agents to OCI. The Project Permanent position was provided to OCI based on a request to get an additional 6.0 FTEs in 2018. From that request OCI received authority for 3.0 Permanent FTEs and 1.0 Project Permanent FTE. Since that request additional accreditation standards have been placed on OCI's DFR; including additional reporting requirements for insurer that must be reviewed by the DFR and new timelines for reviewing existing filings.

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

This position is needed on a permanent basis, so OCI can continue to fulfill its mission of protecting Wisconsin consumers. On January 1, 2020, OCI's DFR is required to obtain a Corporate Governance Annual Disclosure (CGAD) from all domestic insurance companies that must be reviewed and followed-up on. These filings range in size largely based on the size of the insurer, but that is 234 filings. On average, it takes DFR staff one day for each CGAD to understand, review and follow-up with the company with questions. This equates to approximately 1.0 FTE focused on the CGAD. In addition, effective January 1, 2020, OCI DFR staff are now required to review insurers Own Risk Solvency Assessment (ORSA) Reports within 120 days of receipt and then distribute our findings to other jurisdictions. This past year, we were not able to complete two of the ORSAs within the 120-day timeframe. Wisconsin currently has 17 insurers that are required the ORSA and this is likely to increase in the future. It takes approximately one week per ORSA to review, follow-up with the company, and meet with the company to discuss their key solvency risks. Based on the above, it is imperative that OCI DFR retain this position on a permanent basis to protect Wisconsin consumers and meet accreditation standards established by the NAIC.

# Decision Item by Line

2123 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>	4002	Conversion of Project Position to Permanent

Expenditure items		1st Year Cost	2nd Year Cost
01	Permanent Position Salaries	\$58,600	\$58,600
02	Turnover	\$0	\$0
03	Project Position Salaries	\$0	\$0
04	LTE/Misc. Salaries	\$0	\$0
05	Fringe Benefits	\$22,700	\$22,700
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>\$81,300</b>	<b>\$81,300</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>4002</b>	<b>Conversion of Project Position to Permanent</b>			
<b>01</b>	<b>Supervision of the insurance industry</b>				
	31 General program operations	\$81,300	\$81,300	0.00	0.00
	<b>Supervision of the insurance industry SubTotal</b>	<b>\$81,300</b>	<b>\$81,300</b>	<b>0.00</b>	<b>0.00</b>
	<b>Conversion of Project Position to Permanent SubTotal</b>	<b>\$81,300</b>	<b>\$81,300</b>	<b>0.00</b>	<b>0.00</b>
	<b>Agency Total</b>	<b>\$81,300</b>	<b>\$81,300</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>4002</b>	<b>Conversion of Project Position to Permanent</b>				
	PR	S	\$81,300	\$81,300	0.00	0.00
	<b>Total</b>		<b>\$81,300</b>	<b>\$81,300</b>	<b>0.00</b>	<b>0.00</b>
<b>Agency Total</b>			<b>\$81,300</b>	<b>\$81,300</b>	<b>0.00</b>	<b>0.00</b>

## **Decision Item (DIN) - 4003**

### **Decision Item (DIN) Title - Re-estimate of Wisconsin Healthcare Stability Plan**

#### **NARRATIVE**

OCI developed a 1332 Waiver for State Innovation Application under the Affordable Care Act pursuant to the 2017 Wisconsin Act 138 allowing Wisconsin to leverage federal funding for the operation of a state-based reinsurance plan: The Healthcare Stability Plan. A 1332 Waiver permits states to pursue innovative strategies to ensure residents have access to affordable health insurance options. On July 29, 2018, the U.S. Department of Health and Human Services and the U.S. Department of the Treasury approved Wisconsin's 1332 Waiver application. The approval is effective January 1, 2019, through December 31, 2023. This request is a re-estimate of federal and state funds.

# Decision Item by Line

2123 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>	4003	Re-estimate of Wisconsin Healthcare Stability Plan

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	\$0	\$0
14		\$0	\$0
15		\$0	\$0
16		\$0	\$0
<b>17</b>	<b>Total Cost</b>	<b>\$0</b>	<b>\$0</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>4003</b>	<b>Re-estimate of Wisconsin Healthcare Stability Plan</b>			
<b>05</b>	<b>Wisconsin Healthcare Stability Plan</b>				
	02 Reinsurance plan; state subsid	(\$14,228,900)	(\$14,228,900)	0.00	0.00
	40 Federal funds; reinsurance pla	\$14,228,900	\$14,228,900	0.00	0.00
	<b>Wisconsin Healthcare Stability Plan SubTotal</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Re-estimate of Wisconsin Healthcare Stability Plan SubTotal</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Agency Total</b>	<b>\$0</b>	<b>\$0</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>4003</b>	<b>Re-estimate of Wisconsin Healthcare Stability Plan</b>				
	GPR	S	(\$14,228,900)	(\$14,228,900)	0.00	0.00
	PR Federal	S	\$14,228,900	\$14,228,900	0.00	0.00
	<b>Total</b>		<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>0.00</b>
<b>Agency Total</b>			<b>\$0</b>	<b>\$0</b>	<b>0.00</b>	<b>0.00</b>

## **Decision Item (DIN) - 4004**

### **Decision Item (DIN) Title - Injured Patients and Families Compensation Fund system solution**

#### **NARRATIVE**

##### **Request**

The Office of the Commissioner of Insurance (OCI) requests \$5,878,000 (One-time cost plus first year annual costs) for FY 2022 and \$1,242,900 (annual cost) for FY 2023 and thereafter of SEG expenditure authority in s. 20.145(2)(u) for the Injured Patients and Families Compensation Fund.

##### **Background**

The Injured Patients and Families Compensation Fund (Fund), which provides medical malpractice insurance coverage in excess of primary insurance limits, was created by statute in 1975 to address a medical malpractice insurance crisis. Participation in the Fund is mandatory for all physicians, Certified Registered Nurse Anesthetists (CRNAs), DO's, hospitals, and other entities providing the medical services of physicians and CRNAs. The Fund monitors compliance with the mandatory primary coverage, and bills for the excess coverage accordingly.

The Fund had approximately 18,000 active participants as of December 31, 2019, which represents a 20% increase over the last ten years. In addition, the Fund monitors almost 30,000 accounts for compliance with Wis. Stat §655. Annually, the Fund processes approximately 19,000 filings from the Fund participant's primary insurance carrier, 44,000 bills and 17,000 noncompliance letters. The Fund also maintains and monitors 6,260 open and closed claims, with a total paid in losses and expenses of \$936,049,743.

The Funds current legacy system is based upon a Java platform with three "Open-Source" programs layered on top. This architecture presents unique issues as each of the three "Open Source" programs are public and can be modified at any time. The Claims module has not been substantively updated since the 1990's, the Policy Administration module hasn't since 2010.

This system was designed to capture data, but not utilize data, analyze data, or automate workflows. Due to its design the system requires significant manual intervention to interpret and process gathered data, limiting staff to conducting the essential functions of the Fund only. For example the Fund only issues refunds upon request as this is a highly manual process. These functions could be done in a "rules based" system, allowing staff to fulfill the Fund's primary regulatory role (ex: financial compliance, monitoring of late filed certificates of insurance, monitoring of required "tail coverage", peer review process).

The current legacy system does not interface with STAR creating duplication of work. The Fund processes over a 1000 claim vouchers annually, which takes the claims contracting vendor approximately 200 hours/month and Fund staff 40 hours/month to record, track, and process the claims vouchers between STAR and the current legacy system.

The Fund is limited by the system in its ability to allow industry "Best Practice" standards to be incorporated into the workflows (ex: Fund cannot set a Loss Expense Reserve on a claim file). Accounting procedures, and year-end financial reporting, and tracking of claims payments are primarily done manually with Excel spreadsheets outside of the system. Accuracy of the data, and subsequently the reports generated from the data, which cannot be done "ad hoc", are not reliable.

The current legacy system is broken into different URL's for different functions: Claims module, Jasper reporting module, Production module, and Staff module (Production and Staff modules are part of the administration system). Staff currently uses both Chrome and Internet Explorer to navigate the system depending on which module they are attempting to work in.

Account balance corrections either require manual intervention, or simply cannot be done in the current legacy system. Account balances are calculated by an ongoing calculation starting with the date the account was activated (the system follows credits and charges, then calculates the balance by comparing the two values). There is no "true-up" ability in the system to verify the accuracy of an account balance on a fiscal basis and make corrections within the fiscal year. Any account errors continue to roll forward until the error is detected, which can be many years later. Refund must be requested, as the Fund does not have the staff available to manually process the approximately 25,000 refunds noted in the system.

In summary, the Fund is in immediate need of a functioning Policy and Claims Administration system as the current system is significantly outdated, fundamentally cannot perform the tasks needed, and is currently experiencing performance issues due to its inability to keep current on updates to operating systems and web-browsers. These issues cannot be resolved by a simple upgrade to the system, nor can the Fund guarantee the system will remain functional for any period of time.

### **Benefit**

The purchase of Oracle's Insurance Policy Administration (OIPA) software is rules-driven and would allow for:

- Automation of manual tasks.
- Integration with STAR.
- Automation of current manual accounting processes.
- Data integrity.
- Collection and analysis of data.
- Ad Hoc reporting.
- Implementation of "Best Practices".

# Decision Item by Line

2123 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>	4004	Injured Patients and Families Compensation Fund system solution

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	\$5,878,000	\$1,242,900
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>\$5,878,000</b>	<b>\$1,242,900</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>4004</b>	<b>Injured Patients and Families Compensation Fund system solution</b>			
<b>02</b>	<b>Injured patients and families compensation fund</b>				
	61 Administration	\$5,878,000	\$1,242,900	0.00	0.00
	<b>Injured patients and families compensation fund SubTotal</b>	<b>\$5,878,000</b>	<b>\$1,242,900</b>	<b>0.00</b>	<b>0.00</b>
	<b>Injured Patients and Families Compensation Fund system solution SubTotal</b>	<b>\$5,878,000</b>	<b>\$1,242,900</b>	<b>0.00</b>	<b>0.00</b>
	<b>Agency Total</b>	<b>\$5,878,000</b>	<b>\$1,242,900</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>4004</b>	<b>Injured Patients and Families Compensation Fund system solution</b>				
	SEG	S	\$5,878,000	\$1,242,900	0.00	0.00
	<b>Total</b>		<b>\$5,878,000</b>	<b>\$1,242,900</b>	<b>0.00</b>	<b>0.00</b>
<b>Agency Total</b>			<b>\$5,878,000</b>	<b>\$1,242,900</b>	<b>0.00</b>	<b>0.00</b>