

# ***INSURANCE DEPARTMENT***

## ***MISSION***

The Insurance Department, which was established in 1860, is charged with regulating the insurance industry and with ensuring that the interests of insurance consumers, companies, and producers are balanced. Specific statutory responsibilities include approving the formation, consolidation or merger of insurance organizations, monitoring the financial stability of insurers, overseeing the testing and licensing of agents, adjusters, consultants and insurance intermediaries, and disciplining licensees who violate the Insurance Law or regulations.

## ***ORGANIZATION AND STAFFING***

The Insurance Department is headed by a Superintendent, who is appointed by the Governor. The Department maintains offices in Albany and New York City and local offices in Mineola, Rochester, Syracuse and Buffalo. The Department's activities are carried out through three programs: Administration, Regulation and Consumer Services. The Department will have a workforce of 924 positions for 2001-02.

## ***FISCAL BACKGROUND AND BUDGET HIGHLIGHTS***

The Insurance Department is funded by assessments on domestic insurance carriers and by examination fees. These moneys fully support the operations of the Department as well as insurance-specific operations in other agencies.

The Executive Budget recommends \$117.3 million for the Insurance Department, which will fund the Department's current level of activity and provide \$19.6 million to the Department of State for costs associated with fire prevention efforts and enforcement of state building code regulations.

## ***PROGRAM HIGHLIGHTS***

The Department ensures that insurance companies meet statutory requirements regarding their financial condition and corporate conduct by monitoring the financial condition of companies and conducting periodic field examinations of insurers. It strives for the fair treatment of policy holders, claimants, and the public through the regulation of company claim payments and sales practices, responses to consumer complaints, and the timely review of insurance company denials of coverage.

The Department promotes high standards of ethical conduct and technical knowledge through oversight of testing, pre-licensing and continuing education of insurers and agents. It maintains a registry of all licensees, collects fees and imposes fines related to the revocation of licenses and irregular activities.

Reflecting the dynamic and changing environment confronting the insurance industry, the Department has reformed and rescinded over half its regulations and eased the process by which companies are licensed and new insurance products approved. The Department continues to work closely with the Banking Department to assist Holocaust victims and their families to identify and recover assets from foreign financial institutions.

The Department also oversees and coordinates New York's Healthy New York Program which provides qualified small businesses and low income families and individuals with access to a basic package of health insurance benefits.

# INSURANCE

## ALL FUNDS APPROPRIATIONS (dollars)

<u>Category</u>	<u>Available 2000-01</u>	<u>Appropriations Recommended 2001-02</u>	<u>Change</u>	<u>Reappropriations Recommended 2001-02</u>
State Operations	108,432,200	117,288,000	8,855,800	1,500,000
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	<u>108,432,200</u>	<u>117,288,000</u>	<u>8,855,800</u>	<u>1,500,000</u>

## ALL FUND TYPES PROJECTED LEVELS OF EMPLOYMENT BY PROGRAM FILLED ANNUAL SALARIED POSITIONS

### Full-Time Equivalent Positions (FTE)

<u>Program</u>	<u>2000-01 Estimated FTEs 03/31/01</u>	<u>2001-02 Estimated FTEs 03/31/02</u>	<u>FTE Change</u>
Administration			
Special Revenue Funds - Other	133	133	0
Consumer Services			
Special Revenue Funds - Other	107	107	0
Regulation			
Special Revenue Funds - Other	704	684	(20)
Total	<u>944</u>	<u>924</u>	<u>(20)</u>

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS (dollars)

<u>Fund Type</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Special Revenue Funds - Other	108,432,200	117,288,000	8,855,800
Total	<u>108,432,200</u>	<u>117,288,000</u>	<u>8,855,800</u>
Adjustments:			
Transfer(s) From			
Special Pay Bill			
Special Revenue Funds - Other	(7,034,700)		
State, Department of			
General Fund	(328,000)		
Appropriated 2000-01	<u>101,069,500</u>		

## STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS (dollars)

<u>Program</u>	<u>Available 2000-01</u>	<u>Recommended 2001-02</u>	<u>Change</u>
Administration			
Special Revenue Funds - Other	11,107,000	13,503,000	2,396,000
Consumer Services			
Special Revenue Funds - Other	7,612,600	7,617,000	4,400
Regulation			
Special Revenue Funds - Other	89,712,600	96,168,000	6,455,400
Total	<u>108,432,200</u>	<u>117,288,000</u>	<u>8,855,800</u>

**STATE OPERATIONS - OTHER THAN GENERAL FUND  
SUMMARY OF APPROPRIATIONS AND CHANGES  
2001-02 RECOMMENDED  
(dollars)**

<b>Program</b>	<b>Total</b>		<b>Personal Service</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	13,503,000	2,396,000	7,588,000	(149,300)
Consumer Services	7,617,000	4,400	5,266,000	(128,700)
Regulation	96,168,000	6,455,400	41,100,000	(191,100)
Total	<u>117,288,000</u>	<u>8,855,800</u>	<u>53,954,000</u>	<u>(469,100)</u>

  

<b>Program</b>	<b>Nonpersonal Service</b>		<b>Maintenance Undistributed</b>	
	<b>Amount</b>	<b>Change</b>	<b>Amount</b>	<b>Change</b>
Administration	5,915,000	2,545,300	0	0
Consumer Services	2,351,000	133,100	0	0
Regulation	33,485,000	527,700	21,583,000	6,118,800
Total	<u>41,751,000</u>	<u>3,206,100</u>	<u>21,583,000</u>	<u>6,118,800</u>