

Insurance, Department of

Agency Expenditure Summary

	<u>FY 2016</u>		<u>FY 2017</u>		<u>FY 2018</u>	
	<u>Approp</u>	<u>Actual</u>	<u>Approp</u>	<u>Estimate</u>	<u>Request</u>	<u>Gov Rec</u>
By Function						
Insurance Regulation	7,947,000	6,371,600	8,419,600	8,419,600	8,441,500	8,463,000
Division of State Fire Marshal	1,081,500	922,400	1,137,300	1,137,300	1,188,200	1,197,800
Total	9,028,500	7,294,000	9,556,900	9,556,900	9,629,700	9,660,800
By Fund Source						
Dedicated	8,371,200	6,816,700	8,860,300	8,860,300	8,955,300	8,983,400
Federal	657,300	477,300	696,600	696,600	674,400	677,400
Total	9,028,500	7,294,000	9,556,900	9,556,900	9,629,700	9,660,800
By Object						
Personnel Costs	5,311,700	4,994,300	5,693,200	5,693,200	5,935,800	5,966,900
Operating Expenditures	3,557,400	2,150,800	3,555,800	3,555,800	3,509,100	3,509,100
Capital Outlay	159,400	148,900	307,900	307,900	184,800	184,800
Trustee/Benefit Payments	0	0	0	0	0	0
Lump Sum	0	0	0	0	0	0
Total	9,028,500	7,294,000	9,556,900	9,556,900	9,629,700	9,660,800
FTP Positions	73.50	73.50	73.50	73.50	76.50	76.50

Executive Budget Detail

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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Description: The Insurance Regulation Division's primary function is to regulate the insurance industry in Idaho. The regulation activities are carried out by three bureaus: the Company Activities Bureau, the Consumer Services Bureau, and the Product Review Bureau. The Company Activities Bureau monitors the solvency of insurers domiciled in Idaho, issues licenses, collects and audits insurance premium tax returns, regulates title agencies, and performs market conduct analyses. The Consumer Services Bureau focuses on consumer and industry concerns and assists stakeholders on insurance contracts and code violations. Additionally, the volunteer-driven Senior Health Insurance Benefit Advisor (SHIBA) Program is housed in this bureau and provides information and counseling on Medicare coverage. Lastly, the Product Review Bureau reviews filed rates and forms and reviews and certifies health plans to ensure that products meet the Qualified Health Plan (QHP) standards.

FY 2017 Original Appropriation

3.00 FY 2017 Original Appropriation: SB 1381

Dedicated	60.65	4,686,100	2,821,500	215,400	0	0	7,723,000
Federal	3.85	277,300	398,100	21,200	0	0	696,600
Total	64.50	4,963,400	3,219,600	236,600	0	0	8,419,600

FY 2017 Total Appropriation

Dedicated	60.65	4,686,100	2,821,500	215,400	0	0	7,723,000
Federal	3.85	277,300	398,100	21,200	0	0	696,600
Total	64.50	4,963,400	3,219,600	236,600	0	0	8,419,600

FY 2017 Estimated Expenditures

Dedicated	60.65	4,686,100	2,821,500	215,400	0	0	7,723,000
Federal	3.85	277,300	398,100	21,200	0	0	696,600
Total	64.50	4,963,400	3,219,600	236,600	0	0	8,419,600

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2017.

Dedicated	0.00	(141,100)	(5,000)	(215,400)	0	0	(361,500)
Federal	0.00	(7,700)	0	(21,200)	0	0	(28,900)
Total	0.00	(148,800)	(5,000)	(236,600)	0	0	(390,400)

FY 2018 Base

Dedicated	60.65	4,545,000	2,816,500	0	0	0	7,361,500
Federal	3.85	269,600	398,100	0	0	0	667,700
Total	64.50	4,814,600	3,214,600	0	0	0	8,029,200

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
Program Maintenance							
10.11	Change in Health Benefit Costs: This decision unit reflects the scheduled changes in the employer benefit cost after the maximum health insurance continuation for employees with an open disability claim is reduced from 30 months to six months.						
Dedicated	0.00	52,700	0	0	0	0	52,700
Federal	0.00	3,300	0	0	0	0	3,300
Total	0.00	56,000	0	0	0	0	56,000
10.12	Change in Variable Benefit Costs: This decision unit reflects the scheduled changes in the employer variable benefits cost.						
Dedicated	0.00	(4,000)	0	0	0	0	(4,000)
Federal	0.00	(200)	0	0	0	0	(200)
Total	0.00	(4,200)	0	0	0	0	(4,200)
10.31	Repair, Replacement Items/Alterations: The Governor recommends replacing server hardware and software (\$7,400), firewalls (\$15,300), computer equipment (\$47,300), printers (\$33,800), projectors (\$3,200), a telephone (\$300), scanners (\$3,000), and chairs (\$4,200).						
Dedicated	0.00	0	0	114,500	0	0	114,500
Total	0.00	0	0	114,500	0	0	114,500
10.41	Attorney General Fees: Adjustments to costs of legal services provided by the Office of the Attorney General are reflected here.						
Dedicated	0.00	0	(57,900)	0	0	0	(57,900)
Total	0.00	0	(57,900)	0	0	0	(57,900)
10.45	Risk Management Cost Increases: Adjustments to costs of insurance coverage as projected by a third-party actuary and billed by the Office of Insurance Management are reflected here. The FY 2018 amounts include the addition of cybersecurity coverage beginning in December 2016.						
Dedicated	0.00	0	16,700	0	0	0	16,700
Total	0.00	0	16,700	0	0	0	16,700
10.46	Controller's Fee Charge: Adjustments to the costs of statewide accounting and statewide payroll processing provided by the Office of the State Controller are reflected here.						
Dedicated	0.00	0	(500)	0	0	0	(500)
Total	0.00	0	(500)	0	0	0	(500)
10.61	Salary Multiplier - Regular Employees: The Governor recommends a 3% increase in employee compensation, to be distributed on a merit basis.						
Dedicated	0.00	112,500	0	0	0	0	112,500
Federal	0.00	6,600	0	0	0	0	6,600
Total	0.00	119,100	0	0	0	0	119,100
10.62	Salary Multiplier - Group and Temporary: The Governor does not recommend a compensation increase for group and temporary positions.						
Dedicated	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0

Executive Budget Detail

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
FY 2018 Total Maintenance							
Dedicated	60.65	4,706,200	2,774,800	114,500	0	0	7,595,500
Federal	3.85	279,300	398,100	0	0	0	677,400
Total	64.50	4,985,500	3,172,900	114,500	0	0	8,272,900

Line Items

12.01 Reduced Contractor Use: The Governor recommends 2.0 FTP, ongoing dedicated fund spending authority, and one-time Capital Outlay for insurance examiners to conduct financial examinations of insurance entities domiciled in Idaho. This work is currently contracted, and the reduced contractor use will result in significant cost savings to the agency.

Dedicated	2.00	183,100	0	7,000	0	0	190,100
Total	2.00	183,100	0	7,000	0	0	190,100

FY 2018 Gov's Recommendation

Dedicated	62.65	4,889,300	2,774,800	121,500	0	0	7,785,600
Federal	3.85	279,300	398,100	0	0	0	677,400
Total	66.50	5,168,600	3,172,900	121,500	0	0	8,463,000

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/ Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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Description: The State Fire Marshal Division participates in and coordinates an integrated statewide system designed to protect human life from fire and explosions through fire prevention and the investigation of fires. The program involves fire prevention activities, arson investigations, and the operation of various statistical systems, including the Idaho Fire Incident Reporting System.

FY 2017 Original Appropriation

3.00 FY 2017 Original Appropriation: SB 1381

Dedicated	9.00	729,800	336,200	71,300	0	0	1,137,300
Total	9.00	729,800	336,200	71,300	0	0	1,137,300

FY 2017 Total Appropriation

Dedicated	9.00	729,800	336,200	71,300	0	0	1,137,300
Total	9.00	729,800	336,200	71,300	0	0	1,137,300

FY 2017 Estimated Expenditures

Dedicated	9.00	729,800	336,200	71,300	0	0	1,137,300
Total	9.00	729,800	336,200	71,300	0	0	1,137,300

Base Adjustments

8.41 Removal of One-Time Expenditures: This decision unit removes one-time appropriation for FY 2017.

Dedicated	0.00	(21,000)	0	(71,300)	0	0	(92,300)
Total	0.00	(21,000)	0	(71,300)	0	0	(92,300)

FY 2018 Base

Dedicated	9.00	708,800	336,200	0	0	0	1,045,000
Total	9.00	708,800	336,200	0	0	0	1,045,000

Program Maintenance

10.11 Change in Health Benefit Costs: This decision unit reflects the scheduled changes in the employer benefit cost after the maximum health insurance continuation for employees with an open disability claim is reduced from 30 months to six months.

Dedicated	0.00	7,700	0	0	0	0	7,700
Total	0.00	7,700	0	0	0	0	7,700

10.12 Change in Variable Benefit Costs: This decision unit reflects the scheduled changes in the employer variable benefits cost.

Dedicated	0.00	(600)	0	0	0	0	(600)
Total	0.00	(600)	0	0	0	0	(600)

Executive Budget Detail

	<u>FTP</u>	<u>Personnel Cost</u>	<u>Operating Expense</u>	<u>Capital Outlay</u>	<u>Trustee/Benefit</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
10.31 Repair, Replacement Items/Alterations: The Governor recommends replacing protective equipment (\$11,400), computer equipment (\$9,300), projectors (\$4,800), a vehicle (\$34,400), and a chair (\$600).							
Dedicated	0.00	0	0	60,500	0	0	60,500
Total	0.00	0	0	60,500	0	0	60,500
10.61 Salary Multiplier - Regular Employees: The Governor recommends a 3% increase in employee compensation, to be distributed on a merit basis.							
Dedicated	0.00	18,000	0	0	0	0	18,000
Total	0.00	18,000	0	0	0	0	18,000

FY 2018 Total Maintenance

Dedicated	9.00	733,900	336,200	60,500	0	0	1,130,600
Total	9.00	733,900	336,200	60,500	0	0	1,130,600

Line Items

12.01 Reduced Contractor Use: The Governor recommends 1.0 FTP, ongoing dedicated fund spending authority, and one-time Capital Outlay for a building plans examiner to review sprinkler, construction, and fire alarm plans. This work is currently contracted, and the reduced contractor use will result in significant cost savings to the agency.							
Dedicated	1.00	64,400	0	2,800	0	0	67,200
Total	1.00	64,400	0	2,800	0	0	67,200

FY 2018 Gov's Recommendation

Dedicated	10.00	798,300	336,200	63,300	0	0	1,197,800
Total	10.00	798,300	336,200	63,300	0	0	1,197,800