

INSURANCE DEPARTMENT

MISSION

The Insurance Department, which was established January 1, 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 946 positions for 1999-2000.

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 \$98.5 million for the Insurance Department, which will fund the Department's current level of activity and provide \$12.2 million to the Department of State for costs associated with fire prevention efforts and enforcement of state building code regulations.

The Budget will enable the Department to further its regulatory efforts in the area of managed care and to continue to detect instances of fraud and abuse in the health insurance industry.

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 claims and sales practices, and its timely responses to consumer complaints.

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. Additionally, the Department will continue to implement several new laws in the areas of health insurance coverage, consumer protection of policy holders and insurance for residents of coastal areas. Finally, 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.

INSURANCE

ALL FUNDS APPROPRIATIONS

Category	Available 1998-99	Appropriations Recommended 1999-00	Change	Reappropriations Recommended 1999-00
State Operations	\$98,612,800	\$98,521,000	-\$91,800	\$500,000
Aid To Localities . . . . .	.....	.....	.....	.....
Capital Projects . . . . .	.....	.....	.....	.....
Total	\$98,612,800	\$98,521,000	-\$91,800	\$500,000

ALL FUND TYPES LEVELS OF EMPLOYMENT BY PROGRAM ANNUAL SALARIED POSITIONS

Program	Available 1998-99	1999-00 Recommended Average Fill Level			Change
		Personal Service (Regular)	Maintenance Undistributed	Total Recommended 1999-00	
Administration					
Special Revenue Funds — Other	133	133	.....	133	.....
Regulation					
Special Revenue Funds — Other	727	706	.....	706	-21
Consumer Services					
Special Revenue Funds — Other	107	107	.....	107	.....
Total	967	946	.....	946	-21

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE APPROPRIATIONS

Fund Type	Available 1998-99	Recommended 1999-00	Change
Special Revenue Funds — Other	\$98,612,800	\$98,521,000	-\$91,800
Total	\$98,612,800	\$98,521,000	-\$91,800
Adjustments:			
Transfer(s) From			
Banking Department			
General Fund	-210,000		
State, Department of			
Special Revenue Funds — Other	-1,575,800		
Appropriated 1998-99	\$96,827,000		

STATE OPERATIONS ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM APPROPRIATIONS

Program	Available 1998-99	Recommended 1999-00	Change
Administration			
Special Revenue Funds — Other	\$9,617,600	\$10,080,800	+\$463,200
Regulation			
Special Revenue Funds — Other	82,608,900	81,838,400	-770,500
Consumer Services			
Special Revenue Funds — Other	6,386,300	6,601,800	+ 215,500
Total	\$98,612,800	\$98,521,000	-\$91,800

**STATE OPERATIONS — OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
1999-00 RECOMMENDED**

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	\$10,080,800	+ \$463,200	\$7,010,100	+ \$349,600
Regulation	81,838,400	-770,500	38,181,400	+ 410,800
Consumer Services	6,601,800	+ 215,500	4,638,900	+ 197,400
Total	<u>\$98,521,000</u>	<u>-\$91,800</u>	<u>\$49,830,400</u>	<u>+ \$957,800</u>

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	\$3,070,700	+ \$113,600	. . . . .	. . . . .
Regulation	29,211,100	-772,000	\$14,445,900	-\$409,300
Consumer Services	1,962,900	+ 18,100	. . . . .	. . . . .
Total	<u>\$34,244,700</u>	<u>-\$640,300</u>	<u>\$14,445,900</u>	<u>-\$409,300</u>