

# STATE INSURANCE DEPARTMENT

## State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2018

None

### Employment Summary

	Male	Female	Total	%
White Employees	46	70	116	75 %
Black Employees	6	25	31	20 %
Other Racial Minorities	2	5	7	5 %
Total Minorities			38	25 %
Total Employees			154	100 %

### Publications

#### A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Report	A.C.A 23-61-112	Y	N	120	Required for the Governor and provided to others upon request.	0	0.00

## Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2017-2018		2018-2019		2018-2019		2019-2020				2020-2021			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
1QA AMAIT - Operations	7,569,880	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0
2SW Insurance-State Operations	10,814,548	117	14,100,362	131	13,463,407	134	13,770,015	134	13,770,015	134	13,758,746	134	13,758,746	134
2SX Fraud Investigation Unit	950,453	13	1,262,100	14	1,114,534	14	828,386	11	828,386	11	828,509	11	828,509	11
2SY Insurance Fraud Investigation Division	194,760	0	237,635	0	237,635	0	507,295	3	507,295	3	509,295	3	509,295	3
2SZ Prepaid Funeral Benefits Division	267,940	4	436,701	5	396,801	5	374,619	5	374,619	5	374,744	5	374,744	5
2TA Continuing Education Program	0	0	0	0	36,076	0	31,184	0	31,184	0	31,184	0	31,184	0
2TB State Employee Claims	13,111,802	0	16,500,000	0	16,500,000	0	16,500,000	0	16,500,000	0	16,500,000	0	16,500,000	0
2TC Governmental Bonding Board Operations	1,160,115	0	3,205,000	0	4,104,855	0	3,005,000	0	3,005,000	0	3,005,000	0	3,005,000	0
2TD Public Employees Claims Section	1,656,928	21	2,086,256	24	1,995,684	24	1,921,874	23	1,921,874	23	1,923,478	23	1,923,478	23
2TE Health Information Counseling	460,850	4	998,223	7	966,585	7	804,007	7	804,007	7	804,007	7	804,007	7
2TF Refunds of Overpayments	10,979,709	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0	11,000,000	0
2TG Public School Employees Claims	45,472	0	450,000	0	450,000	0	400,000	0	400,000	0	400,000	0	400,000	0
2TH County Employee Claims	4,413	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0	200,000	0
2TJ City Employee Claims	21,232	0	600,000	0	600,000	0	400,000	0	400,000	0	400,000	0	400,000	0
2TK Consumer Info System - Cash	2,828	0	65,000	0	79,005	0	48,005	0	48,005	0	28,005	0	28,005	0
2TM Travel & Subsistence-Cash	32,109	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0	100,000	0
2TN Prepaid Funeral Contracts Recovery	47,649	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
4HH Criminal Background Checks-Cash	9,277	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0	125,000	0
56A Public School Insurance Program	6,936,518	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0	20,000,000	0
V46 AR Healthcare Transparency Initiative Datal	0	0	0	0	3,200,000	0	3,200,000	0	3,200,000	0	3,200,000	0	3,200,000	0
V98 Funeral Services	381,829	2	563,745	6	540,984	6	564,356	6	564,356	6	564,479	6	564,479	6
<b>NOT REQUESTED FOR THE BIENNIUM</b>														
85P Rate Review-Federal	739,159	3	0	0	5,866,230	0	0	0	0	0	0	0	0	0
N41 MIPPA - 3	85,082	0	130,000	0	0	0	0	0	0	0	0	0	0	0
N42 Rate Review Cycle IV	23,979	0	106,039	1	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>55,496,532</b>	<b>164</b>	<b>92,666,061</b>	<b>188</b>	<b>101,476,796</b>	<b>190</b>	<b>94,279,741</b>	<b>189</b>	<b>94,279,741</b>	<b>189</b>	<b>94,252,447</b>	<b>189</b>	<b>94,252,447</b>	<b>189</b>

  

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	54,398,130	41.6	75,420,051	51.6	53,604,948	41.2	53,604,948	41.2	42,350,135	35.6	42,350,135	35.6
Federal Revenue	4000020	1,309,070	1.0	1,234,262	0.8	804,007	0.6	804,007	0.6	804,007	0.7	804,007	0.7
Special Revenue	4000030	4,793,651	3.7	4,741,696	3.2	8,024,276	6.2	8,024,276	6.2	8,026,126	6.8	8,026,126	6.8
Cash Fund	4000045	42,513	0.0	225,000	0.2	225,000	0.2	225,000	0.2	225,000	0.2	225,000	0.2
Trust Fund	4000050	46,210,591	35.3	35,900,000	24.5	38,950,000	29.9	38,950,000	29.9	38,950,000	32.8	38,950,000	32.8

Funding Sources			%		%		%		%		%
Intra-agency Fund Transfer	4000317	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Miscellaneous Revolving	4000350	11,050,826	8.4	12,250,000	8.4	12,000,000	9.2	12,000,000	9.2	12,000,000	10.1
Workers' Comp Revolving	4000735	13,111,802	10.0	16,500,000	11.3	16,500,000	12.7	16,500,000	12.7	16,500,000	13.9
Total Funds		130,916,583	100.0	146,271,009	100.0	130,108,231	100.0	130,108,231	100.0	118,855,268	100.0
Excess Appropriation/(Funding)		(75,420,051)		(53,604,948)		(35,828,490)		(35,828,490)		(24,602,821)	
Grand Total		55,496,532		92,666,061		94,279,741		94,279,741		94,252,447	

FY19 Budget in Appropriations 2SW, 2SX, 2SZ, 2TD, 2TE & V98 exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Variance in fund balance due to unfunded appropriation in fund centers 1QA, 2TC, 2TK, 2TN, and 56A.

## **Analysis of Budget Request**

**Appropriation:** 1QA - AMAIT - Operations

**Funding Sources:** TMI - Arkansas Multi-Agency Insurance Trust Fund

The Arkansas Multi-Agency Insurance Trust Fund Program was established by Act 1762 of 2003 to reduce the costs of insurance coverage for state agencies by combining their premium dollars in purchasing broader coverage for property and vehicle insurance with higher deductibles. The program is also designed to build a growing reserve to self-insure ever larger deductible amounts allowing further reductions in policy prices.

Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

Agency Request provides for a continuing level of \$20.0 million each year of the biennium. Annual agency expenditures average approximately \$8.0 to \$9.0 million; however, the agency states \$11.7 million over actual is needed for total insurance premium expense for state property and vehicles in addition to potential claim expenses. This includes Self Insured Retentions and valid claims that have not been reported.

In order to provide sufficient appropriation to cover unanticipated expenditures, the Agency Request exceeds the FY18 Actual Expenditures by more than 10%.

The additional appropriation provides contingency authorization for total insurance premiums for state property and vehicles as well as claim expenses.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 1QA - AMAIT - Operations

**Funding Sources:** TMI - Arkansas Multi-Agency Insurance Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
AMAIT	5900046	7,569,880	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total		7,569,880	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Funding Sources								
Fund Balance	4000005	16,079,402	17,075,670		5,275,670	5,275,670	0	0
Trust Fund	4000050	8,566,148	8,200,000		8,250,000	8,250,000	8,250,000	8,250,000
Total Funding		24,645,550	25,275,670		13,525,670	13,525,670	8,250,000	8,250,000
Excess Appropriation/(Funding)		(17,075,670)	(5,275,670)		6,474,330	6,474,330	11,750,000	11,750,000
Grand Total		7,569,880	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000

## **Analysis of Budget Request**

**Appropriation:** 2SW - Insurance-State Operations

**Funding Sources:** TSI - State Insurance Department Trust Fund

The State Insurance Department's State Operations appropriation is funded by special revenues that are authorized in Arkansas Code §19-5-922. This appropriation is used to defray department expenses in the discharge of its administrative and regulatory powers.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

With the exception of Regular Salaries, Personal Services Matching and Capital Outlay Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request is a net appropriation decrease of (\$414,571) in FY2020 and (\$430,571) in FY2021, and includes the following:

- Discontinue Operating Expenses totaling \$482,315 in FY2020 and \$484,815 in FY2021 to align data processing supplies and network authorization with actual expenses.
- Reallocation of \$9,256 each year from Overtime and associated Personal Services Matching to Capital Outlay.
- Reallocation of \$94,600 in FY2020 and \$92,100 in FY2021 from Operating Expense to Conference & Travel Expenses of \$50,000 each year; Professional Fees of \$19,600 each year; and Capital Outlay of \$25,000 in FY2020 and \$22,500 in FY2021 for technology related equipment.
- Capital Outlay of \$102,000 in FY2020 and \$86,000 in FY2021 for scheduled replacement of aging technology related equipment and hardware. This request is offset by reductions in Operating Expenses and Overtime. This request is compliant with the Agency IT Plan.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Extra Help - This fund is used for securities officers, in addition to helping pay for positions where we need overlap of retiring/terminating personnel, and new hires so that regulatory and payment processing functions are not interrupted due to turnover. While we did not experience the type of turnover in FY 2018 that required us to need this overlap, it benefits the state for us to have the flexibility so that*

*our collections of over \$200 million is not interrupted due to turnover.*

- *Overtime - While we did not require the use of overtime in FY 2018, we have reduced the budget for this commitment item by \$7,500 to \$27,500. The benefit to the state is that if we have a personnel deficit we can pay current employees to work beyond 40 hours in the event of large backlog of work.*
- *Operating Expenses - We are requesting excess appropriation to provide for the unknown expense association with two new entities that we will be regulating; Pharmacy Benefit Managers and Risk Based Providers. In addition we are absorbing the Funeral Services Board into our Operations and it is not known the amount of Insurance Operating Funds will be needed to offset expenses that exceed collections. Thirdly, we plan to automate the \$10 million annual Surplus Lines tax filing and payment process, which will require initial investment of contract labor assistance for project planning, execution, and technical documentation, but will contribute savings over time resulting in a high return on investment.*
- *Conference & Travel Expenses - Request for additional appropriation over actual expenses is due to new finance staff that will be starting and the required training for their certifications. Most of the training offered is out of state.*
- *Professional Fees / Services - Justification for keeping current level budget for maximum flexibility of actuary needs. As new companies choose to domicile in Arkansas, the Department needs to be able to contract with actuary firms to perform financial audits of companies to protect Arkansas consumers. Additionally, the currently unknown needs for financial regulation of Pharmacy Benefits Managers makes the need for keeping current budget vital.*
- *Special Maintenance - The special maintenance budget request is for one time repairs or maintenance to our building. For example, we have to cover the cost of the air unit for our server room. This has flooded before, and we had to incur the expense of repairing this space. This also covers any security camera repairs when needed, as well as repair or service to any other assets we have purchased for our building; industrial refrigerator, ice machine, reception area build out, or other leasehold improvement needed. Hopefully, with routine maintenance we can mitigate the amount of repairs needed from appropriation.*

Total Agency Appropriation Request is \$13,770,015 in FY2020 and \$13,758,746 in FY2021 and includes 134 positions and 19 Extra Help.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2SW - Insurance-State Operations  
**Funding Sources:** TSI - State Insurance Department Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	6,231,488	7,316,674	6,837,830	7,496,872	7,496,872	7,500,172	7,500,172	
<b>#Positions</b>		<b>117</b>	<b>131</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>	<b>134</b>	
Extra Help	5010001	69,931	140,000	140,000	140,000	140,000	140,000	140,000	
<b>#Extra Help</b>		<b>10</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	
Personal Services Matching	5010003	2,071,887	2,390,099	2,231,988	2,447,369	2,447,369	2,448,800	2,448,800	
Overtime	5010006	13	35,000	35,000	27,500	27,500	27,500	27,500	
Operating Expenses	5020002	1,574,815	2,578,098	2,777,589	2,200,674	2,200,674	2,200,674	2,200,674	
Conference & Travel Expenses	5050009	154,625	188,000	138,000	188,000	188,000	188,000	188,000	
Professional Fees	5060010	25,188	291,491	142,000	161,600	161,600	161,600	161,600	
Data Processing	5090012	0	0	0	0	0	0	0	
Capital Outlay	5120011	109,973	155,000	155,000	102,000	102,000	86,000	86,000	
Special Maintenance	5120032	3,636	50,000	50,000	50,000	50,000	50,000	50,000	
Professional Services	5900043	572,992	956,000	956,000	956,000	956,000	956,000	956,000	
<b>Total</b>		<b>10,814,548</b>	<b>14,100,362</b>	<b>13,463,407</b>	<b>13,770,015</b>	<b>13,770,015</b>	<b>13,758,746</b>	<b>13,758,746</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	14,791,521	31,877,626		29,777,264	29,777,264	31,007,249	31,007,249	
Trust Fund	4000050	27,900,653	12,000,000		15,000,000	15,000,000	15,000,000	15,000,000	
<b>Total Funding</b>		<b>42,692,174</b>	<b>43,877,626</b>		<b>44,777,264</b>	<b>44,777,264</b>	<b>46,007,249</b>	<b>46,007,249</b>	
Excess Appropriation/(Funding)		(31,877,626)	(29,777,264)		(31,007,249)	(31,007,249)	(32,248,503)	(32,248,503)	
<b>Grand Total</b>		<b>10,814,548</b>	<b>14,100,362</b>		<b>13,770,015</b>	<b>13,770,015</b>	<b>13,758,746</b>	<b>13,758,746</b>	

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Budget exceeds Authorized Appropriation in Conference & Travel Expenses, and Professional Fees by authority of a Budget Classification Transfer.



## **Analysis of Budget Request**

**Appropriation:** 2SX - Fraud Investigation Unit

**Funding Sources:** TSI - State Insurance Department Trust Fund

The Fraud Investigation Unit was created with the passage of Act 1136 of 1993 to investigate allegations of fraud in workers' compensation cases. Funding is provided by special revenues collected by the Insurance Department and earmarked for this purpose.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

With the exception of Regular Salaries, Personal Services Matching and Capital Outlay Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request is a net appropriation decrease of (\$395,487) each year, and includes the following:

- Transfer 3 authorized positions with associated Regular Salaries and Personal Services Matching appropriation totaling \$249,660 each year to Appropriation 2SY - Insurance Fraud Division to maximize the use of fees collected and agency operations.
- Reallocation of \$20,000 in FY2020 and \$22,000 in FY2021 from Operating Expenses to Appropriation 2SY - Insurance Fraud Division Operating Expenses.
- Discontinue Operating Expenses totaling \$102,827 and \$100,827 in FY2021.
- Discontinue Conference & Travel Expenses totaling \$12,000 each year.
- Discontinue Professional Fees totaling \$11,000 each year.

Total Agency Appropriation Request is \$828,386 in FY2020 and \$828,509 in FY2021 and includes 11 positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2SX - Fraud Investigation Unit  
**Funding Sources:** TSI - State Insurance Department Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	710,855	847,555	731,211	626,324	626,324	626,424	626,424
<b>#Positions</b>		<b>13</b>	<b>14</b>	<b>14</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>
Personal Services Matching	5010003	232,148	268,718	237,496	202,062	202,062	202,085	202,085
Operating Expenses	5020002	6,384	113,827	122,827	0	0	0	0
Conference & Travel Expenses	5050009	1,066	32,000	12,000	0	0	0	0
Professional Fees	5060010	0	0	11,000	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>950,453</b>	<b>1,262,100</b>	<b>1,114,534</b>	<b>828,386</b>	<b>828,386</b>	<b>828,509</b>	<b>828,509</b>
<b>Funding Sources</b>								
Fund Balance	4000005	223,100	130,405		0	0	249,660	249,660
Special Revenue	4000030	857,758	1,131,695		1,078,046	1,078,046	1,078,169	1,078,169
<b>Total Funding</b>		<b>1,080,858</b>	<b>1,262,100</b>		<b>1,078,046</b>	<b>1,078,046</b>	<b>1,327,829</b>	<b>1,327,829</b>
Excess Appropriation/(Funding)		(130,405)	0		(249,660)	(249,660)	(499,320)	(499,320)
<b>Grand Total</b>		<b>950,453</b>	<b>1,262,100</b>		<b>828,386</b>	<b>828,386</b>	<b>828,509</b>	<b>828,509</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Budget exceeds Authorized Appropriation in Conference & Travel Expenses by authority of a Budget Classification Transfer.

## Analysis of Budget Request

**Appropriation:** 2SY - Insurance Fraud Investigation Division

**Funding Sources:** TIF - Insurance Fraud Investigation Division Trust Fund

Act 337 of 1997 (A.C.A. §23-100-101 et seq.) provides for funding of an Insurance Fraud Investigation Division in the State Insurance Department to investigate suspected cases of fraud over a broad range of activities in the insurance industry in Arkansas. An annual administrative and regulatory fee exclusively to support fraud investigation efforts is collected annually from each company under the Department's jurisdiction.

Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request is a net appropriation increase of \$269,660 in FY2020 and \$271,660 in FY2021 and includes the following:

- Increase of 3 positions with associated Regular Salaries and Personal Services Matching appropriation totaling \$249,660 each year transferred from Appropriation 2SX - Fraud Investigation Unit to maximize the use of fees collected and agency operations.
- Operating Expenses increase of \$27,000 in FY2020 and \$29,000 in FY2021 for maintenance operations and investigation expenses. This request is offset by a Reallocation from Appropriation 2SX - Fraud Investigation Unit and reductions in Professional Fees.
- Reallocation of \$7,000 each year from Professional Fees to Operating Expenses.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Operating Expenses - This request is offset by \$122k reduction in Operating Expenses - 2SX - Fraud Investigation Unit and \$7k reallocation from Professional Fees.*
- *Conference & Travel Expenses - The Criminal Investigation Division is a small unit composed of highly experienced investigators. However, their investigative experience must be augmented by additional training especially in the areas of information technology (IT) and the Internet of things (IoT). Travel and training are expensive and getting more expensive yearly as the majority of the training takes place out of the state. Other endeavors are symposiums and conferences which link the separate parts of the criminal investigations with the other members of the insurance community (National Association of Insurance Commissioners, National Health Care Anti-Fraud Association, International Association of Special Investigative Units, National Anti-fraud Conference, and the National White Collar Crime Center to name a few). Unfortunately, once trained, our investigators become prime targets for other agencies to hire away. Therefore, we have experienced an annual turnover of investigators requiring the division to need annual repetitive training as outlined above.*
- *Professional Fees - Professional Fees are used primarily to conduct statutory examination and financial analysis procedures required to*

*meet solvency requirements. Due to the volume, timing and professional standards necessary to conduct statutory examinations, AID maintains contracts with three actuarial firms to ensure required regulatory practices and procedures are completed on a timely basis in accordance with national accreditation standards. Actuarial review and other specific audit requirements are necessary components of the statutory financial examination framework mandated by Arkansas Statute. Annual expenses for professional fees will fluctuate from year to year, depending on the number and scope of solvency examination and analysis, volume of insurers required to be examined, and level of new company licensure.*

Total Agency Appropriation Request is \$507,295 in FY2020 and \$509,295 in FY2021 and includes 3 positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2SY - Insurance Fraud Investigation Division

**Funding Sources:** TIF - Insurance Fraud Investigation Division Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	0	0	0	190,049	190,049	190,049	190,049	
<b>#Positions</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	
Personal Services Matching	5010003	0	0	0	59,611	59,611	59,611	59,611	
Operating Expenses	5020002	185,015	203,785	191,635	218,635	218,635	220,635	220,635	
Conference & Travel Expenses	5050009	9,745	29,850	35,000	35,000	35,000	35,000	35,000	
Professional Fees	5060010	0	4,000	11,000	4,000	4,000	4,000	4,000	
Data Processing	5090012	0	0	0	0	0	0	0	
Capital Outlay	5120011	0	0	0	0	0	0	0	
<b>Total</b>		<b>194,760</b>	<b>237,635</b>	<b>237,635</b>	<b>507,295</b>	<b>507,295</b>	<b>509,295</b>	<b>509,295</b>	
<b>Funding Sources</b>									
Fund Balance	4000005	1,080,500	2,149,431		2,261,796	2,261,796	2,404,501	2,404,501	
Special Revenue	4000030	1,263,691	350,000		650,000	650,000	650,000	650,000	
<b>Total Funding</b>		<b>2,344,191</b>	<b>2,499,431</b>		<b>2,911,796</b>	<b>2,911,796</b>	<b>3,054,501</b>	<b>3,054,501</b>	
Excess Appropriation/(Funding)		(2,149,431)	(2,261,796)		(2,404,501)	(2,404,501)	(2,545,206)	(2,545,206)	
<b>Grand Total</b>		<b>194,760</b>	<b>237,635</b>		<b>507,295</b>	<b>507,295</b>	<b>509,295</b>	<b>509,295</b>	

Budget exceeds Authorized Appropriation in Operating Expenses by authority of a Budget Classification Transfer.

## **Analysis of Budget Request**

**Appropriation:** 2SZ - Prepaid Funeral Benefits Division

**Funding Sources:** TIP - State Insurance Department Prepaid Trust Fund

Act 372 of 1997 (Arkansas Code §23-40-107 et seq.) provides for administration of prepaid funeral benefit plans in the State of Arkansas and established the Division of Prepaid Funeral Benefits within the State Insurance Department for this purpose. Funding is derived from initial application or renewal fees for annual permits to sell prepaid funeral benefits.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

With the exception of Regular Salaries and Personal Services Matching Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request is a net appropriation decrease of (\$61,690) each year and includes the following:

- Discontinue Operating Expenses totaling \$34,690 each year.
- Discontinue Professional Fees totaling \$27,000 each year.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Operating Expenses - While this Commitment Item has been reduced by \$35k / 50% and \$62k across all categories, we need to keep basic budget level to have enough to respond to regulatory issues that arise.*
- *Conference & Travel Expenses - Requesting to keep current \$4k budget for training of potential new hires, and ongoing training of staff.*

Total Agency Appropriation Request is \$374,619 in FY2020 and \$374,744 in FY2021 and includes 5 positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2SZ - Prepaid Funeral Benefits Division

**Funding Sources:** TIP - State Insurance Department Prepaid Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	189,734	250,535	219,174	250,158	250,158	250,258	250,258
<b>#Positions</b>		<b>4</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
Personal Services Matching	5010003	68,323	83,776	75,237	83,761	83,761	83,786	83,786
Operating Expenses	5020002	8,893	71,390	71,390	36,700	36,700	36,700	36,700
Conference & Travel Expenses	5050009	990	4,000	4,000	4,000	4,000	4,000	4,000
Professional Fees	5060010	0	27,000	27,000	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>267,940</b>	<b>436,701</b>	<b>396,801</b>	<b>374,619</b>	<b>374,619</b>	<b>374,744</b>	<b>374,744</b>
<b>Funding Sources</b>								
Fund Balance	4000005	1,460,871	869,736		818,035	818,035	828,416	828,416
Special Revenue	4000030	313,690	385,000		385,000	385,000	385,000	385,000
Intra-agency Fund Transfer	4000317	(636,885)	0		0	0	0	0
<b>Total Funding</b>		<b>1,137,676</b>	<b>1,254,736</b>		<b>1,203,035</b>	<b>1,203,035</b>	<b>1,213,416</b>	<b>1,213,416</b>
<b>Excess Appropriation/(Funding)</b>		<b>(869,736)</b>	<b>(818,035)</b>		<b>(828,416)</b>	<b>(828,416)</b>	<b>(838,672)</b>	<b>(838,672)</b>
<b>Grand Total</b>		<b>267,940</b>	<b>436,701</b>		<b>374,619</b>	<b>374,619</b>	<b>374,744</b>	<b>374,744</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Intra-agency transfer to Fund Center 2TN Prepaid Funeral Contracts Recovery.

## **Analysis of Budget Request**

**Appropriation:** 2TA - Continuing Education Program

**Funding Sources:** TIE - Insurance Continuing Education Trust Fund

The Insurance Department's Continuing Education Program has authorization for one position to process continuing education records which are required for agent license renewals. Funding is provided from continuing education application fees, as authorized in Arkansas Code §23-64-307.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

Continuing Level appropriation is the FY2019 Authorized.

Total Agency Appropriation Request is \$31,184 each year to provide support for one position to process continuing education records.

The Executive Recommendation provides for the Agency Request.



## Appropriation Summary

**Appropriation:** 2TA - Continuing Education Program  
**Funding Sources:** TIE - Insurance Continuing Education Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021		
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive	
Regular Salaries	5010000	0	0	25,268	25,268	25,268	25,268	25,268	
<b>#Positions</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Personal Services Matching	5010003	0	0	10,808	5,916	5,916	5,916	5,916	
Total		0	0	36,076	31,184	31,184	31,184	31,184	
<b>Funding Sources</b>									
Fund Balance	4000005	1,778,396	2,013,795		2,113,795	2,113,795	2,182,611	2,182,611	
Special Revenue	4000030	235,399	100,000		100,000	100,000	100,000	100,000	
Total Funding		2,013,795	2,113,795		2,213,795	2,213,795	2,282,611	2,282,611	
Excess Appropriation/(Funding)		(2,013,795)	(2,113,795)		(2,182,611)	(2,182,611)	(2,251,427)	(2,251,427)	
Grand Total		0	0		31,184	31,184	31,184	31,184	

## **Analysis of Budget Request**

**Appropriation:** 2TB - State Employee Claims

**Funding Sources:** TUV - Workers' Compensation Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of workers' compensation claims payments for employees of the State. Revolving funds derived from agency workers' compensation benefits, contributions provide the revenue source for this appropriation as authorized in Arkansas Code §19-5-805.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$16,500,000 each year of the biennium.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Claims - This is the fund with which we pay state employees' workers comp claims. The state has no reinsurance; we cannot predict level of claims that will come in. The current budget allows us to pay state employees that are injured while working. We hope claims will never be within 10% of current budget, but in order to serve state employees efficiently we need to keep the current level budget.*

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TB - State Employee Claims

**Funding Sources:** TUW - Workers' Compensation Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Claims 5110015	13,111,802	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Total	13,111,802	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000	16,500,000
Funding Sources							
Workers' Comp Revolving 4000735	13,111,802	16,500,000		16,500,000	16,500,000	16,500,000	16,500,000
Total Funding	13,111,802	16,500,000		16,500,000	16,500,000	16,500,000	16,500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	13,111,802	16,500,000		16,500,000	16,500,000	16,500,000	16,500,000

## Analysis of Budget Request

**Appropriation:** 2TC - Governmental Bonding Board Operations

**Funding Sources:** TFB - Fidelity Bond Trust Fund

The State Insurance Department is the managing agency for the appropriation through which the Governmental Bonding Board administers the Self-Insured Fidelity Bond Program on behalf of officials and public employees of counties, municipalities, public schools, and the State of Arkansas. Funding is authorized in A.C.A. §21-2-711 and is derived from bond premiums withheld from the County Aid, Municipal Aid, and Public School funds and from premiums transferred from the fund accounts of State agencies.

Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request is a net appropriation decrease of (\$1,099,855) each year and includes the following:

- Discontinue Claims totaling \$200,000 each year.
- Discontinue Investment totaling \$760,637 each year.
- Discontinue Reinsurance totaling \$139,218 each year.

The Agency request to maintain Authorized Appropriation level of \$150,000 and \$2,800,000 respectively, which exceeds the FY18 Actual Expenditures by more than 10% in the event the Agency has to pay out Refunds or Bonding Board claims for employee theft. The Department cannot predict the level of claims against this fund. If claims are not incurred, budget will not be spent.

- *Operating Expenses - Justification for keeping current level budget provides for contingent operating expenses.*
- *Professional Services - Justification for keeping current level budget provides for maximum flexibility of actuary needs. The Department needs to be able to contract with actuary firms to perform financial audits of companies to protect Arkansas consumers.*

Total Agency Appropriation Request is \$3,005,000 each year of the 2019 - 2021 Biennium.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TC - Governmental Bonding Board Operations

**Funding Sources:** TFB - Fidelity Bond Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	2,770	5,000	5,000	5,000	5,000	5,000	5,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	300	150,000	150,000	150,000	150,000	150,000	150,000
Claims	5110015	1,157,045	3,000,000	3,000,000	2,800,000	2,800,000	2,800,000	2,800,000
Capital Outlay	5120011	0	0	0	0	0	0	0
Investment	5120013	0	0	760,637	0	0	0	0
Professional Services	5900043	0	50,000	50,000	50,000	50,000	50,000	50,000
Reinsurance	5900046	0	0	139,218	0	0	0	0
<b>Total</b>		<b>1,160,115</b>	<b>3,205,000</b>	<b>4,104,855</b>	<b>3,005,000</b>	<b>3,005,000</b>	<b>3,005,000</b>	<b>3,005,000</b>
<b>Funding Sources</b>								
Fund Balance	4000005	5,517,212	5,267,256		2,962,256	2,962,256	857,256	857,256
Trust Fund	4000050	910,159	900,000		900,000	900,000	900,000	900,000
<b>Total Funding</b>		<b>6,427,371</b>	<b>6,167,256</b>		<b>3,862,256</b>	<b>3,862,256</b>	<b>1,757,256</b>	<b>1,757,256</b>
<b>Excess Appropriation/(Funding)</b>		<b>(5,267,256)</b>	<b>(2,962,256)</b>		<b>(857,256)</b>	<b>(857,256)</b>	<b>1,247,744</b>	<b>1,247,744</b>
<b>Grand Total</b>		<b>1,160,115</b>	<b>3,205,000</b>		<b>3,005,000</b>	<b>3,005,000</b>	<b>3,005,000</b>	<b>3,005,000</b>

## **Analysis of Budget Request**

**Appropriation:** 2TD - Public Employees Claims Section

**Funding Sources:** HUA - Miscellaneous Agencies Fund

This program is funded by transfers from the Public School Fund, the County Aid Fund, the Municipal Aid Fund, and the fund accounts of State agencies for which workers' compensation claims are administered by this Section, as authorized in Arkansas Code §11-9-307.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

With the exception of Regular Salaries, Personal Services Matching and Capital Outlay Continuing Level appropriation is the FY2019 Authorized.

The Agency Change Level Request is a net appropriation decrease of (\$127,000) each year and includes the following:

- Discontinue Operating Expenses totaling \$127,000 each year.
- Reallocation of \$11,300 each year from Operating Expense to Conference & Travel Expenses totaling \$11,300 each year for conference & seminar fees; and reallocate operating budget to provide for association & membership dues.
- Reallocation of \$1,000 each year from Professional Fees to Operating Expense for office supplies.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Operating Expenses - Requesting to keep \$122k of budget over FY 2018 actuals to accommodate need to modify new software to work with AASIS to allow direct deposits to our user interface, which will contribute to being more efficient with automation.*
- *Conference & Travel Expenses - Requesting to keep \$17k more than FY 2018 actuals to send new employees to workers' comp educational conference. Also to send appropriate personnel to JD software user conference, which went live Oct 2017. Could drive to conference last year, this year there will be 4 airfares. There were 2 conferences that director could not attend due to family conflicts that he plans to attend this year.*

Total Agency Appropriation Request is \$1,921,874 in FY2020 and \$1,923,478 in FY2021 and includes 23 positions.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TD - Public Employees Claims Section

**Funding Sources:** HUA - Miscellaneous Agencies Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	941,605	1,066,109	997,144	1,039,642	1,039,642	1,040,942	1,040,942
<b>#Positions</b>		<b>21</b>	<b>24</b>	<b>24</b>	<b>23</b>	<b>23</b>	<b>23</b>	<b>23</b>
Personal Services Matching	5010003	332,207	370,216	348,609	359,301	359,301	359,605	359,605
Operating Expenses	5020002	375,986	623,731	635,931	498,631	498,631	498,631	498,631
Conference & Travel Expenses	5050009	7,130	25,200	13,000	24,300	24,300	24,300	24,300
Professional Fees	5060010	0	1,000	1,000	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>1,656,928</b>	<b>2,086,256</b>	<b>1,995,684</b>	<b>1,921,874</b>	<b>1,921,874</b>	<b>1,923,478</b>	<b>1,923,478</b>
<b>Funding Sources</b>								
Special Revenue	4000030	1,656,928	2,086,256		1,921,874	1,921,874	1,923,478	1,923,478
<b>Total Funding</b>		<b>1,656,928</b>	<b>2,086,256</b>		<b>1,921,874</b>	<b>1,921,874</b>	<b>1,923,478</b>	<b>1,923,478</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>1,656,928</b>	<b>2,086,256</b>		<b>1,921,874</b>	<b>1,921,874</b>	<b>1,923,478</b>	<b>1,923,478</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Budget exceeds Authorized Appropriation in Conference & Travel Expenses by authority of a Budget Classification Transfer.

## **Analysis of Budget Request**

**Appropriation:** 2TE - Health Information Counseling

**Funding Sources:** FID - Insurance Department - Federal

The Insurance Department's Health Information Counseling Program is 100% federally funded by the U.S. Department of Health and Human Services. Its purpose is to develop and maintain a network of local volunteers to dispense information and assist senior citizens with their insurance needs.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

With the exception of Regular Salaries and Personal Services Matching Continuing Level appropriation reflects the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request is a net appropriation decrease of (\$194,052) each year and includes the following:

- Discontinue Operating Expenses totaling \$137,643 each year.
- Discontinue Professional Fees totaling \$56,409 each year.
- Reallocation of \$23,570 each year from Operating Expenses to Professional Fees totaling \$8,000; and \$15,570 to align operating budget with actual expenses.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Operating Expenses - We would like to request \$138k based on our goal to fill current vacant positions for 2019-2020 which will cause our operating expenses to increase.*
- *Conference & Travel Expenses - Conference & Travel expenses FY 2018 were \$1.5k and we anticipate an increase for FY 2019 to \$8k with the aforementioned positions being filled. This will be needed to ensure proper training for these positions and success of the overall federal program.*
- *Professional Fees - Professional Fees for FY 2018 was \$211k. We are requesting \$300k for this line item in FY 2019 to be added to the vendor contracts to increase volume of outreach to rural areas.*

Total Agency Appropriation Request is \$804,007 each year and includes 7 positions.



The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TE - Health Information Counseling

**Funding Sources:** FID - Insurance Department - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries 5010000	139,498	261,364	236,777	261,168	261,168	261,168	261,168
<b>#Positions</b>	<b>4</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
Personal Services Matching 5010003	66,994	96,387	89,336	96,419	96,419	96,419	96,419
Operating Expenses 5020002	41,732	107,280	284,063	138,420	138,420	138,420	138,420
Conference & Travel Expenses 5050009	1,539	9,416	0	8,000	8,000	8,000	8,000
Professional Fees 5060010	211,087	523,776	356,409	300,000	300,000	300,000	300,000
Data Processing 5090012	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0
<b>Total</b>	<b>460,850</b>	<b>998,223</b>	<b>966,585</b>	<b>804,007</b>	<b>804,007</b>	<b>804,007</b>	<b>804,007</b>
<b>Funding Sources</b>							
Federal Revenue 4000020	460,850	998,223		804,007	804,007	804,007	804,007
Total Funding	460,850	998,223		804,007	804,007	804,007	804,007
Excess Appropriation/(Funding)	0	0		0	0	0	0
<b>Grand Total</b>	<b>460,850</b>	<b>998,223</b>		<b>804,007</b>	<b>804,007</b>	<b>804,007</b>	<b>804,007</b>

FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium. Budget exceeds Authorized Appropriation in Conference & Travel Expenses and Professional Fees by authority of a Budget Classification Transfer.

## **Analysis of Budget Request**

**Appropriation:** 2TF - Refunds of Overpayments

**Funding Sources:** MTA - Miscellaneous Revolving Fund

The Insurance Department's Refunds of Overpayments appropriation is used to return premium taxes paid to this State in error and to return amounts that are overpaid.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$11,000,000 each year of the biennium to provide contingency appropriation to refund premium taxes paid in error.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TF - Refunds of Overpayments  
**Funding Sources:** MTA - Miscellaneous Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Refunds/Reimbursements 5110014	10,979,709	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
<b>Total</b>	10,979,709	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
<b>Funding Sources</b>							
Miscellaneous Revolving 4000350	10,979,709	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000
<b>Total Funding</b>	10,979,709	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
<b>Grand Total</b>	10,979,709	11,000,000		11,000,000	11,000,000	11,000,000	11,000,000

## **Analysis of Budget Request**

**Appropriation:** 2TG - Public School Employees Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of payments for long-term workers' compensation claims filed prior to July 1, 1994, by public school employees. Revolving funds derived from employer workers' compensation benefits contributions are the revenue sources for the appropriation through which claims payments are made, as authorized in A.C.A. §19-5-1009.

The Agency Change Level Request is a net appropriation decrease of (\$50,000) each year and includes the following:

- Discontinue Claims totaling \$50,000 each year.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Claims - Being the fund for employee claims for Public School Employees that are injured on the job, and that there is no statute of limitation on prosthetics, we still have potential payouts for old claims. We feel comfortable reducing the budget by \$50k as new claimants are no longer handled through this fund, but the Department cannot predict the need for future payouts that would be covered.*

Total Agency Appropriation Request is \$400,000 each year.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TG - Public School Employees Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Claims 5110015	45,472	450,000	450,000	400,000	400,000	400,000	400,000
Total	45,472	450,000	450,000	400,000	400,000	400,000	400,000
Funding Sources							
Miscellaneous Revolving 4000350	45,472	450,000		400,000	400,000	400,000	400,000
Total Funding	45,472	450,000		400,000	400,000	400,000	400,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	45,472	450,000		400,000	400,000	400,000	400,000

## **Analysis of Budget Request**

**Appropriation:** 2TH - County Employee Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of payments for long-term workers' compensation claims filed prior to January 1, 1985, by county employees. Revolving funds derived from employer workers' compensation benefits contributions are the revenue sources for the appropriation through which claims payments are made, as authorized in Arkansas Code §19-5-1009.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$200,000 each year of the biennium to provide contingency appropriation to service claims for County Employees that are injured on the job.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Claims - Fund for County Employees that were injured on the job; we have no method to predict claim expenses, and therefore request to keep budget at the same level to service claims for County Employees efficiently.*

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TH - County Employee Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Claims 5110015	4,413	200,000	200,000	200,000	200,000	200,000	200,000
Total	4,413	200,000	200,000	200,000	200,000	200,000	200,000
Funding Sources							
Miscellaneous Revolving 4000350	4,413	200,000		200,000	200,000	200,000	200,000
Total Funding	4,413	200,000		200,000	200,000	200,000	200,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	4,413	200,000		200,000	200,000	200,000	200,000



## **Analysis of Budget Request**

**Appropriation:** 2TJ - City Employee Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

The Insurance Department's Public Employee Claims Section is the processor of payments for long-term workers' compensation claims filed prior to January 1, 1985, by city employees. Revolving funds derived from employer workers' compensation benefits contributions are the revenue sources for the appropriation through which claims payments are made, as authorized in Arkansas Code §19-5-1009.

The Agency Change Level Request is a net appropriation decrease of (\$200,000) each year and includes the following:

- Discontinue Claims totaling \$200,000 each year.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Claims - Fund for City Employees that were injured on the job;for City Employees. \$200k has been reduced since new claimants are no longer handled through this fund. The Department cannot predict the need for future payouts for claimants that are covered by this fund.*

Total Agency Appropriation Request is \$400,000 each year.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TJ - City Employee Claims

**Funding Sources:** MTA - Miscellaneous Revolving Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Claims 5110015	21,232	600,000	600,000	400,000	400,000	400,000	400,000
Total	21,232	600,000	600,000	400,000	400,000	400,000	400,000
Funding Sources							
Miscellaneous Revolving 4000350	21,232	600,000		400,000	400,000	400,000	400,000
Total Funding	21,232	600,000		400,000	400,000	400,000	400,000
Excess Appropriation/(Funding)	0	0		0	0	0	0
Grand Total	21,232	600,000		400,000	400,000	400,000	400,000

## **Analysis of Budget Request**

**Appropriation:** 2TK - Consumer Info System - Cash

**Funding Sources:** NDD - Insurance Department - Cash in Treasury

The Department's Consumer Information System Cash Fund is used to dispense information to the public concerning the various policy types, coverages, and purchasing options offered by the insurance industry. The current Cash in Treasury balance and previous funding support for this program were derived from a \$100 annual assessment levied on each licensed insurer, as authorized in Arkansas Code §23-63-108. Arkansas Code §23-63-108 has been repealed and this assessment is no longer collected and support of consumer information through this appropriation will end when the current fund balance and earned interest are depleted.

Continuing Level appropriation is the FY2019 Authorized.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency Change Level Request reflects a net appropriation decrease of (\$31,000) in FY2020 and (\$51,000) in FY2021 and includes the following:

- Discontinue Operating Expenses totaling \$31,000 in FY2020 and \$51,000 in FY2021.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Operating Expenses - Cash account specifically for consumer outreach. We can reduce the budget by \$31k. \$65k of cash is remaining, and we plan to complete the spending from this fund in FY2021 with additional consumer outreach activities.*

Total Agency Appropriation Request is \$48,005 in FY2020 and \$28,005 in FY2021.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 2TK - Consumer Info System - Cash  
**Funding Sources:** NDD - Insurance Department - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			2019-2020		2020-2021	
	2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	Agency	Executive	Agency	Executive
Operating Expenses 5020002	2,828	65,000	79,005	48,005	48,005	28,005	28,005
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0
Professional Fees 5060010	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0
<b>Total</b>	<b>2,828</b>	<b>65,000</b>	<b>79,005</b>	<b>48,005</b>	<b>48,005</b>	<b>28,005</b>	<b>28,005</b>
<b>Funding Sources</b>							
Fund Balance 4000005	67,204	65,690		690	690	0	0
Cash Fund 4000045	1,314	0		0	0	0	0
<b>Total Funding</b>	<b>68,518</b>	<b>65,690</b>		<b>690</b>	<b>690</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)	(65,690)	(690)		47,315	47,315	28,005	28,005
<b>Grand Total</b>	<b>2,828</b>	<b>65,000</b>		<b>48,005</b>	<b>48,005</b>	<b>28,005</b>	<b>28,005</b>

## **Analysis of Budget Request**

**Appropriation:** 2TM - Travel & Subsistence-Cash

**Funding Sources:** NDD - Insurance Department - Cash in Treasury

The Insurance Department's Travel and Subsistence Cash Fund is currently authorized at \$100,000 each year. Arkansas Code §23-67-220 provides for recovery of reasonable costs incurred by the Department in conducting financial examinations of entities under its jurisdiction. Part of the recovered costs is passed through this account to reimburse individual examiners for their personal expenses incurred during the examination process.

Continuing Level appropriation is the FY2019 Authorized.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$100,000 each year of the biennium to provide contingency appropriation for reimbursing individual examiners for their personal expenses incurred during the examination process.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Travel & Subsistence Expenses - Fund is solely for reimbursing Financial Examiners for their travel expenses that they incur while auditing Insurance Companies. We invoice the companies, and when we receive their check and deposit into this fund, we can then reimburse the employee. These travel costs vary from year to year, depending on where travel is required for the audit. Also dependent on how many exams we do in a year. We request to keep the current budget due to the unpredictability, and to allow us to reimburse employees for expenses they incur on our behalf.*

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 2TM - Travel & Subsistence-Cash

**Funding Sources:** NDD - Insurance Department - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Travel & Subsistence Expenses 5900046	32,109	100,000	100,000	100,000	100,000	100,000	100,000
Total	32,109	100,000	100,000	100,000	100,000	100,000	100,000
Funding Sources							
Fund Balance 4000005	1,464	3,365		3,365	3,365	3,365	3,365
Cash Fund 4000045	34,010	100,000		100,000	100,000	100,000	100,000
Total Funding	35,474	103,365		103,365	103,365	103,365	103,365
Excess Appropriation/(Funding)	(3,365)	(3,365)		(3,365)	(3,365)	(3,365)	(3,365)
Grand Total	32,109	100,000		100,000	100,000	100,000	100,000

## Analysis of Budget Request

**Appropriation:** 2TN - Prepaid Funeral Contracts Recovery

**Funding Sources:** TIP - Prepaid Funeral Contracts Program Recovery Fund

Act 1043 of 2001 established the Prepaid Funeral Contracts Recovery Program to reimburse purchasers of pre-need funeral contracts who suffer financial loss due to impairment, insolvency, business interruption, or improper inactivity of a licensed prepaid funeral organization. Funding is authorized from one-time fees of no less than \$5 per contract, up to a maximum set by the State Insurance Commissioner. Such fees collected are to be deposited into the State Insurance Department Prepaid Trust Fund. A portion of these collections may be designated by the State Insurance Commissioner for transfer to the Prepaid Funeral Contracts Recovery Program Fund to pay expenses and claims incurred.

Continuing Level appropriation is the FY2019 Authorized.

Total Agency Appropriation Request is \$500,000 each year.

There were no one-time Change Level requests for the 2017 - 2019 Biennium.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$500,000 each year of the biennium to provide contingency appropriation for reimbursing individuals that have claims against funeral homes.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Expenses & Claims - Fund is for reimbursing individuals that have claims against funeral homes. While we don't spend the full budget amount, we need the flexibility to respond to consumers that have been wronged. Very hard to predict level of claims each year.*

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2TN - Prepaid Funeral Contracts Recovery

**Funding Sources:** TIP - Prepaid Funeral Contracts Program Recovery Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Expenses & Claims	5900046	47,649	500,000	500,000	500,000	500,000	500,000	500,000
Total		47,649	500,000	500,000	500,000	500,000	500,000	500,000
<b>Funding Sources</b>								
Fund Balance	4000005	156,011	829,603		454,603	454,603	79,603	79,603
Special Revenue	4000030	84,356	125,000		125,000	125,000	125,000	125,000
Intra-agency Fund Transfer	4000317	636,885	0		0	0	0	0
Total Funding		877,252	954,603		579,603	579,603	204,603	204,603
Excess Appropriation/(Funding)		(829,603)	(454,603)		(79,603)	(79,603)	295,397	295,397
Grand Total		47,649	500,000		500,000	500,000	500,000	500,000

Intra-agency transfer from Fund Center 2TZ Prepaid Funeral Benefits Division.



## **Analysis of Budget Request**

**Appropriation:** 4HH - Criminal Background Checks-Cash

**Funding Sources:** NDD - Criminal Background Checks - Cash in Treasury

The Insurance Department's appropriation for conducting criminal background checks was established by requests from the Cash Fund Holding Account during FY2006 and FY2007. Funding is provided through a \$22 fee charged to each first-time license applicant and is used to obtain criminal background data from the Arkansas State Police.

Continuing Level appropriation is the FY2019 Authorized.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$125,000 each year of the biennium to provide for criminal background checks. Due to the addition of the Funeral Services Board and their new requirement to conduct Criminal Background checks for applicants, the agency anticipates collections and expenditures for this fund to increase.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Operating Expenses - We collect the fee from license applicants for criminal background check and deposit into this fund, and then pay the 3rd party that conducts them from this fund. Due to the addition of the Funeral Services Board and their new requirement to conduct Criminal Background checks for applicants, we expect the collections and expenditures for this fund to increase, and therefore request to keep the current level of budget to accommodate that process.*

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** 4HH - Criminal Background Checks-Cash

**Funding Sources:** NDD - Criminal Background Checks - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	9,277	125,000	125,000	125,000	125,000	125,000	125,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>9,277</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>
<b>Funding Sources</b>								
Fund Balance	4000005	12,126	10,038		10,038	10,038	10,038	10,038
Cash Fund	4000045	7,189	125,000		125,000	125,000	125,000	125,000
<b>Total Funding</b>		<b>19,315</b>	<b>135,038</b>		<b>135,038</b>	<b>135,038</b>	<b>135,038</b>	<b>135,038</b>
Excess Appropriation/(Funding)		(10,038)	(10,038)		(10,038)	(10,038)	(10,038)	(10,038)
<b>Grand Total</b>		<b>9,277</b>	<b>125,000</b>		<b>125,000</b>	<b>125,000</b>	<b>125,000</b>	<b>125,000</b>

## **Analysis of Budget Request**

**Appropriation:** 56A - Public School Insurance Program

**Funding Sources:** TPS - Public School Insurance Trust Fund

Act 738 of 2007 combined the School Motor Vehicle Operations Program and the Public Elementary and Secondary School Insurance Operations Program into the Public School Insurance Program to more efficiently and more economically provide coverage for the vehicles and property of participating school districts. Funding is derived from insurance premiums paid by schools for vehicles and property.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$20,000,000 each year of the biennium.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *Expenses & Claims - \$12.3 million over actuals is needed for total insurance premium expense for public school property and vehicles, in addition to claim expenses that could occur each year. This includes Self Insured Retentions and claims that are incurred but not yet reported. Budget will not be spent if claims are not incurred by public school property/vehicles. The Department cannot predict the level of claims against this fund. This amount was increased last biennium as a result of expenditures nearing the previous appropriations limit. AID's Risk Management Division (§ 23-61-601) maintains this fund.*

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 56A - Public School Insurance Program

**Funding Sources:** TPS - Public School Insurance Trust Fund

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Expenses and Claims	5900046	6,936,518	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total		6,936,518	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Funding Sources								
Fund Balance	4000005	13,230,323	15,127,436		9,927,436	9,927,436	4,727,436	4,727,436
Trust Fund	4000050	8,833,631	14,800,000		14,800,000	14,800,000	14,800,000	14,800,000
Total Funding		22,063,954	29,927,436		24,727,436	24,727,436	19,527,436	19,527,436
Excess Appropriation/(Funding)		(15,127,436)	(9,927,436)		(4,727,436)	(4,727,436)	472,564	472,564
Grand Total		6,936,518	20,000,000		20,000,000	20,000,000	20,000,000	20,000,000

## **Analysis of Budget Request**

**Appropriation:** V46 - AR Healthcare Transparency Initiative Database

**Funding Sources:** THT - HC Transparency

The Arkansas Healthcare Transparency Initiative was established with the purpose to create a database, including ongoing all-payer claims database projects funded through the State Insurance Department that receives and stores data from a submitting entity relating to medical, dental, and pharmaceutical and other insurance claims information, unique identifiers, and geographic and demographic information for covered individuals. (§ 23-61-904) the Healthcare Transparency Initiative fund, which is only now transitioning from implementation phase and being supported by Federal funds, to operational phase and being self-sufficient through selling data to third parties.

The Agency request to maintain the FY2019 Authorized Appropriation level of \$3,200,000 each year of the biennium to provide the same level of budget in the event the agency increase data sells to third parties.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

- *AR Healthcare Transparency Initiative Database Expenses - This represents the Healthcare Transparency Initiative fund, which is only now transitioning from implementation phase and being supported by Federal funds, to operational phase and being self-sufficient through selling data to third parties. While providing valuable data to state agencies. \$3.2 million has previously been appropriated, and while we are unsure as to the exact amount of sales that will occur, we request the same level of budget with the hope that maximum sales will occur.*

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** V46 - AR Healthcare Transparency Initiative Database

**Funding Sources:** THT - HC Transparency

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
	Actual	Budget	Authorized	Agency	Executive	Agency	Executive
AR Healthcare Transparency Init 5900046	0	0	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000
Total	0	0	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000

Funding Sources							
Special Revenue	4000030	0	0		3,200,000	3,200,000	3,200,000
Total Funding		0	0		3,200,000	3,200,000	3,200,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		0	0		3,200,000	3,200,000	3,200,000

## **Analysis of Budget Request**

**Appropriation:** V98 - Funeral Services

**Funding Sources:** NBS - Insurance Department - Cash in Treasury

Act 788 of 2017 transferred the Arkansas Cemetery Board, State Board of Embalmers and Funeral Directors, and Burial Association Board to the State Insurance Department by a type 3 transfer under § 25-2-106. This appropriation provides for operating expenses of these former boards. Funding is derived from initial application or renewal fees for annual permits to sell prepaid funeral benefits.

Regular Salaries and Personal Services Matching includes the continuation of the previously authorized 2019 Salaries, Performance Pay, and Career Service Payments. Personal Services Matching includes the monthly contribution for health insurance per budgeted employee of \$420 per month. Salaries and Matching do not include appropriation for a Cost of Living Adjustment or Performance Pay increase for the 2019 - 2021 Biennium.

With the exception of Regular Salaries, Personal Services Matching and Capital Outlay Continuing Level appropriation is the FY2019 Authorized.

The Agency request to maintain Authorized Appropriation which exceeds the FY18 Actual Expenditures by more than 10% for the following:

Since the operating responsibilities for these Boards were effective July 1, 2018 and are new to the Insurance Department, the Agency request to maintain the FY2019 Authorized Appropriation level of \$564,356 in FY2020 and \$564,479 in FY2021 to become more familiar with the Board's revenue streams and operations.

Total Agency Appropriation Request is \$564,356 in FY2020 and \$564,479 in FY2021 and includes 6 positions.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

## Appropriation Summary

**Appropriation:** V98 - Funeral Services

**Funding Sources:** NBS - Insurance Department - Cash in Treasury

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	186,404	245,460	229,458	245,895	245,895	245,995	245,995
<b>#Positions</b>		<b>2</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Personal Services Matching	5010003	71,026	87,629	80,870	87,805	87,805	87,828	87,828
Operating Expenses	5020002	123,100	167,242	167,242	167,242	167,242	167,242	167,242
Conference & Travel Expenses	5050009	1,269	5,464	5,464	5,464	5,464	5,464	5,464
Professional Fees	5060010	30	2,950	2,950	2,950	2,950	2,950	2,950
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
Loans	5120029	0	55,000	55,000	55,000	55,000	55,000	55,000
<b>Total</b>		<b>381,829</b>	<b>563,745</b>	<b>540,984</b>	<b>564,356</b>	<b>564,356</b>	<b>564,479</b>	<b>564,479</b>
<b>Funding Sources</b>								
Special Revenue	4000030	381,829	563,745		564,356	564,356	564,479	564,479
Total Funding		381,829	563,745		564,356	564,356	564,479	564,479
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>381,829</b>	<b>563,745</b>		<b>564,356</b>	<b>564,356</b>	<b>564,479</b>	<b>564,479</b>

Act 788 of 2017 transferred the Arkansas Cemetery Board, State Board of Embalmers and Funeral Directors, and Burial Association Board to the State Insurance Department by a type 3 transfer under § 25-2-106. Actual FY2018 Expenditures reflect the sum total of the 3 Boards transferred to the State Insurance Department. FY19 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2017-2019 Biennium.



## Appropriation Summary

**Appropriation:** 85P - Rate Review-Federal

**Funding Sources:** FID - Insurance Department - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			2019-2020		2020-2021	
		2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	Agency	Executive	Agency	Executive
Regular Salaries	5010000	82,463	0	216,632	0	0	0	0
<b>#Positions</b>		<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching	5010003	29,562	0	64,577	0	0	0	0
Operating Expenses	5020002	6,948	0	1,013,525	0	0	0	0
Conference & Travel Expenses	5050009	2,882	0	191,416	0	0	0	0
Professional Fees	5060010	617,304	0	4,380,080	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>739,159</b>	<b>0</b>	<b>5,866,230</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>								
Federal Revenue	4000020	739,159	0		0	0	0	0
Total Funding		739,159	0		0	0	0	0
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>739,159</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

APPROPRIATION NOT REQUESTED FOR THE 2019-2021 BIENNIUM.

## Appropriation Summary

**Appropriation:** N41 - MIPPA - 3

**Funding Sources:** FID - Insurance Department - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		2017-2018	2018-2019	2018-2019	2019-2020		2020-2021	
		Actual	Budget	Authorized	Agency	Executive	Agency	Executive
Operating Expenses	5020002	9,482	30,000	0	0	0	0	0
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0
Professional Fees	5060010	75,600	100,000	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0
<b>Total</b>		<b>85,082</b>	<b>130,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>								
Federal Revenue	4000020	85,082	130,000		0	0	0	0
<b>Total Funding</b>		<b>85,082</b>	<b>130,000</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)		0	0		0	0	0	0
<b>Grand Total</b>		<b>85,082</b>	<b>130,000</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Appropriation was established through the authority of the Miscellaneous Federal Program Act.  
 APPROPRIATION NOT REQUESTED FOR THE 2019-2021 BIENNIUM.

## Appropriation Summary

**Appropriation:** N42 - Rate Review Cycle IV

**Funding Sources:** FID - Insurance Department - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			
	2017-2018 Actual	2018-2019 Budget	2018-2019 Authorized	2019-2020		2020-2021	
				Agency	Executive	Agency	Executive
Regular Salaries 5010000	10,100	65,650	0	0	0	0	0
<b>#Positions</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Personal Services Matching 5010003	4,782	20,389	0	0	0	0	0
Operating Expenses 5020002	1,049	20,000	0	0	0	0	0
Conference & Travel Expenses 5050009	0	0	0	0	0	0	0
Professional Fees 5060010	8,048	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0
<b>Total</b>	<b>23,979</b>	<b>106,039</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Sources</b>							
Federal Revenue 4000020	23,979	106,039		0	0	0	0
<b>Total Funding</b>	<b>23,979</b>	<b>106,039</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Excess Appropriation/(Funding)	0	0		0	0	0	0
<b>Grand Total</b>	<b>23,979</b>	<b>106,039</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Appropriation was established through the authority of the Miscellaneous Federal Program Act.  
 APPROPRIATION NOT REQUESTED FOR THE 2019-2021 BIENNIUM.