

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, Oneonta 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 2002-03.

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 \$125.4 million for the Insurance Department, which will fund the Department's current level of activity and provide \$17.6 million to the Department of State for costs associated with fire prevention efforts, including fire safety inspections on private college campuses, and enforcement of state building code regulations.

The Executive Budget also recommends \$4.7 million for implementation of Executive Order 109 that appointed the Attorney General as a Special Prosecutor to combat no-fault auto insurance fraud.

PROGRAM HIGHLIGHTS

The Department ensures that insurance companies meet statutory requirements regarding their finances 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 or 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)

Category	Available 2001-02	Appropriations Recommended 2002-03	Change	Reappropriations Recommended 2002-03
State Operations	115,470,000	125,419,000	9,949,000	0
Aid To Localities	0	0	0	0
Capital Projects	0	0	0	0
Total	115,470,000	125,419,000	9,949,000	0

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

Full-Time Equivalent Positions (FTE)

Program	2001-02 Estimated FTEs 03/31/02	2002-03 Estimated FTEs 03/31/03	FTE Change
Administration			
Special Revenue Funds - Other	134	134	0
Consumer Services			
Special Revenue Funds - Other	168	168	0
Regulation			
Special Revenue Funds - Other	622	622	0
Total	924	924	0

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

Fund Type	Available 2001-02	Recommended 2002-03	Change
Special Revenue Funds - Other	115,470,000	125,419,000	9,949,000
Total	115,470,000	125,419,000	9,949,000

Adjustments:

Recommended Deficiency	
Insurance Department	
Special Revenue Funds - Other	(3,000,000)
Appropriated 2001-02	112,470,000

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

Program	Available 2001-02	Recommended 2002-03	Change
Administration			
Special Revenue Funds - Other	11,240,700	15,461,000	4,220,300
Consumer Services			
Special Revenue Funds - Other	10,617,400	11,023,000	405,600
Regulation			
Special Revenue Funds - Other	93,611,900	98,935,000	5,323,100
Total	115,470,000	125,419,000	9,949,000

INSURANCE

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
2002-03 RECOMMENDED
(dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	15,461,000	4,220,300	7,997,000	347,000
Consumer Services	11,023,000	405,600	7,620,000	196,000
Regulation	98,935,000	5,323,100	41,998,000	3,118,000
Total	125,419,000	9,949,000	57,615,000	3,661,000

Program	Nonpersonal Service		Maintenance Undistributed	
	Amount	Change	Amount	Change
Administration	7,464,000	3,873,300	0	0
Consumer Services	3,403,000	209,600	0	0
Regulation	33,225,000	3,076,100	23,712,000	(871,000)
Total	44,092,000	7,159,000	23,712,000	(871,000)