

## Financial Services, Department of

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### Mission

Legislation enacted with the FY 2012 Budget established the Department of Financial Services, integrating the New York State Banking Department and the Insurance Department into a modern, consolidated financial regulator overseeing industries that are critical to the State's financial vitality. The mission of the Department consists of the following activities and objectives:

- Foster continued growth of the financial industry in New York and spur State economic development through judicious regulation and vigilant supervision;
- Ensure the continued solvency, safety, soundness, and prudent conduct of the providers of financial products and services;
- Ensure fair, timely, and equitable fulfillment of industry financial obligations;
- Ensure the current and continuing solvency of providers and practitioners;
- Ensure high standards of honesty, transparency, fair business practices, and public responsibility;
- Educate the public regarding the nature and use of financial products and services and ensure that consumers have access to understandable information so that they may make responsible decisions about financial products and services.

### Organization and Staffing

The Superintendent of the Department of Financial Services is appointed by the Governor, with the consent of the Senate. The Department's main offices are located in Albany and New York City with smaller offices located throughout the State.

### Budget Highlights

The FY 2020 Executive Budget recommends \$441.5 million for the Department, an increase of more than \$8.2 million from the FY 2019 budget. This increase primarily reflects general salary increases, IT upgrades and an increase in the cost of supported programs offset by natural reductions in the cost of the Healthy NY Program.

The Executive Budget recommends a workforce of 1,395 FTEs for the Department, an increase of 14 FTE's associated with proposals for Behavioral Health Parity and Pharmacy Benefit Managers.

The Executive Budget also includes legislation to license student loan servicers.

### Program Highlights

The Department's main responsibilities are carried out through three major programs: administration, regulation, and consumer protection.

#### Administration

The Administration Program provides the basic executive direction, fiscal, personnel, legal, and electronic data processing activities that support the Department's operations.

#### Regulation

To ensure the safety and soundness of all regulated entities, the Department monitors banks, insurance companies, and other financial institutions to identify problems, and works with management to promptly solve them. The Department carries out this responsibility through on-site examinations, regular review of institutional financial reports, and periodic site visits.

#### Consumer Protection

To ensure that State-chartered banking institutions are complying with State laws and regulations and that no individuals are unfairly denied credit, Department employees conduct consumer compliance examinations and resolve consumer complaints. Staff monitor whether institutions are helping to meet the credit and banking needs of local communities as required by various State laws. The Department strives for the fair treatment of insurance policyholders, 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 industry conduct and competence through testing, oversight, and pre-licensing and enforcing educational standards of licensees. The Department proactively educates

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consumers regarding unscrupulous financial industry practices and products, and advocates on behalf of consumers who have been defrauded or harmed by such abuses.

**ALL FUNDS  
APPROPRIATIONS  
(dollars)**

Category	Available FY 2019	Appropriations Recommended FY 2020	Change From FY 2019	Reappropriations Recommended FY 2020
State Operations	367,995,963	379,643,963	11,648,000	1,727,000
Aid To Localities	65,287,000	61,912,000	(3,375,000)	0
<b>Total</b>	<b>433,282,963</b>	<b>441,555,963</b>	<b>8,273,000</b>	<b>1,727,000</b>

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

Program	FY 2019 Estimated FTEs 03/31/19	FY 2020 Estimated FTEs 03/31/20	FTE Change
Administration			
Special Revenue Funds - Other	79	79	0
Banking			
Special Revenue Funds - Other	477	477	0
Insurance			
Special Revenue Funds - Other	825	839	14
<b>Total</b>	<b>1,381</b>	<b>1,395</b>	<b>14</b>

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

Fund Type	Available FY 2019	Recommended FY 2020	Change
Special Revenue Funds - Federal	1,400,000	1,400,000	0
Special Revenue Funds - Other	366,595,963	378,243,963	11,648,000
<b>Total</b>	<b>367,995,963</b>	<b>379,643,963</b>	<b>11,648,000</b>
Adjustments:			
Transfer(s) To			
Employee Relations, Office of			
General Fund	95,000		
<b>Appropriated FY 2019</b>	<b>368,090,963</b>		

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

Program	Available FY 2019	Recommended FY 2020	Change
Administration			
Special Revenue Funds - Other	73,749,000	83,665,000	9,916,000
Banking			
Special Revenue Funds - Other	86,315,000	88,183,000	1,868,000
Insurance			
Special Revenue Funds - Federal	1,400,000	1,400,000	0
Special Revenue Funds - Other	206,531,963	206,395,963	(136,000)
<b>Total</b>	<b>367,995,963</b>	<b>379,643,963</b>	<b>11,648,000</b>

**STATE OPERATIONS - OTHER THAN GENERAL FUND**  
**SUMMARY OF APPROPRIATIONS AND CHANGES**  
**FY 2020 RECOMMENDED**  
(dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	83,665,000	9,916,000	20,626,000	1,079,000
Banking	88,183,000	1,868,000	50,296,000	1,175,000
Insurance	207,795,963	(136,000)	103,652,384	(90,000)
<b>Total</b>	<b>379,643,963</b>	<b>11,648,000</b>	<b>174,574,384</b>	<b>2,164,000</b>

Program	Nonpersonal Service	
	Amount	Change
Administration	63,039,000	8,837,000
Banking	37,887,000	693,000
Insurance	104,143,579	(46,000)
<b>Total</b>	<b>205,069,579</b>	<b>9,484,000</b>

**AID TO LOCALITIES**  
**ALL FUNDS FINANCIAL REQUIREMENTS BY FUND TYPE**  
**APPROPRIATIONS**  
(dollars)

Fund Type	Available FY 2019	Recommended FY 2020	Change
Special Revenue Funds - Other	65,287,000	61,912,000	(3,375,000)
<b>Total</b>	<b>65,287,000</b>	<b>61,912,000</b>	<b>(3,375,000)</b>

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**AID TO LOCALITIES**  
**ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM**  
**APPROPRIATIONS**  
 (dollars)

Program	Available FY 2019	Recommended FY 2020	Change
Administration			
Special Revenue Funds - Other	850,000	850,000	0
Insurance			
Special Revenue Funds - Other	64,437,000	61,062,000	(3,375,000)
<b>Total</b>	<b>65,287,000</b>	<b>61,912,000</b>	<b>(3,375,000)</b>

Note: Most recent estimates as of 1/15/2019