

Financial Services, Department of

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 2025 Executive Budget recommends \$594 million for the Department, an increase of \$67.3 million from the adjusted FY 2024 budget.

The Executive Budget recommends a workforce of 1,391 FTEs for the Department, which remains consistent with FY 2024 levels.

Major budget actions include:

- Funding for the Department of Financial Services to modernize IT systems.
- Continued funding to support activities of the of the Pharmacy Benefits Bureau.
- Continued funding to support Virtual Currency regulatory efforts.
- Legislation to protect New Yorkers from financial exploitation.
- Legislation to eliminate the ability for insurance companies to charge co-pays for prescription insulin.
- Legislation to create regulations for Buy Now, Pay Later loans.
- Legislation to ensure insurance companies provide supplemental liability coverage for identified spouses.
- Legislation to insure insurance companies do not base home insurance rates based on a homeowner residing in affordable housing.
- Legislation to modernize the Life Insurance Guaranty Credit.
- Multi-year capital funding of \$60 million to support the modernization of DFS information technology systems.

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 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)**

<u>Category</u>	<u>Available FY 2024</u>	<u>Appropriations Recommended FY 2025</u>	<u>Change From FY 2024</u>	<u>Reappropriations Recommended FY 2025</u>
State Operations	452,250,400	457,182,000	4,931,600	242,645,000
Aid To Localities	74,415,000	76,765,000	2,350,000	18,406,000
Capital Projects	0	60,000,000	60,000,000	0
Total	526,665,400	593,947,000	67,281,600	261,051,000

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

<u>Program</u>	<u>FY 2024 Estimated FTEs 03/31/24</u>	<u>FY 2025 Estimated FTEs 03/31/25</u>	<u>FTE Change</u>
Administration			
Special Revenue Funds - Other	79	79	0
Banking			
Special Revenue Funds - Other	449	449	0
Insurance			
Special Revenue Funds - Other	863	863	0
Total	1,391	1,391	0

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

Fund Type	Available FY 2024	Recommended FY 2025	Change
Special Revenue Funds - Other	452,250,400	457,182,000	4,931,600
Total	452,250,400	457,182,000	4,931,600
Adjustments:			
Transfer(s) From			
Special Pay Bill			
General Fund	(5,093,400)		
Appropriated FY 2024	447,157,000		

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

Program	Available FY 2024	Recommended FY 2025	Change
Administration			
Special Revenue Funds - Other	91,469,600	88,925,000	(2,544,600)
Banking			
Special Revenue Funds - Other	118,881,800	120,520,000	1,638,200
Insurance			
Special Revenue Funds - Other	241,899,000	247,737,000	5,838,000
Total	452,250,400	457,182,000	4,931,600

STATE OPERATIONS - OTHER THAN GENERAL FUND
SUMMARY OF APPROPRIATIONS AND CHANGES
FY 2025 RECOMMENDED
(dollars)

Program	Total		Personal Service	
	Amount	Change	Amount	Change
Administration	88,925,000	(2,544,600)	23,506,000	(1,316,000)
Banking	120,520,000	1,638,200	66,475,000	1,517,000
Insurance	247,737,000	5,838,000	123,386,000	4,344,000
Total	457,182,000	4,931,600	213,367,000	4,545,000

Program	Nonpersonal Service	
Amount	Change	
Administration	65,419,000	(1,228,600)
Banking	54,045,000	121,200
Insurance	124,351,000	1,494,000
Total	243,815,000	386,600

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

Fund Type	Available FY 2024	Recommended FY 2025	Change
General Fund	3,250,000	3,000,000	(250,000)
Special Revenue Funds - Other	71,165,000	73,765,000	2,600,000
Total	74,415,000	76,765,000	2,350,000

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

Program	Available FY 2024	Recommended FY 2025	Change
Administration			
Special Revenue Funds - Other	850,000	850,000	0
Banking			
General Fund	3,250,000	3,000,000	(250,000)
Insurance			
Special Revenue Funds - Other	70,315,000	72,915,000	2,600,000
Total	74,415,000	76,765,000	2,350,000

CAPITAL PROJECTS
ALL FUNDS FINANCIAL REQUIREMENTS BY PROGRAM
APPROPRIATIONS
(dollars)

Comprehensive Construction Program	Available FY 2024	Recommended FY 2025	Change	Reappropriations FY 2025
IT Modernization				
Misc. Capital Projects	0	60,000,000	60,000,000	0
Total	0	60,000,000	60,000,000	0

Note: Most recent estimates as of 01/16/2024