

R20

Agency Certification and Transmittal Sheet

Code: **R20** Name: **Department of Insurance**

Mission Statement: The mission of the State of South Carolina Department of Insurance is to protect the insurance consumers, the public interest, and the insurance marketplace by ensuring the solvency of insurers; by enforcing and implementing the insurance laws of this State; and by regulating the insurance industry in an efficient, courteous, responsive, fair, and equitable manner.

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SEP 30 2011

Budget Board
OFFICE OF STATE BUDGET

To the Office of State Budget

This, and accompanying statements, schedules, and explanatory sheets constitute the operating budget estimates of this agency for all proposed expenditures for the 2012-2013 fiscal year.

All statements and explanations contained in the estimates submitted herewith are true and correct to the best of my knowledge.

Signed: R David Black Date: September 21, 2011
(Agency Head)

FISCAL YEAR 2012-13 BUDGET PLAN

I. EXECUTIVE SUMMARY

A. Agency Section/Code/Name:

Section 62, R20, Department of Insurance

B. Summary Description of Strategic or Long-Term Goals:

The Department's Strategic Plan focuses on the following goals: (Section I, #3 of Accountability Report)

- 1) Improve the agency's resource alignment through stabilizing the Department's funding so that it can continue to provide critical regulatory services. The Department's overall budget will be aligned with its strategic goals and objectives.
- 2) To provide for the continuity of the Department by updating and implementing the objectives outlined in the Department's Strategic Plan, including the development of succession plans, workforce plans, and training plans.
- 3) Increase the agency's efficiency and stakeholder access to services by integrating appropriate uses of technology into the Department's regulatory processes.
- 4) Effectively monitor market conditions in order to respond to issues related to solvency and insurance availability and affordability by making recommendations to the Governor and members of the General Assembly as to the legislative changes that need to be made in South Carolina insurance laws.
- 5) Enhance the Department's service to stakeholders via education and outreach campaigns.
- 6) To maintain and enhance the Department's Financial Service's compliance with the regulatory accreditation standards established by the NAIC. In addition, the Department will increase to 100% the number of insurers using the SERFF system for electronically processing rates and forms filings received by the Department.
- 7) To enhance the Department's regulations of the ARTS market in South Carolina and promote its continued development.

The Agency's Strategic Plan for the South Carolina Department of Insurance serves as the primary management and budgetary tool. This document includes the agency planning elements, the internal and external factors affecting the agency, the workforce plan, and other statewide and agency strategic planning elements. The Department developed its Strategic Plan with participation from the Executive management team and staff. The Administrative Services Division is responsible for coordinating strategic planning activities.

(Section III Category 2.1 Accountability Report)

The Department continues to remain committed to strategic planning. After the appointment of Director Black in February 2011, the Department has continued to work to plan and implement new strategic objectives. These objectives are geared towards improving the strategic planning process by bringing process managers together to brainstorm and discuss ways to improve strategies and maximize the Department's efficiency. These managers work with senior and deputy leaders to ensure strategic plans are carried out as intended.

Each division of the Department continues to develop new goals on an ongoing basis to promote continuous improvement. The Director requires ongoing status reports of our Strategic Plan, ensuring that our broad goals, along with specific objectives for each division, are being met.

C. 2011-2012 Agency Recurring Base Appropriation:

State	\$1,932,779
Federal	\$0
Other	\$9,539,765

D. Number of Budget Categories:

3 Categories
8 Sub Categories

E. Agency-wide Vacant FTEs

12 Vacant FTEs as of July 31, 2011
(12.5% of all FTEs (96 total FTEs)) 3.5 State Source Funding
8.5 Other Source Funding 0 Federal Funding

84 Filled FTEs as of July 31, 2011
50.75 State Source Funding
33.25 Other Source Funding
0 Federal Source Funding

F. Efficiency Measures:

Cost savings and efficiency measures and can be broken down into two components:

- Operational Cost Savings
 - DOI has realized savings through reducing rent and travel expenses, reducing/ terminating contracts, and reducing HR expenses through leaving open positions vacant and/ or filling positions with lower-salaried employees.
 - Relocation to Capitol Center alone has saved nearly \$1 million (2007-2011).
- Technology Improvements and Increased Efficiencies Cost Savings
 - Another important way DOI has realized and continues to realize cost savings is through improving technology and efficiency.
 - DOI is moving toward providing more licensing services online, including the electronic delivery of notices, which has saved over \$190,000 in the last two years.
 - Utilizing free software as well as server changes has saved nearly \$40,000 (2007-2011).
 - The Data Imaging Project has saved DOI approximately \$30,000 (2008-2011).

All cost savings have used to offset budget cuts over the last four fiscal years.

**The Department's achievements during Fiscal Year 2011 are summarized below:
(Section I #2 Accountability Report)**

Revenue Generated for the State

- In the Fiscal Year 2011, generated revenue made up 88.6% of the Department's operating budget. The Department generated \$204,897,274 in revenue from taxes, fees, assessment, fines, etc. Of this total, the Department retained \$8,003,193 (3.9% of total collected revenues) to utilize for Department operations and deposited the balance in the State's General Fund.
- The Department collected insurer and broker premium taxes on a quarterly basis and deposited this revenue into the General Fund. During the year, tax returns for 1,566 licensed insurers and 164 captive insurers were audited. In addition, 510 broker premium tax returns were reviewed and audited. After auditing returns, additional taxes of \$36,318 were collected. In total, \$178,443,560 in premium taxes was collected.

Traditional and Captive Insurance Industry Market Trends

- South Carolina currently has 46 licensed traditional domestic companies and health maintenance organizations, 160 captive insurance companies, and 1,666 licensed foreign insurers and HMOs.
 - The Department licensed 30 new insurers during FY 2011.
 - The Department completed 16 financial examinations of traditional insurers and HMOs during FY 2011.
- Since the passage of captive-enabling legislation in 2000, the Department has licensed a total of 229 captive insurance companies.
 - The Department issued 9 new licenses during FY 2011 bringing the total number of active captive insurance companies to 160.
 - The Department completed 26 financial examinations of captive companies during FY 2011.
 - Of these examinations, the Department completed 10 on captives licensed as risk retention groups. The Department began using the risk-focused examination approach in 2010.
- The Department collected \$4,222,902 in premium taxes and fees from captive insurance companies during FY 2011.

Government Relations and Legislative Services

- The Department serves on a total of 26 committees, working groups, and task forces through its participation in the National Association of Insurance Commissioners. Of these, the Director served as chairman of three and vice chairman of an additional two groups:
 - Chairman, Southeastern Zone
 - Chairman, Risk Retention (C) Working Group
 - Chairman, Reinsurance (E) Task Force
 - Vice Chairman, Property and Casualty Insurance (C) Committee
 - Vice Chairman, Life and Health Actuarial Task Force
- Also noteworthy is the Director's participation in the following leadership capacities:
- Member, Executive (EX) Committee
 - Member, Governmental Relations Leadership Council
 - Member, NAIC/ State Government Liaison Committee
 - Member, Catastrophe Insurance (C) Working Group
 - Member, AIG Special (EX) Working Group
 - Member, Financial Regulation Standards and Accreditation (F) Committee
 - Member, Capital Adequacy (E) Task Force

- The Department also assisted approximately 200 constituents referred by members of the General Assembly during the fiscal year.
- The Department worked with the General Assembly to effect the successful enactment of three bills and two regulations during the 2011 Session:
 - 2011 Act No. 7 (driver training course credits)
 - 2011 Act No. 8 (driver's licenses in auto insurance/ Section 38-77-112)
 - 2011 Act No. 26 (CGL policies for construction professionals/ *Crossman v. Harleysville*)
 - Document No. 4177/ R 69-29, Suitability in Annuity Transactions
 - Document No. 4153/ R 69-76, SC Safe Home Program Wind Inspectors and Contractors

Division of Administration and Strategic Planning

- The Division successfully provided the administrative services program in support of the agency's mission in a professional qualitative and responsive manner and emphasized efficiency and cost-effectiveness.
- The Division also managed salaries and benefits for 96 FTEs and maintained agency-wide computer systems, while also accounting for the collection of taxes, fees, and assessments.
- The Division coordinated the Department's participation in charitable events such as the state's United Way of the Midlands campaign and ensured that donations provided by the agency's employees were successfully forwarded to the appropriate charitable organization.
- The Division managed the SC Safe Home program, which provided matching grants of up to \$5,000 to assist coastal property owners in making their homes as hurricane resistant as possible. During FY 2011, SC Safe Home awarded 719 grants totaling approximately \$3,136,474.
- The Division partnered with local and statewide businesses and not for profit agencies to provide information and mitigation methods to help South Carolinians learn ways to make their homes more disaster resistant.

Division of Consumer Services and Individual Licensing

- The Division's Office of Consumer Services along with other divisions in the department responded to approximately 2,612 written complaints, 58,294 telephone complaints/inquiries and 142 walk-ins during this fiscal year.
- The Division's Office of Individual Licensing issues and oversees a number of licenses, including insurance producers (i.e., agents), insurance brokers, and insurance adjusters. The Office also oversees insurer appointments of producers to write business on their behalf. The Department issued 38,596 new licenses and made 160,734 new appointments during FY 2011. The Department currently oversees 179,878 active licenses and 565,407 active appointments:

Licensure Type	New Licenses Issued	Active Licenses
Producers	27,685	119,342
Agencies	1,276	9,640
Adjusters	8,568	45,033
Appraisers	148	947
Bondsman	200	647
Brokers	357	3,199
Premium Service Companies	7	91
Public Adjusters	111	376
Utilization Review	15	77
Rental Car Agencies	5	36
Service Contract Providers	41	209
Third Party Administrators	183	281
TOTAL	38,596	179,878
Insurer Appointments	New Appointments Made	Active Appointments
	160,734	565,407

Division of Actuarial, Market, and Alternate Risk Transfer Services

➤ The Division reviews and analyzes insurance policies, rates, forms, and marketing and underwriting practices to protect insurance consumers by ensuring compliance with South Carolina law and that they contain no provisions that are unfair, deceptive, misleading or discriminatory. Approximately 10,412 rates, forms, and rule filings were processed during the fiscal year.

G. Number of Provisos:

0

IIA. OPERATING BUDGET PROGRAMS

Agency Section/Code/Name:

SUMMARY OF OPERATING BUDGET PROGRAMS FOR FY 2012-13

OPERATING BUDGET PROGRAMS			FUNDING					FTEs			
Title	Activity Name	Activity No.	Non-Recurring State	Recurring State	Federal	Other	Total	State	Federal	Other	Total
I. Administration	Executive Services	1344		146,000			146,000	2.00			2.00
I. Administration	Legal and Investigation	1345		368,175			368,175	6.75			6.75
I. Administration	Administration	1346		333,993		379,123	713,116	17.55		0.45	18.00
							-				-
II. A. Solvency	Solvency Monitoring	1336		89,010		1,316,654	1,405,664			14.50	14.50
II. B. Licensing	Licensing	1337		82,138		1,022,245	1,104,383			11.50	11.50
II. C. Taxation	Taxation	1338		116,925			116,925			2.00	2.00
II. D. Consumer Services	Consumer Services	1339		213,566			213,566	0.50		9.00	9.50
II. E. Policy Forms & Rates	Form & Rate Review	1340		582,972			582,972	10.50		7.00	17.50
II. F. Loss Mitigation	Loss Mitigation	1931				2,263,565	2,263,565			2.75	2.75
II. G. Uninsured Motorists	Pass Through Funds	1341				2,355,000	2,355,000				0.00
II. H. Captives Regulation	Captive Formation	1342				2,203,178	2,203,178			11.50	11.50
For additional rows, place cursor in this gray box and press "Ctrl" + "b". (You need to start in this gray box for each row needed or the formulas will not copy properly.)											
TOTAL OF ALL OPERATING BUDGET PROGRAMS			0	1,932,779	0	9,539,765	11,472,544	37.30	0.00	58.70	96.00

IIB. CAPITAL BUDGET/NON-RECURRING REQUESTS FOR FY 2012-13
Agency Section/Code/Name: Does not apply to R20 Department of Insurance

SUMMARY OF CAPITAL BUDGET/NON-RECURRING REQUESTS FOR FY 2012-13

CAPITAL BUDGET/NON-RECURRING REQUESTS				Additional State Funds	Previously Authorized State Funds	Total Other Fund Sources	Project Total
Project No.*	Project Name	Activity Name	Activity No.				
							0
							0
							0
							0
							0
For additional rows, place cursor in this gray box and press "Ctrl" + "c". (You need to start in this gray box for each row needed or the formulas will not copy properly.)							
TOTAL OF ALL CAPITAL BUDGET/NON-RECURRING REQUESTS				0	0	0	0

*if applicable

A. Summary description of programs and how they relate to the mission of the agency:

Administration:

The Executive Services Division ensures that all insurance laws of the State are faithfully executed and counsels and advises the Governor on all matters assigned to the Administration. Effectively and efficiently manages the day-to-day operations of the agency; provide assistance to legislators and their constituents; facilitates all NAIC projects, meeting and conferences, public outreach and handles all media contacts within properly established timeframes.

Legal Services provides legal support to the agency; responds to legal and policy issues involving national and international trends in the various insurance lines; assists with the development and enforcement of South Carolina insurance laws; imposes administrative disciplinary action against those entities and individuals violating the insurance laws of this state; and assists the program area(s) with taking appropriate regulatory action to safeguard policyholders from operationally and financially troubled insurers.

Administrative Services supports the agency’s regulatory functions through planning, accounting, budgeting, information technology services, building and records management, purchasing, mail services, benefits and personnel management; and professional development. This division coordinates the Department’s implementation of its strategic, succession, and workforce plans.

B. Budget Program Number and Name:

I. Administration

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1344	Executive Services		146,000			146,000
1345	Legal and Investigation		368,175			368,175
1346	Administration		333,994		379,123	713,117

D. Performance Measures:

Legal

In the Fiscal Year 2011, the Legal division received 2,793 summons and complaints in civil actions to be served on insurers transacting business in SC, responded to 120 FOIA requests, closed 301 investigation files resulting in \$399,316 in administrative fines for the general fund and represented the agency in five cases brought before the Administrative Law Court during the last fiscal year.

Fiscal Year 2010

The legal division received 2,664 summons and complaints in civil actions to be served on insurers transacting business in SC, responded to 136 FOIA requests, closed 382 investigation files resulting in \$154,500.00 in administrative fines for the general fund and represented the agency in 3 cases brought before the Administrative Law Judge during the last fiscal year.

Fiscal Year 2009

The legal division received 3,280 summons and complaints in civil actions to be served on insurers transacting business in SC, responded to 95 FOIA requests for interpretation of SC insurance law, closed 288 investigation files resulting in \$24,250 in administrative fines for the general fund and represented the agency in 3 cases brought before the Administrative Law Judge during the last fiscal year.

Finance

In the Fiscal Year 2011, the Department's generated revenue made up 88.6% of the Department's operating budget. The Department generated \$204,897,274 in revenue from taxes, fees, assessment, fines, etc. Of this total, the Department retained \$8,003,193 (3.9% of total collected revenues) to utilize for Department operations and deposited the balance in the State's General Fund.

Fiscal Year 2010

In Fiscal Year 2010, the Department's generated revenue made up 86.5% of the Department's operating budget. The Department generated \$179,814,321 in revenue from taxes, fees, assessment, fines, etc. Of this total, the Department retained \$6,776,144 (3.7% of total collected revenues) to utilize for Department operations and deposited the balance in the State's General Fund,

Fiscal Year 2009

In Fiscal Year 2009, the Department's generated revenue made up 74.3% of the Department's operating budget. The Department generated \$190,523,478 in revenue from taxes, fees, assessment, fines, etc. Of this total, the Department retained \$4,288,016 (2.2% of total collected revenues) to utilize for Department operations and deposited the balance in the State's General Fund.

Human Resources

The Human Resources Office is responsible for providing advice to management and employees regarding state, federal and Department policies and procedures including: performance management system, recruitment and selection, classification and compensations, reduction in force, disciplinary actions, grievances and training. The office also conducts orientation for new employees. The office manages total of total 96 FTEs positions; 84 filled FTE's; 12 Vacant FTE's; 15 Temporary positions and 2 filled Federal Temporary Grant positions.

Fiscal Year 2010

During Fiscal Year 2010, the office managed a total of 98 FTE positions, 79 filled FTE's, 19 Vacant FTE's, 1 filled Other Source Funding Temporary Grant position, and 2 filled Federal Temporary Grant positions.

Fiscal Year 2009

During Fiscal Year 2009, the office managed a total of 98 FTE positions, 85 filled FTE's, 13 Vacant FTE's, and 1 filled Other Source Funding Temporary Grant position.

IRM

In the fiscal year of 2011, the Department enhanced the biennial producer appointment renewal process to expedite the online processing of 566,956 producer appointments and implemented an online Producer License Renewal application to process in which approximately 79,000 producer renewals applications were processed. This process also allowed producers to make payments via credit card and ACH. Additionally, the Department upgraded and consolidated its Oracle servers. Upgrading Oracle from 10g to 11g improved database performance and security ensuring database availability 24/7 to SCDOI's internal and external stakeholders. Consolidating from 2 physical servers to one physical server running two virtual servers resulted in more processing power for the users and a cost savings of almost \$4,000 in hardware cost and \$11,000 in recurring annual licensing fees. During this year 1,560,424 pages were scanned into the Document Imaging System and 811 Help Desk tickets were resolved.

Fiscal Year 2010

In the fiscal year of 2010, the Department partnered with S.C. Interactive to deploy a Credit Card payment process, in order to provide an additional payment method to SCDOI external stakeholders resulting in credit card payments of \$9,305,712. The Department also implemented an E-Mail Notifications system to reduce mailing costs. This system reduced mailing cost by approximately \$65,000 - \$80,000. During this year 1,717,692 pages were scanned into the Document Imaging System and 851 Help Desk tickets were resolved.

Fiscal Year 2009

In the Fiscal Year 2009, the Department deployed an online Bondsmen Licensing Renewal and CE Roster application, which eliminated the need for the Agency licensing staff to manually process 1,300 renewal applications, 1,200 CE rosters and 1,800 Surety appointments. Additionally, the Department partnered with the National Producer License Registry to implement and deploy electronic license and renewal of non-resident adjuster, appraisers, and public adjusters. Reduce mailing cost by approximately \$29,984.16. During this year 2,870,695 pages were scanned into the Document Imaging System and 1,059 Help Desk tickets were resolved.

E. Program Interaction:

Administration is responsible for the primary management and support programs for the DOI. These include the functions of budget and accounting; human resources; procurement; information technology, office support and collection of insurer and broker premium taxes. We provide the following functions, services and activities for all areas of the Agency:

Administration:**Human Resources:**

- Recruitment and Placement
- Classification and Pay Administration
- Performance Management and Incentive
- Employee Benefits and Retirement
- Personnel Security
- Wellness and Employee Assistance Programs

Financial Management Services; Travel Services**including budget and accounting:**

- Budget Formulation
- Budget Execution
- Funds Control
- Financial Reporting
- System for accounting for agency resources and programs
- Reimburse employees
- Vendor payments

Office Services and Operations, Facilities Management**; including printing, procurement, and supply services:**

- Maintain acquisition program for supplies and services
- Coordinates services and supplies
- Property and Space Management
- Physical Security

Information Technology Support:

- Network Services
- Application Services

- Records Management
- Policy for Information Technology
- Help Desk Function
- Telecommunication
- Mail Services
- Mail Operations

F. Change Management:

The current economic crisis, failure of the American International Group, AIG Holding Company, Washington Mutual and various other financial institutions, and the Madoff Securities scandal have heightened public interest in the financial services industry, creating a clamor for increased regulation. These issues, along with the President's emphasis on health care reforms, have resulted in the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203) and the Affordable Care Act, which is made up of the Patient Protection and Affordable Care Act (Public Law 111-148) and the Health Care and Education Reconciliation Act of 2010 (Public Law 111-152). These federal acts make significant changes to the manner in which the financial services and insurance industries are regulated. States are now in the process of implementing these laws.

The issue of whether insurance should be regulated at the state or federal level is not a new one; however, the continued viability of state regulation has re-emerged as a question of immediate urgency. States must conform their laws to meet the requirements of these new federal laws or risk being preempted. A change from a state-based insurance regulatory system to a federal system may be on the horizon. If such change happens it will have a tremendous impact on the financial resources of this state.

Nationally, insurance departments are primarily funded via dedicated funding; quasi-dedicated funding; general revenue funding; or a combination of the foregoing. The South Carolina Department of Insurance is currently funded through general revenues and fees and other costs it recoups from the statutory licensing and examination regulatory requirements it fulfills. All revenue generated by the Department (except the fees referenced above) is deposited into the state's general fund. The General Assembly then appropriates an amount to the Department through the state's budgetary process. The Department's primary function is to serve and protect consumers and any budget cuts affect the Department's ability to carry out this mission effectively.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		26.30	0.00	0.45	26.75
Personal Service	\$0	\$636,372	\$0	\$255,000	\$ 891,372
Employer Contributions	\$0	\$138,867	\$0	\$67,123	\$ 205,990
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$72,930	\$0	\$57,000	\$129,930
Total	\$ 0	\$ 848,169	\$ 0	\$ 379,123	\$1,227,292

* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? No
 If yes, state Capital Budget Priority Number and Project Name:.

Please List proviso numbers that relate to this budget category or programs funded by this category.

n/a

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act		848,169		57,000
2012-2013 Act		848,169		57,000
Difference				
% Difference				

Explanation of Changes:

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
10010000		848,169				
30350000	Insurance Agents Lic			57,000		

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	26.3	0.45		26.75	
2011-2012 (A)	26.3	0.45		26.75	
2010-2011 (F)	0	25.75		25.75	
2010-2011 (A)	29.3	0		29.3	
2009-2010 (F)	0	25.75		25.75	
2009-2010 (A)	29.3	0		29.3	
2008-2009 (F)	20.75	0		20.75	

2008-2009 (A)	29.5	0		29.5	
2007-2008 (F)	26.95	0		26.95	
2007-2008 (A)	29.5	0		29.5	

K. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

F. Change Management:

The mission has not changed. However, the NAIC (Accreditation Program) requirements have substantially increased which mandates that competent professional staffing is maintained at all times in order to complete the mission of the Examination Section and that of the Agency.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		0.00	0.00	14.50	14.50
Personal Service	\$0	\$64,769	\$0	\$614,818	\$679,587
Employer Contributions	\$0	\$14,134	\$0	\$161,836	\$ 175,970
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$10,107	\$0	\$540,000	\$550,107
Total	\$ 0	\$ 89,010	\$ 0	\$ 1,316,654	\$1,405,664

* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? No
 If yes, state Capital Budget Priority Number and Project Name:.

Please List proviso numbers that relate to this budget category or programs funded by this category.
 62.1

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act		89,010		1,359,418
2012-2013 Act		89,010		1,359,418
Difference				
% Difference				

Explanation of Changes:

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
10010000		89,010				
30350000	Ins Fee			1,420,000		
30350000	Exam Travel Reimb			200,00		

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If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	0	14.50		14.50	
2011-2012 (A)	0	14.50		14.50	
2010-2011 (F)	0	12.5		12.5	
2010-2011 (A)	6.0	11.95		17.95	
2009-2010 (F)	0	13.5		13.5	
2009-2010 (A)	6.0	11.95		19.95	
2008-2009 (F)	0	14.5		14.5	
2008-2009 (A)	7.5	14.70		22.2	
2007-2008 (F)	6.0	8.5		14.5	
2007-2008 (A)	10.0	12.2		22.2	

K. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Summary description of programs and how they relate to the mission of the agency:

Licensing. This program area issues licenses to producers, agencies, brokers, adjusters, public adjusters, appraisers, bondsman, runners, premium service companies, utilization review companies, rental car agencies, service contract providers, and third party administrators. It is responsible for approving continuing insurance education courses and tracking licensee compliance. Additional responsibilities include oversight of insurer appointments of producers to write business on their behalf and administering the state-wide license examination process.

B. Budget Program Number and Name:

II. B. Licensing

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1337	Licensing		82,138		1,022,245	1,104,383

D. Performance Measures:

The Department’s office of Individual Licensing issues and oversees a number of licenses, including insurance producers (i.e., agents), insurance brokers, and insurance adjusters. This area also oversees insurer appointments of producers to write business on their behalf. In 2011, the Department issued more than 31,774 new licenses and 144,128 new appointments were made during 2011. The Department currently oversees 154,774 active licenses and 519,353 active appointments. In accordance with South Carolina law, these licenses must be renewed on a biennial basis with a specific deadline for the purpose, in part, to make certain their licensing status conforms to the statutory requirements for licensure. To ensure that statutory due dates were met, the individual licensing area has implemented all of its licensing and renewal processes on line. Licensing information is available on line to stakeholders twenty-four hours a day, seven days a week.

The quantifiable metrics would be based upon the timely notification of all stakeholders in accordance with applicable laws and regulations. Quantifiable Metrics – (5 to 7 minutes on average to complete a license application and print a license). If the information is not properly entered into the system, 24 to 72 hours may be required to investigate the problem and fix the application process. Measureable metrics would include monitoring daily reports and recoding the frequency of problems as they develop and insert applicable tracking processes to ensure continuity of licensing processing. Job responsibilities and duties are incorporated into each employee’s Employee Performance Appraisals review in order to track the success and challenges of completing their assigned duties.

E. Program Interaction:

Of the Department’s ninety-six (96) FTE’s, the Office of Individual Licensing comprise a total of eight (8) FTE’s, roughly 8.3 % of the entire Agency workforce. Those FTE’s by position are as follows: One (1) Program Coordinator , and six (6) Administrative Specialists and (1) Program Assistant. Of the eight, two positions are vacant. This program Area interacts with the Department’s Administration & Human Resources; Legal; Office of Public Information; Information Resource Management; and the Office of the Director.

F. Change Management:

The focus and mission of the Individual Licensing program has not changed over the past five (5) years. However, statutory and regulatory changes have been adopted to meet the daily challenges surrounding the administration of the insurance industry. Goals and objectives have also been changed to also meet the day-to-day changes in the insurance marketplace. This program area supports the overall mission of the Department; act in concert with the Department’s Office of Consumer Services Program area, Information Resource Management and the Department’s Legal Division. During the past five years, this program area has had to implement uniform licensing law changes involving insurance producers from 49 other states, the District of Columbia and other U.S. territories.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		0.00	0.00	11.50	11.50
Personal Service	\$0	\$65,938	\$0	\$307,875	\$373,813
Employer Contributions	\$0	\$14,389	\$0	\$81,041	\$ 95,430
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$1,811	\$0	\$633,329	\$635,140
Total	\$ 0	\$ 82,138	\$ 0	\$ 1,022,245	\$1,104,383

* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? No
 If yes, state Capital Budget Priority Number and Project Name:.

Please List proviso numbers that relate to this budget category or programs funded by this category.

62.2
 62.3

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year’s appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act		82,138		1,022,245
2012-2013 Act		82,138		1,022,245
Difference				
% Difference				

Explanation of Changes:

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
10010000	General	82,138				
30350000	Agents License			500,000		
30350000	Misc Fee			240,000		
30350000	Sales of Listings and Labels			25,000		

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	0	11.5		11.5	
2011-2012 (A)	0	11.5		11.50	
2010-2011 (F)	0	8.5		8.5	
2010-2011 (A)	2.0	8.5		10.5	
2009-2010 (F)	0	9.5		9.5	
2009-2010 (A)	2.0	8.5		10.5	
2008-2009 (F)	2.0	12.5		14.5	
2008-2009 (A)	3.0	10.0		13.0	
2007-2008 (F)	2.0	10.3		12.3	
2007-2008 (A)	3.0	10.0		13.0	

K. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					

Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Summary description of programs and how they relate to the mission of the agency:

The Taxation Division is responsible for administering the tax laws and collecting insurer premium fees and taxes. The taxes are classified into the following three broad categories: Traditional Premium Taxes, Captive Taxes, and Brokers Surplus Lines Taxes. This relates to the overall mission of the agency of regulating and accurately collecting taxes from insurance companies and brokers.

B. Budget Program Number and Name:

II.C. Taxation

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1338	Taxation		116,925			116,925

D. Performance Measures:

- 1) Accurate collection of tax revenues in total amount and by the following categories: Traditional, Captive, and Surplus Lines.
- 2) Ensuring that reporting of tax revenues is made timely by the given deadline of June 30.

The Taxation section collected insurer and broker surplus lines premium taxes on a quarterly basis, which were deposited into the General Fund. Taxation performed audits of returns and balanced taxes to the general ledger by June 30, 2011. During the year, the Department audited 1,566 licensed insurers and 164 captive insurers. In addition, 510 broker premium tax returns were reviewed and audited. After auditing returns, additional taxes of \$36,318 were collected.

- For FY 2010, total taxes and fees collected during the year amounted to approximately \$178,443,560.
- For FY 2009, total taxes and fees collected during the year amounted to approximately \$172,256,642.
- For FY 2008, total taxes and fees collected during the year amounted to approximately \$170,421,610.

E. Program Interaction:

The taxation division supports other divisions by providing data regarding specific companies and reports to Deputy Directors and the Director of Insurance.

F. Change Management:

A significant change in the manner in which premium taxes are collected has been the implementation of an online filing system which commenced in March 2011. A new online tax filing system for surplus lines brokers is scheduled to be implemented in February 2012.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		0.00	0.00	2.00	2.00
Personal Service	\$0	\$91,976	\$0	\$0	\$ 91,976
Employer Contributions	\$0	\$20,071	\$0	\$0	\$ 20,071
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$4,878	\$0	\$0	\$4,878
Total	\$ 0	\$ 116,925	\$ 0	\$ 0	\$116,925

* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? No
 If yes, state Capital Budget Priority Number and Project Name:.

Please List proviso numbers that relate to this budget category or programs funded by this category.
 n/a

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act		116,925		
2012-2013 Act		116,925		
Difference				
% Difference				

Explanation of Changes:

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
10010000		116,925				

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	0	2.0		2.0	
2011-2012 (A)	0	2.0		2.0	
2010-2011 (F)	0	3.0		3.0	
2010-2011 (A)	1.0	0		1.0	
2009-2010 (F)	0.5	0		0.5	
2009-2010 (A)	1.0	0		1.0	
2008-2009 (F)	1.0	0		1.0	
2008-2009 (A)	1.0	0		1.0	
2007-2008 (F)	1.0	0		1.0	
2007-2008 (A)	1.0	0		1.0	

K. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Summary description of programs and how they relate to the mission of the agency:

The Office of Consumer Services program area answers general insurance inquiries; resolves consumer complaints; makes determinations about the existence of insurance coverage; and educates and assists consumers who are having difficulty finding insurance coverage. The program provides information to consumers through a consumer help line, the Department’s website, publications and presentations. The complaint review process helps to identify unfair trade practices. Licensees who may have violated insurance laws are referred to the Legal Division for investigation and institution of the appropriate disciplinary action. The Department also works to increase the availability of insurance in underserved areas and provides outreach and consumer assistance following disasters.

The supervision of residual market mechanisms is a responsibility of the Consumer Services Division. Those organizations include: the South Carolina Associated Auto Insurers; South Carolina Wind and Hail Underwriting Association; South Carolina Reinsurance Facility; South Carolina Property and Casualty Guaranty Association; South Carolina Life, Accident and Health Guaranty Association; and South Carolina Health Insurance Pool.

B. Budget Program Number and Name:

II. D. Consumer Services

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1339	Consumer Services		213,566			213,566

D. Performance Measures:

The Office of Consumer Services receives on an average yearly basis, more than 2,500 to 3,000 written complaints. It also receives on an average yearly basis more than 45,000 to 50,000 telephone calls. The quantifiable metrics are based on timeliness in responding to consumers’ request for assistance. Quantifiable Metrics – (10 days to respond to a consumer complaint). This metric would include reducing the response time for insurance companies to respond to notification from the Department from 15 days to 10 days, which would provide the consumer faster delivery of service to complaints filed. (Achieve a minimum level of consumer satisfaction based on the Department’s handling of consumers complaints). Measureable metrics would include product knowledge, professionalism and timeliness of handling consumers’ requests within prescribed guidelines. Satisfaction results are required to have a minimum of 90-95% satisfaction score for the Division. The 10% results finding are used for counseling and training regarding less than desirable results. Job responsibilities and duties are incorporated into each employee’s Employee Performance Appraisals review in order to track the success and challenges of completing their assigned duties.

E. Program Interaction:

Of the Department’s ninety-six (96) FTE’s the Office of Consumer Assistance comprise a total of nine (9) FTE’s, roughly 9.4 % of the entire Agency. Those FTE’s by position are as follows: One (1) Program Coordinator, Four (4) Program Assistants and one (1) Administrative Assistant. This program Area interacts with the Department’s Administration & Human Resources; Legal; Actuary; Office of Public Information; Information Resource Management; Finance & Tax; and the Office of the Director.

F. Change Management:

The focus and mission of the Office of Consumer Services program has not changed over the past five (5) years. Goals and objectives have been changed to meet the day-to-day changes in the insurance marketplace. This program area supports the

overall mission of the Department; act in concert with the Department’s Market Conduct Program area and help in the identification of threatening occurrences in the insurance industry such as poor and unacceptable policyholder services and act as an early warning notice of an insurer’s possible solvency condition through unusual patterns detected.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		0.50	0.00	9.00	9.50
Personal Service	\$0	\$175,310	\$0	\$0	\$175,310
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$38,256	\$0	\$0	\$38,256
Total	\$ 0	\$ 213,566	\$ 0	\$ 0	\$213,566

* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? No
 If yes, state Capital Budget Priority Number and Project Name:.

Please List proviso numbers that relate to this budget category or programs funded by this category.
 n/a

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year’s appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act		213,566		
2012-2013 Act		213,566		
Difference				
% Difference				

Explanation of Changes:

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
10010000		213,566				

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	.5	9.00		9.5	
2011-2012 (A)	.5	9.00		9.5	
2010-2011 (F)	0	7.5		7.5	
2010-2011 (A)	10.5	0		10.5	
2009-2010 (F)	0	7.5		7.5	
2009-2010 (A)	10.5	0		10.5	
2008-2009 (F)	0.5	8.0		8.5	
2008-2009 (A)	11.5	0		11.5	
2007-2008 (F)	9.5	0		9.5	
2007-2008 (A)	11.5	0		11.5	

K. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Summary description of programs and how they relate to the mission of the agency:

This Division reviews and analyzes insurance policies, rates, forms, and marketing and underwriting practices to protect insurance consumers by ensuring compliance with South Carolina law and that companies engage in no practices that are unfair, deceptive, misleading or discriminatory. This office collects statistical data and analyzes this data for trends within the insurance market for various lines of insurance. This area also provides actuarial services to the various divisions of the Department as needed.

The program relates to the mission of the agency by protecting the insurance consumers, the public interest, and the insurance marketplace by ensuring that policies, rates, forms, marketing and underwriting practices comply with South Carolina law and that policies contain no provisions and companies engage in no practices that are unfair, deceptive, misleading or discriminatory. The program area is responsible for regulating the insurance industry in an efficient, courteous, responsive, fair, and equitable manner.

B. Budget Program Number and Name:

II. E. Policy Forms & Rates

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1340	Form & Rate Review		582,971			582,971

D. Performance Measures:

Approximately 10,412 rates, forms, and rule filings were processed during the last fiscal year. Analysts are evaluated based on the percent of filings that are processed within the deemer date specified in the statute for the type of filing and the average number of days outstanding for all filings.

E. Program Interaction:

The Actuarial & Market Services Division interacts with the following staffing areas within the Agency: Consumer and Individual Licensing Services; Administration; Legal, Legislative and External Affairs and the Office of the Director.

The Actuarial & Market Services Area interacts with the following stakeholders outside of the agency: Governor’s office; General Assembly; Office of the Consumer Advocate; State Budget and Control Board, Office of Human Resources; Office of Health and Human Services, South Carolina Department of Transportation, University of South Carolina; Lewis & Ellis, Inc.; Bartlett Actuarial Group; Mercer Oliver Wyman; Financial Risk Analysts; South Carolina Department of Revenue & Taxation; Merlinos & Associates, Inc.; Claire Thinking, Inc.; National Association of Insurance Commissioners (NAIC), National Council of Compensation Insurance (NCCI). and various agent and insurance industry trade associations and insurers and HMOs.

F. Change Management:

The focus and mission of the Market & Actuarial Services Program Area has not changed over the last five years. It supports the overall mission of the Agency; it protects policyholders, the general public, and the insurance marketplace by ensuring policies, rates, forms, marketing and underwriting practices comply with South Carolina law and are not unfair, deceptive, misleading or discriminatory.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		10.50	0.00	7.00	17.50
Personal Service	\$0	\$412,087	\$0	\$0	\$412,087
Employer Contributions	\$0	\$89,924	\$0	\$0	\$ 89,924
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$80,960	\$0	\$0	\$80,960
Total	\$ 0	\$ 582,971	\$ 0	\$ 0	\$582,971

* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? No

If yes, state Capital Budget Priority Number and Project Name:.

Please List proviso numbers that relate to this budget category or programs funded by this category.

n/a

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act		582,971		
2012-2013 Act		582,971		
Difference				
% Difference				

Explanation of Changes:

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
10010000		582,971				

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	10.5	7.0	0	17.5	
2011-2012 (A)	10.5	7.0	0	17.5	
2010-2011 (F)	13.5	0	2.0	15.5	
2010-2011 (A)	12.5	0	0	12.5	
2009-2010 (F)	.5	14.0	0	14.5	
2009-2010 (A)	12.5	0	0	12.5	
2008-2009 (F)	0.5	13.0	0	13.5	
2008-2009 (A)	8.8	0	0	8.8	
2007-2008 (F)	10.0	0	0	10.0	
2007-2008 (A)	8.8	0	0	8.8	

K. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Summary description of programs and how they relate to the mission of the agency:

SC Safe Home is a grant program that was established as a part of the Omnibus Coastal Property Insurance Reform Act of 2007. This program provides up to \$5,000 in seed money to coastal property residents to help them mitigate their homes against the severe winds associated with hurricanes and severe wind events. Additionally, the program is charged to provide outreach, education and awareness regarding the need for mitigation and preparations against the devastating effects of natural disasters. The SC Department of Insurance is charged to protect insurance consumers in South Carolina and the SC Safe Home program is one of the primary outreach efforts through which the Department assists consumers.

B. Budget Program Number and Name:

II. F. Loss Mitigation

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1931	Loss Mitigation				2,263,565	2,263,565

D. Performance Measures:

FY 2009

In the Fiscal Year 2009 the Division managed the SC Safe Home program, which provided matching grants of up to \$5,000 to assist coastal property owners in making their homes as hurricane resistant as possible. During FY 2008, SC Safe Home awarded 295 grants totaling approximately \$1,617,000.

FY 2010

In the Fiscal Year 2010 the Division managed the SC Safe Home program, which provided matching grants of up to \$5,000 to assist coastal property owners in making their homes as hurricane resistant as possible. During FY 2009, SC Safe Home awarded 345 grants totaling approximately \$1,563,315.

FY 2011

In the Fiscal Year 2011 the Division managed the SC Safe Home program, which provided matching grants of up to \$5,000 to assist coastal property owners in making their homes as hurricane resistant as possible. During FY 2011, SC Safe Home awarded 719 grants totaling approximately \$3,136,474.

E. Program Interaction:

The SC Safe Home program interacts with almost every division within the agency to include Office of the Director, Legal, Rates and Forms, Administration and Company Licensing. Program staff will interact with the various divisions as we work to implement the grant project and assist the individual grant recipients.

F. Change Management:

The SC Safe Home program was established in July 2007. The first grant was awarded in October of that year. Since that time, the program has further evolved and developed. The program currently has awarded more than 1,700 grants to homeowners throughout eleven coastal counties. Additionally, the program now has more than 70 inspectors and 50 contractors working to help consumers mitigate and strengthen their property. As we work to further implement this program, the Department plans to continue to increase the number of grants awarded and conduct additional outreach opportunities.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		0.00	0.00	2.75	2.75
Personal Service	\$0	\$0	\$0	\$160,000	\$160,000
Employer Contributions	\$0	\$0	\$0	\$40,000	\$ 40,000
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$0	\$0	\$2,063,565	\$2,063,565
Total	\$ 0	\$ 0	\$ 0	\$ 2,263,565	\$2,263,565

* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? No
 If yes, state Capital Budget Priority Number and Project Name:.

Please List proviso numbers that relate to this budget category or programs funded by this category.
 n/a

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year’s appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act				2,263,565
2012-2013 Act				2,263,565
Difference				
% Difference				

Explanation of Changes:

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
34570000	Misc Transfer			2,250,000		

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	0	2.75		2.75	
2011-2012 (A)	0	2.75		2.75	
2010-2011 (F)	0	2.75		2.75	
2010-2011 (A)	0	2.75		2.75	
2009-2010 (F)	0	1.75		1.75	
2009-2010 (A)	0	2.75		2.75	
2008-2009 (F)	0	2.75		2.75	
2008-2009 (A)	0	6.0		6.0	
2007-2008 (F)	0	2.75		2.75	
2007-2008 (A)	0	0		0	

K. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Summary description of programs and how they relate to the mission of the agency:

The Uninsured Motorists program is used to account for funds collected pursuant to §56-10-510 from the South Carolina Department of Motor Vehicles (DMV) and distributed to the automotive insurer's in accordance with §38-77-155. A portion of the funds received from DMV is for administrative purposes as defined in §38-77-151. The uninsured motorists PSA campaign was handled through a contract with The South Carolina Broadcaster's Association. The contract was for \$25,000 and provided both television and radio spots on more than 65 television and radio stations throughout SC for a period of 3 months. We ran a total of 7,064 spots over the three-month period and the total estimated media value for the campaign was \$299,634.38. Total production for both spots including a Spanish version was less than \$14,500.

This program has no staff and occupies no office space at SCDOT.

B. Budget Program Number and Name:

II. G. Uninsured Motorists

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1341	Pass Through Funds				2,355,000	2,355,000

D. Performance Measures:

N/A

E. Program Interaction:

N/A

F. Change Management:

No changes have occurred in this program over the last five years.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$2,155,000	\$ 2,155,000
Other Operating Expenses	\$0	\$0	\$0	\$200,000	\$200,000
Total	\$ 0	\$ 0	\$ 0	\$ 2,355,000	\$2,355,000

* If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.

Is this budget category or program associated with a Capital Budget Priority? No

If yes, state Capital Budget Priority Number and Project Name:.

Please List proviso numbers that relate to this budget category or programs funded by this category.

n/a

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year's appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act				2,355,000
2012-2013 Act				2,355,000
Difference				
% Difference				

Explanation of Changes:

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
43270000	Investment Earnings			5,000		
43270000	Misc Transfer			200,000		
45530000	Investment Earnings			50,000		
45530000	Misc Transfer			1,650,765		

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)					
2011-2012 (A)					
2010-2011 (F)					
2010-2011 (A)					

2009-2010 (F)					
2009-2010 (A)					
2008-2009 (F)					
2008-2009 (A)					
2007-2008 (F)					
2007-2008 (A)					

K. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) **Position Details:**

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Summary description of programs and how they relate to the mission of the agency:

The activities of the Captives Area are: administration of daily activities; licensing of new captive insurers; financial surveillance and solvency; regulatory intervention on troubled insurers; and marketing and promotion of South Carolina as a captive domicile.

The program relates to the mission of the agency by ensuring the solvency of insurers and regulating the insurance industry, as respects captive insurance companies, in an efficient, courteous, responsive, fair, and equitable manner. Thereby ensuring the protection of the insurance consumer, the public interest, and the insurance marketplace to the extent captive insurance companies impact the aforementioned areas.

B. Budget Program Number and Name:

II. H. Captives Regulation

C. Agency Activity Number and Name:

Note: If more than one activity maps to this program; provide all activity numbers, names, and approximate funding amounts.

Activity Number	Activity Name	State Non-Recurring	State Recurring	Federal	Other	Total
1342	Captive Formation				2,203,178	2,203,178

D. Performance Measures:

Licensed 11 new captives in 2011, to include two that have been identified through a pilot, direct, marketing campaign. This will demonstrate a financial benefit of approximately \$40,000 in annualized premium taxes and a total economic benefit of approximately \$100,000. Additionally, this campaign includes a goal of setting 20 appointments with large SC companies that may be in a position to form a captive company.

E. Program Interaction:

This Captives Area interacts with the following staffing areas within the Agency: Administration & Human Resources; Legal; Actuary; Office of Public Information; Information Resource Management; Finance & Tax; Consumer Affairs; and the Office of the Director.

The Captives Area supports the general fund of the state by collecting premium taxes and fees less 20% which is used for administration of §§38-90, 38-87, and 38-10 of the SC Code of Laws and for promoting the captive industry in the state.

The Captives Area shares, and pays its share of, state resources utilized by the Agency such as a state auto, office space, utilities, supplies, data processing, copying, printing, and computing resources.

F. Change Management:

The focus and mission of the Captives Area has not changed over the last five years. It supports the overall mission of the Agency; promotes the captive industry in this state; and conducts financial surveillance and solvency oversight in order to protect captive insurer policyholders, the general public, and the insurance marketplace.

G. Detailed Funding Information:

FY 2012-13 Cost Estimates:	State Non-Recurring	State Recurring	Federal	Other	Total
Number of FTEs*		0.00	0.00	11.50	11.50

Personal Service	\$0	\$0	\$0	\$950,000	\$950,000
Employer Contributions	\$0	\$0	\$0	\$173,125	\$ 173,125
Program/Case Services	\$0	\$0	\$0	\$0	\$ 0
Pass-Through Funds	\$0	\$0	\$0	\$0	\$ 0
Other Operating Expenses	\$0	\$0	\$0	\$1,080,053	\$1,080,053
Total	\$ 0	\$ 0	\$ 0	\$ 2,203,178	\$2,203,178

** If new FTEs are needed, please complete Section G (Detailed Justification for FTEs) below.*

Is this budget category or program associated with a Capital Budget Priority? No
 If yes, state Capital Budget Priority Number and Project Name:.

Please List proviso numbers that relate to this budget category or programs funded by this category.
 n/a

H. Changes to the Appropriation:

Please explain any changes, to include re-alignments and funding or FTE increases requested in this year’s appropriation, as detailed below:

Funding:

Year	State Non-Recurring	State Recurring	Federal	Other (Earmarked or Restricted)
2011-2012 Act				2,203,178
2012-2013 Act				2,203,178
Difference				
% Difference				

Explanation of Changes:

I. Revenue Estimates:

Please detail Sources of revenue for this program, identified by SAP fund number if a live SCEIS agency or the STARS number if a STARS agency. If several sources remit to a single subfund that cannot be split by source and appropriation or program, provide an estimate of the revenue dedicated to this program.

SAP Fund Number	Source Name	General Fund	Other State	Earmarked	Restricted	Federal
36B50000	Annual Insurance Tax			650,000		
36B50000	Insurance Premium Tax			1,055,000		
36B50000	Insurance Fee			1,200,000		
36B50000	Miscellaneous Fee			9,000		
36B50000	Exam Travel Reimbursement			85,000		

If expenditures for this program are greater than known or estimated revenues and the intent is to bridge part of this shortfall by drawing down balances in agency accounts or reserves, indicate the accounts and amount of the current reserve or balance that will likely be used below.

Please detail the long-term sustainability of this program if cash reserves are needed to operate.

If there is federal fund or other fund spending authority requested above the revenue streams detailed above, please indicate the amount and explanation for each.

J. FTE Positions:

Please detail the number of FTE's filled (F) by the program as of June 30 of each fiscal year, and the number authorized (A) by the Appropriations Act.

Fiscal Year	State	Other-Earmarked or Restricted	Federal	Total	Temporary, Temporary Grant, Time -limited
2012-2013 (A)	0	11.5		11.5	
2011-2012 (A)	0	11.5		11.5	
2010-2011 (F)	0	10.5		10.5	
2010-2011 (A)	2.0	11.5		13.50	
2009-2010 (F)	0	10.5		10.5	
2009-2010 (A)	2.0	11.5		13.50	
2008-2009 (F)	0	9.5		9.5	
2008-2009 (A)	2.0	4.0		6.0	
2007-2008 (F)	0	9.0		9.0	
2007-2008 (A)	4.0	6.0		10.0	

K. Detailed Justification for FTEs:

(1) Justification for New FTEs

(a) Justification:

(b) Future Impact on Operating Expenses or Facility Requirements:

(2) Position Details:

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

	State	Federal	Earmarked	Restricted	Total
Position Title:					
Number of FTEs	0.00	0.00	0.00	0.00	0.00
Personal Service	\$0	\$0	\$0	\$0	\$ 0
Employer Contributions	\$0	\$0	\$0	\$0	\$ 0

A. Proviso Number

Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate "New #1", "New #2", etc.*):

62.1

B. Appropriation

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

Subcategory II. A. Solvency

C. Agency Interest

Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency's section that has had consequences?

Agency Specific

D. Action

(Indicate Keep, Amend, Delete, or Add):

Keep

E. Title

Descriptive Proviso Title:

Examiners Travel/Subsistence Reimbursement

F. Summary

Summary of Existing or New Proviso:

Reimburses DOI examiners for travel, meals and lodging in accordance with National Association of Insurance Commissioners (NAIC) guidelines.

G. Explanation of Amendment to/or Deletion of Existing Proviso

(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified):

N/A

H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary

This Proviso allows the Department to reimburse examiners travel expenses in accordance with NAIC guidelines. Proviso is a recruitment tool for the hiring and retention of examiners. Use of these rates is a nationally established practice. This Proviso allows for reimbursement according to NAIC guidelines only if the State is reimbursed by an insurance company for the examiner's travel expenses pursuant to 38-13-10.

I. Justification

Refer to the instructions for the correct question to answer in this space, based on the action you selected

J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)**K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**

(INSERT PROVISOR FROM FY 2012-13 RENUMBERED PROVISOR BASE HERE)

A. Proviso Number

Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate "New #1", "New #2", etc.*):

62.2

B. Appropriation

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

Subcategory II. B. Licensing

C. Agency Interest

Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency's section that has had consequences?

Agency Specific

D. Action

(Indicate Keep, Amend, Delete, or Add):

Keep

E. Title

Descriptive Proviso Title:

Reimbursement Carry Forward

F. Summary

Summary of Existing or New Proviso:

Allows for the retention of Data Processing Services, Miscellaneous Revenue and the Sale of Listings and labels to be retained and carried forward to the next fiscal year.

G. Explanation of Amendment to/or Deletion of Existing Proviso

(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified):

N/A

H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary

Proviso directs the collection and retention of certain revenues and allows the Department to pay the annual dues for the National Council of Insurance Legislators.

I. Justification

Refer to the instructions for the correct question to answer in this space, based on the action you selected

J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)**K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**

(INSERT PROVISOR FROM FY 2012-13 RENUMBERED PROVISOR BASE HERE)

A. Proviso Number

Using the renumbered 2012-13 proviso base provided on the OSB website indicate the proviso number (*If new indicate "New #1", "New #2", etc.*):

62.3

B. Appropriation

Related budget category, program, or non-recurring request (*Leave blank if not associated with funding priority*):

Subcategory II. B. Licensing

C. Agency Interest

Is this proviso agency-specific, a general proviso that affects the agency, or a proviso from another agency's section that has had consequences?

Agency Specific

D. Action

(Indicate Keep, Amend, Delete, or Add):

Keep

E. Title

Descriptive Proviso Title:

Fees for Licenses

F. Summary

Summary of Existing or New Proviso:

This Proviso implements an increase of \$5 for Producer fees, implementation of a \$25 Biennial Producer renewal, and implementation of a \$250 late Appointment renewal fee.

G. Explanation of Amendment to/or Deletion of Existing Proviso

(If request to delete proviso is due to codification, note the section of the Code of Laws where the language has been codified):

N/A

H. Explanation of how this proviso directs the expenditure or appropriation of funds, and why this direction is necessary

Proviso directs the collection and retention of these fees for the administration of Title 38. These funds were provided to DOI during the 2009 legislative session in exchange for a \$1,336,261 reduction to the Department's General Fund budget..

I. Justification

Refer to the instructions for the correct question to answer in this space, based on the action you selected

J. Fiscal Impact (Include impact on each source of funds – state, federal, and other)**K. Text of New Proviso with Underline or Entire Existing Proviso Text with Strikeover and Underline**

(INSERT PROVISOR FROM FY 2012-13 RENUMBERED PROVISOR BASE HERE)

Federal Aid Justification

0

Summary

Award Title	<input type="text"/>		
CFDA Number/Title	<input type="text"/>	→ If "Other", identify:	<input type="text"/>
Award Number (Federal)	<input type="text"/>	Start Date	<input type="text"/>
		Federal Agency	<input type="text"/>
Award Number (State)	<input type="text"/>	End Date	<input type="text"/>
		Federal Subagency	<input type="text"/>
Award Period	<input type="text"/>	→ If "Other", explain:	<input type="text"/>

Financial

Total Award Amount	<input type="text"/>	Amount Available in FY 2012-13	<input type="text"/>
State Match Required?	<input type="text"/>	If "Yes", describe, and provide SAP Fund Number(s) of funding sources	<input type="text"/>
Local Match Required?	<input type="text"/>	If "Yes", describe	<input type="text"/>
Assistance Type	<input type="text"/>	If "Other", explain	<input type="text"/>

Is administrative and/or indirect cost recovery permitted? If so, explain:

Explanation would be here.

Will funds be passed-through to other entities? If so, what types of entities, and how will funds be distributed?

Answer and elaboration here.

Federal Aid Justification

0

Questions

How is the use of these funds essential to your agency's mission?

Text.

What budgetary, compliance, and programmatic obligations will the state incur (now or in the future) through the receipt of these funds?

Text.

What outcome and/or performance measures will you track and/or report on in association with this award?

Text.

What is the name and title of the individual in your agency who is responsible for the success of this program?

Text.