

LSC Redbook

Analysis of the Executive Budget Proposal

Department of Insurance

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READER'S GUIDE

The Legislative Service Commission prepares an analysis of the executive budget proposal for each agency. These analyses are commonly called "Redbooks." This brief introduction is intended to help readers navigate the Redbook for the Department of Insurance (INS), which includes the following four sections.

1. **Overview:** Provides a brief description of INS and an overview of the provisions of the executive budget that affect INS.
2. **Facts and Figures:** Provides some additional data on domestic and foreign insurance taxes.
3. **Analysis of Executive Proposal:** Provides a detailed analysis of the executive budget recommendations for INS, including funding for each appropriation line item. The line items for INS are organized into four categories.
4. **Attachments:** Includes the Catalog of Budget Line Items (COBLI) for INS, which briefly describes each line item, and the LSC budget spreadsheet for INS.

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ATTACHMENTS:

- Catalog of Budget Line Items
- Budget Spreadsheet By Line Item

Department of Insurance

- The agency receives no GRF funding
- Funding for Department operations is derived primarily from fees that accompany appointments of insurance agents by insurance companies

OVERVIEW

Agency Overview

The Ohio Department of Insurance (INS) regulates the business of insurance in Ohio. Its mission is to serve and protect Ohio consumers through fair and efficient regulations, provide assistance and education to consumers, and promote a competitive marketplace for insurers. To carry out this mission, it licenses insurance agents and agencies, investigates allegations of misconduct by insurance agents or agencies, examines claims of consumer and provider fraud, investigates consumer complaints, and monitors the financial solvency and market conduct of insurance companies. The Department reviews insurance policies and forms used by insurance companies and the premiums they charge customers in the life, accident, health, managed care, and property and casualty insurance lines. INS also administers the domestic and foreign insurance taxes, which in FY 2012 raised over \$455.6 million (combined) for the General Revenue Fund (GRF; see "**Facts and Figures**" section).

The Department of Insurance is a cabinet-level agency with 265 employees. Its activities are organized into eight key areas: Consumer Services, Ohio Senior Health Insurance Information Program (OSHIIP), Market Conduct, Licensing, Risk Assessment, Fraud and Enforcement, Product Regulation, and Program Management (executive, legal services, information technology, human resources, and fiscal services).

The Department of Insurance does not receive funding from the GRF. Funding for operations is derived primarily from the fees that accompany appointments of insurance agents by insurance companies. The Department receives up to \$15 of this \$20 fee with the remaining revenue deposited into the GRF. This primary revenue source is supplemented by company filing fees, various smaller fees, and federal grants. In FY 2013, the agency's estimated expenditures are \$36.9 million.

In 2012, the Department licensed and regulated approximately 1,600 insurance companies operating in the state, of which approximately 250 are "domestic" insurance companies, i.e., companies based and licensed to do business in Ohio. The other 1,350 based in another state but licensed to do business in Ohio are referred to as "foreign" insurance companies. INS also licensed and regulated over 212,000 insurance agents and about 21,000 agencies.

The Department is aided in monitoring the financial solvency and market conduct of foreign insurance companies by the departments of insurance for the states in which those companies are based. The 50 state departments of insurance receive support and coordination assistance through the National Association of Insurance Commissioners (NAIC).

The following table presents the total number of full-time and part-time permanent employees at the beginning of each fiscal year by key area. Figures for FY 2014 and FY 2015 are estimates.

Table 1. Department of Insurance Staffing Levels (Headcount)*			
Key Area	FY 2013	FY 2014 Estimates	FY 2015 Estimates
Consumer Services	24	31	31
OSHIIP	22	22	22
Licensing	15	16	16
Market Conduct	12	14	14
Fraud and Enforcement	23	23	23
Product Regulation	36	47	47
Risk Assessment	54	56	56
Program Management	79	83	83
TOTAL	265	292	292

*Data from the Department of Insurance.

Appropriation Overview

The executive recommendation provides the funding necessary to maintain the agency's operations at current levels. The following table provides the executive's recommendations by fund group for INS for the FY 2014-FY 2015 biennium.

Table 2. Executive Budget Recommendations by Fund Group, FY 2014-FY 2015					
Fund Group	FY 2013*	FY 2014	% change, FY 2013-FY 2014	FY 2015	% change, FY 2014-FY 2015
Federal Special Revenue	\$3,570,725	\$3,270,725	-8.4%	\$3,270,725	0.0%
State Special Revenue	\$33,309,995	\$35,934,498	7.9%	\$33,274,432	-7.4%
TOTAL	\$36,880,720	\$39,205,223	6.3%	\$36,545,157	-6.8%

*FY 2013 figures represent estimated expenditures.

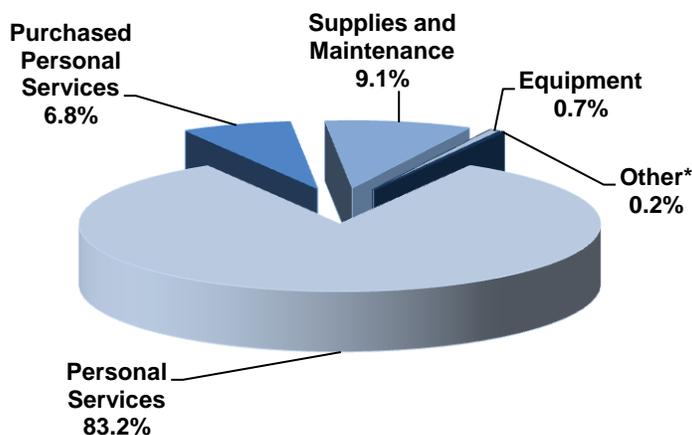
The executive's recommended total funding for FY 2014 is \$39.2 million. This amount is \$2.3 million higher than FY 2013 estimated expenditures, a 6.3% increase. Recommended total funding for FY 2015 is \$36.5 million. This amount is \$2.7 million lower than FY 2014 recommended funding, a 6.8% decrease.

The executive budget provides the Department with federal funding of \$3.3 million for FY 2014. This amount is \$300,000, or 8.4%, lower than the estimated total federal funds in FY 2013. Recommended federal funding for FY 2015 is the same amount as in FY 2014.

The executive proposal requires the Director of Budget and Management to transfer \$5 million each year of the biennium from the Department of Insurance Operating Fund (Fund 5540) to the GRF. Department officials indicate that there is sufficient cash in Fund 5540 to accommodate the transfers. The executive proposal also allows the Director, upon a request from the Department of Insurance, to transfer funds from Fund 5540 to the Superintendent's Examination Fund (Fund 5550) to pay for expenses incurred in examining domestic fraternal benefit societies. Department officials point out that such transfer range between \$250,000 and \$350,000 annually.

The following chart provides the executive's recommendations by expense category for the Department of Insurance for the FY 2014-FY 2015 biennium. Personal services, payroll, and benefit costs for the Department's employees are included in the personal services category.

Chart 1: Biennial Executive Budget Recommendations by Expense Category, FY 2014-FY 2015

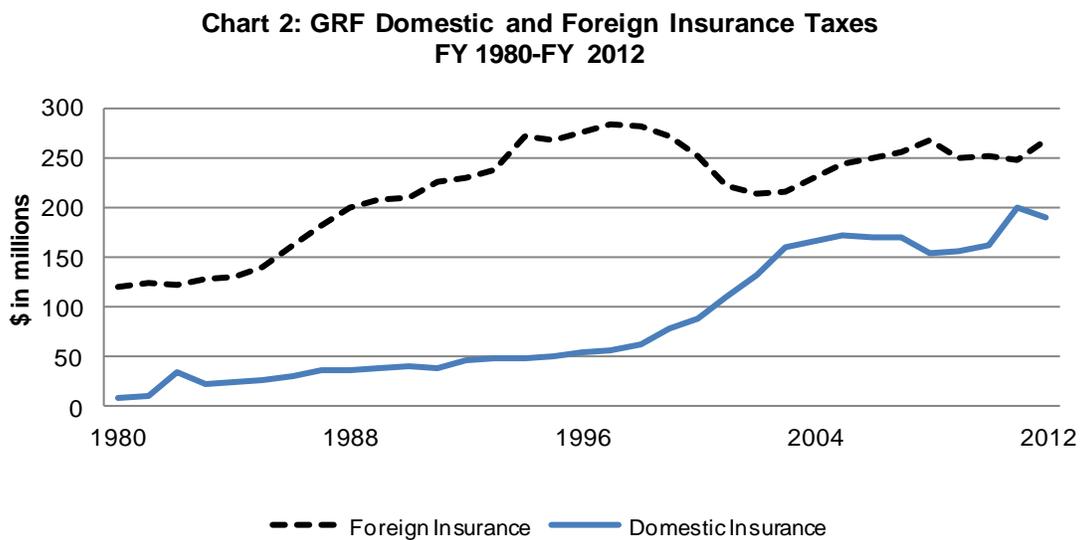


*"Other" refers to transfers and nonexpense.

FACTS AND FIGURES

Domestic and Foreign Insurance Taxes

The Department of Insurance administers both the domestic and the foreign insurance taxes. The chart below presents the amount of revenues credited to the GRF for FY 1980 through FY 2012 from the taxes. The revenue decrease between FY 1999 and FY 2003 was due to changes in the tax rates, and, in the case of the domestic insurance tax, the tax base, which were made by Am. Sub. H.B. 215 of the 122nd General Assembly.



Insurance Legislation Enacted in the 129th General Assembly

The 129th General Assembly enacted several pieces of legislation related to insurance issues: Am. Sub. H.B. 122, which revised the law regulating surplus lines insurance, Sub. H.B. 250, which established requirements and procedures for issuing portable electronics insurance, and Am. Sub. H.B. 278, which revised the law governing automobile insurance policies. In addition, Sub. H.B. 341 revised the law regulating fraternal benefit societies.

ANALYSIS OF EXECUTIVE PROPOSAL

Introduction

This section provides an analysis of the Governor's recommended funding for each appropriation item in the Department's budget. For each category a table is provided listing the recommended appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any changes affecting the appropriation that are proposed by the Governor. The four categories used in this analysis are as follows:

1. Operating Expenses;
2. Consumer Services;
3. Examination; and
4. Health Care.

To aid the reader in finding each item in the analysis, the following table shows the category in which each appropriation has been placed, listing the line items in order within their respective fund groups and funds. This is the same order the line items appear in the budget bill.

Categorization of INS Appropriation Line Items for Analysis of Executive Proposal		
Fund	ALI and Name	Category
Federal Special Revenue Fund Group		
3E00 820610	Health Insurance Premium Review	4: Health Care
3U50 820602	OSHIIP Operating Grant	2: Consumer Services
State Special Revenue Fund Group		
5540 820601	Operating Expenses – OSHIIP	2: Consumer Services
5540 820606	Operating Expenses	1: Operating Expenses
5550 820605	Examination	3: Examination

Category 1: Operating Expenses (820606)

This appropriation item provides funding for the general operating expenses for the Department of Insurance, excluding the OSHIIP and the agency's Financial Examination programs. The appropriation draws on the Department of Insurance Operating Fund (Fund 5540). Fund 5540 receives funding from various fees, such as a \$20 annual fee assessed to each insurance agent licensed to provide insurance service in Ohio, appointment fees assessed to insurance agencies, and fees for certain services or transactions performed by the Department.

The Department of Insurance's regulatory and licensing responsibilities can be broken down into the following key areas: (1) consumer affairs, (2) market conduct, (3) agent licensing, (4) risk assessment, (5) fraud and enforcement, (6) product regulation, and (7) administrative support.

Department personnel that serve in the consumer affairs area respond to inquiries, investigate and resolve complaints from Ohio consumers, and provide information and publications related to insurance. Staff in this area provide extra support to elderly consumers under OSHIIP, which is described separately. Consumer affairs staff coordinate community outreach activities, guide victims at disaster assistance sites, and participate in insurance fairs throughout the state. The consumer affairs staff also assist Ohioans with insurance questions and complaints through e-mails, telephone calls, and walk-ins. The consumer affairs staff recovered about \$11 million in restitution for Ohio consumers in FY 2012. They also referred over 200 cases to the Fraud and Enforcement division or the Market Conduct division for further disciplinary actions.

Personnel in the market conduct area examine records of insurance companies doing business in Ohio on a routine basis or as needed to ensure that these companies comply with the state's insurance laws and regulations. They are also responsible for gathering industry information from a variety of sources, including consumer complaints, company filings, NAIC databases, and research tools. The Department is also required to conduct additional market conduct examinations to ensure compliance with certain uniform contract provisions between health care providers and contracting entities (i.e., health insurers), and insurers pay for the cost of examinations.

The Department issues licenses to insurance agents and agencies and is responsible for ensuring that only qualified and competent individuals or entities are licensed to provide insurance service in Ohio. The Department also maintains agents' continuing education requirements and processes insurance company appointments of authorized agents. The Department offers an online agent testing and licensing system, which allows applicants to submit and complete applications over the Internet and also allows agents to track their continuing education credits and status through the Department's web site.

Personnel in the risk assessment area monitor the financial solvency of every domestic and foreign insurance company that is licensed to do business in Ohio to ensure that they are capable of meeting their contractual agreements to policyholders and claimants. They also oversee complex transactions such as mergers, acquisitions, re-domestications, reinsurance agreements, and inter-company agreements to ensure that insurance companies have enough money to pay claims filed by consumers.

The Department's fraud and enforcement area investigates insurance fraud and agent misconduct, and assists in the prosecution of consumer and provider insurance fraud. INS promotes the detection and prevention of insurance fraud through public awareness campaigns, educational programs, and cooperation among insurers, governmental agencies, and insurance industry groups. The Department receives thousands of allegations of insurance fraud and agent misconduct annually.

Department staff review policy forms, endorsements, and manual rules and rates for products marketed to Ohio consumers by Ohio-licensed property and casualty companies. Personnel in the Life, Health, and Managed Care division are responsible for reviewing the contractual provisions of all Ohio-licensed life and health and accident policies to ensure they are in compliance with Ohio and federal laws. The Department licenses multiple employer trusts, alliances, and health insuring corporations and accredits independent review organizations. The Life, Health, and Managed Care division also monitors the activities of all health insuring corporations operating in Ohio. In addition, staff funded by federal grants in line item 820610, Health Insurance Premium Review, are to support activities related to insurance product reviews associated with the federal Affordable Care Act (ACA).

Personnel involved in administrative support include legal services staff who provide legal advice on regulatory transactions including changes of control, mergers, re-domestications, de-mutualizations and the investment activities of domestic insurance companies, and enforcement issues. They also administer public hearings involving insurance agent and company licenses, provide legal assistance on a variety of issues to other offices in the Department of Insurance, and supervise litigation. Other personnel in this area include information technology staff who are responsible for the overall technology infrastructure and administer the Department's telecommunications system and web site. Other personnel who manage and support the overall operations of the Department include staff in the executive, fiscal operations, and human resources offices.

In addition, the Department of Insurance is required under Ohio law to oversee and administer the liquidation process of an Ohio domiciled insurance company that becomes insolvent and requires liquidation. Personnel costs for the Ohio Liquidation Office, which is responsible for the administration of the liquidation, are reimbursed to the Department from the insolvent insurance companies that are being liquidated.

The executive recommends total appropriations of \$27.6 million in FY 2014 in this line item. This amount represents an increase of 10.5% from the estimated expenditures for FY 2013 and likely represents an expected increase in the volume and complexity of insurance regulation related to the ACA. The executive recommends total appropriations of \$24.9 million in FY 2015, which is 9.7% lower than the FY 2014 recommended amount.

Governor's Recommended Amounts for Operating Expenses				
Fund	ALI and Name		FY 2014	FY 2015
State Special Revenue Fund Group				
5540	820606	Operating Expenses	\$27,570,433	\$24,910,367
State Special Revenue Fund Group Subtotal			\$27,570,433	\$24,910,367
Total Funding: Operating Expenses			\$27,570,433	\$24,910,367

Category 2: Consumer Services (820602 and 820601)

The appropriation line items, OSHIIP Operating Grant (820602) and Operating Expenses (820601) provide funding for the administration of the Consumer Services Program. This program assists and educates Ohioans on insurance issues, including health insurance for seniors. Over 90% of the funding for the program comes from a federal grant, with the remainder coming from the Department of Insurance Operating Fund (Fund 5540). Fund 5540 receives funding primarily from fees paid by insurance agents and by insurance companies.

Recommended state funding for FY 2014 is \$180,000, the same as estimated expenditures for FY 2013. The recommended state funding for FY 2015 is \$180,000, which is the same as FY 2014 recommended funding. Total recommended state funding for FYs 2014-2015 is \$360,000. State funding for FYs 2012-2013 is estimated to be \$240,650. The recommended state funding for FYs 2014-2015 is \$119,350, or 49.6%, higher than estimated state funding for FYs 2012-2013.

The federal grant that provides most of the funding for this program was about \$2.1 million in FY 2012. In FY 2013, the estimated amount of the federal grant is about \$2.3 million. Department officials expect the grant amount to be about \$2.0 million for each year of the upcoming biennium.

The recommended level of total funding for the program for FY 2014 is \$2.2 million, or 12.2%, lower than the total for FY 2013. The recommended total funding for FY 2015 is \$2.2 million, which is the same as the recommended total funding in FY 2014.

Governor's Recommended Amounts for Consumer Services				
Fund	ALI and Name		FY 2014	FY 2015
Federal Special Revenue Fund Group				
3U50	820602	OSHIIP Operating Grant	\$1,970,725	\$1,970,725
Federal Special Revenue Fund Group Subtotal			\$1,970,725	\$1,970,725
State Special Revenue Fund Group				
5540	820601	Operating Expenses – OSHIIP	\$180,000	\$180,000
State Special Revenue Fund Group Subtotal			\$180,000	\$180,000
Total Funding: Consumer Services			\$2,150,725	\$2,150,725

Category 3: Examination (820605)

This line item funds departmental oversight of licensed insurance companies. Ohio law requires a financial examination be conducted at least once every five years. The Department monitors the financial solvency of insurance companies by reviewing financial statements and other records, and by conducting regular on-site examinations. In FY 2012, the Department conducted 85 on-site exams and more than 7,500 audits. Funding for this oversight comes from the Superintendent's Examination Fund (Fund 5550). The Department's expenses from conducting an examination of a company are paid by the company to the Superintendent and deposited into Fund 5550.

The executive proposal provides appropriations of \$8.2 million each for FY 2014 and FY 2015 for this line item. This amount is the same as the estimated expenditures for FY 2013.

Governor's Recommended Amounts for Examination				
Fund	ALI and Name		FY 2014	FY 2015
State Special Revenue Fund Group				
5550	820605	Examination	\$8,184,065	\$8,184,065
State Special Revenue Fund Group Subtotal			\$8,184,065	\$8,184,065
Total Funding: Examination			\$8,184,065	\$8,184,065

Category 4: Health Care (820610)

This line item provides federal funding to enhance reviews of health insurance premiums. In September 2011, the Department was awarded a three-year federal grant related to rate review from the U.S. Department of Health and Human Services (HHS). No state matching funds were required. Funding is used to develop and upgrade technology to meet reporting requirements and data analysis. Funding will also allow the Department to continue to pay for several staff positions related to health insurance rate reviews due to the impact of the ACA. The executive proposal recommends \$1.3 million for FY 2014 and the same amount for FY 2015.

Governor's Recommended Amounts for Health Care				
Fund	ALI and Name		FY 2014	FY 2015
Federal Special Revenue Fund Group				
3EVO	820610	Health Insurance Premium Review	\$1,300,000	\$1,300,000
Federal Special Revenue Fund Group Subtotal			\$1,300,000	\$1,300,000
Total Funding: Health Care			\$1,300,000	\$1,300,000

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Department of Insurance

General Services Fund Group

5AG0 820603 Health Information Technology and Health Care Coverage and Quality Council

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$8,000,000	\$1,394,069	\$281,175	\$0	\$0	\$0
	-82.6%	-79.8%	-100%	N/A	N/A

Source: General Services Fund Group: This fund does not have a continuing source of revenue. The one-time source was the remaining funds from the Joint Underwriting Association established by the state in 1975 and dissolved in 1997.

Legal Basis: Discontinued line item (originally established by Sub. H.B. 282 of the 125th G.A.)

Purpose: This line item was used to fund health information technology initiatives and the implementation of strategies recommended by the Health Care Coverage and Quality Council. (Originally, the fund was created for the Medical Liability Underwriting Association, if established in response to medical malpractice insurance market conditions specified in H.B. 282, or for funding another medical malpractice initiative with the approval of the General Assembly.)

In FY 2009, this line item was named the Ohio Family Health Survey, and it was used to pay for expenses related to a survey of that name (funding for the survey was appropriated in H.B. 562 of the 127th General Assembly). The survey was developed to obtain comprehensive state-level health coverage and insurance data in Ohio.

Department of Insurance

Federal Special Revenue Fund Group

3EV0 820610 Health Insurance Premium Review

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$299,412	\$779,377	\$1,300,000	\$1,300,000	\$1,300,000
	N/A	160.3%	66.8%	0.0%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 93.511 from the Office of Consumer Information and Insurance Oversight (OCIIO), a division of the U.S. Department of Health and Human Services

Legal Basis: Section 307.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Controlling Board on November 8, 2010)

Purpose: This line item is used to enhance reviews of health insurance premiums. The Department receives a large volume of health insurance rate filings. This line item provides resources, in addition to those paid using line item 820606, to review those filings more quickly for compliance with Ohio laws. The federal grant does not require any state matching funds.

3EW0 820611 Health Exchange Planning

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$148,988	\$769,106	\$0	\$0	\$0
	N/A	416.2%	-100%	N/A	N/A

Source: Federal Special Revenue Fund Group: CFDA 93.525 from the Office of Consumer Information and Insurance Oversight (OCIIO), a division of the U.S. Department of Health and Human Services

Legal Basis: Section 307.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Controlling Board on November 8, 2010)

Purpose: This line item is used to study and plan for a health insurance exchange, which the federal Patient Protection and Affordable Care Act requires the state to establish by 2014. This line supplements Department resources paid through line item 820606 by supporting several new positions and paying for contracted actuarial analysis of Ohio's health insurance market. The federal grant does not require any state matching funds.

Department of Insurance

3EX0 820612 Consumer Assistance Grant

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$0	\$36,980	\$0	\$0	\$0	\$0
	N/A	-100%	N/A	N/A	N/A

Source: Federal Special Revenue Fund Group: CFDA 93.519 from the Office of Consumer Information and Insurance Oversight (OCIIO), a division of the U.S. Department of Health and Human Services

Legal Basis: Discontinued line item (originally established by Controlling Board on November 8, 2010)

Purpose: This line item was used to assist consumers with health insurance matters, including complaints and appeals, and enrolling in coverage. The program would also educate consumers about their rights and responsibilities with respect to health insurance coverage. The federal grant did not require any state matching funds.

3U50 820602 OSHIIP Operating Grant

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$2,033,398	\$2,056,900	\$2,061,926	\$2,270,725	\$1,970,725	\$1,970,725
	1.2%	0.2%	10.1%	-13.2%	0.0%

Source: Federal Special Revenue Fund Group: CFDA 93.779, a grant awarded from the Centers for Medicare and Medicaid Services (CMS)

Legal Basis: Section 307.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Controlling Board on December 6, 1999)

Purpose: The Ohio Senior Health Insurance Information Program (OSHIIP) is jointly administered with the Ohio Department of Aging (ODA). The federal grant that funds the program was formerly made to ODA, with OSHIIP being reimbursed for its expenses via Intrastate Transfer Voucher (ISTV). Starting in FY 2000, OSHIIP was awarded the federal grant directly from the Health Care Finance Administration (now known as the Centers for Medicare and Medicaid Services). As a result, instead of commingling the grant funds with the Ohio Department of Insurance's Operating Fund 5540, Fund 3U50 and line item 820602 were created to receive and disburse the grant funds. ODA receives 10% of the grant funds via ISTV to finance the Benefits Eligibility Screening Service program, in accordance with an interagency agreement between ODI and ODA. Because the grant is a demonstration grant, no state match is required. Funding for the program is supplemented, however, with spending from line item 820601, Operating Expenses-OSHIIP.

Department of Insurance

State Special Revenue Fund Group

5540 820601 Operating Expenses-OSHIIP

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$165,434	\$106,826	\$60,650	\$180,000	\$180,000	\$180,000
	-35.4%	-43.2%	196.8%	0.0%	0.0%

Source: State Special Revenue Fund Group: Insurance agents' fees

Legal Basis: Section 307.10 of Am. Sub. H.B. 153 of the 129th G.A. (originally established by Controlling Board on September 14, 1998; the OSHIIP program was originally created by Executive Order in 1992)

Purpose: The Ohio Senior Health Insurance Information Program (OSHIIP) educates and counsels senior citizens on Medicare and other health insurance concerns. This program serves an eligible population of over 1.4 million elderly Ohioans. Program staff provide counseling and telephone assistance, conduct educational seminars, assemble and publish insurance information brochures, and recruit and train volunteers who serve as counselors at the county level. Prior to FY 2000, the program received funding through an interagency agreement with the Ohio Department of Aging and through the department's operating fund (Fund 5540). Beginning in FY 2000, the grant funds were appropriated in Fund 3U50, line item 820602, OSHIIP Operating Grant. The program continues to be funded in part by Fund 5540, through this line item (820601).

5540 820606 Operating Expenses

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$20,748,054	\$22,297,210	\$21,786,507	\$24,945,930	\$27,570,433	\$24,910,367
	7.5%	-2.3%	14.5%	10.5%	-9.6%

Source: State Special Revenue Fund Group: The fund receives up to three-fourths of the fees related to licensing of insurance agents and agencies, plus charges for continuing education of insurance agents, and fees for a variety of services or transactions performed by the Department for the regulation of insurance companies

Legal Basis: ORC 3901.021 (originally established by Am. Sub. H.B. 694 of the 114th G.A.)

Purpose: This line item provides funding for the Department's operations, other than those directly related to examining the books of insurance companies. This appropriation line item became effective November 15, 1981.

Department of Insurance

5540 820609 State Coverage Initiative Administration

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$271,996	\$152,452	\$0	\$0	\$0	\$0
	-44.0%	-100%	N/A	N/A	N/A

Source: State Special Revenue Fund Group: Insurance agents' fees

Legal Basis: Discontinued line item (originally established by Section 307.10 of Am. Sub. H.B. 1 of the 128th G.A.)

Purpose: The line item provided funding for personnel and other administration costs related to the State Coverage and Quality Initiative programs.

5550 820605 Examination

FY 2010 Actual	FY 2011 Actual	FY 2012 Actual	FY 2013 Estimate	FY 2014 Introduced	FY 2015 Introduced
\$8,515,263	\$8,867,989	\$8,443,397	\$8,184,065	\$8,184,065	\$8,184,065
	4.1%	-4.8%	-3.1%	0.0%	0.0%

Source: State Special Revenue Fund Group: Insurance company fees

Legal Basis: ORC 3901.071 (originally established by Am. Sub. H.B. 1267 of the 111th G.A.)

Purpose: This line item receives payments from insurance companies for the services of state examiners. The receipts are used to pay the salaries, fringe benefits, and travel expenses of the examiners, and administrative costs associated with the Risk Assessment Division. This line item became effective May 21, 1976.

FY 2014 - FY 2015 Introduced Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2012	Estimate FY 2013	Introduced FY 2014	FY 2013 to FY 2014 % Change	Introduced FY 2015	FY 2014 to FY 2015 % Change
Report For Main Operating Appropriations Bill			Version: As Introduced					
INS Department of Insurance								
5AG0	820603	Health Information Technology and Health Care Coverage and Quality Council	\$ 281,175	\$0	\$0	N/A	\$0	N/A
General Services Fund Group Total			\$ 281,175	\$0	\$0	N/A	\$0	N/A
3EV0	820610	Health Insurance Premium Review	\$ 779,377	\$ 1,300,000	\$ 1,300,000	0.00%	\$ 1,300,000	0.00%
3EW0	820611	Health Exchange Planning	\$ 769,106	\$0	\$0	N/A	\$0	N/A
3U50	820602	OSHIIP Operating Grant	\$ 2,061,926	\$ 2,270,725	\$ 1,970,725	-13.21%	\$ 1,970,725	0.00%
Federal Special Revenue Fund Group Total			\$ 3,610,409	\$ 3,570,725	\$ 3,270,725	-8.40%	\$ 3,270,725	0.00%
5540	820601	Operating Expenses-OSHIIP	\$ 60,650	\$ 180,000	\$ 180,000	0.00%	\$ 180,000	0.00%
5540	820606	Operating Expenses	\$ 21,786,507	\$ 24,945,930	\$ 27,570,433	10.52%	\$ 24,910,367	-9.65%
5550	820605	Examination	\$ 8,443,397	\$ 8,184,065	\$ 8,184,065	0.00%	\$ 8,184,065	0.00%
State Special Revenue Fund Group Total			\$ 30,290,554	\$ 33,309,995	\$ 35,934,498	7.88%	\$ 33,274,432	-7.40%
Department of Insurance Total			\$ 34,182,137	\$ 36,880,720	\$ 39,205,223	6.30%	\$ 36,545,157	-6.78%