

# **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

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- The agency receives no GRF funding
- Funding for Department of Insurance's 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 2014 raised over \$483 million (combined) for the General Revenue Fund (GRF; see "**Facts and Figures**" section).

The Department of Insurance is a cabinet-level agency with 256 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. Beginning June 30, 2014, the Department of Insurance reduced various fees, including the insurance agent appointment fee from \$20 to \$15.<sup>1</sup> The Department receives up to \$11.25 of this \$15 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 2015, the agency's estimated expenditures are \$36.5 million.

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<sup>1</sup> R.C. 3905.40.

In FY 2014, the Department licensed and regulated approximately 1,600 insurance companies operating in the state, of which approximately 240 are "domestic" insurance companies, i.e., companies based and licensed to do business in Ohio. The other 1,360 based in another state but licensed to do business in Ohio are referred to as "foreign" insurance companies. The Department also licensed and regulated over 192,000 insurance agents and about 16,000 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 Department of Insurance staffing level in FY 2015 through FY 2017. Figures for FY 2016 and FY 2017 are estimates.

Key Area	FY 2015	FY 2016 Estimates	FY 2017 Estimates
Consumer Services	30	30	30
OSHIIP	26.75	26.75	26.75
Licensing	15.5	15.5	15.5
Market Conduct	14	14	14
Fraud and Enforcement	22.5	22.5	22.5
Product Regulation	42	48	48
Risk Assessment	53	56	61
Health Care	5	0	0
Program Management	77	80	80
<b>TOTAL</b>	<b>285.75</b>	<b>292.75</b>	<b>297.75</b>

\*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 2016-FY 2017 biennium.

Fund Group	FY 2015*	FY 2016	% change, FY 2015-FY 2016	FY 2017	% change, FY 2016-FY 2017
Dedicated Purpose	\$33,274,432	\$34,870,684	4.8%	\$35,573,128	2.0%
Federal	\$3,270,725	\$1,970,725	-39.8%	\$1,970,725	0.0%
<b>TOTAL</b>	<b>\$36,545,157</b>	<b>\$36,841,409</b>	<b>0.8%</b>	<b>\$37,543,853</b>	<b>1.9%</b>

\*FY 2015 figures represent estimated expenditures.

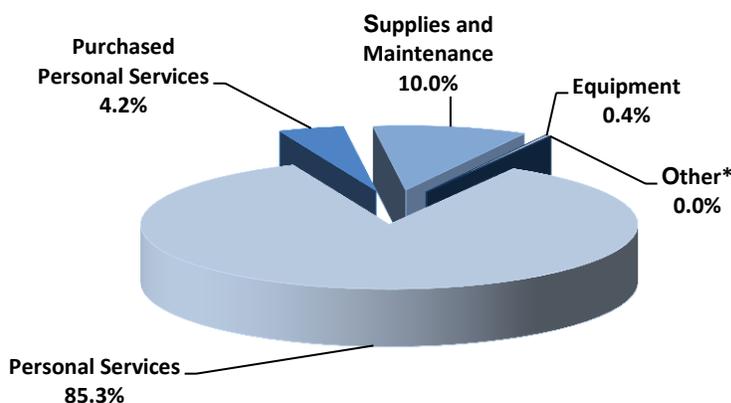
The executive's recommended total funding for FY 2016 is \$36.8 million. This amount is \$0.3 million higher than FY 2015 estimated expenditures, a 0.8% increase. Recommended total funding for FY 2017 is \$37.5 million. This amount is \$0.7 million higher than FY 2016 recommended funding, a 1.9% increase. The increase in the executive budget is primarily due to funding in a newly created line item, 820613, Captive Insurance Regulation & Supervision (Fund 5PT0). Funding in the new line item will be used to pay for the Department's regulatory and enforcement responsibilities related to captive insurers established under Sub. H.B. 117 of the 130th General Assembly.

The executive budget provides the Department with federal funding of about \$2.0 million for FY 2016. This amount is \$1.3 million, or 39.8%, lower than the estimated total federal funds in FY 2015. Recommended federal funding for FY 2017 is the same amount as in FY 2016.

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 transfers historically have ranged 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 2016-FY 2017 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 2016-FY 2017**

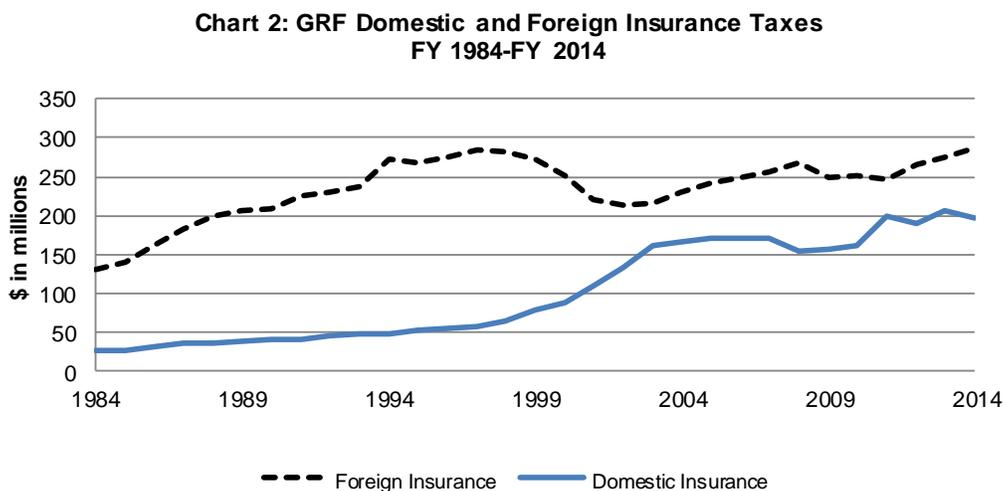


\*\*Other" refers to transfers and nonexpense.

## 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 1984 through FY 2014 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 130th General Assembly

The 130th General Assembly enacted several pieces of legislation related to insurance issues: Sub. H.B. 117, which provided for the operation of captive insurance companies in Ohio; Sub. S.B. 140, which enacted the Insurance Regulatory Modernization Act to revise the insurance laws regarding alternative investments, holding company systems, risk management, reserves kept for life insurance policies, automated transactions, reinsurance, and mergers and consolidations; and Sub. H.B. 430, which regulated insurance of self-service storage facilities. In addition, Sub. S.B. 9 made changes to the procedure for submission and review of a health insuring corporation's solicitation document, and suspended the enforcement of the Ohio Open Enrollment Program, the Ohio Health Reinsurance Program, and the option for conversion of a health insurance contract or policy under certain circumstances during the period beginning January 1, 2014, and expiring January 1, 2018.

## 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. Captive Insurance.

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
<b>Dedicated Purpose Fund Group</b>		
5540 820601	Operating Expenses – OSHIIP	2: Consumer Services
5540 820606	Operating Expenses	1: Operating Expenses
5550 820605	Examination	3: Examination
5PT0 820613	Captive Insurance Regulation & Supervision	4: Captive Insurance
<b>Federal Fund Group</b>		
3U50 820602	OSHIIP Operating Grant	2: Consumer Services

## Category 1: Operating Expenses (820606)

This appropriation item provides funding for the general operating expenses for the Department of Insurance, excluding 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 \$15 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 emails, telephone calls, and walk-ins. The consumer affairs staff recovered over \$10 million in restitution for Ohio consumers in FY 2014. They also referred over 240 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 website.

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, redemptions, 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. The Department 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.

Personnel involved in administrative support include legal services staff who provide legal advice on regulatory transactions including changes of control, mergers, redemptions, demutualizations 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 website. 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 \$26.0 million in FY 2016 in this line item. This amount represents an increase of 4.4% from the estimated expenditures for FY 2015. The executive recommends total appropriations of \$26.0 million in FY 2017, which is the same as the FY 2016 recommended amount.

<b>Governor's Recommended Amounts for Operating Expenses</b>				
<b>Fund</b>		<b>ALI and Name</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Dedicated Purpose Fund Group</b>				
5540	820606	Operating Expenses	\$26,010,367	\$26,010,367
<b><i>Dedicated Purpose Fund Group Subtotal</i></b>			<b><i>\$26,010,367</i></b>	<b><i>\$26,010,367</i></b>
<b>Total Funding: Operating Expenses</b>			<b>\$26,010,367</b>	<b>\$26,010,367</b>

## Category 2: Consumer Services (820602 and 820601)

The appropriation line items, OSHIIP Operating Grant (820602) and Operating Expenses – OSHIIP (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 2016 is \$180,000, the same as estimated expenditures for FY 2015. The recommended state funding for FY 2017 is \$180,000, which is the same as FY 2016 recommended funding. Total recommended state funding for FYs 2016 and 2017 is \$360,000. State funding for FYs 2014 and 2015 is estimated to be \$246,113. The recommended state funding for FYs 2016 and 2017 is \$113,887, or 46.3%, higher than estimated state funding for FYs 2014 and 2015.

The federal grant that provides most of the funding for this program was about \$1.91 million in FY 2014. In FY 2015, the estimated amount of the federal grant is about \$2.0 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 2016 is \$2.2 million, which is the same as the estimated total for FY 2015. The recommended total funding for FY 2017 is \$2.2 million, which is the same as the recommended total funding in FY 2016.

Governor's Recommended Amounts for Consumer Services				
Fund	ALI and Name		FY 2016	FY 2017
<b>Federal Fund Group</b>				
3U50	820602	OSHIIP Operating Grant	\$1,970,725	\$1,970,725
<b>Federal Fund Group Subtotal</b>			<b>\$1,970,725</b>	<b>\$1,970,725</b>
<b>Dedicated Purpose Fund Group</b>				
5540	820601	Operating Expenses – OSHIIP	\$180,000	\$180,000
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$180,000</b>	<b>\$180,000</b>
<b>Total Funding: Consumer Services</b>			<b>\$2,150,725</b>	<b>\$2,150,725</b>

### Category 3: Examination (820605)

This appropriation 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 onsite examinations. In FY 2014, the Department conducted 70 onsite 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 2016 and FY 2017 for this line item. This amount is the same as the estimated expenditures for FY 2015.

Governor's Recommended Amounts for Examination				
Fund	ALI and Name		FY 2016	FY 2017
<b>Dedicated Purpose Fund Group</b>				
5550	820605	Examination	\$8,184,065	\$8,184,065
<b><i>Dedicated Purpose Fund Group Subtotal</i></b>			<b>\$8,184,065</b>	<b>\$8,184,065</b>
<b>Total Funding: Examination</b>			<b>\$8,184,065</b>	<b>\$8,184,065</b>

### Category 4: Captive Insurance (820613)

This category consists of a single new line item that provides funding for administrative expenses related to the oversight of captive insurers. H.B. 117 allowed captive insurance companies to operate in Ohio. Enacted in June 2014, the act's effective date was in September 2014. Among other provisions, H.B. 177 provided for a \$500 fee to apply to form a captive insurer, and established other fees and revenue sources for the Captive Insurance Regulation and Supervision Fund (Fund 5PT0).

The executive proposal allows the Director of Budget and Management to transfer up to \$1 million from Fund 5540 to Fund 5PT0 during FYs 2016 and 2017, to pay for necessary operating needs associated with regulating captive insurance companies in Ohio that will occur before receipts related to such regulation are deposited into Fund 5PT0. The executive proposal also requires the Director, in consultation with the Superintendent, to establish a schedule for repaying Fund 5540 for the amounts previously transferred.

The executive proposal provides appropriations of \$0.5 million in FY 2016 and \$1.2 million in FY 2017 for this line item.

Governor's Recommended Amounts for Captive Insurance				
Fund		ALI and Name	FY 2016	FY 2017
<b>Dedicated Purpose Fund Group</b>				
5PT0	820613	Captive Insurance Regulation & Supervision	\$496,252	\$1,198,696
<b>Dedicated Purpose Fund Group Subtotal</b>			<b>\$496,252</b>	<b>\$1,198,696</b>
<b>Total Funding: Captive Insurance</b>			<b>\$496,252</b>	<b>\$1,198,696</b>

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## Dedicated Purpose Fund Group

### 5540 820601 Operating Expenses-OSHIIP

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$60,650	\$5,053	\$66,113	\$180,000	<b>\$180,000</b>	<b>\$180,000</b>
	-91.7%	1,208.5%	172.3%	<b>0.0%</b>	<b>0.0%</b>

**Source:** Dedicated Purpose Fund Group: Insurance agents' fees

**Legal Basis:** Section 299.10 of Am. Sub. H.B. 59 of the 130th G.A. (originally established by Controlling Board on September 14, 1998)

**Purpose:** The Ohio Senior Health Insurance Information Program (OSHIIP), which was originally created by an Executive Order in 1992, educates and counsels senior citizens on Medicare and other health insurance concerns. This program serves an eligible population of over 1.8 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.

### 5540 820606 Operating Expenses

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$21,786,507	\$22,650,948	\$23,954,572	\$24,910,367	<b>\$26,010,367</b>	<b>\$26,010,367</b>
	4.0%	5.8%	4.0%	<b>4.4%</b>	<b>0.0%</b>

**Source:** Dedicated Purpose Fund Group: 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.

## Department of Insurance

### 5550 820605 Examination

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$8,443,397	\$7,711,679	\$7,663,884	\$8,184,065	<b>\$8,184,065</b>	<b>\$8,184,065</b>
	-8.7%	-0.6%	6.8%	<b>0.0%</b>	<b>0.0%</b>

**Source:** Dedicated Purpose 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.

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

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$281,175	\$0	\$0	\$0	<b>\$0</b>	<b>\$0</b>
	-100%	N/A	N/A	<b>N/A</b>	<b>N/A</b>

**Source:** Dedicated Purpose Fund Group: One-time transfer of \$11.6 million from the GRF in FY 2004, equal to the amount of funds transferred into the GRF in that year from remaining funds of the Joint Underwriting Association (which was 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.

### 5PT0 820613 Captive Insurance Regulation & Supervision

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$0	\$0	\$0	\$0	<b>\$496,252</b>	<b>\$1,198,696</b>
	N/A	N/A	N/A	<b>N/A</b>	<b>141.5%</b>

**Source:** Dedicated Purpose Fund Group:

**Legal Basis:**

**Purpose:**

## Department of Insurance

### Federal Fund Group

#### 3EVO 820610 Health Insurance Premium Review

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$779,377	\$1,133,676	\$860,047	\$1,300,000	\$0	\$0
	45.5%	-24.1%	51.2%	-100%	N/A

**Source:** Federal Fund Group: CFDA 93.511, Insurance Premium Review grants from the Center for Consumer Information and Insurance Oversight (CIIO), a division of the U.S. Department of Health and Human Services

**Legal Basis:** Section 299.10 of Am. Sub. H.B. 59 of the 130th 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 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$769,106	\$0	\$0	\$0	\$0	\$0
	-100%	N/A	N/A	N/A	N/A

**Source:** Federal Fund Group: CFDA 93.525 from the Center for Consumer Information and Insurance Oversight (CIIO), 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 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 supplemented 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 did not require any state matching funds.

## Department of Insurance

### 3U50 820602 OSHIIP Operating Grant

FY 2012 Actual	FY 2013 Actual	FY 2014 Actual	FY 2015 Estimate	FY 2016 Introduced	FY 2017 Introduced
\$2,061,926	\$2,206,641	\$1,924,147	\$1,970,725	<b>\$1,970,725</b>	<b>\$1,970,725</b>
	7.0%	-12.8%	2.4%	<b>0.0%</b>	<b>0.0%</b>

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

**Legal Basis:** Section 299.10 of Am. Sub. H.B. 59 of the 130th 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 OSHIIP grant awarded by the Centers for Medicare and Medicaid Services is appropriated to this line item. Subsequently, 10% of the grant funds is disbursed 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.

# FY 2016 - FY 2017 Introduced Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2014	Estimate FY 2015	Introduced FY 2016	FY 2015 to FY 2016 % Change	Introduced FY 2017	FY 2016 to FY 2017 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Introduced</b>					
<b>INS</b>	<b>Department of Insurance</b>							
5540	820601	Operating Expenses-OSHIIP	\$ 66,113	\$ 180,000	\$ 180,000	0.00%	\$ 180,000	0.00%
5540	820606	Operating Expenses	\$ 23,954,572	\$ 24,910,367	\$ 26,010,367	4.42%	\$ 26,010,367	0.00%
5550	820605	Examination	\$ 7,663,884	\$ 8,184,065	\$ 8,184,065	0.00%	\$ 8,184,065	0.00%
5PT0	820613	Captive Insurance Regulation & Supervision	\$0	\$ 0	\$ 496,252	N/A	\$ 1,198,696	141.55%
<b>Dedicated Purpose Fund Group Total</b>			<b>\$ 31,684,569</b>	<b>\$ 33,274,432</b>	<b>\$ 34,870,684</b>	<b>4.80%</b>	<b>\$ 35,573,128</b>	<b>2.01%</b>
3EVO	820610	Health Insurance Premium Review	\$ 860,047	\$ 1,300,000	\$ 0	-100.00%	\$ 0	N/A
3U50	820602	OSHIIP Operating Grant	\$ 1,924,147	\$ 1,970,725	\$ 1,970,725	0.00%	\$ 1,970,725	0.00%
<b>Federal Fund Group Total</b>			<b>\$ 2,784,193</b>	<b>\$ 3,270,725</b>	<b>\$ 1,970,725</b>	<b>-39.75%</b>	<b>\$ 1,970,725</b>	<b>0.00%</b>
<b>Department of Insurance Total</b>			<b>\$ 34,468,762</b>	<b>\$ 36,545,157</b>	<b>\$ 36,841,409</b>	<b>0.81%</b>	<b>\$ 37,543,853</b>	<b>1.91%</b>