

State of Alaska FY2012 Governor's Operating Budget

Department of Commerce, Community, and Economic Development Insurance Operations RDU/Component Budget Summary

RDU/Component: Insurance Operations*(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)***Contribution to Department's Mission**

Assure competitive, viable, ethical and lawful insurance is available to Alaskans.

Core Services

- Licensing
- Compliance
- Investigations
- Filing Approval
- Public Information

Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

END RESULT A: Insurance companies and persons transacting insurance comply with Alaska laws and are financially solvent.

- 64% of the investigations approved by the director were completed within one year, not meeting the target of 75%.
- No domestic insurance companies became insolvent during FY10.

Status of Strategies to Achieve End Result

- 100% of financial examinations of domestic insurance companies have been completed every three years.
- 68% of insurance company applications were processed within 60 days or less in FY10, an increase when compared to 53% in FY09.
- In FY10, 87% of surplus lines applications were completed within 90 days, a decrease from 90% in FY09.
- The average producer application processing time for new licenses was 5.5 days in FY10, exceeding the target of 10 days.
- The division performed three market conduct analysis in FY10 a decrease from eight Market Conduct Exams completed in FY09.

END RESULT B: Competitive, up-to-date insurance products are available to Alaskan consumers.

- Target of no more than 65% of the Property and Casualty market shared by the top five insurers was met. Only 35% of the market was captured by the top five insurers.
- 52% of policy form filings completed in 30 days in FY10, which did not meet the target of 80%.

Status of Strategies to Achieve End Result

- Sixteen outreach programs were conducted to provide educational assistance in understanding insurance products and processes in FY10.
- Five consumer guides were reviewed, updated, published and are available to consumers, exceeding our target.

Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Review and revise company licensing instructions on forms and website for clarity and completeness • Quarterly meetings with Attorney General staff to review current licensing actions/issues • Perform examinations both as desk audits and on-site audits to confirm compliance • Perform onsite/desk audits of insurers and surplus lines brokers for premium tax and fee payments • Review surplus lines insurers' financial statements, | <ul style="list-style-type: none"> • Increase access to the National Association of Insurance Commissioners data base to utilize national tools available • Provide consumer education and outreach through informational meetings on topics of current interest • Prepare updates to various consumer guides • Complete website reconstruction/renovations for efficiencies and better user access to resources • Capital Improvement Project - Scanning - Continue |
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Major Activities to Advance Strategies

<ul style="list-style-type: none"> • reviewing for factors outside the normal parameters • Staff participation in National Association of Insurance Commissioners meetings and seminars • Visit insurers to present favorable market conditions and statistics • Participate in the National Association of Insurance Commissioners "market analysis" project to modernize our approach to market oversight 	<ul style="list-style-type: none"> • to scan, verify and archive records • Re-engineering Business Processes - Continue to identify and improve businesses processes in all areas of the division's mission • Publish consumer education materials in print, advertising, and public service announcement formats
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Key Component Challenges

Investigations and Enforcement

In 2009, 86 cases were opened which is a 60% increase over the 52 cases opened in 2008. Criminal investigations are increasing in number and complexity which greatly affects the ability of staff to close cases.

The number and complexity of investigations varies from year-to-year. Consequently, the percentage of completed investigations will vary. The addition of a criminal prosecutor has provided for case reviews at each step to document sufficient evidence of fraud. While this can slow the process at times, the convictions, especially criminal convictions, are increasing.

Licensing

There were over 36,000 licensees at the end of FY10 which is an increase of 60% over 2005. The increase in licensees is straining already limited resources. Appeals of denied license suspensions or revocations, and other licensing matters consume an enormous amount of staff time and effort. Even matters that do not require litigation (such as the legal analysis involving license applicant with felony convictions) often requires considerable time for an attorney to review and analyze. There has been an increase in the number of licensing challenges in recent years, most of which take the form of administrative actions.

Legal

In addition to the increased licensing matters, legal resources are needed to combat criminal insurance fraud. The number of criminal investigations initiated and brought to resolution has increased dramatically. Several criminal cases are open and six criminal convictions were achieved in the last fiscal year. While the division has always had authority to bring criminal charges, it was not until a criminal arena attorney was acquired that more criminal convictions were achieved. We need to ensure that resources are available to actively and thoroughly investigate and prosecute these cases.

Many administrative cases are heard by hearing officers outside the division. While that increases the costs to the division, the public receives benefit by having an impartial review and it also provides a deterrent effect that enforcement action has on licensees.

The division continues to be challenged by an increase of insurance products that are available to consumers. Many of these new products require the promulgation of regulations to ensure the ability to develop and enforce standards. Complexity of the products requires more legal review as the division continues to regulate all aspects of the industry. This complexity, plus the widespread marketing of products, presents a challenge to our ability to not only regulate the products offered but to also deal with licensing issues arising from new methods of marketing.

Personnel

Like much of state government, the division is challenged to find and retain qualified personnel and cope with ever-increasing administrative costs. While the division has filled many lower level positions, attrition in those positions remains a challenge. While this negatively impacts the amount of work done by the division, it has enabled the division to save money while the positions remain vacant. In addition, routine salary increases for more senior staff that have remained with the division have added to the division's expenses.

Public Outreach

The division continues to have the goal of informing the public about insurance products and insurance fraud through

public outreach and publications. The division also strives to inform the public about the division as a whole and the types of assistance the division and staff can provide. The division would like to continue these efforts in the coming fiscal year. Insurance fraud is a felony and we hope to publicize this as a deterrent. Providing information to the public is one of our challenges, not just about the criminal aspects, but to also provide assistance and support to consumers.

An ongoing survey of satisfaction with the consumer services section, has found that consumers are generally satisfied with our service. While satisfaction is often dependent upon whether or not the consumers' issue was resolved favorably, the 306 consumer complaints resulting in payments of \$230,436.22 in FY10 demonstrates that the public was well-served in this area. One particular advantage of having a consumer services section is that it can be a "trip wire" indicating that a company or companies may be violating the law. Often, clusters of complaints about particular practices indicate a pattern of ongoing activity that the division needs to investigate.

Competition

The State of Alaska lacks a competitive insurance marketplace. The worker's compensation market is dominated by relatively few carriers which puts Alaska at risk of losing a viable option for employers to obtain statutorily mandated coverage. The homeowner's market is fast becoming noncompetitive with two carriers writing a majority of the business. This, in turn, creates pressure on the real estate industry as sales of property and re-financing depend on the availability of insurance coverage to satisfy the lenders. One key element to be developed will be regulatory modernization to keep Alaska consistent with regulatory practices. There are a limited number of health insurance companies serving the Alaska marketplace which results in reduced choices for Alaskan consumers.

Technology

The division continues to convert to new technologies and enhance current processes. Limited IT resources slows the conversion process considerably as only a limited number of insurance projects can be worked on at a time. The division has critical needs that continue to be pending for over a year in some cases. The need to have an efficient and coordinated database continues. Further, the need for a "user friendly" website has peaked and the division is in the initial phase for this redesign.

Significant Changes in Results to be Delivered in FY2012

No significant changes are expected. The division has requested a "status-quo" budget that will not permit additional services to be provided; however, we continue to implement efficiencies in order to continue current service levels. Improvements to the website in the areas of communication (electronic notices) and self services will enhance existing services.

Major Component Accomplishments in 2010

Collected \$65,277,046 in premium taxes, penalties, and fees in FY10.

Registered 26 Purchasing Groups.

Admitted 28 new insurance companies, 14 new surplus lines insurers and five risk retention groups.

Started four financial exams, continued one from FY09 and completed three exams.

Completed three premium tax audits of surplus lines brokers.

Opened and investigated 306 consumer complaints, closed 263 complaints, and took action that resulted in additional payments of \$ 230,436.22 to consumers in FY10.

Opened 86 criminal investigations and closed six in FY10.

Issued seven bulletins, seven regulatory orders, 25 disciplinary orders, eight suspension and revocation orders, and completed one major regulatory project.

Approved 2,963 rate and form filings and disapproved 73. There were 1,145 filings rejected, withdrawn or were still under review at the end of FY10.

Statutory and Regulatory Authority

AS 21 Insurance
3 AAC 21 to 31 Insurance

Contact Information
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**Insurance Operations
Component Financial Summary**

All dollars shown in thousands

	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	4,017.1	4,442.0	4,635.6
72000 Travel	101.7	175.5	175.5
73000 Services	2,213.1	2,255.9	2,255.9
74000 Commodities	104.2	59.2	59.2
75000 Capital Outlay	0.0	35.3	35.3
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	6,436.1	6,967.9	7,161.5
Funding Sources:			
1061 Capital Improvement Project Receipts	43.9	131.6	141.0
1156 Receipt Supported Services	6,392.2	6,836.3	7,020.5
Funding Totals	6,436.1	6,967.9	7,161.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2010 Actuals	FY2011 Conference Committee (Final)	FY2011 Authorized	FY2011 Authorized	FY2012 Governor
Unrestricted Revenues						
Receipt Supported Services	51073	4,405.9	0.0	0.0	0.0	0.0
Unrestricted Fund	68515	51,075.1	0.0	0.0	0.0	0.0
Unrestricted Total		55,481.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Receipt Supported Services	51073	6,392.2	0.0	0.0	6,836.3	7,020.5
Capital Improvement Project Receipts	51200	43.9	0.0	0.0	131.6	141.0
Restricted Total		6,436.1	0.0	0.0	6,967.9	7,161.5
Total Estimated Revenues		61,917.1	0.0	0.0	6,967.9	7,161.5

**Summary of Component Budget Changes
From FY2011 Management Plan to FY2012 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2011 Management Plan	0.0	6,836.3	131.6	0.0	6,967.9
Adjustments which will continue current level of service:					
-FY 2011 Over/Understated GGU/SU salary adjustments	0.0	-14.1	0.0	0.0	-14.1
-Delete FY11 OTI funding related to legal and program costs	0.0	-200.0	0.0	0.0	-200.0
-FY 2012 Personal Services increases	0.0	198.3	9.4	0.0	207.7
Proposed budget increases:					
-Continue coverage of legal and other costs to maintain consumer protection	0.0	200.0	0.0	0.0	200.0
FY2012 Governor	0.0	7,020.5	141.0	0.0	7,161.5

**Insurance Operations
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2011 Management Plan	FY2012 Governor		
Full-time	51	52	Annual Salaries	3,116,183
Part-time	0	0	COLA	11,660
Nonpermanent	5	5	Premium Pay	0
			Annual Benefits	1,847,189
			<i>Less 6.82% Vacancy Factor</i>	<i>(339,432)</i>
			Lump Sum Premium Pay	0
Totals	56	57	Total Personal Services	4,635,600

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk	0	0	1	0	1
Accounting Tech I	0	0	1	0	1
Actuary	0	0	2	0	2
Administrative Assistant II	0	0	1	0	1
Administrative Officer II	0	0	1	0	1
Consmr Service Spec(Insurance)	3	0	0	0	3
Consmr Service Supr(Insurance)	1	0	0	0	1
Deputy Director, Insurance	0	0	1	0	1
Division Director	1	0	0	0	1
Ins Financial Exam I	1	0	1	0	2
Ins Financial Exam II	3	0	0	0	3
Ins Financial Exam III	1	0	0	0	1
Insurance Analyst I	0	0	1	0	1
Insurance Analyst II	0	0	4	0	4
Insurance Analyst III	3	0	3	0	6
Insurance Analyst IV	0	0	1	0	1
Insurance Licensing Exam I	0	0	3	0	3
Investigator III	3	0	0	0	3
Investigator IV	1	0	0	0	1
Office Assistant I	3	0	10	0	13
Paralegal II	1	0	0	0	1
Prog Coordinator	0	0	1	0	1
Publications Tech I	0	0	1	0	1
Records & Licensing Spvr	0	0	1	0	1
Regulations Spec II	0	0	1	0	1
Secretary	1	0	0	0	1
Tax Auditor III	0	0	1	0	1
Totals	22	0	35	0	57

Component Detail All Funds
Department of Commerce, Community, and Economic Development

Component: Insurance Operations (354)
RDU: Insurance (116)

	FY2010 Actuals	FY2011 Conference Committee (Final)	FY2011 Authorized	FY2011 Management Plan	FY2012 Governor	FY2011 Management Plan vs FY2012 Governor	
71000 Personal Services	4,017.1	4,431.4	4,442.0	4,442.0	4,635.6	193.6	4.4%
72000 Travel	101.7	175.5	175.5	175.5	175.5	0.0	0.0%
73000 Services	2,213.1	2,255.9	2,255.9	2,255.9	2,255.9	0.0	0.0%
74000 Commodities	104.2	59.2	59.2	59.2	59.2	0.0	0.0%
75000 Capital Outlay	0.0	35.3	35.3	35.3	35.3	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	6,436.1	6,957.3	6,967.9	6,967.9	7,161.5	193.6	2.8%
Fund Sources:							
1061 CIP Rcpts	43.9	131.6	131.6	131.6	141.0	9.4	7.1%
1156 Rcpt Svcs	6,392.2	6,825.7	6,836.3	6,836.3	7,020.5	184.2	2.7%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	6,392.2	6,825.7	6,836.3	6,836.3	7,020.5	184.2	2.7%
Other Funds	43.9	131.6	131.6	131.6	141.0	9.4	7.1%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	51	51	51	51	52	1	2.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	3	3	3	5	5	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Commerce, Community, and Economic Development

Component: Insurance Operations (354)

RDU: Insurance (116)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2011 Conference Committee (Final) To FY2011 Authorized *****												
FY2011 Conference Committee												
	ConfCom	6,957.3	4,431.4	175.5	2,255.9	59.2	35.3	0.0	0.0	51	0	3
1061 CIP Rcpts		131.6										
1156 Rcpt Svcs		6,825.7										
ADN 810108 FY11 Non-Covered Salary Increase Yr 1 CH 56 SLA 10 (HB421) (CH 41 SLA 10 Pg 49 L 33 & Pg 50 L 3-5) (HB300)												
	FisNot	10.6	10.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs		10.6										
: \$10.6												
Subtotal		6,967.9	4,442.0	175.5	2,255.9	59.2	35.3	0.0	0.0	51	0	3
***** Changes From FY2011 Authorized To FY2011 Management Plan *****												
ADN 800158 Reflect Two New Non-Perm Positions/Approved Prior to FY11 Management Plan												
	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	2
This transaction establishes two new non-perm Office Assistant I positions, PCN's 08-#043 and 08-#044, which were approved prior to the FY11 Management Plan.												
Subtotal		6,967.9	4,442.0	175.5	2,255.9	59.2	35.3	0.0	0.0	51	0	5
***** Changes From FY2011 Management Plan To FY2012 Governor *****												
Transfer position from Administrative Services to Division of Insurance for reclass to Regulations Specialist												
	Trin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
The Division of Administrative Services is transferring a vacant position to the Division of Insurance for reclassification. The Division of Insurance will reclassify PCN 08-9072 to a Regulations Specialist to handle regulations, orders, bulletins and drafting legislation.												
Continue coverage of legal and other costs to maintain consumer protection												
	IncM	200.0	0.0	0.0	200.0	0.0	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs		200.0										
The Division is operating with a one-time increment of \$200.0. If this increment is not built into the budget, the Division will have a deficit. Previous deficiency challenges were covered by not expending the travel budget and by personal services vacancies in FY10 that will not exist in FY11 and beyond.												
An approval of the requested \$200.0 maintains a "status-quo" budget. While this is an increase to the base budget, it represents a "no growth." The Division has adequate positions to fulfill the primary task of protecting consumers by enforcing Alaska insurance laws and regulations, however, without a "status-quo" budget;												

Change Record Detail - Multiple Scenarios With Descriptions
Department of Commerce, Community, and Economic Development

Component: Insurance Operations (354)

RDU: Insurance (116)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	

the Division will be forced to cut back in service areas that may be detrimental to Alaska residents.

The Division of Insurance has experienced increased legal fees and a greater need for public outreach. If the Division reduced or was without legal counsel, there would be a negative impact in the ability to interpret and enforce statute as well as prosecute fraud. Enforcement of Alaska insurance statutes and regulations is critical to the regulatory oversight responsibility of the division.

In FY10, an increase of 60% was incurred in the area of investigation openings. It is expected that criminal investigations will increase further in FY11 as criminals find new and creative ways to commit crimes against Alaska residents. Complex fraud investigations take longer to complete and require new technology and tools to develop evidence that will ensure convictions. It is imperative to have sufficient funds to perform these and other types of regulatory functions. Alaska consumers will be at risk if the division has to prioritize which cases to investigate because there are not sufficient funds to fulfill all of our oversight responsibilities.

This component collects over \$12 million in fees providing abundant resources to fully fund this increment. This increase will allow the Division of Insurance to provide basic core functions necessary to ensure a level of consumer protection.

FY 2011 Over/Understated GGU/SU salary adjustments

	SalAdj	-14.1	-14.1										
1156 Rcpt Svcs		-14.1											

When the SU and GGU salary adjustments were calculated, errors were made that understated some GGU amounts and overstated some SU amounts. This change record identifies the over and under stated amounts associated with these calculations: \$-14.1

Delete FY11 OTI funding related to legal and program costs

	OTI	-200.0	0.0										
1156 Rcpt Svcs		-200.0											

This change record deletes funding for a one-time item approved in FY2011 for the purpose of licensee notifications and legal costs.

The tremendous increase in licensees over the last several years has brought with it increased need for legal counsel in several areas, including dealing with applications of convicted felons, administrative actions regarding licensees, advice concerning orders pertaining to specific licensees, investigations, and other miscellaneous matters that may arise.

This component collects over \$12 million in fees providing abundant resources to fully fund this increment. This increase allowed the Division of Insurance to provide basic core functions necessary to ensure a level of consumer protection.

FY 2012 Personal Services increases

	SalAdj	207.7	207.7										
1061 CIP Rcpts		9.4											
1156 Rcpt Svcs		198.3											

This change record includes the following personal services increases : \$207.7

Change Record Detail - Multiple Scenarios With Descriptions
Department of Commerce, Community, and Economic Development

Component: Insurance Operations (354)
RDU: Insurance (116)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Alaska State Employees Assn (GGU) FY2012 Health Insurance Increased Costs : \$75.5												
Alaska Public Employees Assn (SU) FY2012 Health Insurance Increased Costs : \$16.1												
Non-Covered Employees FY2012 Health Insurance Increased Costs : \$7.3												
Alaska State Employees Association (GGU) FY 12 COLA increases : \$50.1												
Alaska Public Employees Association (SU) FY 12 COLA increases : \$15.4												
Non-Covered Employees FY 12 COLA increases : \$10.9												
Alaska State Employees Association - ASEA Geographic Differential for GGU : \$23.3												
Alaska Public Employees Association - APEA Geographic Differential for SU : \$9.1												
Totals		7,161.5	4,635.6	175.5	2,255.9	59.2	35.3	0.0	0.0	52	0	5

Personal Services Expenditure Detail
Department of Commerce, Community, and Economic Development

Scenario: FY2012 Governor (8665)
Component: Insurance Operations (354)
RDU: Insurance (116)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
08-4001	Division Director	FT	A	XE	Anchorage	AA	27J / K	12.0		121,704	3,111	0	55,381	180,196	0
08-4002	Office Assistant I	FT	A	GP	Juneau	202	8B / C	12.0		29,700	0	0	25,697	55,397	0
08-4003	Deputy Director, Insurance	FT	A	XE	Juneau	AA	24B / C	12.0		86,412	2,315	0	44,320	133,047	0
08-4004	Insurance Analyst IV	FT	A	SS	Juneau	202	20A	10.0		54,460	0	0	31,098	85,558	0
08-4005	Insurance Analyst III	FT	A	GG	Anchorage	200	18N / O	12.0		82,380	0	0	43,572	125,952	0
08-4007	Insurance Licensing Exam I	FT	A	GP	Juneau	202	12C / D	12.0		39,532	0	0	29,033	68,565	0
08-4008	Prog Coordinator	FT	A	SS	Juneau	202	20J / K	12.0		83,376	0	0	43,433	126,809	0
08-4009	Publications Tech I	FT	A	GP	Juneau	202	11G / J	12.0		43,164	0	0	30,266	73,430	0
08-4021	Secretary	FT	A	GP	Anchorage	200	11D / E	12.0		38,025	0	0	28,522	66,547	0
08-4022	Insurance Licensing Exam I	FT	A	GP	Juneau	202	12C / D	12.0		38,882	0	0	28,813	67,695	0
08-4023	Administrative Officer II	FT	A	SS	Juneau	202	19A	10.0		51,040	0	0	29,938	80,978	0
08-4024	Administrative Assistant II	FT	A	SS	Juneau	202	14C / D	12.0		47,403	0	0	31,228	78,631	0
08-4025	Ins Financial Exam II	FT	A	GP	Anchorage	200	21L / M	12.0		93,648	0	0	47,395	141,043	0
08-4026	Investigator IV	FT	A	SS	Anchorage	200	20L / M	12.0		85,202	0	0	44,053	129,255	0
08-4027	Consmr Service Spec(Insurance)	FT	A	GG	Anchorage	200	16L	12.0		64,548	0	0	37,521	102,069	0
08-4028	Insurance Analyst III	FT	A	GP	Anchorage	200	18A	10.0		44,790	0	0	28,214	73,004	0
08-4029	Accounting Tech I	FT	A	GP	Juneau	202	12F / G	12.0		44,304	0	0	30,652	74,956	0
08-4030	Consmr Service Spec(Insurance)	FT	A	GP	Anchorage	200	16L / M	12.0		66,972	0	0	38,344	105,316	0
08-4031	Insurance Analyst I	FT	A	GP	Juneau	202	13A	10.0		32,360	0	0	23,996	56,356	0
08-4032	Office Assistant I	FT	A	GP	Juneau	202	8B / C	12.0		30,441	0	0	25,949	56,390	0
08-4033	Insurance Analyst III	FT	A	GP	Juneau	202	18B / C	12.0		58,251	0	0	35,385	93,636	0
08-4034	Ins Financial Exam I	FT	A	GP	Anchorage	200	19J / K	12.0		75,996	0	0	41,405	117,401	0
08-4035	Ins Financial Exam III	FT	A	SS	Anchorage	200	23A	10.0		65,220	0	0	34,749	99,969	0
08-4036	Insurance Licensing Exam I	FT	A	GP	Juneau	202	12B / C	12.0		37,887	0	0	28,475	66,362	0
08-4037	Office Assistant I	FT	A	GP	Anchorage	200	8D / E	12.0		31,457	0	0	26,293	57,750	0
08-4038	Office Assistant I	FT	A	GP	Anchorage	200	8D / E	12.0		31,457	0	0	26,293	57,750	0
08-4040	Paralegal II	FT	A	GG	Anchorage	200	16N / O	12.0		69,806	0	0	39,305	109,111	0
08-4041	Tax Auditor III	FT	A	GP	Juneau	202	20K / L	12.0		86,004	0	0	44,801	130,805	0
08-4042	Ins Financial Exam I	FT	A	SS	Juneau	202	19A / B	12.0		63,217	0	0	36,594	99,811	0
08-4043	Records & Licensing Spvr	FT	A	SS	Juneau	202	16J / K	12.0		63,120	0	0	36,561	99,681	0
08-4044	Actuary	FT	A	XE	Juneau	AA	25K / L	12.0		117,468	3,002	0	54,203	174,673	0
08-4045	Insurance Analyst II	FT	A	GP	Juneau	202	16B / C	12.0		50,245	0	0	32,668	82,913	0
08-4046	Insurance Analyst II	FT	A	GP	Juneau	202	16A	10.0		39,670	0	0	26,477	66,147	0
08-4047	Insurance Analyst II	FT	A	GP	Juneau	202	16A	10.0		39,670	0	0	26,477	66,147	0
08-4048	Insurance Analyst II	FT	A	GP	Juneau	202	16C / D	12.0		52,407	0	0	33,402	85,809	0
08-4050	Office Assistant I	FT	A	GP	Juneau	202	8C / D	12.0		30,720	0	0	26,043	56,763	0
08-4051	Insurance Analyst III	FT	A	GP	Anchorage	200	18E / F	12.0		62,772	0	0	36,919	99,691	0

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Personal Services Expenditure Detail
Department of Commerce, Community, and Economic Development

Scenario: FY2012 Governor (8665)
Component: Insurance Operations (354)
RDU: Insurance (116)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
08-4052	Actuary	FT	A	XE	Juneau	AA	25M / N	12.0		126,444	3,232	0	56,698	186,374	0
08-4053	Office Assistant I	FT	A	GP	Anchorage	200	8K / L	12.0		37,221	0	0	28,249	65,470	0
08-4054	Office Assistant I	FT	A	GP	Juneau	202	8B / C	12.0		29,778	0	0	25,724	55,502	0
08-4055	Office Assistant I	FT	A	GP	Juneau	202	8D / E	12.0		32,314	0	0	26,584	58,898	0
08-4056	Investigator III	FT	A	GP	Anchorage	200	18C / D	12.0		58,982	0	0	35,633	94,615	0
08-4057	Ins Financial Exam II	FT	A	GG	Anchorage	200	21K / L	12.0		87,136	0	0	45,185	132,321	0
08-4058	Ins Financial Exam II	FT	A	GG	Anchorage	200	21L / M	12.0		93,507	0	0	47,347	140,854	0
08-4059	Accounting Clerk	FT	A	GP	Juneau	202	10C / D	12.0		35,400	0	0	27,631	63,031	0
08-4060	Consmr Service Supr(Insurance)	FT	A	SS	Anchorage	200	18F / J	12.0		69,012	0	0	38,560	107,572	0
08-4062	Insurance Analyst III	FT	A	GP	Juneau	202	18L / M	12.0		78,072	0	0	42,110	120,182	0
08-4063	Investigator III	FT	A	GP	Anchorage	200	18G / J	12.0		68,532	0	0	38,873	107,405	0
08-4064	Investigator III	FT	A	GP	Anchorage	200	18C / D	12.0		59,064	0	0	35,660	94,724	0
08-4068	Consmr Service Spec(Insurance)	FT	A	GP	Anchorage	200	16D / E	12.0		53,511	0	0	33,776	87,287	0
08-4069	Insurance Analyst III	FT	A	GP	Juneau	202	18G / J	12.0		69,900	0	0	39,337	109,237	0
08-9072	Regulations Spec II	FT	A	GP	Juneau	202	16A	10.0		39,670	0	0	26,477	66,147	0
08-N08021	Office Assistant I	NP	N	GG	Juneau	202	8A	2.0		4,786	0	0	3,174	7,960	0
08-N09002	Office Assistant I	NP	N	GP	Juneau	202	8A	2.0		4,786	0	0	3,174	7,960	0
08-N10005	Office Assistant I	NP	N	GP	Juneau	202	8A	2.0		4,786	0	0	3,174	7,960	0
08-N11001	Office Assistant I	NP	N	GP	Juneau	202	8A	2.0		4,786	0	0	3,174	7,960	0
08-N11002	Office Assistant I	NP	N	GG	Juneau	202	8A	2.0		4,786	0	0	3,174	7,960	0

Total Positions:	52	0	0	Total Salary Costs:	3,116,183
Full Time Positions:	52	0	0	Total COLA:	11,660
Part Time Positions:	0	0	0	Total Premium Pay:	0
Non Permanent Positions:	5	0	0	Total Benefits:	1,847,189
Positions in Component:	57	0	0	Total Pre-Vacancy:	4,975,032
				Minus Vacancy Adjustment of 6.82%:	(339,432)
				Total Post-Vacancy:	4,635,600
				Plus Lump Sum Premium Pay:	0
				Personal Services Line 100:	4,635,600

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1061 Capital Improvement Project Receipts	39,800	37,085	0.80%
1156 Receipt Supported Services	4,935,232	4,598,515	99.20%
Total PCN Funding:	4,975,032	4,635,600	100.00%

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Personal Services Expenditure Detail
Department of Commerce, Community, and Economic Development

Scenario: FY2012 Governor (8665)
Component: Insurance Operations (354)
RDU: Insurance (116)

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.
[No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Commerce, Community, and Economic Development
Travel

Component: Insurance Operations (354)
RDU: Insurance (116)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
72000	Travel		101.7	175.5	175.5
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
72000 Travel Detail Totals			101.7	175.5	175.5
72100	Instate Travel	Instate Transportation - Transportation costs for travel relating to field work, administration, and conventions and meetings.	37.8	62.7	62.7
72400	Out Of State Travel	Out of State Transportation - Transportation costs for travel relating to field work, administration, and conventions and meetings.	63.8	112.8	112.8
72900	Other Travel Costs	Miscellaneous travel-related expenses.	0.1	0.0	0.0

Line Item Detail
Department of Commerce, Community, and Economic Development
Services

Component: Insurance Operations (354)
RDU: Insurance (116)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor	
73000	Services		2,213.1	2,255.9	2,255.9	
Expenditure Account			FY2010 Actuals	FY2011 Management Plan	FY2012 Governor	
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor	
73000 Services Detail Totals			2,213.1	2,255.9	2,255.9	
73025	Education Services	Training, educational conferences, agency memberships, tuition, books and fees for work-related courses.	28.3	28.3	28.3	
73150	Information Technlgy	Communication expenditures for telephones, fax, and modems.	4.2	4.2	4.2	
73156	Telecommunication	Local, long-distance, and cellular telephone charges, television, data/network, telecommunication equipment, and other wireless charges from outside vendors.	7.8	7.8	7.8	
73225	Delivery Services	Freight, courier service and postage.	6.5	6.5	6.5	
73450	Advertising & Promos	Advertising, promotions and legal notices.	35.1	35.1	35.1	
73650	Struc/Infstruct/Land	Structure, infrastructure and land repairs, maintenance, rentals and leases.	21.4	21.4	21.4	
73675	Equipment/Machinery	Machinery, furniture and equipment purchase, repair, maintenance, rental, and leases.	330.0	330.1	330.1	
73750	Other Services (Non IA Svcs)	Program management/consulting, economic/development, safety-related services, printing, copying, and other services.	32.7	32.7	32.7	
73805	IT-Non-Telecommnctns	Admin	Enterprise Technology Services - Multiple computer services - including mainframe applications, Alaska Budget System (ABS), antivirus and MICS.	43.6	57.3	57.3
73806	IT-Telecommunication	Admin	Enterprise Technology Services - Non-telephone telecommunication services, including dedicated circuits, space and power, radio circuits, videoconferencing, etc. (EPR).	47.3	82.7	82.7
73806	IT-Telecommunication	Admin	Enterprise Technology Services - Phone services, including line rental, voice mail, equipment and fax equipment on State network (PBX).	10.0	10.0	10.0

Line Item Detail
Department of Commerce, Community, and Economic Development
Services

Component: Insurance Operations (354)

RDU: Insurance (116)

Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000 Services Detail Totals			2,213.1	2,255.9	2,255.9
73808	Building Maintenance	Building maintenance costs	0.5	0.5	0.5
73809	Mail	Admin Division of General Services - Pro-rated share of expenses relating to central mailroom support and services.	94.3	94.3	94.3
73810	Human Resources	Admin Division of Personnel - Human resource and personnel services	42.9	42.9	42.9
73811	Building Leases	Admin Rental of state-owned building - Juneau State Office Building and Atwood Building	227.3	227.3	227.3
73812	Legal	Law Legal services and fees.	404.5	447.2	447.2
73814	Insurance	Admin Division of Risk Management - Risk management insurance charges for leased buildings, repossessed properties, aviation, public official bonds, and overhead.	0.8	0.8	0.8
73815	Financial	Admin Div. of Finance – Computer services for state accounting (AKSAS) and payroll (AKPAY) systems	2.6	2.6	2.6
73816	ADA Compliance	Labor Division of Vocational Rehabilitation - Pro-rated share of expenses relating to Americans with Disabilities Act (ADA) enforcement.	0.6	0.6	0.6
73818	Training (Services-IA Svcs)	Admin Division of Finance - Miscellaneous training, including Alaska State Accounting System (AKSAS) and reporting classes.	0.2	0.2	0.2
73819	Commission Sales (IA Svcs)	State Travel Office US Travel LLC, STO Advance Only, for all US Travel payments.	1.8	1.8	1.8
73821	Hearing/Mediation (IA Svcs)	Admin Office of Administrative Hearings - Hearing Officers.	0.1	0.1	0.1
73827	Safety (IA Svcs)	PubSaf Background history checks for insurance agency, brokers, producers, etc., conducted prior to licensing per AS 21.27.040(e).	13.4	13.4	13.4
73848	State Equip Fleet	Trans State Equipment Fleet Services.	8.2	8.2	8.2
73979	Mgmt/Consulting (IA Svcs)	Commissioner's Office Commissioner's office - Management support services.	108.6	101.7	101.7
73979	Mgmt/Consulting (IA Svcs)	Administrative Services Division of Administrative Services - Management support services.	740.4	698.2	698.2

Line Item Detail
Department of Commerce, Community, and Economic Development
Commodities

Component: Insurance Operations (354)
RDU: Insurance (116)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
74000	Commodities		104.2	59.2	59.2
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
74000 Commodities Detail Totals			104.2	59.2	59.2
74200	Business	Standard office supplies and replacement furniture.	102.7	57.7	57.7
74480	Household & Instit.	Cleaning, food and other household supplies.	1.4	1.4	1.4
74650	Repair/Maintenance (Commodities)	Repair and maintenance costs	0.1	0.1	0.1

Line Item Detail
Department of Commerce, Community, and Economic Development
Capital Outlay

Component: Insurance Operations (354)
RDU: Insurance (116)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
75000	Capital Outlay		0.0	35.3	35.3
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
75000 Capital Outlay Detail Totals			0.0	35.3	35.3
75300	Structs & Infrastr	Structures and Infrastructures.	0.0	0.0	0.0
75700	Equipment	Data processing equipment replacement and upgrades; trade show booth and other promotional equipment replacement and upgrades	0.0	35.3	35.3

Unrestricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Insurance Operations (354)
RDU: Insurance (116)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51073	Receipt Supported Services	4,405.9	0.0	0.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51136	DCED Insurance Fees Insurance license and service fees.				4,405.9	0.0	0.0

Unrestricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Insurance Operations (354)
RDU: Insurance (116)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
68515	Unrestricted Fund	51,075.1	0.0	0.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
60190	Insurance Prem Tax				51,075.1	0.0	0.0

Restricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Insurance Operations (354)
RDU: Insurance (116)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51073	Receipt Supported Services	6,392.2	6,836.3	7,020.5

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51136	DCED Insurance Fees Insurance license and service fees.				6,392.2	6,836.3	7,020.5

Restricted Revenue Detail
Department of Commerce, Community, and Economic Development

Component: Insurance Operations (354)
RDU: Insurance (116)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51200	Capital Improvement Project Receipts	43.9	131.6	141.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51200	Cap Improv Proj Rec Personal services for capital projects.				43.9	131.6	141.0

Inter-Agency Services
Department of Commerce, Community, and Economic Development

Component: Insurance Operations (354)
RDU: Insurance (116)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2010 Actuals	FY2011		FY2012 Governor
					Management Plan		
73805	IT-Non-Telecommnctns	Enterprise Technology Services - Multiple computer services - including mainframe applications, Alaska Budget System (ABS), antivirus and MICS.	Inter-dept	Admin	43.6	57.3	57.3
73805 IT-Non-Telecommnctns subtotal:					43.6	57.3	57.3
73806	IT-Telecommunication	Enterprise Technology Services - Non-telephone telecommunication services, including dedicated circuits, space and power, radio circuits, videoconferencing, etc. (EPR).	Inter-dept	Admin	47.3	82.7	82.7
73806	IT-Telecommunication	Enterprise Technology Services - Phone services, including line rental, voice mail, equipment and fax equipment on State network (PBX).	Inter-dept	Admin	10.0	10.0	10.0
73806 IT-Telecommunication subtotal:					57.3	92.7	92.7
73808	Building Maintenance	Building maintenance costs	Inter-dept		0.5	0.5	0.5
73808 Building Maintenance subtotal:					0.5	0.5	0.5
73809	Mail	Division of General Services - Pro-rated share of expenses relating to central mailroom support and services.	Inter-dept	Admin	94.3	94.3	94.3
73809 Mail subtotal:					94.3	94.3	94.3
73810	Human Resources	Division of Personnel - Human resource and personnel services	Inter-dept	Admin	42.9	42.9	42.9
73810 Human Resources subtotal:					42.9	42.9	42.9
73811	Building Leases	Rental of state-owned building - Juneau State Office Building and Atwood Building	Inter-dept	Admin	227.3	227.3	227.3
73811 Building Leases subtotal:					227.3	227.3	227.3
73812	Legal	Legal services and fees.	Inter-dept	Law	404.5	447.2	447.2
73812 Legal subtotal:					404.5	447.2	447.2
73814	Insurance	Division of Risk Management - Risk management insurance charges for leased buildings, repossessed properties, aviation, public official bonds, and overhead.	Inter-dept	Admin	0.8	0.8	0.8
73814 Insurance subtotal:					0.8	0.8	0.8
73815	Financial	Div. of Finance – Computer services for state accounting (AKSAS) and payroll (AKPAY) systems	Inter-dept	Admin	2.6	2.6	2.6
73815 Financial subtotal:					2.6	2.6	2.6
73816	ADA Compliance	Division of Vocational Rehabilitation - Pro-rated share of expenses relating to Americans with Disabilities Act (ADA) enforcement.	Inter-dept	Labor	0.6	0.6	0.6
73816 ADA Compliance subtotal:					0.6	0.6	0.6
73818	Training (Services-IA Svcs)	Division of Finance - Miscellaneous training, including Alaska State Accounting System (AKSAS) and reporting classes.	Inter-dept	Admin	0.2	0.2	0.2
73818 Training (Services-IA Svcs) subtotal:					0.2	0.2	0.2

Inter-Agency Services
Department of Commerce, Community, and Economic Development

Component: Insurance Operations (354)
RDU: Insurance (116)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2010 Actuals	FY2011		FY2012 Governor
					Management Plan		
73819	Commission Sales (IA Svcs)	US Travel LLC, STO Advance Only, for all US Travel payments.	Inter-dept	State Travel Office	1.8	1.8	1.8
73819 Commission Sales (IA Svcs) subtotal:					1.8	1.8	1.8
73821	Hearing/Mediation (IA Svcs)	Office of Administrative Hearings - Hearing Officers.	Inter-dept	Admin	0.1	0.1	0.1
73821 Hearing/Mediation (IA Svcs) subtotal:					0.1	0.1	0.1
73827	Safety (IA Svcs)	Background history checks for insurance agency, brokers, producers, etc., conducted prior to licensing per AS 21.27.040(e).	Inter-dept	PubSaf	13.4	13.4	13.4
73827 Safety (IA Svcs) subtotal:					13.4	13.4	13.4
73848	State Equip Fleet	State Equipment Fleet Services.	Inter-dept	Trans	8.2	8.2	8.2
73848 State Equip Fleet subtotal:					8.2	8.2	8.2
73979	Mgmt/Consulting (IA Svcs)	Commissioner's office - Management support services.	Intra-dept	Commissioner's Office	108.6	101.7	101.7
73979	Mgmt/Consulting (IA Svcs)	Division of Administrative Services - Management support services.	Intra-dept	Administrative Services	740.4	698.2	698.2
73979 Mgmt/Consulting (IA Svcs) subtotal:					849.0	799.9	799.9
Insurance Operations total:					1,747.1	1,789.8	1,789.8
Grand Total:					1,747.1	1,789.8	1,789.8