

**State of Alaska**  
**FY2013 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**

Regulate the insurance industry to protect Alaskan consumers.

**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.**

Target #1: 75 percent of investigations approved by the director are completed within one year.

Status #1: 69 percent of the investigations approved by the director in 2010 were completed within one year.

Although the 75 percent target was not met, this is a 5 percent increase over the 2009 completed investigations.

Target #2: No domestic insurance company becomes insolvent.

Status #2: No domestic insurance companies became insolvent during FY2011.

**Strategy A1: Timely financial examinations of domestic insurers.**

Target #1: 100 percent of financial examinations of domestic insurance companies are completed every three years.

Status #1: 86 percent of financial examinations of domestic insurance companies have been completed every three years.

**Strategy A2: Efficient licensing of both insurers and persons transacting insurance business.**

Target #1: 80 percent of insurance company applications processed and licenses issued within 60 days.

Status #1: In FY2011, 82 percent of insurance company applications were processed within 60 days or less, an increase over FY2010's 68 percent.

Target #2: Surplus lines applications are approved or denied within 90 days of receipt of a complete application.

Status #2: In FY2011, 88 percent of surplus lines applications were completed within 90 days, an increase over FY2010's 87 percent.

Target #3: Producer applications processed within 10 days.

Status #3: The average producer application processing time for new licenses was three days in FY2011, exceeding the target of 10 days.

**Strategy A3: Market conduct examinations are used to assess market practices.**

Target #1: Perform market conduct examinations and market analysis to resolve compliance and market access issues.

Status #1: In FY2011, the division performed one market conduct exam, a decrease from three market conduct exams completed in FY2010.

**End Result B: Competitive, up-to-date insurance products are available to Alaskan consumers.**

Target #1: The top five insurers share no more than 65 percent of the Property and Casualty market.

Status #1: Target of no more than 65 percent of the Property and Casualty market shared by the top five insurers was

met. The top five insurers captured only 37 percent of the market.

Target #2: 80 percent of rate and policy form filing approvals completed within 30 days.

Status #2: In FY2011, 70 percent of policy form filings were completed in 30 days, an 18 percent increase over FY2010 filings.

**Strategy B1: Conduct public outreach programs to provide educational assistance in understanding insurance products and processes.**

Target #1: Six outreach programs conducted annually.

Status #1: In FY2011, twelve outreach programs were conducted to provide educational assistance in understanding insurance products and processes.

**Strategy B2: Alaskan consumers are aware and knowledgeable about insurance.**

Target #1: Consumer education outreach. Take proactive steps to increase consumer awareness of insurance issues. Annually update consumer guides.

Status #1: Four consumer guides were reviewed, updated, published and are available to consumers.

<b>Major Activities to Advance Strategies</b>	
<ul style="list-style-type: none"> <li>• Review and revise company licensing instructions on forms and website for clarity and completeness</li> <li>• Quarterly meetings with Attorney General staff to review current licensing actions/issues</li> <li>• Perform examinations both as desk audits and on-site audits to confirm compliance</li> <li>• Perform on-site/desk audits of insurers and surplus lines brokers for premium tax and fee payments</li> <li>• Review surplus lines on insurers' financial statements, reviewing for factors outside the normal parameters</li> <li>• Staff participation in National Association of Insurance Commissioners meetings and seminars</li> <li>• Visit insurers to present favorable market conditions and statistics</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in the National Association of Insurance Commissioners "market analysis" project to modernize the approach to market oversight</li> <li>• Increase access to the National Association of Insurance Commissioners database to utilize national tools available</li> <li>• Provide consumer education and outreach through informational meetings on topics of current interest</li> <li>• Prepare updates to various consumer guides</li> <li>• Capital Improvement Project: Scanning - Continue to scan, verify and archive records</li> <li>• Re-engineer Business Processes - the division continues implementation of technology solutions</li> <li>• Publish consumer education materials in print, advertising, and public service announcement formats</li> </ul>

**Key Component Challenges**

**Investigations and Enforcement**

In FY2011, 77 cases were opened, a 68 percent increase over the 52 cases opened in 2008. Criminal investigations are increasing in number and complexity, which presents constant challenges due to the nature of the crimes, as well as the new and creative ways that criminals commit them. The ability to close cases is impacted by this increase in complexity. Complex fraud investigations take longer to complete and require new technology and tools to develop evidence that will ensure convictions.

**Insurance Products**

The division continues to be challenged by the 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 also to deal with licensing issues arising from new methods of marketing.

**Licensing**

There were over 38,000 licensees at the end of FY2011, an increase of 61 percent over 2005. The increase in licensees is straining already limited resources. Appeals of denied licenses and 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 result in administrative actions.

### **Legal**

In addition to rising numbers of challenges to licensing actions and the complexity of insurance products, the division has increased need to combat criminal insurance fraud. Criminal investigations have increased as has costs for legal services in general. As these costs increase, the public has benefited by increased policing of licensees' conduct and the deterrent effect that enforcement action has on licensees. Enforcement of Alaska insurance statutes and regulations is critical to the regulatory oversight responsibility of the division.

### **Personnel**

It continues to be difficult to recruit and retain individuals with sufficient experience or expertise to fill positions ranging from the clerk positions to the professional level positions that require the ability to complete challenging analysis and evaluation of the insurance marketplace. As several senior staff members are approaching retirement eligibility, we need to be able to replace this expertise and historical memory with no loss of the regulatory enforcement capacity of the division.

### **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. These efforts will continue 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, education and support to consumers.

An ongoing survey shows extreme satisfaction with the consumer services section. While satisfaction is often dependent upon whether or not the consumers' issue was resolved favorably, the 294 consumer complaints resulting in payments of \$356,105 in FY2011 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 national 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 of Insurance will continue its effort to implement a back end IT system. This new system will improve internal workflow and allow the division to regulate the insurance industry more efficiently. It will also provide additional automated services to industry, allowing industry to manage its licensing needs electronically.

## **Significant Changes in Results to be Delivered in FY2013**

Although no significant changes are expected for FY2013, the budget request includes transactions to align authorization with expenditures. The division continues 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 2011**

Collected \$61,501,505 in premium taxes, penalties, and fees in FY2011.

Registered 21 Purchasing Groups.

Admitted 20 new insurance companies, eight new surplus lines insurers and two risk retention groups.

Started one financial exam, continued two exams from FY2010 and completed one exam in FY2011.

Completed four premium tax audits of surplus lines brokers.

Opened and investigated 294 consumer complaints, closed 259 complaints, and took action that resulted in additional payments of \$356,105 to consumers in FY2011.

Opened 77 criminal investigations and closed 56 in FY2011.

Issued seven bulletins, seven regulatory orders, 17 disciplinary orders, six suspension and revocation orders, and completed two regulatory projects.

Approved 3,718 rate and form filings and disapproved 92. There were 456 filings rejected or withdrawn and 277 were still under review at the end of FY2011.

### 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*

	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	4,430.5	4,635.6	5,212.8
72000 Travel	129.2	175.5	175.5
73000 Services	1,947.3	2,255.9	2,055.9
74000 Commodities	238.0	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
<b>Expenditure Totals</b>	<b>6,745.0</b>	<b>7,161.5</b>	<b>7,538.7</b>
<b>Funding Sources:</b>			
1061 Capital Improvement Project Receipts	176.0	141.0	357.8
1156 Receipt Supported Services	6,569.0	7,020.5	7,180.9
<b>Funding Totals</b>	<b>6,745.0</b>	<b>7,161.5</b>	<b>7,538.7</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
<b>Unrestricted Revenues</b>				
Receipt Supported Services	51073	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Receipt Supported Services	51073	6,569.0	7,020.5	7,180.9
Capital Improvement Project Receipts	51200	176.0	141.0	357.8
<b>Restricted Total</b>		<b>6,745.0</b>	<b>7,161.5</b>	<b>7,538.7</b>
<b>Total Estimated Revenues</b>		<b>6,745.0</b>	<b>7,161.5</b>	<b>7,538.7</b>

**Summary of Component Budget Changes  
From FY2012 Management Plan to FY2013 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>
<b>FY2012 Management Plan</b>	<b>0.0</b>	<b>7,020.5</b>	<b>141.0</b>	<b>0.0</b>	<b>7,161.5</b>
<b>Adjustments which will continue current level of service:</b>					
-FY2013 Salary Increases	0.0	118.6	11.4	0.0	130.0
-FY2013 Health Insurance Increases	0.0	41.8	5.4	0.0	47.2
<b>Proposed budget increases:</b>					
-Budget Capital Personal Services Costs	0.0	0.0	200.0	0.0	200.0
<b>FY2013 Governor</b>	<b>0.0</b>	<b>7,180.9</b>	<b>357.8</b>	<b>0.0</b>	<b>7,538.7</b>

**Insurance Operations  
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2012 Management Plan	FY2013 Governor		
Full-time	52	51	Annual Salaries	3,478,671
Part-time	0	0	COLA	12,232
Nonpermanent	6	6	Premium Pay	0
			Annual Benefits	2,049,053
			<i>Less 5.91% Vacancy Factor</i>	<i>(327,156)</i>
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>58</b>	<b>57</b>	<b>Total Personal Services</b>	<b>5,212,800</b>

**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 Licensing Exam I	0	0	2	0	2
Insurance Licensing Exam II	0	0	1	0	1
Insurance Specialist I	1	0	5	0	6
Insurance Specialist II	1	0	3	0	4
Insurance Specialist III	1	0	0	0	1
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
Program Coordinator II	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
<b>Totals</b>	<b>22</b>	<b>0</b>	<b>35</b>	<b>0</b>	<b>57</b>

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

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

	FY2011 Actuals	FY2012 Conference Committee	FY2012 Authorized	FY2012 Management Plan	FY2013 Governor	FY2012 Management Plan vs FY2013 Governor	
71000 Personal Services	4,430.5	4,635.6	4,635.6	4,635.6	5,212.8	577.2	12.5%
72000 Travel	129.2	175.5	175.5	175.5	175.5	0.0	0.0%
73000 Services	1,947.3	2,255.9	2,255.9	2,255.9	2,055.9	-200.0	-8.9%
74000 Commodities	238.0	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%
<b>Totals</b>	<b>6,745.0</b>	<b>7,161.5</b>	<b>7,161.5</b>	<b>7,161.5</b>	<b>7,538.7</b>	<b>377.2</b>	<b>5.3%</b>
<b>Fund Sources:</b>							
1061 CIP Rcpts (Other)	176.0	141.0	141.0	141.0	357.8	216.8	153.8%
1156 Rcpt Svcs (DGF)	6,569.0	7,020.5	7,020.5	7,020.5	7,180.9	160.4	2.3%
<b>Unrestricted General (UGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>6,569.0</b>	<b>7,020.5</b>	<b>7,020.5</b>	<b>7,020.5</b>	<b>7,180.9</b>	<b>160.4</b>	<b>2.3%</b>
<b>Other Funds</b>	<b>176.0</b>	<b>141.0</b>	<b>141.0</b>	<b>141.0</b>	<b>357.8</b>	<b>216.8</b>	<b>153.8%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
Permanent Full Time	51	52	52	52	51	-1	-1.9%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	5	5	5	6	6	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 FY2012 Conference Committee To FY2012 Authorized *****												
<b>FY2012 Conference Committee</b>												
ConfCom		7,161.5	4,635.6	175.5	2,255.9	59.2	35.3	0.0	0.0	52	0	5
1061 CIP Rcpts		141.0										
1156 Rcpt Svcs		7,020.5										
<b>Subtotal</b>		<b>7,161.5</b>	<b>4,635.6</b>	<b>175.5</b>	<b>2,255.9</b>	<b>59.2</b>	<b>35.3</b>	<b>0.0</b>	<b>0.0</b>	<b>52</b>	<b>0</b>	<b>5</b>
***** Changes From FY2012 Authorized To FY2012 Management Plan *****												
<b>ADN 810342 New LTNP Project Coordinator II</b>												
PosAdj		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	1
<p>The LTNP Project Coordinator II position will be responsible for managing the RE-Engineering Insurance Business Processes Capital Improvement Project. This position is needed to plan, coordinate and execute from the agency legacy system to State Based Systems. This includes focused coordination with the division staff, department IT staff and the NAIC. This position will plan, track and resolve issues, establish and monitor scope, establish timelines, maintain priorities, communicate with and among key stakeholders, establish agency needs, develop high level and detailed requirements, and ensure that successful systems are implemented. This position was approved by OMB May 9, 2011.</p> <p>This position has already been assigned to PCN 08N10007 in the AKPAY system.</p>												
<b>Subtotal</b>		<b>7,161.5</b>	<b>4,635.6</b>	<b>175.5</b>	<b>2,255.9</b>	<b>59.2</b>	<b>35.3</b>	<b>0.0</b>	<b>0.0</b>	<b>52</b>	<b>0</b>	<b>6</b>
***** Changes From FY2012 Management Plan To FY2013 Governor *****												
<b>Budget Capital Personal Services Costs</b>												
Inc		200.0	200.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts		200.0										
<p>This increment will bring previously unbudgeted personnel costs on budget. These costs were previously covered by an unbudgeted reimbursable services agreement for the Insurance Imaging IT Project.</p>												
<b>Align Authority with Projected Expenditures</b>												
LIT		0.0	200.0	0.0	-200.0	0.0	0.0	0.0	0.0	0	0	0
<p>This line item transfer balances personal services within vacancy factor guidelines and aligns authorization with projected expenditures.</p>												
<b>Delete Long-Term Vacant Positions (PCN 08-4047)</b>												
PosAdj		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
<p>Position(s) that have been vacant for a year are being deleted.  This transaction is for: 08-4047 (FT)</p>												

**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	
<b>FY2013 Salary Increases</b>												
	SalAdj	130.0	130.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts		11.4										
1156 Rcpt Svcs		118.6										
FY2013 Salary Increases: \$130.0												
<b>FY2013 Health Insurance Increases</b>												
	SalAdj	47.2	47.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts		5.4										
1156 Rcpt Svcs		41.8										
FY2013 Health Insurance Increases: \$47.2												
<b>Totals</b>		<b>7,538.7</b>	<b>5,212.8</b>	<b>175.5</b>	<b>2,055.9</b>	<b>59.2</b>	<b>35.3</b>	<b>0.0</b>	<b>0.0</b>	<b>51</b>	<b>0</b>	<b>6</b>

**Department of Commerce, Community, and Economic Development**

**Scenario:** FY2013 Governor (9494)  
**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	NAA	27K / L	12.0		128,784	3,297	0	58,579	190,660	190,660
08-4002	Office Assistant I	FT	A	GP	Juneau	205	8C	9.6		25,603	0	0	22,029	47,632	47,632
08-4003	Deputy Director, Insurance	FT	A	XE	Juneau	NAA	24C / D	12.0		91,196	2,447	0	47,094	140,737	140,737
08-4004	Insurance Specialist I	FT	A	GP	Juneau	205	17B / C	12.0		55,609	0	0	35,595	91,204	91,204
08-4005	Insurance Specialist II	FT	A	GG	Anchorage	200	19O / P	12.0		91,482	0	0	47,842	139,324	139,324
08-4007	Insurance Licensing Exam II	FT	A	GP	Juneau	205	14B / C	12.0		45,508	0	0	32,147	77,655	77,655
08-4008	Prog Coordinator	FT	A	SS	Juneau	205	20K / L	12.0		90,715	0	0	47,074	137,789	137,789
08-4009	Publications Tech I	FT	A	GP	Juneau	205	11G / J	12.0		45,324	0	0	32,084	77,408	77,408
08-4021	Secretary	FT	A	GP	Anchorage	200	11E / F	12.0		39,982	0	0	30,260	70,242	70,242
08-4022	Insurance Licensing Exam I	FT	A	GP	Juneau	205	12A	12.0		38,292	0	0	29,683	67,975	67,975
08-4023	Administrative Officer II	FT	A	SS	Juneau	205	19J	12.0		79,020	0	0	43,081	122,101	122,101
08-4024	Administrative Assistant II	FT	A	SS	Juneau	605	14D / E	12.0		51,023	0	0	33,523	84,546	21,137
08-4025	Ins Financial Exam II	FT	A	GP	Anchorage	200	21B / C	12.0		71,546	0	0	41,036	112,582	112,582
08-4026	Investigator IV	FT	A	SS	Anchorage	200	20L / M	12.0		89,760	0	0	46,748	136,508	136,508
08-4027	Consmr Service Spec(Insurance)	FT	A	GG	Anchorage	200	16L / M	12.0		68,007	0	0	39,828	107,835	107,835
08-4028	Insurance Specialist I	FT	A	GP	Anchorage	200	17B / C	12.0		53,046	0	0	34,720	87,766	87,766
08-4029	Accounting Tech I	FT	A	GP	Juneau	205	12G / J	12.0		47,421	0	0	32,800	80,221	80,221
08-4030	Consmr Service Spec(Insurance)	FT	A	GP	Anchorage	200	16M / N	12.0		69,488	0	0	40,333	109,821	109,821
08-4031	Insurance Specialist I	FT	A	GP	Juneau	205	17A	9.6		42,816	0	0	27,906	70,722	70,722
08-4032	Office Assistant I	FT	A	GP	Juneau	205	8C / D	12.0		32,970	0	0	27,866	60,836	30,418
08-4033	Insurance Specialist II	FT	A	GP	Juneau	205	19C / D	12.0		67,740	0	0	39,737	107,477	107,477
08-4034	Ins Financial Exam I	FT	A	GP	Anchorage	200	19K / L	12.0		78,113	0	0	43,278	121,391	121,391
08-4035	Ins Financial Exam III	FT	A	SS	Anchorage	200	23L	12.0		105,888	0	0	52,254	158,142	158,142
08-4036	Insurance Licensing Exam I	FT	A	GP	Juneau	205	12B / C	9.6		31,631	0	0	24,087	55,718	55,718
08-4037	Office Assistant I	FT	A	GP	Anchorage	200	8E / F	12.0		33,032	0	0	27,887	60,919	60,919
08-4038	Office Assistant I	FT	A	GP	Anchorage	200	8E / F	12.0		33,032	0	0	27,887	60,919	60,919
08-4040	Paralegal II	FT	A	GG	Anchorage	200	16N / O	12.0		73,524	0	0	41,711	115,235	115,235
08-4041	Tax Auditor III	FT	A	SS	Juneau	205	20L / M	12.0		93,258	0	0	47,942	141,200	141,200
08-4042	Ins Financial Exam I	FT	A	SS	Juneau	205	19B / C	12.0		68,445	0	0	39,471	107,916	107,916
08-4043	Records & Licensing Spvr	FT	A	SS	Juneau	205	16J / K	12.0		66,984	0	0	38,972	105,956	105,956
08-4044	Actuary	FT	A	XE	Juneau	NAA	25L / M	12.0		122,052	3,125	0	56,694	181,871	181,871
08-4045	Insurance Specialist I	FT	A	GP	Juneau	205	17C / D	12.0		58,682	0	0	36,644	95,326	95,326
08-4046	Insurance Specialist I	FT	A	GP	Juneau	205	17A / B	11.0		50,647	0	0	32,517	83,164	83,164
08-4047	Insurance Specialist I	FT	A	GP	Juneau	205	17A	9.6		0	0	0	0	0	0
08-4048	Insurance Specialist I	FT	A	GP	Juneau	205	17D / E	12.0		61,167	0	0	37,493	98,660	98,660
08-4050	Office Assistant I	FT	A	GP	Juneau	205	8A / B	12.0		30,372	0	0	26,979	57,351	57,351
08-4051	Insurance Specialist III	FT	A	GP	Anchorage	200	21F / G	12.0		80,894	0	0	44,227	125,121	125,121
08-4052	Actuary	FT	A	XE	Juneau	NAA	25N / O	12.0		131,370	3,363	0	59,304	194,037	194,037
08-4053	Office Assistant I	FT	A	GP	Anchorage	200	8K / L	12.0		38,604	0	0	29,790	68,394	68,394
08-4054	Office Assistant I	FT	A	GP	Juneau	205	8B / C	9.6		25,398	0	0	21,959	47,357	47,357

**Department of Commerce, Community, and Economic Development**

**Scenario:** FY2013 Governor (9494)  
**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
08-4055	Office Assistant I	FT	A	GP	Juneau	205	8B / C	12.0		31,881	0	0	27,494	59,375	59,375
08-4056	Investigator III	FT	A	GP	Anchorage	200	18D / E	12.0		62,172	0	0	37,836	100,008	100,008
08-4057	Ins Financial Exam II	FT	A	GG	Anchorage	200	21K / L	12.0		92,064	0	0	48,041	140,105	140,105
08-4058	Ins Financial Exam II	FT	A	GG	Anchorage	200	21M	12.0		95,520	0	0	49,221	144,741	144,741
08-4059	Accounting Clerk	FT	A	GP	Juneau	205	10B / C	12.0		36,119	0	0	28,941	65,060	65,060
08-4060	Consmr Service Supr(Insurance)	FT	A	SS	Anchorage	200	18J / K	12.0		72,922	0	0	41,000	113,922	113,922
08-4062	Insurance Specialist II	FT	A	GP	Juneau	205	19M / N	12.0		89,244	0	0	47,078	136,322	136,322
08-4063	Investigator III	FT	A	GP	Anchorage	200	18J / K	12.0		72,189	0	0	41,256	113,445	113,445
08-4064	Investigator III	FT	A	GP	Anchorage	200	18D / E	12.0		62,256	0	0	37,864	100,120	100,120
08-4068	Consmr Service Spec(Insurance)	FT	A	GP	Anchorage	200	16E / F	12.0		56,540	0	0	35,913	92,453	92,453
08-4069	Insurance Specialist II	FT	A	GP	Juneau	205	19J / K	12.0		78,567	0	0	43,433	122,000	122,000
08-9072	Regulations Spec II	FT	A	GP	Juneau	205	16B / C	9.6		42,399	0	0	27,763	70,162	70,162
08-N08021	Office Assistant I	NP	N	GP	Juneau	205	8A	7.0		17,591	0	0	11,825	29,416	0
08-N09002	Office Assistant I	NP	N	GP	Juneau	205	8A	7.0		17,591	0	0	11,825	29,416	0
08-N10005	Office Assistant I	NP	N	GP	Juneau	205	8A	12.0		30,156	0	0	20,271	50,427	0
08-N10007	Program Coordinator II	NP	A	GG	Juneau	205	20A	9.6		52,723	0	0	19,689	72,412	0
08-N11001	Office Assistant I	NP	N	GP	Juneau	205	8A	12.0		30,156	0	0	20,271	50,427	0
08-N11002	Office Assistant I	NP	N	GP	Juneau	205	8A	12.0		30,156	0	0	20,271	50,427	0

<b>Total Positions</b>				<b>Total Salary Costs:</b>	3,478,671
<b>Full Time Positions:</b> 51				<b>Total COLA:</b>	12,232
<b>Part Time Positions:</b> 0				<b>Total Premium Pay:</b>	0
<b>Non Permanent Positions:</b> 6				<b>Total Benefits:</b>	2,049,053
<b>Positions in Component:</b> 57				<b>Total Pre-Vacancy:</b>	5,539,956
				<b>Minus Vacancy Adjustment of 5.91%:</b>	(327,156)
<b>Total Component Months:</b> 658.6				<b>Total Post-Vacancy:</b>	5,212,800
				<b>Plus Lump Sum Premium Pay:</b>	0
				<b>Personal Services Line 100:</b>	5,212,800

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1061 Capital Improvement Project Receipts	376,353	354,127	6.79%
1156 Receipt Supported Services	5,163,604	4,858,673	93.21%
<b>Total PCN Funding:</b>	<b>5,539,956</b>	<b>5,212,800</b>	<b>100.00%</b>

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

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

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000	Travel		129.2	175.5	175.5
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
<b>72000 Travel Detail Totals</b>			<b>129.2</b>	<b>175.5</b>	<b>175.5</b>
72100	Instate Travel	Instate Transportation - Transportation costs for travel relating to field work, administration, and conventions and meetings.	32.8	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.	96.2	112.8	112.8
72900	Other Travel Costs	Miscellaneous travel-related expenses.	0.2	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		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor	
73000	Services		1,947.3	2,255.9	2,055.9	
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor	
<b>73000 Services Detail Totals</b>			<b>1,947.3</b>	<b>2,255.9</b>	<b>2,055.9</b>	
73025	Education Services	Training, educational conferences, agency memberships, tuition, books and fees for work-related courses.	14.8	28.3	28.3	
73075	Legal & Judicial Svc		16.3	0.0	0.0	
73150	Information Technlgy	Communication expenditures for telephones, fax, and modems.	49.0	4.2	49.0	
73156	Telecommunication	Local, long-distance, and cellular telephone charges, television, data/network, telecommunication equipment, and other wireless charges from outside vendors.	7.5	7.8	7.8	
73225	Delivery Services	Freight, courier service and postage.	6.7	6.5	6.5	
73450	Advertising & Promos	Advertising, promotions and legal notices.	89.1	35.1	49.3	
73650	Struc/Infstruct/Land	Structure, infrastructure and land repairs, maintenance, rentals and leases.	46.3	21.4	21.4	
73675	Equipment/Machinery	Machinery, furniture and equipment purchase, repair, maintenance, rental, and leases.	6.0	330.1	108.7	
73750	Other Services (Non IA Svcs)	Program management/consulting, economic/development, safety-related services, printing, copying, and other services.	21.9	32.7	32.7	
73805	IT-Non-Telecommunication	Admin	Enterprise Technology Services - Multiple computer services - including mainframe applications, Alaska Budget System (ABS), antivirus and MICS.	31.4	57.3	31.4
73806	IT-Telecommunication	Admin	Enterprise Technology Services - Non-telephone telecommunication services, including dedicated circuits, space and power, radio circuits, videoconferencing, etc. (EPR).	53.7	82.7	53.7
73806	IT-Telecommunication	Admin	Enterprise Technology Services - Phone services, including line rental, voice mail, equipment and fax	0.0	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	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
<b>73000 Services Detail Totals</b>			<b>1,947.3</b>	<b>2,255.9</b>	<b>2,055.9</b>
		equipment on State network (PBX).			
73808	Building Maintenance	Building maintenance costs	0.3	0.5	0.5
73809	Mail	Admin Division of General Services - Pro-rated share of expenses relating to central mailroom support and services.	94.4	94.3	94.3
73810	Human Resources	Admin Division of Personnel - Human resource and personnel services	41.3	42.9	37.4
73811	Building Leases	Admin Rental of state-owned building - Juneau State Office Building and Atwood Building	236.3	227.3	227.3
73812	Legal	Law Legal services and fees.	383.9	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.	0.7	0.8	0.8
73815	Financial	Admin Div. of Finance – Computer services for state accounting (AKSAS) and payroll (AKPAY) systems	2.8	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.	0.5	0.6	0.6
73818	Training (Services-IA Svcs)	Admin Division of Finance - Miscellaneous training, including Alaska State Accounting System (AKSAS) and reporting classes.	0.1	0.2	0.2
73819	Commission Sales (IA Svcs)	State Travel Office US Travel LLC, STO Advance Only, for all US Travel payments.	1.4	1.8	1.8
73821	Hearing/Mediation (IA Svcs)	Admin Office of Administrative Hearings - Hearing Officers.	0.0	0.1	7.0
73827	Safety (IA Svcs)	PubSaf Background history checks for insurance agency, brokers, producers, etc., conducted prior to licensing per AS 21.27.040(e).	18.7	13.4	32.5
73848	State Equip Fleet	Trans State Equipment Fleet Services.	4.5	8.2	5.0
73979	Mgmt/Consulting (IA Svcs)	Commissioner's Office Commissioner's office - Management support services.	101.0	101.7	101.7
73979	Mgmt/Consulting (IA Svcs)	Administrative Services Division of Administrative Services - Management support services.	718.7	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		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000	Commodities		238.0	59.2	59.2
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
<b>74000 Commodities Detail Totals</b>			<b>238.0</b>	<b>59.2</b>	<b>59.2</b>
74200	Business	Standard office supplies and replacement furniture.	236.4	57.7	57.7
74480	Household & Instit.	Cleaning, food and other household supplies.	1.3	1.4	1.4
74600	Safety (Commodities)		0.1	0.0	0.0
74650	Repair/Maintenance (Commodities)	Repair and maintenance costs	0.2	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		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
75000	Capital Outlay		0.0	35.3	35.3
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
<b>75000 Capital Outlay Detail Totals</b>			<b>0.0</b>	<b>35.3</b>	<b>35.3</b>
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				FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51073	Receipt Supported Services				0.0	0.0	0.0
<b>Detail Information</b>							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51136	DCED Insurance Fees Insurance license and service fees.				0.0	0.0	0.0

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

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

<b>Master Account</b>	<b>Revenue Description</b>				<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
51073	Receipt Supported Services				6,569.0	7,020.5	7,180.9
<b>Detail Information</b>							
<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2011 Actuals</b>	<b>FY2012 Management Plan</b>	<b>FY2013 Governor</b>
51136	DCED Insurance Fees Insurance license and service fees.				6,569.0	7,020.5	7,180.9

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

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

Master Account	Revenue Description	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
51200	Capital Improvement Project Receipts	176.0	141.0	357.8

Detail Information					FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund			
51200	Cap Improv Proj Rec Personal services for capital projects.				176.0	141.0	357.8

**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	FY2011 Actuals	FY2012		
					Management Plan	FY2013 Governor	
73805	IT-Non-Telecommunication	Enterprise Technology Services - Multiple computer services - including mainframe applications, Alaska Budget System (ABS), antivirus and MICS.	Inter-dept	Admin	31.4	57.3	31.4
<b>73805 IT-Non-Telecommunication subtotal:</b>					<b>31.4</b>	<b>57.3</b>	<b>31.4</b>
73806	IT-Telecommunication	Enterprise Technology Services - Non-telephone telecommunication services, including dedicated circuits, space and power, radio circuits, videoconferencing, etc. (EPR).	Inter-dept	Admin	53.7	82.7	53.7
73806	IT-Telecommunication	Enterprise Technology Services - Phone services, including line rental, voice mail, equipment and fax equipment on State network (PBX).	Inter-dept	Admin	0.0	10.0	10.0
<b>73806 IT-Telecommunication subtotal:</b>					<b>53.7</b>	<b>92.7</b>	<b>63.7</b>
73808	Building Maintenance	Building maintenance costs	Inter-dept	Admin	0.0	0.5	0.5
<b>73808 Building Maintenance subtotal:</b>					<b>0.0</b>	<b>0.5</b>	<b>0.5</b>
73809	Mail	Division of General Services - Pro-rated share of expenses relating to central mailroom support and services.	Inter-dept	Admin	94.4	94.3	94.3
<b>73809 Mail subtotal:</b>					<b>94.4</b>	<b>94.3</b>	<b>94.3</b>
73810	Human Resources	Division of Personnel - Human resource and personnel services	Inter-dept	Admin	41.3	42.9	37.4
<b>73810 Human Resources subtotal:</b>					<b>41.3</b>	<b>42.9</b>	<b>37.4</b>
73811	Building Leases	Rental of state-owned building - Juneau State Office Building and Atwood Building	Inter-dept	Admin	236.3	227.3	227.3
<b>73811 Building Leases subtotal:</b>					<b>236.3</b>	<b>227.3</b>	<b>227.3</b>
73812	Legal	Legal services and fees.	Inter-dept	Law	383.9	447.2	447.2
<b>73812 Legal subtotal:</b>					<b>383.9</b>	<b>447.2</b>	<b>447.2</b>
73814	Insurance	Division of Risk Management - Risk management insurance charges for leased buildings, repossessed properties, aviation, public official bonds, and overhead.	Inter-dept	Admin	0.7	0.8	0.8
<b>73814 Insurance subtotal:</b>					<b>0.7</b>	<b>0.8</b>	<b>0.8</b>
73815	Financial	Div. of Finance – Computer services for state accounting (AKSAS) and payroll (AKPAY) systems	Inter-dept	Admin	2.8	2.6	2.6
<b>73815 Financial subtotal:</b>					<b>2.8</b>	<b>2.6</b>	<b>2.6</b>
73816	ADA Compliance	Division of Vocational Rehabilitation - Pro-rated share of expenses relating to Americans with Disabilities Act (ADA) enforcement.	Inter-dept	Labor	0.5	0.6	0.6
<b>73816 ADA Compliance subtotal:</b>					<b>0.5</b>	<b>0.6</b>	<b>0.6</b>
73818	Training (Services-IA Svcs)	Division of Finance - Miscellaneous training, including Alaska State Accounting System (AKSAS) and reporting classes.	Inter-dept	Admin	0.1	0.2	0.2
<b>73818 Training (Services-IA Svcs) subtotal:</b>					<b>0.1</b>	<b>0.2</b>	<b>0.2</b>

**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	FY2011 Actuals	FY2012		
					Management Plan	FY2013 Governor	
73819	Commission Sales (IA Svcs)	US Travel LLC, STO Advance Only, for all US Travel payments.	Inter-dept	State Travel Office	1.4	1.8	1.8
				<b>73819 Commission Sales (IA Svcs) subtotal:</b>	<b>1.4</b>	<b>1.8</b>	<b>1.8</b>
73821	Hearing/Mediation (IA Svcs)	Office of Administrative Hearings - Hearing Officers.	Inter-dept	Admin	0.0	0.1	7.0
				<b>73821 Hearing/Mediation (IA Svcs) subtotal:</b>	<b>0.0</b>	<b>0.1</b>	<b>7.0</b>
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	18.7	13.4	32.5
				<b>73827 Safety (IA Svcs) subtotal:</b>	<b>18.7</b>	<b>13.4</b>	<b>32.5</b>
73848	State Equip Fleet	State Equipment Fleet Services.	Inter-dept	Trans	4.5	8.2	5.0
				<b>73848 State Equip Fleet subtotal:</b>	<b>4.5</b>	<b>8.2</b>	<b>5.0</b>
73979	Mgmt/Consulting (IA Svcs)	Commissioner's office - Management support services.	Intra-dept	Commissioner's Office	101.0	101.7	101.7
73979	Mgmt/Consulting (IA Svcs)	Division of Administrative Services - Management support services.	Intra-dept	Administrative Services	718.7	698.2	698.2
				<b>73979 Mgmt/Consulting (IA Svcs) subtotal:</b>	<b>819.7</b>	<b>799.9</b>	<b>799.9</b>
				<b>Insurance Operations total:</b>	<b>1,689.4</b>	<b>1,789.8</b>	<b>1,752.2</b>
				<b>Grand Total:</b>	<b>1,689.4</b>	<b>1,789.8</b>	<b>1,752.2</b>