

**Ways and Means**

**Transportation, Regulatory & Cultural Subcommittee**

**FY 2018 Budget Hearing**

**Blatt Building Room 318**



**SC Department of Insurance Budget Presentation**

**January 25, 2017**

**10:30 AM**

## Key Officials in the DOI

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# South Carolina Department of Insurance

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## Agency Mission

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

## Agency Vision

The Department of Insurance envisions a competitive and financially stable insurance marketplace. To this end, the Department regulates the insurance marketplace by firmly and fairly implementing and enforcing the insurance laws.

## Agency History and Challenges

Much of the work of the Department is influenced by changes in financial markets at the national and international level. The United States insurance regulatory system is in the midst of significant change. This change is the result of increased federal involvement in insurance regulation and the increasingly international nature of the insurance market. This heightened international nature of the insurance market is often cited as a reason for an increased U.S. federal regulatory presence.

South Carolina has a stable political and regulatory climate which attracts insurers to this state. More importantly, our insurance markets are considered stable and most markets are competitive.

Knowledgeable and educated consumers are indispensable to the Department's success in meeting its goals of protecting and improving the insurance industry in South Carolina. To that end, consumer outreach and education are critical to the Department's mission. Individuals must understand their rights and responsibilities in order to make informed decisions about insurance products to meet their family's financial needs. The Department is trying to provide meaningful information to consumers without violating its statutory obligations to maintain the confidentiality of proprietary information.

One area of focus for the Office of Consumer Services is updating our brochures and various printed materials for consumers. One area of focus was on providing meaningful resources for individuals and small businesses relative to the ACA-compliant plans that would be available in the individual and small group markets. Another area we identified as an opportunity for enhancement was in our Medicare Supplement Insurance Shopper's Guide. Based upon analytics pulled from our website, this consumer guide has the most unique downloads of any documents from our website.

An additional consumer item of focus for the Department was to update the data in the sample premium comparisons tool available under our Market Assistance page. The enhanced premium comparison tool for both private passenger automobile insurance and homeowners insurance allows individuals to input basic information about themselves and their vehicle/ property and, in response, receive a listing of sample premium comparisons from companies writing that coverage.

Several challenges face the agency relative to succession planning at this time. These include the number of retirement eligible employees as well as the loss of their various expertise once they leave the Department. Staff retention, training and effective knowledge transfer are also concerns.

### **Major Program Areas**

➤ **Executive Services and Public Outreach.** This program area supports the Director's office by handling media relations, special projects, grants, public outreach, and legislative services. Public outreach methods include the Internet; presentations; local, state, and national forums; press releases; and the distribution of publications on current insurance issues.

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

➤ **Financial Regulation & Solvency.** This program area enforces solvency standards for insurance companies and related entities. This enforcement includes the entity's life cycle from the initial application and licensure, through financial monitoring and surveillance, to the implementation of regulatory interventions such as administration or supervision of troubled companies. This program also attempts to rehabilitate companies that fall short of solvency standards, and through a court-sanctioned receivership process, it may eventually liquidate companies that cannot be rehabilitated. Through the solvency surveillance process, the area ensures that companies are financially able to meet policyholder obligations when claims come due. Accordingly, this program consists of the offices of Financial Analysis, Financial Examinations, Captives and Taxation. The Captive area is responsible for issuing captive licenses, providing financial surveillance of companies licensed as captives, and monitoring the market conditions and business climate needed for continued development of the alternative risk market, thereby bringing business to South Carolina. The Taxation program responds to inquiries regarding tax rates, policy fees, and premium taxes. This area audits premium tax forms and payments from licensed insurance companies, brokers, and captive insurance companies.

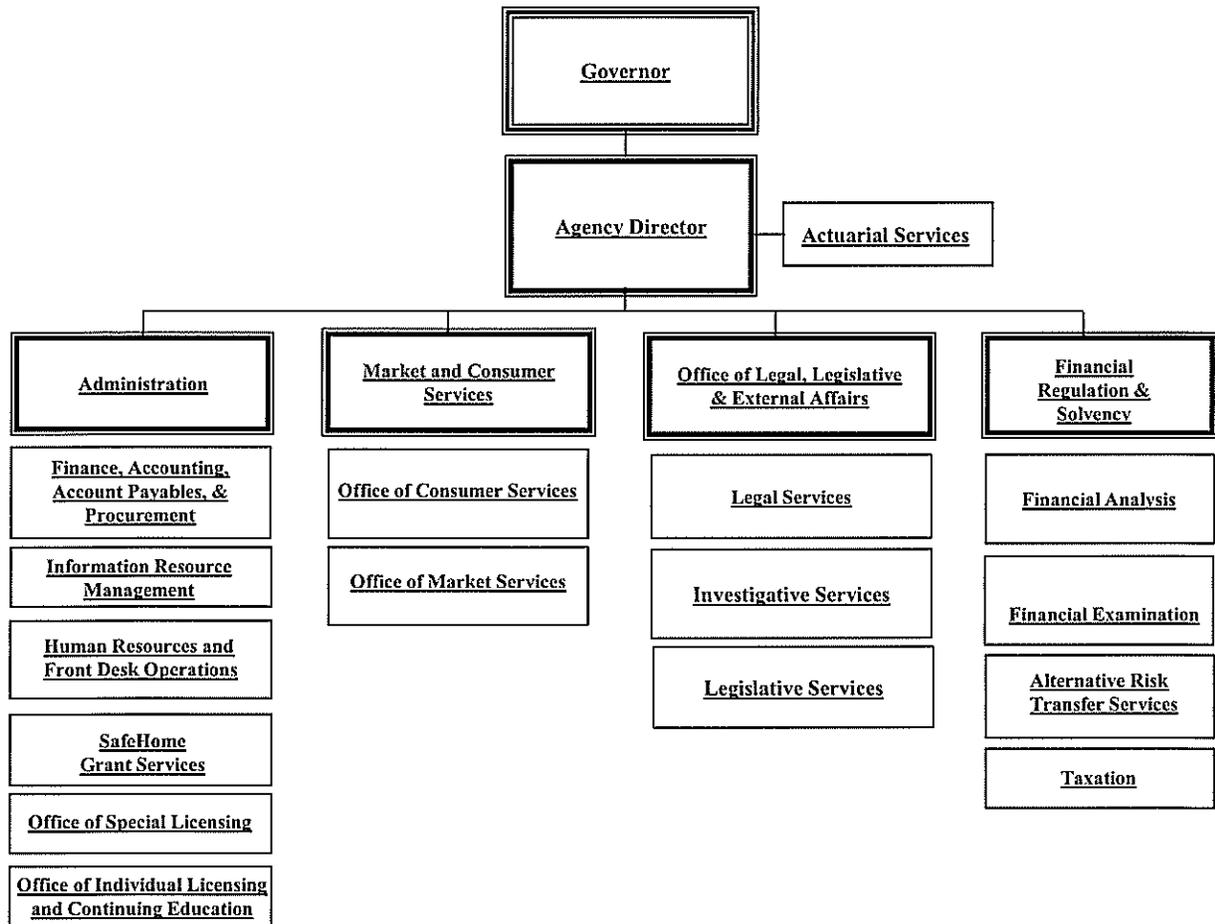
➤ **Market and Consumer Services.** This program area regulates policy forms, rate filings and related documents for insurance products offered for sale in South Carolina. The program area receives and regulates policy form, rate, and rule filings from insurers for property and casualty insurance products, including workers compensation, life, and accident and health insurance products. It also assists in promulgating title rates and forms. Market Services collects statistical data and analyzes it for trends within the insurance market for various lines of insurance. The

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

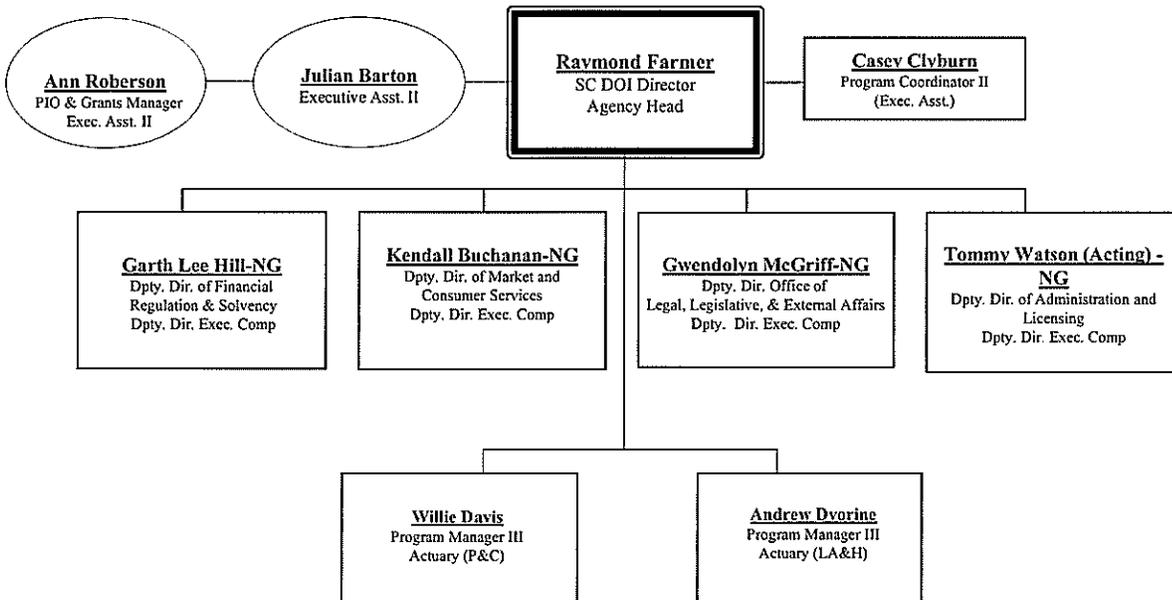
➤ **Licensing.** This program area issues licenses to producers, agencies, brokers, adjusters, public adjusters, appraisers, bondsmen/ runners, premium service companies, utilization review companies, rental car agencies, service contract providers, and third party administrators. It is responsible for approving continuing insurance education courses and tracking licensee compliance. Additional responsibilities include oversight of insurers' appointments of producers for the purpose of writing and conducting business on their behalf.

**Administrative Support.** This program area supports the agency's regulatory functions through planning, accounting, budgeting, information technology services, billing and records management, purchasing, mail services, benefits and personnel management, and professional development. Additionally, Administrative Support coordinates the Department's implementation of its strategic, succession, and workforce plans. Finally, the Safe Home Grant Program manages a \$2.5 million budget, which offers coastal homeowners up to \$5,000 to strengthen their home against potential losses caused by hurricanes.

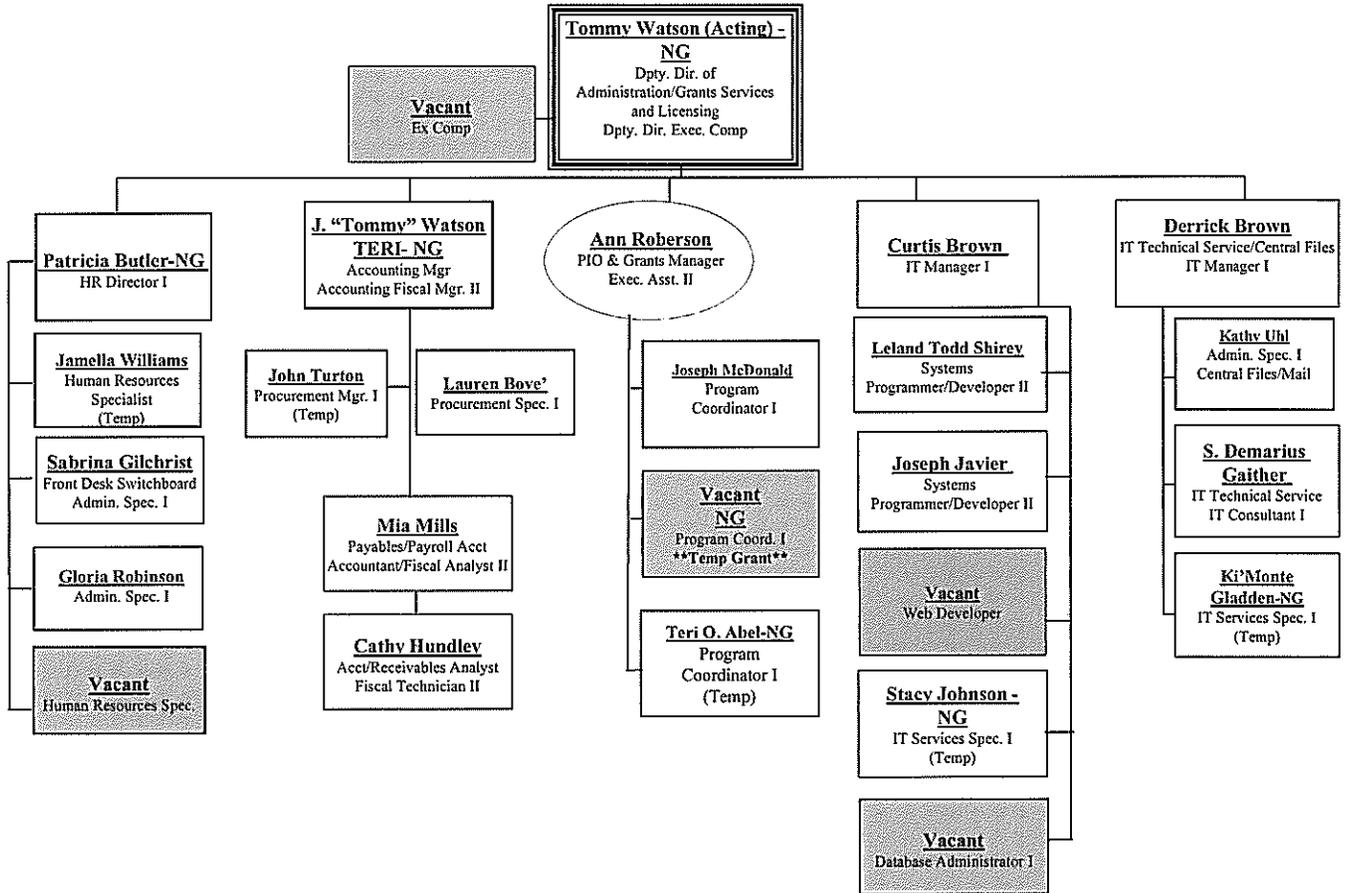
South Carolina Department of Insurance  
Organizational Chart



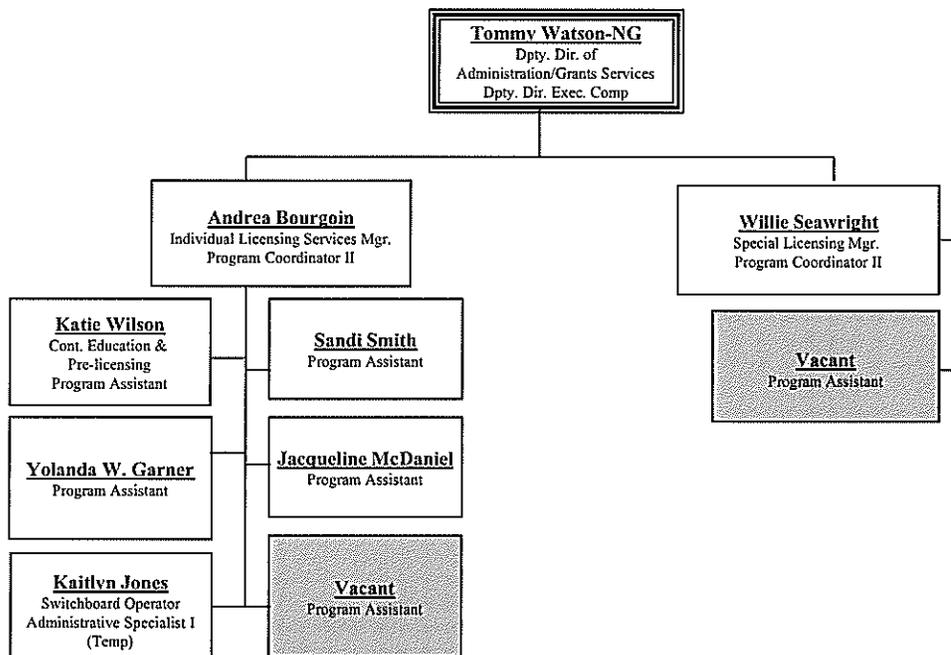
South Carolina Department of Insurance  
Executive Services



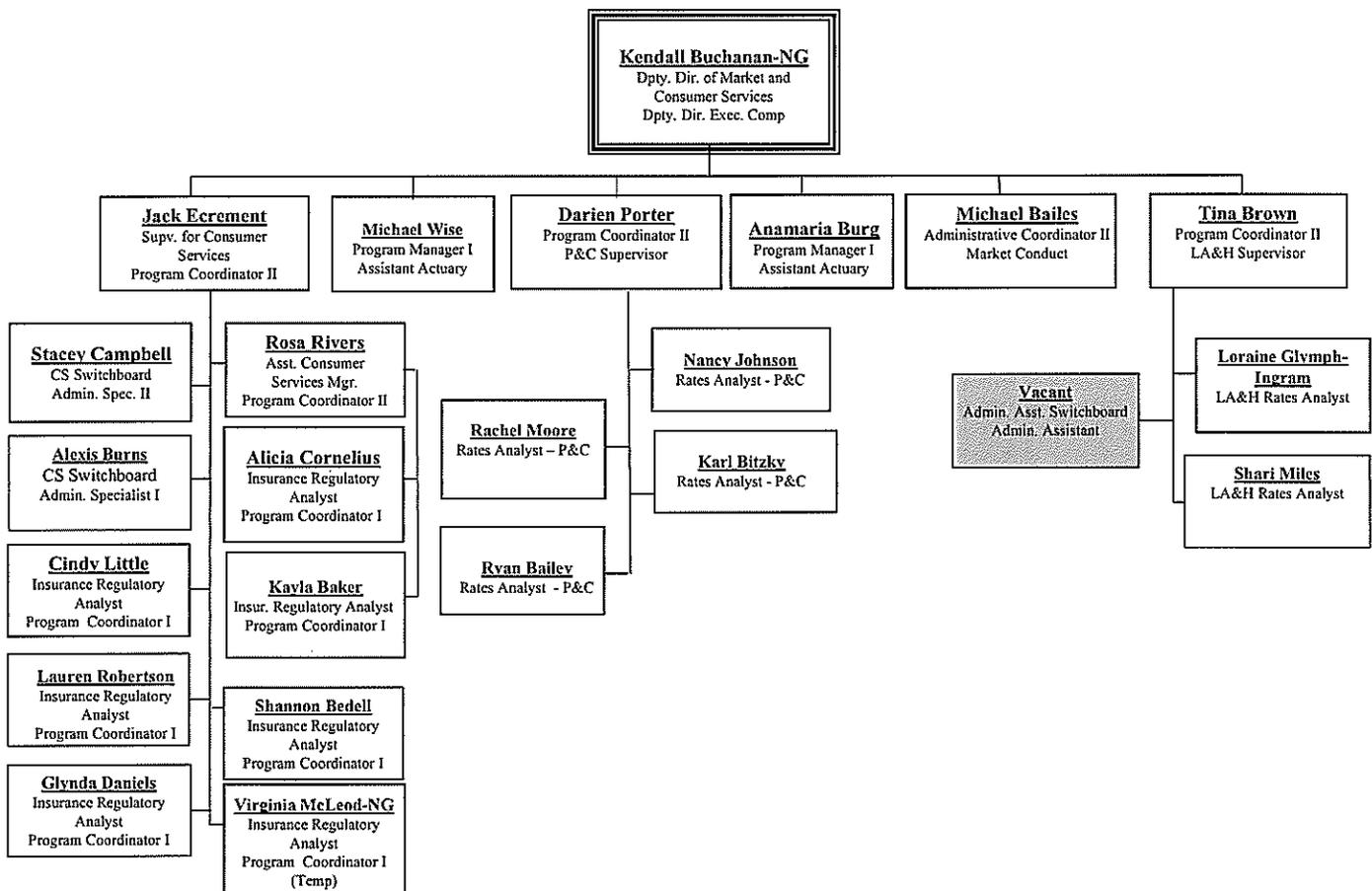
South Carolina Department of Insurance  
 Division of Administration  
 (Page 1 of 2)



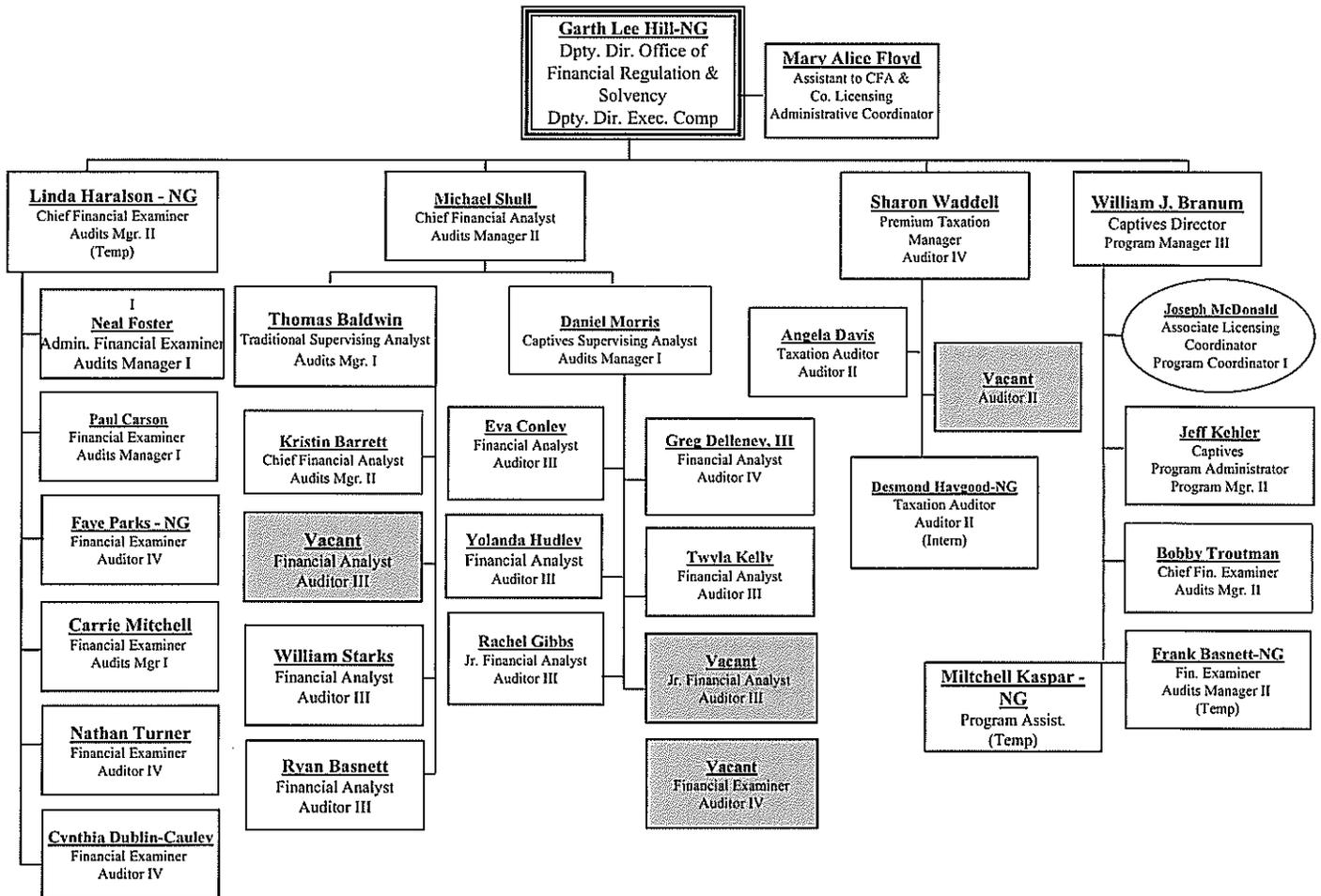
South Carolina Department of Insurance  
Division of Individual Licensing and Special Licensing  
(Page 2 of 2)



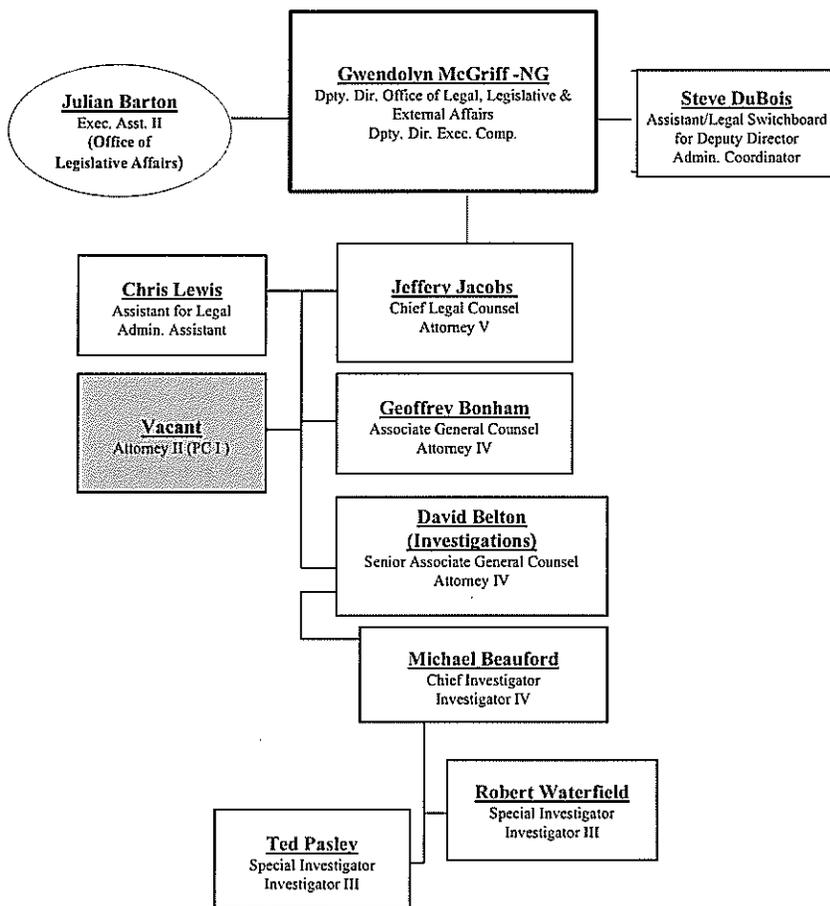
South Carolina Department of Insurance  
Division of Consumer Services and Market Regulations



South Carolina Department of Insurance  
Division of Financial Services



South Carolina Department of Insurance  
Office of Legal, Legislative & External Affairs



01/02/2017

## Key Symbols Chart

<u>Vacant Positions</u>	Anyone listed in parentheses ( ) <b>Temp Employee</b> is paid for the hours worked in a pay period w/no leave or benefits
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Anyone with an NG  
indicated is an employee  
who does not have any  
Grievance rights.

Positions having dual lines  
of reporting

## **South Carolina Department of Insurance**

### *Accountability Report FY 2016 Highlights*

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## AGENCY'S DISCUSSION AND ANALYSIS

### **Key Strategic Challenges**

Much of the work of the Department is influenced by changes in financial markets at the national and international level. Summarized below are the key challenges facing insurance regulation in South Carolina.

#### *Challenge: Increased Federal Involvement in Insurance Regulation*

Examples of the heightened federal involvement in insurance regulatory activities include the enactment of the Patient Protection and Affordable Care Act (ACA), the Wall Street Reform and Consumer Protection Act (commonly referred to as Dodd-Frank), and most recently, National Association of Registered Agents and Brokers (NARAB II). These Acts have, and will continue to have, a significant impact on U.S. insurance markets and their regulation. While this legislation is federal, it impacts state laws and regulations. Federal legislation often establishes the minimum level of protection that may be afforded. While it recognizes that states are the primary regulators of insurance, it also establishes the standards with which all insurers must comply. States are charged with enforcement, but if the state does not enforce the provisions of the law, the federal government will effectively preempt state law. Federal regulators are new to insurance regulation. Consequently, the challenge for state and federal regulators is to effectively collaborate and communicate in the performance of their regulatory roles.

What follows is a summary of the impact of these internal and external factors on the various divisions of the Department.

#### *Market and Consumer Services*

Personnel changes continue to present strategic challenges and opportunities for the Market and Consumer Services Division. The less tenured employees continue to leverage this opportunity to showcase ways that they can contribute to the Division and have taken on training and mentoring of new staff. The Division has also looked internally to further the knowledge base of all employees within the Market and Consumer Services Division. One example is the continued utilization of Division-wide Lunch & Learns. These meetings bring all Division staff together around a particular type of insurance and utilize existing staff that are selected based upon their subject matter expertise to educate their peers and coworkers. This helps to build a baseline level of knowledge across the Division while also focusing on building comradery and cohesiveness. The success of this initiative has led to spin-off versions within various program areas or units throughout the Division. The Division continues to maintain the photo directory for Division staff that was implemented during the prior fiscal year (FY '15) as well.

Much of the duties and responsibilities of the Market and Consumer Services Division are dependent on external factors; the number of consumer calls, consumer complaints, and insurance rate, rule, and form filings that the Division staff must process is directly correlated to how many consumers contact us for assistance and how many insurance product filings are made by insurance carriers in a given period of time. As a result, it can be challenging from a strategic

planning perspective to manage resources effectively while ensuring an efficient turnaround of consumer and insurer submissions.

Because of the limited control we have over the workload itself, we strive to focus on the areas that are within our control with a continual focus on areas for improvement in our processes. For example, the total turnaround time for insurer rate, rule, and form filings is impacted by the quality of the filing at submission, the number of times we must request additional information, support, or clarification from the insurer, and how quickly they provide such information. As the aforementioned items are only minimally within our control, we have sought to emphasize the state's review time as this is entirely based upon how long it takes our staff to review a filing after submission and after a company responds to any follow-up inquiries we may have. Of course, we also understand that the total turnaround time directly impacts speed to market initiatives, so we try to balance the two in our focus.

In an effort to provide greater transparency for consumers, we continue to leverage SERFF Public Access, a no-cost, Internet-based solution for viewing public insurance company rate, rule and form filings from anywhere at any time. Consumers simply click a link on our website to begin searching for filings and are then able to download the entirety of the filing or select a subset of the filing to review in more detail. Of course, we understand that this may not be an option for all interested parties, so we continue to provide the two options that were previously in place – requesting copies to be delivered by mail or email and viewing filings at our public kiosk – as outlined on our website (<http://doi.sc.gov/595/Insurance-Rates>).

We are also continuing our focus on enhancing our customer service. We continue to maintain extended hours in our Office of Consumer Services and are available 8:00 a.m. to 6:00 p.m. Mondays through Thursdays and 8:00 a.m. to 5:00 p.m. on Fridays. We continue to see increased utilization of our online complaint portal, which allows consumers to file consumer complaints with our Office of Consumer Services through our website. During the fiscal year, we updated our complaint database in order to allow us to track complaint files by receipt source so that we may quantify the percentage of complaints received online in future years.

We continue our efforts to enhance our market analysis program area, which is critical to monitoring insurer trade practices and identifying emerging trends in the market or in a particular insurance carrier/ group. During the fiscal year, the agency neared the completion of its first market conduct examination in over 10 years. This exam, which was finalized in July 2016, resulted in a consent order under which the licensee agreed to pay a six figure penalty for violations of state law, ongoing monitoring and compliance reporting, and internal processes and procedures changes for the protection of South Carolina consumers.

As we strive to focus on ways to improve what is within our control, we continue to emphasize regular updates to our exhibits and filing/ reporting resources that we provide to companies to assist them in preparing and submitting a quality filing/ report at initial submission. Our goal for Market Services is to provide carriers with as much pertinent and useful information as we can up front in order to assist them in complying with South Carolina's insurance laws. To that end, the Property and Casualty (P&C) Unit released updated Actuarial Exhibits and tutorials in the fiscal year for the major lines of business that require rate filings. The Life, Accident and Health

(LA&H) Unit continued its focus on processing changes that have resulted from the Affordable Care Act; after each annual filing period, the staff is responsible for identifying areas for improvement and common issues that were identified across carriers. Carrier feedback is also solicited to ensure a holistic approach as the staff works to streamline the filing and review process given that these filings demand significant resources both internally and from our filing carriers.

One area of focus for the Office of Consumer Services continues to be updating our brochures and various printed materials for consumers. During the fiscal year, we published and updated relevant materials for individuals and small businesses regarding the ACA-compliant plans that are available in the individual and small group markets. As was noted in the prior fiscal year's report, the agency's Medicare Supplement Insurance Shopper's Guide is one of the most downloaded documents from our website. As a result, staff continues to identify enhancements for this guide and regularly updates the printed and online versions for consumers.

The Office of Consumer Services also published a variety of new materials for consumers relating to private passenger automobile insurance and homeowners insurance. These include updates to the Automobile Insurance Shopping Guide along with brochures on tax credits for fortification measures, catastrophe savings accounts, and market assistance tools available through the DOI and the NAIC. As in prior years, the Price Comparison Tool, which provides sample premiums for both private passenger automobile insurance and homeowners insurance, was updated during the fiscal year to include sample premiums based upon the responding carriers' rates as of June 2016.

### ***Financial Regulation & Solvency***

The regulatory challenges confronting the Financial Regulation Division involve our ability to effectively implement new regulatory standards in response to federal legislation or financial crises impacting insurers that are members of a holding company system. The contagion effects experienced by U.S. insurers in the AIG holding company system's near collapse prompted U.S. insurance regulators to reevaluate their group supervisory framework and pay closer attention to the risks that are created by activities going on outside of those entities as well as the reputational and contagion issues that could exist. In response, the NAIC voted to adopt a significant new addition to U.S. insurance regulation: the U.S. Own Risk and Solvency Assessment (ORSA). An ORSA will require insurance companies to issue their own assessment of their current and future risk through an internal risk self-assessment process and it will allow regulators to form an enhanced view of an insurer's ability to withstand financial stress. Large- and medium-size U.S. insurance groups and/or insurers will be required to regularly conduct an ORSA, which started in 2015. While few South Carolina domestics will have to conduct this assessment, it will be an expensive and time consuming endeavor for this Department. There is no standard way to conduct an ORSA and it will vary from company to company. The output of the assessment will be a set of documents that demonstrate the results of management's self-assessment.

The ORSA assessment is an accreditation standard. It is a part of an overall regulatory strategy to effectively regulate group activity which also includes supervisory colleges. Supervisory colleges are joint meetings of interested regulators with company officials and include detailed

discussions about financial data, corporate governance and enterprise risk management. Solvency regulation has a more global focus than it has in the past.

South Carolina, as well as all other U.S. jurisdictions, continues to work to understand the effects of the international discussions on insurance regulation and supervisory standard-setting on the U.S. regulated industry. The Department is actively following these international discussions through the efforts of several different Working Groups created by the NAIC. Additionally, the Department is participating in discussions involving cybersecurity on a national and international basis through Director Farmer's position as the Vice-Chair of the Cybersecurity Task Force, also created by the NAIC. At the state level, the Department continues to work with our domestic industry to insure that each company has in place, not only procedures to mitigate cyber breaches, but equally important, a plan that with assist policyholders should such breaches occur.

Much of the work of the Division was devoted to ensuring the Department was prepared for accreditation by the National Association of Insurance Commissioners (NAIC). During June of 2016, an NAIC Accreditation Team spent a week at the Department of Insurance reviewing, in detail, the work that had been performed by the analysts and examiners, as well as each manager, for both the traditional and captive insurance companies domestic to South Carolina for the past five years. Subsequently, during the NAIC National Meeting in August of 2016, the Financial Regulation Standards and Accreditation Committee voted to approve the Accreditation Team's recommendation that the South Carolina Department of Insurance be re-accredited for the full five year period. This re-accreditation was absolutely necessary to allow all states to continue to have confidence in the Department's ability to regulate insurance companies for solvency, to the benefit of all policyholders. Policyholders who are not only South Carolina residents, but residents of all other US jurisdictions which are members of the NAIC. The Department's ability to recruit and retain competent and qualified staff continues to be a challenge for the agency. During the past rating period, the Financial Regulation Division has continued to reorganize to enable the Department to meet these new regulatory challenges. Additional reorganization and effective succession planning will continue to be necessary as members of the Division retire or transition to other opportunities. To address these concerns, the Division has hired interns, permitted other employees within the agency to job shadow, and mentored employees who may have an interest in financial regulation in an attempt to ensure a qualified pool of financial regulators.

During this reporting period, the Financial Regulation & Solvency Division has implemented a policy that requires all analysts and examiners to obtain the Certified Financial Examiner (CFE) certification through the Society of Financial Examiners (SOFE). Previously, only examiners were required to obtain this certification. To this end, the Division has offered and will continue to offer training through presentations by outside professionals as well as webinars produced by the NAIC. An employee of the Division has been assigned to coordinate this effort and has begun accumulating a library of study materials for use by the applicants.

### *Challenge: Workforce Planning and Capacity*

Several significant challenges face the agency succession at this time. These challenges include increased federal involvement in the regulation of the business of insurance, an increasing number of retirement eligible employees as well as the loss of their expertise and institutional

knowledge. These factors have had a significant impact on the work of the Department this past fiscal year.

Out of the 94 Full Time Employees (FTE) assigned to the Department, currently, 31 of filled positions within the Agency are occupied by employees who are either currently retired (i.e. TERI or returned) or will be eligible within 5 years. Twenty-three (23) of these eligible employees are in positions identified as the most critical, not only because of their retirement status, but also due to the importance of the position as it relates to the organization.

A changing workforce demographic continues to impact the culture of the Department as well as the external environment from which it must recruit and train new employees. State salaries are often not competitive with those offered in the private market. Increasing job mobility in the work-world is a significant trend that government agencies must recognize and address as they seek to attract employees who most likely do not envision themselves as working for one employer throughout their career and are interested in many of the advantages/benefits offered by employees in the private sector.

To address these concerns, the Department has developed, and is implementing, workforce and succession plans to address succession issues and enhance the competencies of staff. The workforce plan identifies the positions in the agency that are mission critical and creates specific action steps for managers and employees to recruit, train and retain staff. This process will ensure that institutional knowledge will not be immediately lost upon the retirement or resignation of current employees.

Additionally, the Department has partnered with Midlands Technical College for training, and with other local colleges and universities, to identify and recruit employees with insurance backgrounds and other financial expertise. Students from the Darla Moore School of Business and the Insurance and Risk Management Program at the University of South Carolina, SC State University, Coastal Carolina and Clafflin have successfully completed insurance-related internships at the Department. These insurance programs have served as important recruitment pools for the Department.

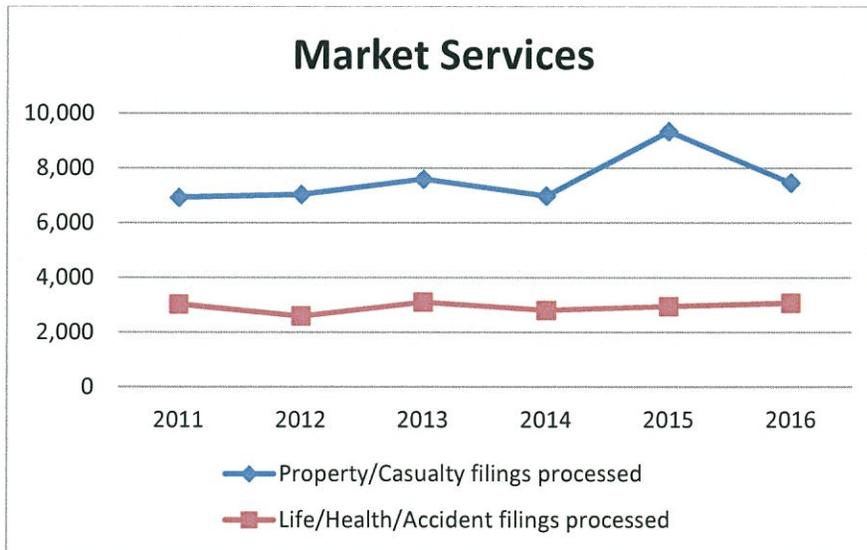
Moreover, Department employees are also being encouraged to take courses to obtain insurance related designations and certifications to enhance their insurance knowledge and otherwise prepare them for advancement opportunities as they become available within the organization. Employees are being cross-trained, mentored and allowed to shadow employees in positions in which they may have an interest. While no guarantees of promotions or employment are made, these efforts help the Department in the event of an unexpected absence and help prepare the employee should an opportunity become available. As a result of these collective efforts, the Department has been able to recruit applicants as well as retain and promote employees with significant insurance knowledge into positions at the Department.

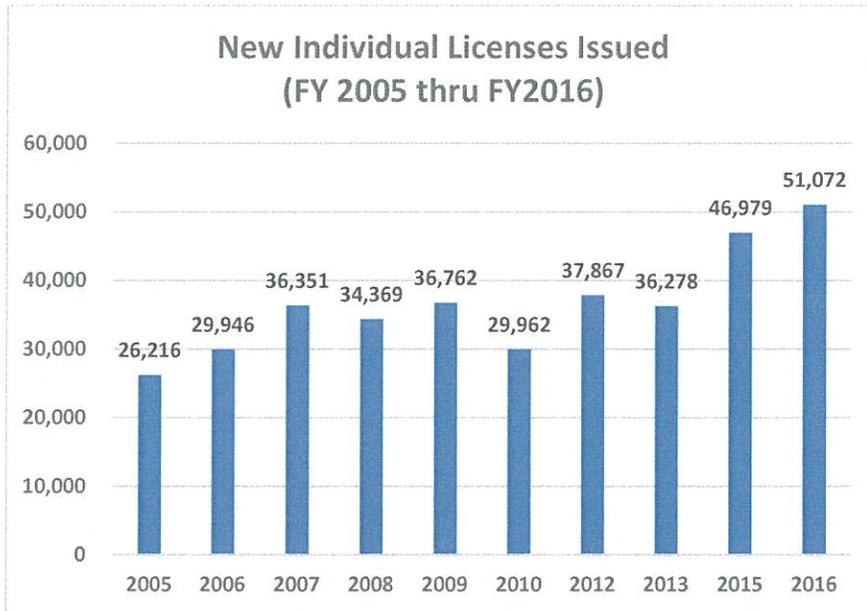
The foregoing discussion summarizes the internal and external factors that impact this agency. It is within this environment that the Department attempts to regulate the South Carolina insurance marketplace. Senior leadership reviews market performance and other regulatory challenges

annually. From this, the Department develops its goals and objectives and legislative and other policy recommendations.

Summarized below are the Department's significant achievements during the fiscal year ending June 30, 2016:

1. Collected \$230,552,024 in revenue from taxes, fees, assessment and fines.
2. Reviewed and analyzed 10,521 rate, rule and form filings. Seven thousand four hundred fifty-eight (7,458) were related to property and casualty insurance products and the remaining 3,063 were related to life, accident and health insurance products.
3. The Department's Office of Consumer Services resolved 3,611 complaints during the fiscal year.
4. Reviewed the South Carolina Code of Laws, Title 38 to determine what, if any, laws that are unnecessary and issued 9 bulletins clarifying issues related to the implementation of South Carolina insurance laws.
5. Implemented a more robust outreach plan which consists of an enhanced website, additional community events, and enhanced market assistance activities in the communities affected by various disasters or other natural events.
6. Enhanced the quality and efficiency of the services provided to stakeholders by automating processes and upgrading technology to enable the Department to be more responsive and to secure the data maintained by the agency.





**Using the Accountability Report to Improve Organizational Performance**

The Department uses the Accountability Report to annually evaluate and critique the progress of the agency’s strategic plan. The Report is also used to initiate discussion about potential changes or additions to the current year’s action plan. Through this process, the performance measures are accurately linked to larger, strategic goals in such a way that promotes the Department’s transparency, efficiency, and effectiveness and commitment to its stakeholders.

**Expenditures/ Appropriations Chart**  
**Base Budget Expenditures and Appropriations**

MAJOR BUDGET CATEGORIES	FY 13-14 ACTUAL EXPENDITURES	
	Total Funds	General Funds
Personal Service	\$ 5,299,579	\$2,541,286
Other Operating	\$ 6,036,337	\$ 401,398
Special Items		
Permanent Improvements		
Case Services	\$ 1,570	\$ 988
Distributions to Subdivisions	\$ 1,996,655	
Fringe Benefits	\$ 1,600,146	\$ 772,853
Non-recurring		
<b>Total</b>	\$14,934,287	\$3,716,525

MAJOR BUDGET CATEGORIES	FY 14-15 ACTUAL EXPENDITURES	
	Total Funds	General Funds
Personal Service	\$ 5,516,959	\$2,598,412
Other Operating	\$ 6,351,111	\$ 402,386
Special Items		
Permanent Improvements		
Case Services		
Distributions to Subdivisions	\$ 2,000,021	
Fringe Benefits	\$ 1,715,156	\$ 798,231
Non-recurring		
<b>Total</b>	\$15,583,247	\$3,799,029

MAJOR BUDGET CATEGORIES	FY 15-16 ACTUAL EXPENDITURES	
	Total Funds	General Funds
Personal Service	\$ 5,424,663	\$2,615,880
Other Operating	\$ 5,022,209	\$ 402,386
Special Items		
Permanent Improvements		
Case Services		
Distributions to Subdivisions	\$ 1,996,674	
Fringe Benefits	\$ 1,752,222	\$ 820,719
Non-recurring		
<b>Total</b>	\$14,195,768	\$3,838,985

MAJOR BUDGET CATEGORIES	FY 16-17 APPROPRIATIONS ACT	
	Total Funds	General Funds
Personal Service	\$ 6,922,097	\$2,762,404
Other Operating	\$ 6,882,311	\$ 572,386
Special Items		
Permanent Improvements		
Case Services		
Distributions to Subdivisions	\$ 2,155,000	
Fringe Benefits	\$ 1,985,040	\$ 867,615
Non-recurring		
<b>Total</b>	\$17,944,448	\$4,202,405

## Major Program Areas Chart

Program Number and Title	Major Program Area Purpose	FY 13-14 Budget Expenditures	FY 14-15 Budget Expenditures	FY 15-16 Budget Expenditures
Administration	Administration: Office of General Counsel, Information Resource Management(IRM), Executive Services	State: 1,391,169 Federal: Other: 1,195,722 Total: 2,586,891 % of Total Budget: 17%	State: 1,418,204 Federal: Other: 1,152,362 Total: 2,570,566 % of Total Budget: 17%	State: 1,390,664 Federal: Other: 1,120,497 Total: 2,511,161 % of Total Budget: 18%
Solvency	Solvency: Financial Examination, Market Conduct Examinations, Financial Analysis, Securities, Securities Custodian and Historical Databases	State: 168,288 Federal: Other: 958,282 Total: 1,126,570 % of Total Budget 8%	State: 254,804 Federal: Other: 858,292 Total: 1,113,096 % of Total Budget 7%	State: 336,740 Federal: Other: 746,117 Total: 1,082,857 % of Total Budget 8%
Licensing	Licensing: Individual Licensing, Companies, Insurer/HMO Licensing, Education, Special Services Division, Third Party Administration Licenses, Utilization Review and Service Contract Providers	State: 67,824 Federal: Other: 566,915 Total: 634,739 % of Total Budget 4%	State: 53,969 Federal: Other: 580,666 Total: 634,635 % of Total Budget 4%	State: 69,093 Federal: Other: 458,966 Total: 528,059 % of Total Budget 4%
Captives	Captives & ARTS MKT SVC's	State: Federal: Other: 1,240,465 Total: 1,240,465 % of Total Budget 8%	State: Federal: Other: 1,611,055 Total: 1,611,055 % of Total Budget 10%	State: Federal: Other: 1,694,266 Total: 1,694,266 % of Total Budget 12%
Policy	Policy Forms and Rates: Review Financial Condition and Residual Markets, Consumer Assistance	State: 833,909 Federal: Other: 427,696 Total: 1,261,605 % of Total Budget 8%	State: 849,984 Federal: Other: 433,161 Total: 1,283,145 % of Total Budget 8%	State: 804,009 Federal: Other: 304,477 Total: 1,108,486 % of Total Budget 8%
Safe Homes	Hurricane Mitigation	State: Federal: Other: 3,700,110 Total: 3,700,110 % of Total Budget 25%	State: Federal: Other: 3,899,543 Total: 3,899,543 % of Total Budget 25%	State: Federal: 46,340 Other: 2,720,024 Total: 2,766,364 % of Total Budget 19%
Fringe Benefits	Employer Fringe Benefits	State: 772,853 Federal: Other: 827,293 Total: 1,600,146 % of Total Budget 11%	State: 798,231 Federal: Other: 916,925 Total: 1,715,156 % of Total Budget 11%	State: 820,719 Federal: Other: 931,503 Total: 1,752,222 % of Total Budget 12%
Remainder of Expenditures (Consumers, Taxation & Uninsured Motorist)		State: 482,482 Federal: Other: 2,301,279 Total: 2,783,761 % of Total Budget 19%	State: 423,837 Federal: Other: 2,332,214 Total: 2,756,051 % of Total Budget 18%	State: 417,760 Federal: Other: 2,334,593 Total: 2,752,353 % of Total Budget 19%

FY 17-18 Budget Priorities Summary												
SC Department of Insurance (R200)												
Budget Priorities				Funding					FTEs			
Priority No. (House Decision Package #)	Type (non- recurring/ recurring /other)	Title	Description	State Recurring	State Non- Recurring	Other	Federal	Total	State	Other	Federal	Total
9757	Recurring	FY 2016-17 Pay Increase & Health Ins.	This represents our Agency's Allocation of State Funds for FY 2016- 17 for both the 3.25% Pay Increase and the Health Insurance Increase.	\$ 122,139				\$ 122,139				
<b>Totals</b>				\$ 122,139	\$ -	\$ -	\$ -	\$ 122,139				

Transportation, Regulatory & Cultural Subcommittee  
 Proviso Request Summary

FY15-16 Act Proviso #	Renumbered FY16-17 Proviso #	Proviso Title	Short Summary	Recommended Action	Proviso Language
78.1	78.1	Examiners Travel/Subsistence Reimbursement	(INS: Examiners Travel/Subsistence Reimbursement) Notwithstanding the limitations in this act as to amounts payable or reimbursable for lodging, meals, and travel, the Department of Insurance is authorized to reimburse department examiners in accordance with guidelines established by the National Association of Insurance Commissioners only when the State is reimbursed by an insurance company for the travel and subsistence expenses of Insurance Department examiners pursuant to Section 38-13-10 of the 1976 Code.	KEEP	
78.2	78.2	Reimbursement Carry Forward	(INS: Reimbursement Carry Forward) Reimbursements received for Data Processing Services, Revenue, Miscellaneous Revenue and Sale of Listings and Labels shall be retained for use by the department. These funds may be carried forward in the current fiscal year.	KEEP	
78.3	78.3	Fees for Licenses	(INS: Fees for Licenses) The Department of Insurance shall be authorized to charge a twenty-five dollar initial producer license fee; a twenty-five dollar biennial producer license renewal fee; and a two hundred-fifty dollar penalty fee for late appointment renewals. The director shall specify the time and manner of payment of these fees. These fees shall be retained by the department for the administration of Title 38.	KEEP	