

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

FINANCIAL SUMMARY

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	FY 2014 REQUEST	GOVERNOR RECOMMENDS FY 2014
Administration and Insurance Operations	\$ 7,818,607	\$ 10,470,414	\$ 10,803,993	\$ 10,635,530
Market Conduct and Financial Examinations	3,348,170	4,017,432	4,017,948	4,047,759
Health Insurance Counseling	1,500,713	1,450,000	1,450,000	1,450,000
Division of Credit Unions	1,039,852	1,254,687	1,255,102	1,265,515
Division of Finance	7,171,538	8,023,315	8,523,074	8,588,141
Division of Professional Registration	<u>11,360,969</u>	<u>14,458,498</u>	<u>15,613,681</u>	<u>15,541,720</u>
DEPARTMENTAL TOTAL	\$ 32,239,849	\$ 39,674,346	\$ 41,663,798	\$ 41,528,665
Federal Funds	1,664,699	2,666,798	2,667,512	2,676,553
Other Funds	30,575,150	37,007,548	38,996,286	38,852,112
Total Full-time Equivalent Employees	526.32	578.33	586.33	580.33
Federal Funds	8.39	21.00	21.00	21.00
Other Funds	517.93	557.33	565.33	559.33

DEPARTMENT SUMMARY

The Fiscal Year 2014 budget provides \$41.5 million for the Department of Insurance, Financial Institutions and Professional Registration. The department protects consumers through oversight of the insurance industry, financial institutions, and licensed professionals.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
ADMINISTRATION AND INSURANCE OPERATIONS**

FINANCIAL SUMMARY

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Administration	\$ 166,390	\$ 179,519	\$ 180,893
Insurance Operations	<u>7,652,217</u>	<u>10,290,895</u>	<u>10,454,637</u>
TOTAL	\$ 7,818,607	\$ 10,470,414	\$ 10,635,530
PERSONAL SERVICE			
Federal Funds	309,978	985,854	995,609
Other Funds	6,449,141	7,101,513	7,246,854
EXPENSE AND EQUIPMENT			
Federal Funds	54,008	430,944	430,944
Other Funds	1,005,480	1,947,103	1,957,123
PROGRAM SPECIFIC DISTRIBUTION			
Other Funds	0	5,000	5,000
TOTAL			
Federal Funds	363,986	1,416,798	1,426,553
Other Funds	7,454,621	9,053,616	9,208,977
Total Full-time Equivalent Employees			
Federal Funds	143.19	180.18	182.18
Other Funds	8.39	21.00	21.00
Other Funds	134.80	159.18	161.18

ADMINISTRATION

Certain administrative functions such as policy development, legislative coordination, communications (public information), research, and accounting are centralized to provide more efficient services. Staff provides these functions centrally with the costs allocated to the appropriate divisions within the department based on usage.

INSURANCE OPERATIONS

Insurance staff is responsible for overseeing the insurance industry's compliance with Missouri insurance laws and regulations, and protecting the interests of Missouri insurance-buying consumers. Specific duties include licensing insurance producers (agents, brokers, and agencies), investigating consumer complaints, collecting premium taxes paid by insurance companies, and providing information to over 28,000 consumers each year through a statewide toll-free hotline and the department's website.

Fiscal Year 2014 Governor's Recommendations

- \$44,490 Insurance Dedicated Fund and one staff to license and regulate captive insurance companies.
- \$41,682 Insurance Dedicated Fund and one staff to implement SB 132 (2011) which regulates motor vehicle extended service contracts.
- \$74,175 federal and other funds for pay plan.
- \$4,769 federal and other funds for the final pay period of the Fiscal Year 2013 approved pay plan.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
MARKET CONDUCT AND FINANCIAL EXAMINATIONS**

FINANCIAL SUMMARY

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Market Conduct and Financial Examinations TOTAL	\$ 3,348,170	\$ 4,017,432	\$ 4,047,759
PERSONAL SERVICE	3,044,813	3,251,758	3,282,085
EXPENSE AND EQUIPMENT	303,357	765,674	765,674
TOTAL			
Other Funds	3,348,170	4,017,432	4,047,759
Total Full-time Equivalent Employees	41.68	42.50	42.50
Other Funds	41.68	42.50	42.50

The department conducts both financial and market conduct examinations. Financial examinations ensure that insurance companies have sufficient reserves to pay consumer claims. Market conduct examinations of insurance companies serve to verify that policyholders and beneficiaries receive the full benefits from the contracts by which they and the insurer have agreed.

Fiscal Year 2014 Governor's Recommendations

- \$29,811 Insurance Examiners Fund for pay plan.
- \$516 Insurance Examiners Fund for the final pay period of the Fiscal Year 2013 approved pay plan.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
HEALTH INSURANCE COUNSELING**

FINANCIAL SUMMARY

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Health Insurance Counseling TOTAL	\$ 1,500,713	\$ 1,450,000	\$ 1,450,000
PROGRAM SPECIFIC DISTRIBUTION			
Federal Funds	1,300,713	1,250,000	1,250,000
Other Funds	200,000	200,000	200,000
TOTAL			
Federal Funds	1,300,713	1,250,000	1,250,000
Other Funds	200,000	200,000	200,000
Total Full-time Equivalent Employees	0.00	0.00	0.00

The department sponsors the Missouri State Health Insurance Assistance Program, commonly known as CLAIM. Trained counselors provide free, unbiased advocacy, education and assistance to people with Medicare and those who help them to make informed decisions about Medicare and related health insurance needs.

Fiscal Year 2014 Governor's Recommendations

Continue funding at the current level.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
DIVISION OF CREDIT UNIONS**

FINANCIAL SUMMARY

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Division of Credit Unions TOTAL	\$ 1,039,852	\$ 1,254,687	\$ 1,265,515
PERSONAL SERVICE	944,089	1,135,603	1,146,431
EXPENSE AND EQUIPMENT	95,763	119,084	119,084
TOTAL			
Other Funds	1,039,852	1,254,687	1,265,515
Total Full-time Equivalent Employees	15.38	15.50	15.50
Other Funds	15.38	15.50	15.50

The Division of Credit Unions is responsible for the examination, supervision, chartering, merger, and liquidation of Missouri's state-chartered credit unions. The division also responds to consumer complaints against credit union services or operations. Missouri's 121 credit unions have approximately 1.2 million members and assets exceeding \$10.8 billion. Missouri ranks eighth in the nation in the number of state-chartered credit unions.

Fiscal Year 2014 Governor's Recommendations

- \$10,413 Division of Credit Unions Fund for pay plan.
- \$415 Division of Credit Unions Fund for the final pay period of the Fiscal Year 2013 approved pay plan.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
DIVISION OF FINANCE**

FINANCIAL SUMMARY

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Division of Finance TOTAL	\$ 7,171,538	\$ 8,023,315	\$ 8,588,141
PERSONAL SERVICE	6,437,054	7,094,824	7,659,650
EXPENSE AND EQUIPMENT	732,834	927,491	927,491
PROGRAM SPECIFIC DISTRIBUTION	1,650	1,000	1,000
TOTAL			
Other Funds	7,171,538	8,023,315	8,588,141
Total Full-time Equivalent Employees	109.80	118.15	118.15
Other Funds	109.80	118.15	118.15

The Division of Finance is responsible for the incorporation and regulation of Missouri's nearly 300 state-chartered banks, non-deposit trust companies, and savings and loan associations. The division also licenses and regulates consumer credit companies, credit services organizations, money order companies, and residential mortgage brokers. Primary objectives include ensuring the safety and soundness of these institutions and the monitoring of compliance with laws and regulations, thereby safeguarding the funds of depositors and maintaining public confidence in Missouri's financial system. Missouri ranks fifth in the nation in the number of state-chartered banks.

Fiscal Year 2014 Governor's Recommendations

- \$496,825 Division of Finance Fund to maintain the Division of Finance salary schedule.
- \$65,067 Division of Finance Fund for pay plan.
- \$2,934 Division of Finance Fund for the final pay period of the Fiscal Year 2013 approved pay plan.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
DIVISION OF PROFESSIONAL REGISTRATION**

FINANCIAL SUMMARY

	FY 2012 EXPENDITURE	FY 2013 APPROPRIATION	GOVERNOR RECOMMENDS FY 2014
Administration	\$ 3,757,953	\$ 4,641,349	\$ 5,674,799
State Board of Accountancy	436,679	460,905	463,673
State Board of Architects, Professional Engineers, Land Surveyors and Landscape Architects	491,719	706,258	710,011
State Board of Chiropractic Examiners	81,299	147,672	147,672
Missouri Dental Board	335,020	638,023	641,773
State Board of Embalmers and Funeral Directors	70,132	204,033	204,033
State Board of Registration for the Healing Arts	2,409,335	2,592,302	2,602,167
State Board of Nursing	1,379,602	1,794,419	1,806,194
State Board of Optometry	9,315	41,110	41,110
State Board of Pharmacy	1,184,436	1,614,868	1,623,662
State Board of Podiatric Medicine	3,748	20,069	20,069
Missouri Real Estate Commission	870,439	1,193,002	1,202,069
Missouri Veterinary Medical Board	69,002	118,079	118,079
State Board of Cosmetology and Barber Examiners	262,290	286,409	286,409
TOTAL	\$ 11,360,969	\$ 14,458,498	\$ 15,541,720
PERSONAL SERVICE	7,929,238	9,278,172	9,369,339
EXPENSE AND EQUIPMENT	3,431,468	5,160,326	6,152,381
PROGRAM SPECIFIC DISTRIBUTION	263	20,000	20,000
TOTAL			
Other Funds	11,360,969	14,458,498	15,541,720
Total Full-time Equivalent Employees	216.27	222.00	222.00
Other Funds	216.27	222.00	222.00

The Division of Professional Registration is responsible for supporting 40 professional licensing boards and commissions in licensing and regulating the activities of over 400,000 Missourians representing approximately 240 different trades and professions. The division serves and protects the public by providing an accessible, responsible, and accountable regulatory system to ensure that Missouri consumers benefit from competent practitioners. Each licensing entity licenses qualified professionals by ensuring that minimum requirements have been met. In addition, each entity must appropriately enforce standards through the inspection of facilities and the investigation of complaints.

Fiscal Year 2014 Governor's Recommendations

ADMINISTRATION

- \$1,000,000 Professional Registration board funds for a Professional Registration licensure system replacement.
- \$30,749 Professional Registration Fees Fund for pay plan.
- \$2,701 Professional Registration Fees Fund for the final pay period of the Fiscal Year 2013 approved pay plan.

STATE BOARD OF ACCOUNTANCY

- \$2,594 State Board of Accountancy Fund for pay plan.
- \$174 State Board of Accountancy Fund for the final pay period of the Fiscal Year 2013 approved pay plan.

STATE BOARD FOR ARCHITECTS, PROFESSIONAL ENGINEERS, LAND SURVEYORS AND LANDSCAPE ARCHITECTS

- \$3,500 State Board of Architects, Professional Engineers, Land Surveyors, and Landscape Architects Fund for pay plan.
- \$253 State Board of Architects, Professional Engineers, Land Surveyors, and Landscape Architects Fund for the final pay period of the Fiscal Year 2013 approved pay plan.

**DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION
DIVISION OF PROFESSIONAL REGISTRATION**

STATE BOARD OF CHIROPRACTIC EXAMINERS

Continue funding at the current level.

MISSOURI DENTAL BOARD

- \$3,472 Dental Board Fund for pay plan.
- \$278 Dental Board Fund for the final pay period of the Fiscal Year 2013 approved pay plan.

STATE BOARD OF EMBALMERS AND FUNERAL DIRECTORS

Continue funding at the current level.

STATE BOARD OF REGISTRATION FOR THE HEALING ARTS

- \$16,728 Board of Registration for Healing Arts Fund for pay plan.
- \$1,082 Board of Registration for Healing Arts Fund for the final pay period of the Fiscal Year 2013 approved pay plan.
- (\$7,945) Board of Registration for Healing Arts Fund core reduction for one-time expenditures.

STATE BOARD OF NURSING

- \$11,032 State Board of Nursing Fund for pay plan.
- \$743 State Board of Nursing Fund for the final pay period of the Fiscal Year 2013 approved pay plan.

STATE BOARD OF OPTOMETRY

Continue funding at the current level.

STATE BOARD OF PHARMACY

- \$8,647 Board of Pharmacy Fund for pay plan.
- \$147 Board of Pharmacy Fund for the final pay period of the Fiscal Year 2013 approved pay plan.

STATE BOARD OF PODIATRIC MEDICINE

Continue funding at the current level.

MISSOURI REAL ESTATE COMMISSION

- \$8,377 Real Estate Commission Fund for pay plan.
- \$690 Real Estate Commission Fund for the final pay period of the Fiscal Year 2013 approved pay plan.

MISSOURI VETERINARY MEDICAL BOARD

Continue funding at the current level.

STATE BOARD OF COSMETOLOGY AND BARBER EXAMINERS

Continue funding at the current level.