Budget Overview

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Department Structure

Commissioner of Insurance

- Administrative Program
- Market Compliance Program

Market Compliance Activities

- Office of Receivership
- Office of Licensing & Compliance
- Office of Health Insurance
- Office of Financial Solvency
- Office of Property & Casualty
- Office of Legal Affairs
Comparison to Total State Budget FY 13-14

<table>
<thead>
<tr>
<th>Means of Finance</th>
<th>Insurance</th>
<th>Total State Budget</th>
<th>% of Total State Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>State General Fund</td>
<td>$0</td>
<td>$8,225,500,000</td>
<td>0.0%</td>
</tr>
<tr>
<td>Interagency Transfers</td>
<td>$0</td>
<td>$1,994,155,707</td>
<td>0.0%</td>
</tr>
<tr>
<td>Fees and Self-gen. Rev.</td>
<td>$28,450,743</td>
<td>$3,492,386,577</td>
<td>0.8%</td>
</tr>
<tr>
<td>Statutory Dedications</td>
<td>$1,381,137</td>
<td>$4,161,779,605</td>
<td>0.03%</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>$744,339</td>
<td>$10,237,571,671</td>
<td>0.01%</td>
</tr>
<tr>
<td><strong>TOTAL MOF</strong></td>
<td><strong>$30,576,219</strong></td>
<td><strong>$28,111,393,560</strong></td>
<td><strong>0.1%</strong></td>
</tr>
<tr>
<td>Authorized Positions</td>
<td>258</td>
<td>56,339</td>
<td>0.5%</td>
</tr>
</tbody>
</table>
Means of Finance

<table>
<thead>
<tr>
<th>Means of Finance</th>
<th>Actual Expenditures FY 11-12</th>
<th>Existing Operating Budget FY 12-13 (12/1/12)</th>
<th>Executive Budget Recommended FY 13-14</th>
<th>Change from FY12-13 to FY13-14</th>
<th>Percent Change from FY12-13 to FY13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>State General Fund</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Interagency Transfers</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Fees and Self-Gen Rev</td>
<td>$27,210,216</td>
<td>$28,941,559</td>
<td>$28,450,743</td>
<td>($490,816)</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Statutory Deductions</td>
<td>$1,316,821</td>
<td>$1,325,000</td>
<td>$1,381,137</td>
<td>$56,137</td>
<td>4.2%</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>$1,982,934</td>
<td>$879,812</td>
<td>$744,339</td>
<td>($135,473)</td>
<td>-15.4%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$30,509,971</td>
<td>$31,146,371</td>
<td>$30,576,219</td>
<td>($570,152)</td>
<td>-1.8%</td>
</tr>
<tr>
<td>Authorized Positions</td>
<td>265</td>
<td>263</td>
<td>258</td>
<td>(5)</td>
<td>-1.9%</td>
</tr>
</tbody>
</table>

FY 2013-14 Budget

- Between FY08-09 and FY11-12 the department has had a budgetary increase of approximately 6%.
- Between FY11-12 and the Executive Recommended budget of FY13-14, there is a reduction of $66,248, or 0.02% difference.

Reduction of 5 Authorized positions

- These positions are vacant.
- 2 positions in Administrative Program and 3 from the Market Compliance Program activity areas.
DEPARTMENT OF INSURANCE
(Total Funding)

$25  $26  $27  $58  $29  $28  $29  $31  $31  $31

Fiscal Year
FY 05-06  FY 06-07  FY 07-08  FY 08-09  FY 09-10  FY 10-11  FY 11-12  FY 12-13 EOB  FY 13-14 Ex. Rec.

Budget included $29 million of Statutory Dedicated pass through funds for the Round 1 disbursement of the Insure LA Incentive Program in accordance with Act 447 of the 2007 Regular Legislative Session.

Source: Executive Budget Supporting Documents
Major Sources of Revenues FY 13-14

Self-generated Revenues - $28.5 million

- Fees and Self-generated Revenue funds are from various fees and licensing activities derived directly from every insurer and producer under the department’s jurisdiction, per R.S. 22:1.

Statutory Dedications - $1.4 million

- Administrative Fund -- $761,374
- Automotive Theft & Insurance Fraud Prevention Fund --$227,000
- Insurance Fraud Investigation Fund -- $392,763
Major Sources of Revenues FY 13-14

Source: Louisiana Department of Insurance Supplemental Schedules report

Pearce Cinman (225) 342-0474  Insurance  House Fiscal Division
## Expenditure Breakdown

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FY 11-12 Actual Expenditures</th>
<th>FY 12-13 Existing Operating Budget (12/1/12)</th>
<th>FY 13-14 Executive Budget Recommendation</th>
<th>Change from FY 12-13 to FY 13-14</th>
<th>Percent Change from FY12-13 to FY13-14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$14,587,034</td>
<td>$14,946,501</td>
<td>$14,527,659</td>
<td>($418,842)</td>
<td>-2.8%</td>
</tr>
<tr>
<td>Other Compensation</td>
<td>$436,498</td>
<td>$358,768</td>
<td>$313,781</td>
<td>($44,987)</td>
<td>-12.5%</td>
</tr>
<tr>
<td>Related Benefits</td>
<td>$5,983,294</td>
<td>$6,596,298</td>
<td>$6,698,450</td>
<td>$102,152</td>
<td>1.5%</td>
</tr>
<tr>
<td>Travel</td>
<td>$294,425</td>
<td>$293,428</td>
<td>$293,428</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Operating Services</td>
<td>$2,190,343</td>
<td>$2,128,980</td>
<td>$2,128,980</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Supplies</td>
<td>$171,597</td>
<td>$171,431</td>
<td>$171,431</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$4,020,479</td>
<td>$3,819,131</td>
<td>$3,745,012</td>
<td>($74,119)</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Other Charges</td>
<td>$2,276,422</td>
<td>$2,281,695</td>
<td>$2,151,463</td>
<td>($130,232)</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Acq/Major Repairs</td>
<td>$549,879</td>
<td>$550,139</td>
<td>$546,015</td>
<td>($4,124)</td>
<td>-0.7%</td>
</tr>
<tr>
<td>Unallotted</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>TOTAL EXP</td>
<td>$30,509,971</td>
<td>$31,146,371</td>
<td>$30,576,219</td>
<td>($570,152)</td>
<td>-1.8%</td>
</tr>
</tbody>
</table>

**Salaries and Other Compensation:**
Reduced in FY 2013-14 due to personnel reductions and standard statewide adjustments

**Professional Services:**
Accounting, auditing and legal contracts entered into to assist agency with mandated examination of insurers.
6-Year Expenditure History (in millions)

**Personal Services**
- 2008-2009: $19.9
- 2009-2010: $19.3
- 2010-2011: $20.1
- 2011-2012: $21.0
- 2012-2013: $21.9
- 2013-2014: $21.5

**Operating Expenses**
- 2008-2009: $2.6
- 2009-2010: $2.5
- 2010-2011: $2.7
- 2011-2012: $2.6
- 2012-2013: $2.6
- 2013-2014: $2.6

**Professional Services**
- 2008-2009: $3.5
- 2009-2010: $2.8
- 2010-2011: $3.3
- 2011-2012: $4.0
- 2012-2013: $3.8
- 2013-2014: $3.7

**Acquisitions & Major Repairs**
- 2008-2009: $0.5
- 2009-2010: $0.6
- 2010-2011: $0.5
- 2011-2012: $0.5
- 2012-2013: $0.6
- 2013-2014: $0.5
6-Year Expenditure History (in millions)

Other Charges

- 08-09: $2.7
- 09-10: $2.9
- 10-11: $2.5
- 11-12: $2.3
- 12-13*: $2.3
- 13-14**: $2.2

*Existing Operating Budget as of 12/1/12
**Governor’s Executive Budget Recommendation

Source: Executive Budget Supporting Documents
Discretionary/Nondiscretionary Funding in FY 13-14
Department of Insurance

Department of Insurance
Total Budget
$30.6 Million

Non-Discretionary
$1.7 M
5.6%

Discretionary $28.9
94.4%

Primary Non-Discretionary items include the following:
Rent in state owned buildings, Legislative Auditor fees and group insurance for Retirees, funded through Self-generated funding.

<table>
<thead>
<tr>
<th>Category</th>
<th>Nondiscretionary Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>$1,028,513</td>
</tr>
<tr>
<td>Market Compliance</td>
<td>$674,365</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1,702,878</td>
</tr>
</tbody>
</table>
### Discretionary/Nondiscretionary Funding in FY 13-14
#### Department of Insurance

<table>
<thead>
<tr>
<th>Program</th>
<th>Discretionary</th>
<th>Nondiscretionary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>$10,421,990</td>
<td>$1,028,513</td>
</tr>
<tr>
<td>Market Compliance</td>
<td>$18,451,351</td>
<td>$674,365</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$28,873,341</strong></td>
<td><strong>$1,702,878</strong></td>
</tr>
</tbody>
</table>

**Notes:**
- Non-Discretionary funding consist of Self-generated only.
- Discretionary funding includes Federal funding which are provided under the Health Care Financing Research, Demonstration and Evaluations Information Grant made under the authority of Section 4360 of the Omnibus Budget Reduction act of 1990.
FY13- 14 Salaries and Positions

- $14.8 million for Salaries and Other Compensation
- $6.7 million for Related Benefits
- Total Personnel Services = $21.5 million, 75.7% of the Insurance total Executive Budget Recommendation (excluding Other Charges)

- 258 Authorized Positions (230 classified and 28 unclassified)
- 20 Full-time non-T.O. positions

- As of 1/30/2013, Insurance had 20 vacancies
TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

source: State Civil Service Report on State Employment

 Pearce Cinman (225) 342-0474
CLASSIFIED AVERAGE ANNUAL PAY PER FTE

source: Louisiana State Integrated Statewide Information System

Pearce Cinman (225) 342-0474
Inspection

UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE

source: Louisiana State Integrated Statewide Information System

Pearce Cinman (225) 342-0474  Insurance  House Fiscal Division
# Department Contacts

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>Agency Head</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissioner of Insurance</td>
<td>James Donelon</td>
<td>(225) 342-5900</td>
</tr>
<tr>
<td>Deputy Commissioner of Management &amp; Finance</td>
<td>Denise Brignac</td>
<td>(225) 342-6535</td>
</tr>
<tr>
<td>Assistant Commissioner</td>
<td>Lance Herrin</td>
<td>(225) 342-3981</td>
</tr>
<tr>
<td>Budget Administrator</td>
<td>Stephanie Kendrick</td>
<td>(225) 342-3918</td>
</tr>
</tbody>
</table>