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## PROGRAM NARRATIVE

401 OFFICE OF THE INSURANCE COMMISSIONER

Date: 12/14/2006

Time: 16:11:12

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| <b>Program:</b> GRANTS TO LOCAL FIRE DEPARTMENTS (B) |
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| <b>Reporting Level:</b> 00-401-035-01-00-00-00000000 |
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## PROGRAM PERFORMANCE MEASURES

A formal method of reporting performance results by the local fire departments has not been established.

## PROGRAM STATISTICAL DATA

North Dakota currently has 388 fire department and fire protection districts that receive annual funding from the appropriated insurance premium tax.

## EXPLANATION OF PROGRAM COSTS

Two annual payments of \$3.1 million (appropriated amount) is distributed to the fire departments and fire protection districts based on their proportionate market share of the total premium dollars reported to the ND Insurance Department. An additional \$120,000 (\$60,000 each year) is distributed to the ND Fire Fighters Association.

## PROGRAM GOALS AND OBJECTIVES

To provide annual funding to the city fire departments and the rural fire protection districts of North Dakota.

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

| Program: GRANTS TO LOCAL FIRE DEPARTMENTS (B) |                                       | Reporting Level: 00-401-035-01-00-00-00-00000000 |                             |   |                                  |
|---|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                                   | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>GRANTS TO FIRE DISTRICTS</b>               |                                       |  |                             |   |                                  |
| GRANTS, BENEFITS & CLAIMS                     | 5,304,000                             | 6,420,000  | -100,000                    | 6,320,000                                 | 0                                |
| <b>TOTAL</b>                                  | <b>5,304,000</b>                      | <b>6,420,000</b>                                 | <b>-100,000</b>             | <b>6,320,000</b>                          | <b>0</b>                         |
| <b>GRANTS TO FIRE DISTRICTS</b>               |                                       |  |                             |   |                                  |
| GENERAL FUND                                  | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                                 | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                                 | 5,304,000                             | 6,420,000  | -100,000                    | 6,320,000                                 | 0                                |
| <b>TOTAL</b>                                  | <b>5,304,000</b>                      | <b>6,420,000</b>                                 | <b>-100,000</b>             | <b>6,320,000</b>                          | <b>0</b>                         |
| <b>PROGRAM FUNDING SOURCES</b>                |                                       |  |                             |   |                                  |
| GENERAL FUND                                  | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                                 | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                                 | 5,304,000                             | 6,420,000  | -100,000                    | 6,320,000                                 | 0                                |
| <b>PROGRAM FUNDING TOTAL</b>                  | <b>5,304,000</b>                      | <b>6,420,000</b>                                 | <b>-100,000</b>             | <b>6,320,000</b>                          | <b>0</b>                         |
| <b>FTE EMPLOYEES</b>                          | <b>.00</b>                            | <b>.00</b>                                       | <b>.00</b>                  | <b>.00</b>                                | <b>.00</b>                       |
| <b>FUNDING DETAIL</b>                         |                                       |  |                             |   |                                  |
| <b>SPECIAL FUNDS</b>                          |                                       |  |                             |   |                                  |
| 240 INSURANCE TAX DISTRIB. FUND 240           | 5,304,000                             | 6,420,000  | -100,000                    | 6,320,000                                 | 0                                |
| <b>TOTAL</b>                                  | <b>5,304,000</b>                      | <b>6,420,000</b>                                 | <b>-100,000</b>             | <b>6,320,000</b>                          | <b>0</b>                         |

**CHANGE PACKAGE DETAIL**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

|  |   |              |               |               |             |
|--|---|--------------|---------------|---------------|-------------|
| <b>PROGRAM:</b> GRANTS TO LOCAL FIRE DEPARTMENTS (B) | <b>REPORTING LEVEL:</b> 00-401-035-01-00-00-00-00000000 |              |               |               |             |
| Description  | FTE   | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                                    |            |          |          |                 |                 |
|------------------------------------|------------|----------|----------|-----------------|-----------------|
| Cost To Continue                   | .00        | 0        | 0        | 0               | 0               |
| 4 GRANTS TO LOCAL FIRE DEPARTMENTS | .00        | 0        | 0        | -100,000        | -100,000        |
| <b>Agency Total</b>                | <b>.00</b> | <b>0</b> | <b>0</b> | <b>-100,000</b> | <b>-100,000</b> |

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## PROGRAM NARRATIVE

401 OFFICE OF THE INSURANCE COMMISSIONER

Date: 12/14/2006

Time: 16:11:12

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| <b>Program:</b> LEGAL AND ENFORCEMENT DIVISION | <b>Reporting Level:</b> 00-401-100-10-00-00-00-00000000 |
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## PROGRAM PERFORMANCE MEASURES

The primary goal for advising the Commissioner and Department staff on legal issues is to do so in a timely, efficient, and effective manner, depending on the facts and circumstances relating to the different issues. The Legal Division seeks to respond to staff and the public immediately on critical time-urgent issues; within 48 hours on less complicated, less urgent issues; and within 5 working days on complex issues that require significant research and analysis. These goals are measured by the positive response that is received from the Commissioner and Insurance Department staff, consumers, and industry regarding Legal Division responsiveness to requests for information and resolution of issues.

## PROGRAM STATISTICAL DATA

The Legal Division primarily serves the Commissioner and Insurance Department staff on legal issues as they are presented.

## EXPLANATION OF PROGRAM COSTS

The division consists of four full-time employees – General Counsel, Legal Counsel, Legal Assistant, and Market Conduct Examiner/Analyst.

## PROGRAM GOALS AND OBJECTIVES

Advise Insurance Department staff and Commissioner on a regular basis regarding application and interpretation of North Dakota insurance law and regulations and policy provisions; prepare memorandums on legal issues and prepare correspondence as necessary.

Initiate and follow through with administrative action against agent and company licenses and refer fraudulent insurance activities for criminal prosecution.

Promulgate administrative rules, draft proposed legislation, and prepare bulletins; conduct hearings on administrative rules; and testify before legislative committees.

Conduct company and agent market conduct examinations and prepare company market analysis studies and consult with Commissioner and Insurance Department staff as necessary regarding priority of same.

Assist with the administration of Special Funds by reviewing and resolving claims against the Unsatisfied Judgment Fund and Bonding Fund; providing legal advice and assistance to Fire and Tornado Fund and Petroleum Tank Release Compensation Fund; assist Boiler Inspection Program with enforcement.

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

| Program: LEGAL AND ENFORCEMENT DIVISION |                                       | Reporting Level: 00-401-100-10-00-00-00-00000000 |                             |   |                                  |
|---|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                             | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>SALARIES AND WAGES</b>               |                                       |  |                             |   |                                  |
| SALARIES - PERMANENT                    | 393,092                               | 349,552  | 108,432                     | 457,984                                   | 0                                |
| SALARIES - OTHER                        | 0                                     | 0  | 45,745                      | 45,745                                    | 0                                |
| FRINGE BENEFITS                         | 119,146                               | 114,865  | 29,819                      | 144,684                                   | 0                                |
| SALARY INCREASE                         | 0                                     | 0  | 0                           | 0   | 0                                |
| BENEFIT INCREASE                        | 0                                     | 0  | 0                           | 0   | 0                                |
| <b>TOTAL</b>                            | <b>512,238</b>                        | <b>464,417</b>                                   | <b>183,996</b>              | <b>648,413</b>                            | <b>0</b>                         |
| <b>SALARIES AND WAGES</b>               |                                       |  |                             |   |                                  |
| GENERAL FUND                            | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                           | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                           | 512,238                               | 464,417  | 183,996                     | 648,413                                   | 0                                |
| <b>TOTAL</b>                            | <b>512,238</b>                        | <b>464,417</b>                                   | <b>183,996</b>              | <b>648,413</b>                            | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>               |                                       |  |                             |   |                                  |
| TRAVEL                                  | 16,561                                | 12,300   | 0                           | 12,300                                    | 0                                |
| SUPPLIES - IT SOFTWARE                  | 960                                   | 676  | 0                           | 676                                       | 0                                |
| SUPPLY/MATERIAL-PROFESSIONAL            | 2,199                                 | 5,050  | 0                           | 5,050                                     | 0                                |
| MISCELLANEOUS SUPPLIES                  | 0                                     | 1,000  | 0                           | 1,000                                     | 0                                |
| OFFICE SUPPLIES                         | 2,135                                 | 2,650  | 0                           | 2,650                                     | 0                                |
| POSTAGE                                 | 6,310                                 | 7,550  | 0                           | 7,550                                     | 0                                |
| PRINTING                                | 3,636                                 | 5,300  | 0                           | 5,300                                     | 0                                |
| IT EQUIP UNDER \$5,000                  | 2,224                                 | 0  | 0                           | 0   | 0                                |
| OFFICE EQUIP & FURN SUPPLIES            | 952                                   | 4,000  | 0                           | 4,000                                     | 0                                |
| RENTALS/LEASES-EQUIP & OTHER            | 2,913                                 | 3,950  | 0                           | 3,950                                     | 0                                |
| RENTALS/LEASES - BLDG/LAND              | 15,161                                | 18,750   | 0                           | 18,750                                    | 0                                |
| IT - DATA PROCESSING                    | 46,558                                | 5,000  | 0                           | 5,000                                     | 0                                |
| IT-COMMUNICATIONS                       | 4,286                                 | 5,500  | 0                           | 5,500                                     | 0                                |
| IT CONTRACTUAL SERVICES AND RE          | 5,587                                 | 7,170  | 0                           | 7,170                                     | 0                                |
| PROFESSIONAL DEVELOPMENT                | 3,459                                 | 3,220  | 0                           | 3,220                                     | 0                                |
| OPERATING FEES AND SERVICES             | 79,946                                | 6,700  | 0                           | 6,700                                     | 0                                |
| FEES - PROFESSIONAL SERVICES            | 8,618                                 | 9,250  | 0                           | 9,250                                     | 0                                |
| <b>TOTAL</b>                            | <b>201,505</b>                        | <b>98,066</b>                                    | <b>0</b>                    | <b>98,066</b>                             | <b>0</b>                         |

**REQUEST DETAIL BY PROGRAM**

**401 OFFICE OF THE INSURANCE COMMISSIONER**  
**Biennium: 2007-2009**

**Bill#: SB 2010**

**Date: 12/14/2006**

**Time: 16:11:12**

| <b>Program: LEGAL AND ENFORCEMENT DIVISION</b> |                                       | <b>Reporting Level: 00-401-100-10-00-00-00-00000000</b> |                             |   |                                  |
|--|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                                    | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                          | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

**OPERATING EXPENSES**

|               |                |               |          |               |          |
|---------------|----------------|---------------|----------|---------------|----------|
| GENERAL FUND  | 0              | 0             | 0        | 0             | 0        |
| FEDERAL FUNDS | 0              | 0             | 0        | 0             | 0        |
| SPECIAL FUNDS | 201,505        | 98,066        | 0        | 98,066        | 0        |
| <b>TOTAL</b>  | <b>201,505</b> | <b>98,066</b> | <b>0</b> | <b>98,066</b> | <b>0</b> |

**PROGRAM FUNDING SOURCES**

|                              |                |                |                |                |          |
|------------------------------|----------------|----------------|----------------|----------------|----------|
| FEDERAL FUNDS                | 0              | 0              | 0              | 0              | 0        |
| SPECIAL FUNDS                | 713,743        | 562,483        | 183,996        | 746,479        | 0        |
| GENERAL FUND                 | 0              | 0              | 0              | 0              | 0        |
| <b>PROGRAM FUNDING TOTAL</b> | <b>713,743</b> | <b>562,483</b> | <b>183,996</b> | <b>746,479</b> | <b>0</b> |

**FTE EMPLOYEES**

|             |             |            |             |            |
|-------------|-------------|------------|-------------|------------|
| <b>3.95</b> | <b>4.95</b> | <b>.00</b> | <b>4.95</b> | <b>.00</b> |
|-------------|-------------|------------|-------------|------------|

**FUNDING DETAIL**

**SPECIAL FUNDS**

|                                   |                |                |                |                |          |
|-----------------------------------|----------------|----------------|----------------|----------------|----------|
| 239 INSURANCE REG. TRUST FUND 239 | 713,743        | 562,483        | 183,996        | 746,479        | 0        |
| <b>TOTAL</b>                      | <b>713,743</b> | <b>562,483</b> | <b>183,996</b> | <b>746,479</b> | <b>0</b> |

**CHANGE PACKAGE DETAIL**

Date: 12/14/2006

401 OFFICE OF THE INSURANCE COMMISSIONER

Bill#: SB 2010

Time: 16:11:12

Biennium: 2007-2009

|  |     |   |               |               |             |
|--|-----|---|---------------|---------------|-------------|
| <b>PROGRAM:</b> LEGAL AND ENFORCEMENT DIVISION |     | <b>REPORTING LEVEL:</b> 00-401-100-10-00-00-00-00000000 |               |               |             |
| Description                                    | FTE | General Fund  | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                     |            |          |          |                |                |
|---------------------|------------|----------|----------|----------------|----------------|
| Cost To Continue    | .00        | 0        | 0        | 183,996        | 183,996        |
| <b>Agency Total</b> | <b>.00</b> | <b>0</b> | <b>0</b> | <b>183,996</b> | <b>183,996</b> |

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## PROGRAM NARRATIVE

401 OFFICE OF THE INSURANCE COMMISSIONER

Date: 12/14/2006

Time: 16:11:12

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|---|
| <b>Program:</b> EXAMINATIONS AND COMPANY LICENSING DIVISION |
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|---|
| <b>Reporting Level:</b> 00-401-100-11-00-00-00-00000000 |
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## PROGRAM PERFORMANCE MEASURES

Review and approve company license applications, issue certificates of authority, process yearly license renewals, collect fees, and maintain Company Licensing database.

Perform ongoing financial analysis of domestic companies' annual and quarterly statements and other required filings in conformity with National Association of Insurance Commissioners accreditation standards.

Perform a financial examination of each domestic company no less frequently than every five years to determine the company's financial condition and compliance with North Dakota law. A written Report of Examination is issued by the Department and is provided to the Company's Board of Directors and to state insurance regulators in the states in which the company conducts insurance transactions. The financial examination and Report of Examination must conform to National Association of Insurance Commissioners accreditation standards

Provide information to consumers, insurance companies, staff, and other internal and external customers on a timely basis.

## PROGRAM STATISTICAL DATA

At year-end 2005, the Department had 1389 licensed insurance companies of which 40 are domestic companies. Registered entities totaled 688 at year-end. For the year ended June 30, 2006, the Division completed and issued 11 Reports of Examination.

The financial analysis and examination functions are subject to a comprehensive peer review every 5 years by the National Association of Insurance Commissioners (NAIC) to determine compliance with its accreditation program. The Department achieved accreditation status for the 3<sup>rd</sup> time in 2002. An Interim Annual Report is filed with the NAIC's Accreditation Manager in May of every year providing a detailed status report of the Division's activities. No exceptions to the accreditation standards were noted in the May 2005 Interim Annual Report.

## EXPLANATION OF PROGRAM COSTS

The Division consists of 5 full time and 1 part time employee: Chief Examiner, Senior Examiner, two junior examiners, financial analyst and a part time company licensing clerk. A second junior examiner position was authorized and filled in May 2006. Division expenses pertain to salaries and benefits, general operating expenses, computer upgrades, system enhancements, professional development and related travel.

Examiners' out-of-pocket travel expenses for conducting an examination are reimbursed directly to the examiners by the insurance company as authorized under NDCC Section 26.1-03-19.6. The examined company also remits payment to the Department to compensate for the examiners' salary & benefits and for any state fleet costs. These funds are paid into the insurance regulatory trust fund.

## **PROGRAM GOALS AND OBJECTIVES**

To protect insurance consumers of North Dakota by:

- licensing insurance companies and registering qualified entities to transact business in the state;
- monitoring the financial strength of insurance companies on an ongoing basis to ensure they have funds to pay policyholder claims;
- performing periodic financial audits of North Dakota-domiciled companies to substantiate that they are financially sound and complying with state laws.

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

| Program: EXAMINATIONS AND COMPANY LICENSING DIVISION |                                       | Reporting Level: 00-401-100-11-00-00-00-00000000 |                             |   |                                  |
|--|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description  | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>SALARIES AND WAGES</b>                            |                                       |  |                             |   |                                  |
| SALARIES - PERMANENT                                 | 331,728                               | 430,629  | 29,284                      | 459,913                                   | 0                                |
| SALARIES - OTHER                                     | 0                                     | 0  | 104,809                     | 104,809                                   | 0                                |
| FRINGE BENEFITS                                      | 99,763                                | 129,189  | 30,049                      | 159,238                                   | 0                                |
| SALARY INCREASE                                      | 0                                     | 0  | 0                           | 0   | 0                                |
| BENEFIT INCREASE                                     | 0                                     | 0  | 0                           | 0   | 0                                |
| <b>TOTAL</b>   | <b>431,491</b>                        | <b>559,818</b>                                   | <b>164,142</b>              | <b>723,960</b>                            | <b>0</b>                         |
| <b>SALARIES AND WAGES</b>                            |                                       |  |                             |   |                                  |
| GENERAL FUND   | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS  | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS  | 431,491                               | 559,818  | 164,142                     | 723,960                                   | 0                                |
| <b>TOTAL</b>   | <b>431,491</b>                        | <b>559,818</b>                                   | <b>164,142</b>              | <b>723,960</b>                            | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>                            |                                       |  |                             |   |                                  |
| TRAVEL   | 12,461                                | 25,532   | 0                           | 25,532                                    | 0                                |
| SUPPLIES - IT SOFTWARE                               | 2,683                                 | 5,612  | 0                           | 5,612                                     | 0                                |
| SUPPLY/MATERIAL-PROFESSIONAL                         | 1,073                                 | 1,250  | 0                           | 1,250                                     | 0                                |
| MISCELLANEOUS SUPPLIES                               | 39                                    | 1,000  | 0                           | 1,000                                     | 0                                |
| OFFICE SUPPLIES                                      | 1,472                                 | 2,650  | 0                           | 2,650                                     | 0                                |
| POSTAGE  | 6,173                                 | 7,550  | 0                           | 7,550                                     | 0                                |
| PRINTING   | 4,271                                 | 5,300  | 0                           | 5,300                                     | 0                                |
| IT EQUIP UNDER \$5,000                               | 850                                   | 1,847  | 10,000                      | 11,847                                    | 0                                |
| OFFICE EQUIP & FURN SUPPLIES                         | 630                                   | 1,000  | 0                           | 1,000                                     | 0                                |
| RENTALS/LEASES-EQUIP & OTHER                         | 1,126                                 | 1,300  | 0                           | 1,300                                     | 0                                |
| RENTALS/LEASES - BLDG/LAND                           | 25,419                                | 40,000   | 0                           | 40,000                                    | 0                                |
| IT - DATA PROCESSING                                 | 46,796                                | 5,000  | 0                           | 5,000                                     | 0                                |
| IT-COMMUNICATIONS                                    | 4,798                                 | 5,500  | 0                           | 5,500                                     | 0                                |
| IT CONTRACTUAL SERVICES AND RE                       | 258                                   | 1,200  | 0                           | 1,200                                     | 0                                |
| PROFESSIONAL DEVELOPMENT                             | 4,715                                 | 11,710   | 0                           | 11,710                                    | 0                                |
| OPERATING FEES AND SERVICES                          | 1,060                                 | 1,350  | 0                           | 1,350                                     | 0                                |
| FEES - PROFESSIONAL SERVICES                         | 0                                     | 2,650  | 0                           | 2,650                                     | 0                                |
| <b>TOTAL</b>   | <b>113,824</b>                        | <b>120,451</b>                                   | <b>10,000</b>               | <b>130,451</b>                            | <b>0</b>                         |

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

| <b>Program:</b> EXAMINATIONS AND COMPANY LICENSING DIVISION |                                       | <b>Reporting Level:</b> 00-401-100-11-00-00-00-00000000 |                             |   |                                  |
|---|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description   | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                          | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

**OPERATING EXPENSES**

|               |                |                |               |                |          |
|---------------|----------------|----------------|---------------|----------------|----------|
| GENERAL FUND  | 0              | 0              | 0             | 0              | 0        |
| FEDERAL FUNDS | 0              | 0              | 0             | 0              | 0        |
| SPECIAL FUNDS | 113,824        | 120,451        | 10,000        | 130,451        | 0        |
| <b>TOTAL</b>  | <b>113,824</b> | <b>120,451</b> | <b>10,000</b> | <b>130,451</b> | <b>0</b> |

**PROGRAM FUNDING SOURCES**

|                              |                |                |                |                |          |
|------------------------------|----------------|----------------|----------------|----------------|----------|
| SPECIAL FUNDS                | 545,315        | 680,269        | 174,142        | 854,411        | 0        |
| FEDERAL FUNDS                | 0              | 0              | 0              | 0              | 0        |
| GENERAL FUND                 | 0              | 0              | 0              | 0              | 0        |
| <b>PROGRAM FUNDING TOTAL</b> | <b>545,315</b> | <b>680,269</b> | <b>174,142</b> | <b>854,411</b> | <b>0</b> |

**FTE EMPLOYEES**

|             |             |            |             |            |
|-------------|-------------|------------|-------------|------------|
| <b>6.00</b> | <b>6.00</b> | <b>.00</b> | <b>6.00</b> | <b>.00</b> |
|-------------|-------------|------------|-------------|------------|

**FUNDING DETAIL****SPECIAL FUNDS**

|                                   |                |                |                |                |          |
|-----------------------------------|----------------|----------------|----------------|----------------|----------|
| 239 INSURANCE REG. TRUST FUND 239 | 545,315        | 680,269        | 174,142        | 854,411        | 0        |
| <b>TOTAL</b>                      | <b>545,315</b> | <b>680,269</b> | <b>174,142</b> | <b>854,411</b> | <b>0</b> |

**CHANGE PACKAGE DETAIL**

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 Biennium: 2007-2009

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|   |   |              |               |               |             |
|---|---|--------------|---------------|---------------|-------------|
| <b>PROGRAM:</b> EXAMINATIONS AND COMPANY LICENSING DIVISION | <b>REPORTING LEVEL:</b> 00-401-100-11-00-00-00-00000000 |              |               |               |             |
| Description   | FTE   | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                      |            |          |          |                |                |
|----------------------|------------|----------|----------|----------------|----------------|
| Cost To Continue     | .00        | 0        | 0        | 164,142        | 164,142        |
| 2 Operating Expenses | .00        | 0        | 0        | 10,000         | 10,000         |
| <b>Agency Total</b>  | <b>.00</b> | <b>0</b> | <b>0</b> | <b>174,142</b> | <b>174,142</b> |

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## PROGRAM NARRATIVE

401 OFFICE OF THE INSURANCE COMMISSIONER

Date: 12/14/2006

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| Program: PROPERTY AND CASUALTY DIVISION | Reporting Level: 00-401-100-12-00-00-00-00000000 |
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## PROGRAM PERFORMANCE MEASURES

The primary goal for processing of policy, rate and form filings is to complete 92% within the statutory review period of 60 days. The primary goal for processing of consumer complaints is 65% completed within 60 days. The basis for determining this will be from the Filing and Complaints system database.

## PROGRAM STATISTICAL DATA

The PC filing volume for the years 2004-2005 totaled 6,668. The consumer complaint volume for the years 2004-2005 totaled 357 with a total of financial relief to the consumers of \$683,897.59

## EXPLANATION OF PROGRAM COSTS

The division consists of 3 full time employees, (Director, PC Actuary, PC Claims Investigator) and 1 part time PC Forms Analyst.

## PROGRAM GOALS AND OBJECTIVES

To protect insurance consumers of North Dakota by reviewing and processing policy, rate and form filings, and assisting consumers who have complaints in a timely manner.

**REQUEST DETAIL BY PROGRAM**401 OFFICE OF THE INSURANCE COMMISSIONER  
Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

| Program: PROPERTY AND CASUALTY DIVISION |                                       | Reporting Level: 00-401-100-12-00-00-00-00000000 |                             |   |                                  |
|---|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                             | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>SALARIES AND WAGES</b>               |                                       |  |                             |   |                                  |
| SALARIES - PERMANENT                    | 183,200                               | 357,244  | 146,596                     | 503,840                                   | 0                                |
| FRINGE BENEFITS                         | 54,702                                | 107,174  | 45,884                      | 153,058                                   | 0                                |
| SALARY INCREASE                         | 0                                     | 0  | 0                           | 0   | 0                                |
| BENEFIT INCREASE                        | 0                                     | 0  | 0                           | 0   | 0                                |
| <b>TOTAL</b>                            | <b>237,902</b>                        | <b>464,418</b>                                   | <b>192,480</b>              | <b>656,898</b>                            | <b>0</b>                         |
| <b>SALARIES AND WAGES</b>               |                                       |  |                             |   |                                  |
| GENERAL FUND                            | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                           | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                           | 237,902                               | 464,418  | 192,480                     | 656,898                                   | 0                                |
| <b>TOTAL</b>                            | <b>237,902</b>                        | <b>464,418</b>                                   | <b>192,480</b>              | <b>656,898</b>                            | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>               |                                       |  |                             |   |                                  |
| TRAVEL                                  | 25,660                                | 16,438   | 0                           | 16,438                                    | 0                                |
| SUPPLIES - IT SOFTWARE                  | 889                                   | 968  | 0                           | 968                                       | 0                                |
| SUPPLY/MATERIAL-PROFESSIONAL            | 3,777                                 | 5,040  | 0                           | 5,040                                     | 0                                |
| MISCELLANEOUS SUPPLIES                  | 0                                     | 1,000  | 0                           | 1,000                                     | 0                                |
| OFFICE SUPPLIES                         | 1,828                                 | 2,650  | 0                           | 2,650                                     | 0                                |
| POSTAGE                                 | 6,480                                 | 7,550  | 0                           | 7,550                                     | 0                                |
| PRINTING                                | 684                                   | 1,300  | 0                           | 1,300                                     | 0                                |
| IT EQUIP UNDER \$5,000                  | 3,338                                 | 1,322  | 3,000                       | 4,322                                     | 0                                |
| OFFICE EQUIP & FURN SUPPLIES            | 555                                   | 0  | 0                           | 0   | 0                                |
| INSURANCE                               | 272                                   | 0  | 0                           | 0   | 0                                |
| RENTALS/LEASES-EQUIP & OTHER            | 2,913                                 | 3,950  | 0                           | 3,950                                     | 0                                |
| RENTALS/LEASES - BLDG/LAND              | 16,207                                | 11,250   | 0                           | 11,250                                    | 0                                |
| IT - DATA PROCESSING                    | 46,562                                | 5,000  | 0                           | 5,000                                     | 0                                |
| IT-COMMUNICATIONS                       | 3,821                                 | 5,500  | 0                           | 5,500                                     | 0                                |
| PROFESSIONAL DEVELOPMENT                | 4,352                                 | 4,530  | 0                           | 4,530                                     | 0                                |
| OPERATING FEES AND SERVICES             | 150                                   | 1,350  | 0                           | 1,350                                     | 0                                |
| FEES - PROFESSIONAL SERVICES            | 0                                     | 1,350  | 0                           | 1,350                                     | 0                                |
| <b>TOTAL</b>                            | <b>117,488</b>                        | <b>69,198</b>                                    | <b>3,000</b>                | <b>72,198</b>                             | <b>0</b>                         |

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

|  |                                       |   |                             |   |                                  |
|--|---------------------------------------|---|-----------------------------|---|----------------------------------|
| <b>Program:</b> PROPERTY AND CASUALTY DIVISION |                                       | <b>Reporting Level:</b> 00-401-100-12-00-00-00-00000000 |                             |   |                                  |
| Description                                    | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                          | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

**OPERATING EXPENSES**

|               |                |               |              |               |          |
|---------------|----------------|---------------|--------------|---------------|----------|
| GENERAL FUND  | 0              | 0             | 0            | 0             | 0        |
| FEDERAL FUNDS | 0              | 0             | 0            | 0             | 0        |
| SPECIAL FUNDS | 117,488        | 69,198        | 3,000        | 72,198        | 0        |
| <b>TOTAL</b>  | <b>117,488</b> | <b>69,198</b> | <b>3,000</b> | <b>72,198</b> | <b>0</b> |

**PROGRAM FUNDING SOURCES**

|                              |                |                |                |                |          |
|------------------------------|----------------|----------------|----------------|----------------|----------|
| FEDERAL FUNDS                | 0              | 0              | 0              | 0              | 0        |
| GENERAL FUND                 | 0              | 0              | 0              | 0              | 0        |
| SPECIAL FUNDS                | 355,390        | 533,616        | 195,480        | 729,096        | 0        |
| <b>PROGRAM FUNDING TOTAL</b> | <b>355,390</b> | <b>533,616</b> | <b>195,480</b> | <b>729,096</b> | <b>0</b> |

**FTE EMPLOYEES**

|             |             |            |             |            |
|-------------|-------------|------------|-------------|------------|
| <b>5.00</b> | <b>5.00</b> | <b>.00</b> | <b>5.00</b> | <b>.00</b> |
|-------------|-------------|------------|-------------|------------|

**FUNDING DETAIL****SPECIAL FUNDS**

|                                   |                |                |                |                |          |
|-----------------------------------|----------------|----------------|----------------|----------------|----------|
| 239 INSURANCE REG. TRUST FUND 239 | 355,390        | 533,616        | 195,480        | 729,096        | 0        |
| <b>TOTAL</b>                      | <b>355,390</b> | <b>533,616</b> | <b>195,480</b> | <b>729,096</b> | <b>0</b> |

**CHANGE PACKAGE DETAIL**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

|  |   |              |               |               |             |
|--|---|--------------|---------------|---------------|-------------|
| <b>PROGRAM:</b> PROPERTY AND CASUALTY DIVISION | <b>REPORTING LEVEL:</b> 00-401-100-12-00-00-00-00000000 |              |               |               |             |
| Description                                    | FTE   | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                      |            |          |          |                |                |
|----------------------|------------|----------|----------|----------------|----------------|
| Cost To Continue     | .00        | 0        | 0        | 192,480        | 192,480        |
| 2 Operating Expenses | .00        | 0        | 0        | 3,000          | 3,000          |
| <b>Agency Total</b>  | <b>.00</b> | <b>0</b> | <b>0</b> | <b>195,480</b> | <b>195,480</b> |

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## PROGRAM NARRATIVE

401 OFFICE OF THE INSURANCE COMMISSIONER

Date: 12/14/2006

Time: 16:11:12

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|  |
|--|
| <b>Program:</b> AGENCY LICENSING AND INVESTIGATIONS DIV. |
|--|

|   |
|---|
| <b>Reporting Level:</b> 00-401-100-13-00-00-00-00000000 |
|---|

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## PROGRAM PERFORMANCE MEASURES

To provide timely and accurate information to agents, companies, legislators, and general public on all licensing and investigation matters by utilizing and enhancing the Department's website and other outreach efforts.

To continue to utilize and implement new electronic initiatives through the National Association of Insurance Commissioner (NAIC) and National Insurance Producer Registry (NIPR) in an effort to further improve and enhance the electronic licensing and renewal processes for agents licensed to do business in North Dakota.

To maintain a timely workflow process for administrative investigations of agents/companies and also insurance fraud cases in compliance with state laws/regulations.

## PROGRAM STATISTICAL DATA

Total number of resident and nonresident agents as of 12/31/05 – 39,230.

Total number of resident and nonresident agents as of 12/31/04 – 33,323.

2005 - Agent & Company Administrative Fines: \$28,968

2004 - Agent & Company Administrative Fines - \$14,500

2005 - Agent & Company Administrative Investigation Consumer Relief - \$401,473.89

2004 - Agent & Company Administrative Investigation Consumer Relief - \$58,994.00

## EXPLANATION OF PROGRAM COSTS

The division consists of 4 full time and 1 half time staff and includes the Director, three agent licensing specialists, and one 1 part time Continuing Education Specialist.

## PROGRAM GOALS AND OBJECTIVES

The Agent Licensing & Investigation Division goals and objectives are to carry out the issuing, renewal, and ongoing processing for agents, surplus lines, consultants, third party administrators, and viatical settlement brokers and to monitor the licensees for compliance of the required continuing education credits. The division is also responsible to conduct investigations of improper selling or marketing activities and to make sure all agents and companies are complying with the insurance laws of the state.

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

| Program: AGENCY LICENSING AND INVESTIGATIONS DIV. |                                       | Reporting Level: 00-401-100-13-00-00-00-00000000 |                             |   |                                  |
|---|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                                       | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>SALARIES AND WAGES</b>                         |                                       |  |                             |   |                                  |
| SALARIES - PERMANENT                              | 154,070                               | 277,126  | 25,006                      | 302,132                                   | 0                                |
| SALARIES - OTHER                                  | 0                                     | 0  | 21,682                      | 21,682                                    | 0                                |
| FRINGE BENEFITS                                   | 60,698                                | 83,138   | 32,177                      | 115,315                                   | 0                                |
| SALARY INCREASE                                   | 0                                     | 0  | 0                           | 0   | 0                                |
| BENEFIT INCREASE                                  | 0                                     | 0  | 0                           | 0   | 0                                |
| <b>TOTAL</b>                                      | <b>214,768</b>                        | <b>360,264</b>                                   | <b>78,865</b>               | <b>439,129</b>                            | <b>0</b>                         |
| <b>SALARIES AND WAGES</b>                         |                                       |  |                             |   |                                  |
| GENERAL FUND                                      | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                                     | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                                     | 214,768                               | 360,264  | 78,865                      | 439,129                                   | 0                                |
| <b>TOTAL</b>                                      | <b>214,768</b>                        | <b>360,264</b>                                   | <b>78,865</b>               | <b>439,129</b>                            | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>                         |                                       |  |                             |   |                                  |
| TRAVEL  | 14,114                                | 17,330   | 0                           | 17,330                                    | 0                                |
| SUPPLIES - IT SOFTWARE                            | 445                                   | 860  | 0                           | 860                                       | 0                                |
| SUPPLY/MATERIAL-PROFESSIONAL                      | 0                                     | 1,250  | 0                           | 1,250                                     | 0                                |
| MISCELLANEOUS SUPPLIES                            | 441                                   | 1,000  | 0                           | 1,000                                     | 0                                |
| OFFICE SUPPLIES                                   | 5,182                                 | 5,300  | 0                           | 5,300                                     | 0                                |
| POSTAGE   | 23,067                                | 30,050   | 0                           | 30,050                                    | 0                                |
| PRINTING  | 11,131                                | 11,900   | 0                           | 11,900                                    | 0                                |
| IT EQUIP UNDER \$5,000                            | 1,045                                 | 1,264  | 4,000                       | 5,264                                     | 0                                |
| OFFICE EQUIP & FURN SUPPLIES                      | 289                                   | 0  | 0                           | 0   | 0                                |
| RENTALS/LEASES-EQUIP & OTHER                      | 2,913                                 | 3,950  | 0                           | 3,950                                     | 0                                |
| RENTALS/LEASES - BLDG/LAND                        | 13,041                                | 16,875   | 0                           | 16,875                                    | 0                                |
| IT - DATA PROCESSING                              | 93,119                                | 6,000  | 0                           | 6,000                                     | 0                                |
| IT-COMMUNICATIONS                                 | 4,827                                 | 5,000  | 1,500                       | 6,500                                     | 0                                |
| IT CONTRACTUAL SERVICES AND RE                    | 0                                     | 0  | 0                           | 0   | 0                                |
| PROFESSIONAL DEVELOPMENT                          | 1,424                                 | 2,560  | 0                           | 2,560                                     | 0                                |
| OPERATING FEES AND SERVICES                       | 321                                   | 1,350  | 0                           | 1,350                                     | 0                                |
| FEES - PROFESSIONAL SERVICES                      | 82                                    | 1,350  | 0                           | 1,350                                     | 0                                |
| <b>TOTAL</b>                                      | <b>171,441</b>                        | <b>106,039</b>                                   | <b>5,500</b>                | <b>111,539</b>                            | <b>0</b>                         |

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

| Program: AGENCY LICENSING AND INVESTIGATIONS DIV. |                                       | Reporting Level: 00-401-100-13-00-00-00-00000000 |                             |   |                                  |
|---|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                                       | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>OPERATING EXPENSES</b>                         |                                       |  |                             |   |                                  |
| GENERAL FUND                                      | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                                     | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                                     | 171,441                               | 106,039  | 5,500                       | 111,539                                   | 0                                |
| <b>TOTAL</b>                                      | <b>171,441</b>                        | <b>106,039</b>                                   | <b>5,500</b>                | <b>111,539</b>                            | <b>0</b>                         |
| <b>PROGRAM FUNDING SOURCES</b>                    |                                       |  |                             |   |                                  |
| GENERAL FUND                                      | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                                     | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                                     | 386,209                               | 466,303  | 84,365                      | 550,668                                   | 0                                |
| <b>PROGRAM FUNDING TOTAL</b>                      | <b>386,209</b>                        | <b>466,303</b>                                   | <b>84,365</b>               | <b>550,668</b>                            | <b>0</b>                         |
| <b>FTE EMPLOYEES</b>                              | <b>4.50</b>                           | <b>4.50</b>                                      | <b>.00</b>                  | <b>4.50</b>                               | <b>.00</b>                       |
| <b>FUNDING DETAIL</b>                             |                                       |  |                             |   |                                  |
| <b>SPECIAL FUNDS</b>                              |                                       |  |                             |   |                                  |
| 239 INSURANCE REG. TRUST FUND 239                 | 386,209                               | 466,303  | 84,365                      | 550,668                                   | 0                                |
| <b>TOTAL</b>                                      | <b>386,209</b>                        | <b>466,303</b>                                   | <b>84,365</b>               | <b>550,668</b>                            | <b>0</b>                         |

**CHANGE PACKAGE DETAIL**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

|  |   |              |               |               |             |
|--|---|--------------|---------------|---------------|-------------|
| <b>PROGRAM:</b> AGENCY LICENSING AND INVESTIGATIONS DIV. | <b>REPORTING LEVEL:</b> 00-401-100-13-00-00-00-00000000 |              |               |               |             |
| Description  | FTE   | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                      |            |          |          |               |               |
|----------------------|------------|----------|----------|---------------|---------------|
| Cost To Continue     | .00        | 0        | 0        | 78,865        | 78,865        |
| 2 Operating Expenses | .00        | 0        | 0        | 5,500         | 5,500         |
| <b>Agency Total</b>  | <b>.00</b> | <b>0</b> | <b>0</b> | <b>84,365</b> | <b>84,365</b> |

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## PROGRAM NARRATIVE

401 OFFICE OF THE INSURANCE COMMISSIONER

Date: 12/14/2006

Time: 16:11:12

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|                                   |  |
|-----------------------------------|--|
| Program: LIFE AND HEALTH DIVISION | Reporting Level: 00-401-100-14-00-00-00-00000000 |
|-----------------------------------|--|

## PROGRAM PERFORMANCE MEASURES

The goal for form and rate filings is to have fewer than 50 outstanding filings per analyst; and to have no filing outstanding more than 60 days.

Goals for Hotline and PCND include returning calls within one day.

The goal for handling formal Complaints is to have 60% completed within a 45-day time frame.

## PROGRAM STATISTICAL DATA

During the calendar years 2004-2005, the Hotline desk received/made 16,168 calls, and saw 222 walk-ins; the Complaint desk received/made 1,667 calls, saw 18 walk-ins, and filed 208 formal complaints against companies or agents. During 2004-2005, there were 320 complaints closed with a total relief to consumers equal to \$752, 479.09.

During the years 2004-2005, policy analysts reviewed 5,636 form and/or rate filings.

Prescription Connection for North Dakota, a program to assist people to “connect” with programs offered by pharmaceutical manufacturers to obtain free or discounted prescription medications, was started on December 1, 2003. During the calendar years 2004 and 2005, requests for prescription assistance were received from 3,036 North Dakotans through our toll-free number. Of these, only 27 did not match with any manufacturer program (.9%). These 3,036 individuals requested assistance with 12,667 prescriptions. Of these, 11,057 matched with a manufacturer-assistance program (91%).

In addition, approximately 7,000 searches were made directly through our Prescription Connection website, resulting in approximately 4,000 additional matches.

## EXPLANATION OF PROGRAM COSTS

The Life and Health Division (excluding SHIC) includes the Director; 2 FTEs for Prescription Connection; 3 FTEs as policy analysts; 1 FTE for Hotline; and 1 FTE for Complaints. The primary expenses include salaries and benefits; travel (primarily for the Director and for Prescription Connection); advertising and promotional supplies (primarily for Prescription Connection).

## PROGRAM GOALS AND OBJECTIVES

Our mission is to provide exceptional customer service to all constituencies with whom we work – including consumers of life and health insurance products, companies, agents, media, legislature, government agencies, and peers within the Department – in the areas of product rate and form analysis, consumer complaint handling, Hotline support, the SHIC program (which has its own budget) and the Prescription Connection for North Dakota (PCND) program. Ours is an ongoing effort to protect, serve and educate the public, improve customer service, find efficiencies within the Department, and streamline and improve the regulatory process.

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

| Program: LIFE AND HEALTH DIVISION |                                       | Reporting Level: 00-401-100-14-00-00-00-00000000 |                             |   |                                  |
|-----------------------------------|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                       | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>SALARIES AND WAGES</b>         |                                       |  |                             |   |                                  |
| SALARIES - PERMANENT              | 676,441                               | 551,818  | 93,424                      | 645,242                                   | 0                                |
| FRINGE BENEFITS                   | 207,625                               | 165,545  | 52,109                      | 217,654                                   | 0                                |
| SALARY INCREASE                   | 0                                     | 0  | 0                           | 0   | 0                                |
| BENEFIT INCREASE                  | 0                                     | 0  | 0                           | 0   | 0                                |
| <b>TOTAL</b>                      | <b>884,066</b>                        | <b>717,363</b>                                   | <b>145,533</b>              | <b>862,896</b>                            | <b>0</b>                         |
| <b>SALARIES AND WAGES</b>         |                                       |  |                             |   |                                  |
| GENERAL FUND                      | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                     | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                     | 884,066                               | 717,363  | 145,533                     | 862,896                                   | 0                                |
| <b>TOTAL</b>                      | <b>884,066</b>                        | <b>717,363</b>                                   | <b>145,533</b>              | <b>862,896</b>                            | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>         |                                       |  |                             |   |                                  |
| TRAVEL                            | 22,481                                | 37,415   | 0                           | 37,415                                    | 0                                |
| SUPPLIES - IT SOFTWARE            | 109                                   | 1,796  | 0                           | 1,796                                     | 0                                |
| SUPPLY/MATERIAL-PROFESSIONAL      | 988                                   | 1,250  | 0                           | 1,250                                     | 0                                |
| MISCELLANEOUS SUPPLIES            | 11,425                                | 10,100   | 0                           | 10,100                                    | 0                                |
| OFFICE SUPPLIES                   | 3,102                                 | 4,000  | 0                           | 4,000                                     | 0                                |
| POSTAGE                           | 10,021                                | 10,100   | 0                           | 10,100                                    | 0                                |
| PRINTING                          | 7,383                                 | 9,250  | 0                           | 9,250                                     | 0                                |
| IT EQUIP UNDER \$5,000            | 6,589                                 | 5,196  | 0                           | 5,196                                     | 0                                |
| OFFICE EQUIP & FURN SUPPLIES      | 1,808                                 | 0  | 0                           | 0   | 0                                |
| RENTALS/LEASES-EQUIP & OTHER      | 4,369                                 | 5,300  | 0                           | 5,300                                     | 0                                |
| RENTALS/LEASES - BLDG/LAND        | 20,133                                | 38,900   | 0                           | 38,900                                    | 0                                |
| IT - DATA PROCESSING              | 46,560                                | 5,000  | 0                           | 5,000                                     | 0                                |
| IT-COMMUNICATIONS                 | 15,638                                | 12,150   | 5,000                       | 17,150                                    | 0                                |
| PROFESSIONAL DEVELOPMENT          | 2,271                                 | 5,960  | 0                           | 5,960                                     | 0                                |
| OPERATING FEES AND SERVICES       | 88,983                                | 60,000   | 0                           | 60,000                                    | 0                                |
| FEES - PROFESSIONAL SERVICES      | 39,456                                | 43,000   | 28,680                      | 71,680                                    | 0                                |
| <b>TOTAL</b>                      | <b>281,316</b>                        | <b>249,417</b>                                   | <b>33,680</b>               | <b>283,097</b>                            | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>         |                                       |  |                             |   |                                  |
| GENERAL FUND                      | 100,000                               | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                     | 72,220                                | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                     | 109,096                               | 249,417  | 33,680                      | 283,097                                   | 0                                |
| <b>TOTAL</b>                      | <b>281,316</b>                        | <b>249,417</b>                                   | <b>33,680</b>               | <b>283,097</b>                            | <b>0</b>                         |

**REQUEST DETAIL BY PROGRAM**

**401 OFFICE OF THE INSURANCE COMMISSIONER**  
**Biennium: 2007-2009**

**Bill#: SB 2010**

**Date: 12/14/2006**

**Time: 16:11:12**

|  |                                       |   |                             |   |                                  |
|--|---------------------------------------|---|-----------------------------|---|----------------------------------|
| <b>Program: LIFE AND HEALTH DIVISION</b> |                                       | <b>Reporting Level: 00-401-100-14-00-00-00-00000000</b> |                             |   |                                  |
| Description                              | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                          | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

**PROGRAM FUNDING SOURCES**

|                              |                  |                |                |                  |          |
|------------------------------|------------------|----------------|----------------|------------------|----------|
| GENERAL FUND                 | 100,000          | 0              | 0              | 0                | 0        |
| SPECIAL FUNDS                | 993,162          | 966,780        | 179,213        | 1,145,993        | 0        |
| FEDERAL FUNDS                | 72,220           | 0              | 0              | 0                | 0        |
| <b>PROGRAM FUNDING TOTAL</b> | <b>1,165,382</b> | <b>966,780</b> | <b>179,213</b> | <b>1,145,993</b> | <b>0</b> |

|                      |             |             |            |             |            |
|----------------------|-------------|-------------|------------|-------------|------------|
| <b>FTE EMPLOYEES</b> | <b>8.00</b> | <b>8.00</b> | <b>.00</b> | <b>8.00</b> | <b>.00</b> |
|----------------------|-------------|-------------|------------|-------------|------------|

**FUNDING DETAIL**

|                     |                |          |          |          |          |
|---------------------|----------------|----------|----------|----------|----------|
| <b>GENERAL FUND</b> | <b>100,000</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
|---------------------|----------------|----------|----------|----------|----------|

|                      |               |          |          |          |          |
|----------------------|---------------|----------|----------|----------|----------|
| <b>FEDERAL FUNDS</b> |               |          |          |          |          |
| R052 HCFA            | 72,220        | 0        | 0        | 0        | 0        |
| <b>TOTAL</b>         | <b>72,220</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |

|                                   |                |                |                |                  |          |
|-----------------------------------|----------------|----------------|----------------|------------------|----------|
| <b>SPECIAL FUNDS</b>              |                |                |                |                  |          |
| 239 INSURANCE REG. TRUST FUND 239 | 993,162        | 966,780        | 179,213        | 1,145,993        | 0        |
| <b>TOTAL</b>                      | <b>993,162</b> | <b>966,780</b> | <b>179,213</b> | <b>1,145,993</b> | <b>0</b> |

**CHANGE PACKAGE DETAIL**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

|  |   |              |               |               |             |
|--|---|--------------|---------------|---------------|-------------|
| <b>PROGRAM:</b> LIFE AND HEALTH DIVISION | <b>REPORTING LEVEL:</b> 00-401-100-14-00-00-00-00000000 |              |               |               |             |
| Description                              | FTE   | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                      |            |          |          |                |                |
|----------------------|------------|----------|----------|----------------|----------------|
| Cost To Continue     | .00        | 0        | 0        | 145,533        | 145,533        |
| 2 Operating Expenses | .00        | 0        | 0        | 33,680         | 33,680         |
| <b>Agency Total</b>  | <b>.00</b> | <b>0</b> | <b>0</b> | <b>179,213</b> | <b>179,213</b> |

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## PROGRAM NARRATIVE

401 OFFICE OF THE INSURANCE COMMISSIONER

Date: 12/14/2006

Time: 16:11:12

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**Program:** SENIOR HEALTH INSURANCE BUDGET

**Reporting Level:** 00-401-100-15-00-00-00000000

## PROGRAM PERFORMANCE MEASURES

Plan, schedule and provide outreach activities targeting Medicare beneficiaries and the volunteers assisting them.

Provide one-on-one assistance to Medicare beneficiaries with questions regarding Medicare, Medicare Advantage, Medicare Supplement, and Long Term Care products. Provide one-on-one assistance to Medicare beneficiaries enrolling into Medicare Part D plans.

Plan, schedule and provide educational resources to Medicare beneficiaries and volunteers.

Recruit and train volunteers to assist Medicare beneficiaries with their Medicare, Medicare Advantage, Medicare Supplement and Long Term Care insurance questions.

Complete required reports for CMS, including the SHIC federal grant.

## PROGRAM STATISTICAL DATA

The number of SHIC counselors increased from 90 (as of 4/1/05) to 130 (as of 2/3/06).

Since the beginning of 2005, there have been over 200 (216) Medicare Part D-related events, including presentation, booths, and training/education activities.

From Fall, 2005 through May, 2006, our 888-number received over 5,000 calls with questions regarding the new Medicare Part D and Medicare Advantage plans.

SHIC and volunteers staffed a booth at the ND State Fair, reaching approximately 9,000 people during the 10 days of the Fair regarding Medicare Part D.

SHIC collaborated with the Denver Office of CMS to staff a booth at the Hostfest in Minot. Approximately 50,000 people attend Hostfest, and a large number of them stopped by the booth to pick up Medicare-related material.

## EXPLANATION OF PROGRAM COSTS

The bulk of SHIC expenses include salaries and benefits for 2 FTEs; travel; advertising; promotional supplies; and computers made available to the SHIC counselors. Program costs are funded by a grant from the CMS.

## **PROGRAM GOALS AND OBJECTIVES**

Assist Medicare beneficiaries who have questions about Medicare, Medicare Prescription Drug coverage, Medicare Advantage plans, Medicare Supplement insurance, and Long Term Care insurance. Assist Medicare beneficiaries who request help applying for prescription drug assistance programs available from pharmaceutical manufacturers.

**REQUEST DETAIL BY PROGRAM**

**401 OFFICE OF THE INSURANCE COMMISSIONER**  
**Biennium: 2007-2009**

**Bill#: SB 2010**

**Date: 12/14/2006**

**Time: 16:11:12**

| <b>Program: SENIOR HEALTH INSURANCE BUDGET</b> |                                       | <b>Reporting Level: 00-401-100-15-00-00-00-00000000</b> |                             |   |                                  |
|--|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                                    | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                          | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>SALARIES AND WAGES</b>                      |                                       |   |                             |   |                                  |
| SALARIES - PERMANENT                           | 90,222                                | 126,923   | 13,275                      | 140,198                                   | 0                                |
| FRINGE BENEFITS                                | 27,117                                | 38,077  | 12,691                      | 50,768                                    | 0                                |
| SALARY INCREASE                                | 0                                     | 0   | 0                           | 0   | 0                                |
| BENEFIT INCREASE                               | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                                   | <b>117,339</b>                        | <b>165,000</b>  | <b>25,966</b>               | <b>190,966</b>                            | <b>0</b>                         |
| <b>SALARIES AND WAGES</b>                      |                                       |   |                             |   |                                  |
| GENERAL FUND                                   | 0                                     | 0   | 0                           | 0   | 0                                |
| FEDERAL FUNDS                                  | 117,339                               | 165,000   | 25,966                      | 190,966                                   | 0                                |
| SPECIAL FUNDS                                  | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                                   | <b>117,339</b>                        | <b>165,000</b>  | <b>25,966</b>               | <b>190,966</b>                            | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>                      |                                       |   |                             |   |                                  |
| TRAVEL   | 42,272                                | 55,000  | 12,000                      | 67,000                                    | 0                                |
| SUPPLIES - IT SOFTWARE                         | 3,992                                 | 5,144   | 0                           | 5,144                                     | 0                                |
| SUPPLY/MATERIAL-PROFESSIONAL                   | 254                                   | 650   | 0                           | 650                                       | 0                                |
| MISCELLANEOUS SUPPLIES                         | 7,152                                 | 11,000  | 0                           | 11,000                                    | 0                                |
| OFFICE SUPPLIES                                | 3,859                                 | 4,000   | 0                           | 4,000                                     | 0                                |
| POSTAGE  | 28,644                                | 25,200  | 0                           | 25,200                                    | 0                                |
| PRINTING                                       | 20,136                                | 15,000  | 0                           | 15,000                                    | 0                                |
| IT EQUIP UNDER \$5,000                         | 15,575                                | 16,200  | 10,000                      | 26,200                                    | 0                                |
| OFFICE EQUIP & FURN SUPPLIES                   | 3,500                                 | 0   | 0                           | 0   | 0                                |
| RENTALS/LEASES-EQUIP & OTHER                   | 405                                   | 700   | 0                           | 700                                       | 0                                |
| RENTALS/LEASES - BLDG/LAND                     | 3,951                                 | 16,850  | 0                           | 16,850                                    | 0                                |
| IT - DATA PROCESSING                           | 0                                     | 3,000   | 0                           | 3,000                                     | 0                                |
| IT-COMMUNICATIONS                              | 4,968                                 | 6,500   | 0                           | 6,500                                     | 0                                |
| PROFESSIONAL DEVELOPMENT                       | 8,779                                 | 0   | 0                           | 0   | 0                                |
| OPERATING FEES AND SERVICES                    | 83,365                                | 52,434  | 7,566                       | 60,000                                    | 0                                |
| FEES - PROFESSIONAL SERVICES                   | 49                                    | 9,250   | 0                           | 9,250                                     | 0                                |
| <b>TOTAL</b>                                   | <b>226,901</b>                        | <b>220,928</b>  | <b>29,566</b>               | <b>250,494</b>                            | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>                      |                                       |   |                             |   |                                  |
| GENERAL FUND                                   | 0                                     | 0   | 0                           | 0   | 0                                |
| FEDERAL FUNDS                                  | 226,901                               | 220,928   | 29,566                      | 250,494                                   | 0                                |
| SPECIAL FUNDS                                  | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                                   | <b>226,901</b>                        | <b>220,928</b>  | <b>29,566</b>               | <b>250,494</b>                            | <b>0</b>                         |

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

|  |                                       |   |                             |   |                                  |
|--|---------------------------------------|---|-----------------------------|---|----------------------------------|
| <b>Program: SENIOR HEALTH INSURANCE BUDGET</b> |                                       | <b>Reporting Level: 00-401-100-15-00-00-00-00000000</b> |                             |   |                                  |
| Description                                    | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                          | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

**PROGRAM FUNDING SOURCES**

|                              |                |                |               |                |            |
|------------------------------|----------------|----------------|---------------|----------------|------------|
| FEDERAL FUNDS                | 344,240        | 385,928        | 55,532        | 441,460        | 0          |
| SPECIAL FUNDS                | 0              | 0              | 0             | 0              | 0          |
| GENERAL FUND                 | 0              | 0              | 0             | 0              | 0          |
| <b>PROGRAM FUNDING TOTAL</b> | <b>344,240</b> | <b>385,928</b> | <b>55,532</b> | <b>441,460</b> | <b>0</b>   |
| <b>FTE EMPLOYEES</b>         | <b>2.00</b>    | <b>2.00</b>    | <b>.00</b>    | <b>2.00</b>    | <b>.00</b> |

**FUNDING DETAIL****FEDERAL FUNDS**

|              |                |                |               |                |          |
|--------------|----------------|----------------|---------------|----------------|----------|
| R052 HCFA    | 344,240        | 385,928        | 55,532        | 441,460        | 0        |
| <b>TOTAL</b> | <b>344,240</b> | <b>385,928</b> | <b>55,532</b> | <b>441,460</b> | <b>0</b> |

**CHANGE PACKAGE DETAIL**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

|  |   |              |               |               |             |
|--|---|--------------|---------------|---------------|-------------|
| <b>PROGRAM:</b> SENIOR HEALTH INSURANCE BUDGET | <b>REPORTING LEVEL:</b> 00-401-100-15-00-00-00-00000000 |              |               |               |             |
| Description                                    | FTE   | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                      |            |          |               |          |               |
|----------------------|------------|----------|---------------|----------|---------------|
| Cost To Continue     | .00        | 0        | 25,966        | 0        | 25,966        |
| 2 Operating Expenses | .00        | 0        | 29,566        | 0        | 29,566        |
| <b>Agency Total</b>  | <b>.00</b> | <b>0</b> | <b>55,532</b> | <b>0</b> | <b>55,532</b> |

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## PROGRAM NARRATIVE

401 OFFICE OF THE INSURANCE COMMISSIONER

Date: 12/14/2006

Time: 16:11:12

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|                                    |  |
|------------------------------------|--|
| Program: STATE BONDING FUND BUDGET | Reporting Level: 00-401-100-40-00-00-00-00000000 |
|------------------------------------|--|

## PROGRAM PERFORMANCE MEASURES

No Narrative

## PROGRAM STATISTICAL DATA

State Bonding Fund provides fidelity blanket bond coverage to the State and its political subdivisions since 1915. This coverage is provided at no cost to the bondholder. The bond covers for loss of money and other property caused by the dishonest acts of an employee. Employees include persons on the bondholder's payroll, board members, city council members, and county commissioners. There are 2947 bondholders with approximately \$418,980,169 in coverage in force.

## EXPLANATION OF PROGRAM COSTS

Budget expenses are for salaries and benefits, general operating expenses, system maintenance and enhancements, professional development, program travel related activities. Investigation and claim cost are allocated loss expenses and paid directly out of surplus.

## PROGRAM GOALS AND OBJECTIVES

To protect a covered entity against theft of money and property by an employee and to educate bondholders on the importance of having sufficient financial controls and safeguards in place to minimized the opportunity for theft,

**REQUEST DETAIL BY PROGRAM**

Date: 12/14/2006

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Biennium: 2007-2009

| Program: STATE BONDING FUND BUDGET |                                       | Reporting Level: 00-401-100-40-00-00-00-00000000 |                             |   |                                  |
|------------------------------------|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                        | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>SALARIES AND WAGES</b>          |                                       |  |                             |   |                                  |
| SALARIES - PERMANENT               | 21,435                                | 20,769   | 5,295                       | 26,064                                    | 0                                |
| FRINGE BENEFITS                    | 5,403                                 | 6,231  | 2,261                       | 8,492                                     | 0                                |
| SALARY INCREASE                    | 0                                     | 0  | 0                           | 0   | 0                                |
| BENEFIT INCREASE                   | 0                                     | 0  | 0                           | 0   | 0                                |
| <b>TOTAL</b>                       | <b>26,838</b>                         | <b>27,000</b>                                    | <b>7,556</b>                | <b>34,556</b>                             | <b>0</b>                         |
| <b>SALARIES AND WAGES</b>          |                                       |  |                             |   |                                  |
| GENERAL FUND                       | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                      | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                      | 26,838                                | 27,000   | 7,556                       | 34,556                                    | 0                                |
| <b>TOTAL</b>                       | <b>26,838</b>                         | <b>27,000</b>                                    | <b>7,556</b>                | <b>34,556</b>                             | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>          |                                       |  |                             |   |                                  |
| OFFICE SUPPLIES                    | 179                                   | 250  | 0                           | 250                                       | 0                                |
| POSTAGE                            | 1,834                                 | 1,200  | 0                           | 1,200                                     | 0                                |
| PRINTING                           | 2,044                                 | 1,200  | 0                           | 1,200                                     | 0                                |
| RENTALS/LEASES - BLDG/LAND         | 100                                   | 2,525  | 0                           | 2,525                                     | 0                                |
| IT - DATA PROCESSING               | 1,503                                 | 1,425  | 1,575                       | 3,000                                     | 0                                |
| IT-COMMUNICATIONS                  | 527                                   | 600  | 0                           | 600                                       | 0                                |
| OPERATING FEES AND SERVICES        | 0                                     | 500  | 0                           | 500                                       | 0                                |
| FEES - PROFESSIONAL SERVICES       | 59                                    | 300  | 0                           | 300                                       | 0                                |
| <b>TOTAL</b>                       | <b>6,246</b>                          | <b>8,000</b>                                     | <b>1,575</b>                | <b>9,575</b>                              | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>          |                                       |  |                             |   |                                  |
| GENERAL FUND                       | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                      | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                      | 6,246                                 | 8,000  | 1,575                       | 9,575                                     | 0                                |
| <b>TOTAL</b>                       | <b>6,246</b>                          | <b>8,000</b>                                     | <b>1,575</b>                | <b>9,575</b>                              | <b>0</b>                         |
| <b>PROGRAM FUNDING SOURCES</b>     |                                       |  |                             |   |                                  |
| GENERAL FUND                       | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                      | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                      | 33,084                                | 35,000   | 9,131                       | 44,131                                    | 0                                |
| <b>PROGRAM FUNDING TOTAL</b>       | <b>33,084</b>                         | <b>35,000</b>                                    | <b>9,131</b>                | <b>44,131</b>                             | <b>0</b>                         |

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Bill#: SB 2010

Date: 12/14/2006

Biennium: 2007-2009

Time: 16:11:12

| Program: STATE BONDING FUND BUDGET |                                       | Reporting Level: 00-401-100-40-00-00-00-00000000 |                             |   |                                  |
|------------------------------------|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                        | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>FTE EMPLOYEES</b>               | <b>.30</b>                            | <b>.30</b>                                       | <b>.00</b>                  | <b>.30</b>                                | <b>.00</b>                       |
| <b>FUNDING DETAIL</b>              |                                       |  |                             |   |                                  |
| <b>SPECIAL FUNDS</b>               |                                       |  |                             |   |                                  |
| 210 STATE BONDING FUND 210         | 33,084                                | 35,000   | 9,131                       | 44,131                                    | 0                                |
| <b>TOTAL</b>                       | <b>33,084</b>                         | <b>35,000</b>                                    | <b>9,131</b>                | <b>44,131</b>                             | <b>0</b>                         |

**CHANGE PACKAGE DETAIL**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

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|   |   |              |               |               |             |
|---|---|--------------|---------------|---------------|-------------|
| <b>PROGRAM:</b> STATE BONDING FUND BUDGET | <b>REPORTING LEVEL:</b> 00-401-100-40-00-00-00-00000000 |              |               |               |             |
| Description                               | FTE   | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                      |            |          |          |              |              |
|----------------------|------------|----------|----------|--------------|--------------|
| Cost To Continue     | .00        | 0        | 0        | 7,556        | 7,556        |
| 2 Operating Expenses | .00        | 0        | 0        | 1,575        | 1,575        |
| <b>Agency Total</b>  | <b>.00</b> | <b>0</b> | <b>0</b> | <b>9,131</b> | <b>9,131</b> |

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## PROGRAM NARRATIVE

401 OFFICE OF THE INSURANCE COMMISSIONER

Date: 12/14/2006

Time: 16:11:12

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**Program:** FIRE AND TORNADO BUDGET

**Reporting Level:** 00-401-100-41-00-00-00000000

## PROGRAM PERFORMANCE MEASURES

No Narrative

## PROGRAM STATISTICAL DATA

State Fire and Tornado Fund provides affordable property insurance coverage for the State and its political subdivision since 1919. There are 1079 policyholders with 8751 building property locations, 6271 personal property locations, 3568 outdoor property locations, and 61 trailer property locations for a combined insured value of \$7.2 billion dollars.

Boiler and pressure vessel inspection program was created by the 1953 Legislature. This safety program provides mechanical inspections of boilers and pressure vessels and their components. Inspections are conducted on a recurring basis to safeguard the lives of those exposed to vessels under pressure, to protect persons and property generally, and to place responsibility for compliance with reasonable regulations with the owner and user. There are approximately 8700 boilers of all types in business, industries, and large apartment buildings.

Anhydrous Ammonia Facility Inspection program was created by the 1995 Legislature. This safety program provides mechanical inspections of storage containers and nurse tanks and their components. Inspections area conducted on a recurring basis, every five years, to safeguard the lives of those exposed to vessels under pressure, to protect persons and property generally, at to place responsibility for compliance with reasonable regulation with the owner and user. There are approximately 320 storage container facilities with approximately 500 storage containers and 6900 nurse tanks.

## EXPLANATION OF PROGRAM COSTS

Budget expenses are for salaries and benefits, general operating expenses, system maintenance and enhancements, professional development, and program related travel costs. Investigation and claim cost are allocated loss expenses and paid directly out of surplus.

## PROGRAM GOALS AND OBJECTIVES

To provide affordable property insurance coverage and inspections services. To handle the needs of our customers the right way the first time, accurately, fairly and timely, and always with the benefit of prevention, safety and education.

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

| Program: FIRE AND TORNADO BUDGET |                                       | Reporting Level: 00-401-100-41-00-00-00-00000000 |                             |   |                                  |
|----------------------------------|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                      | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>SALARIES AND WAGES</b>        |                                       |  |                             |   |                                  |
| SALARIES - PERMANENT             | 473,942                               | 607,692  | -3,290                      | 604,402                                   | 0                                |
| SALARIES - OTHER                 | 0                                     | 0  | 0                           | 0   | 0                                |
| FRINGE BENEFITS                  | 139,683                               | 182,308  | 18,518                      | 200,826                                   | 0                                |
| SALARY INCREASE                  | 0                                     | 0  | 0                           | 0   | 0                                |
| BENEFIT INCREASE                 | 0                                     | 0  | 0                           | 0   | 0                                |
| <b>TOTAL</b>                     | <b>613,625</b>                        | <b>790,000</b>                                   | <b>15,228</b>               | <b>805,228</b>                            | <b>0</b>                         |
| <b>SALARIES AND WAGES</b>        |                                       |  |                             |   |                                  |
| GENERAL FUND                     | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                    | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                    | 613,625                               | 790,000  | 15,228                      | 805,228                                   | 0                                |
| <b>TOTAL</b>                     | <b>613,625</b>                        | <b>790,000</b>                                   | <b>15,228</b>               | <b>805,228</b>                            | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>        |                                       |  |                             |   |                                  |
| TRAVEL                           | 75,678                                | 90,370   | 0                           | 90,370                                    | 0                                |
| SUPPLIES - IT SOFTWARE           | 3,577                                 | 6,376  | 0                           | 6,376                                     | 0                                |
| SUPPLY/MATERIAL-PROFESSIONAL     | 3,841                                 | 5,040  | 0                           | 5,040                                     | 0                                |
| FOOD AND CLOTHING                | 489                                   | 1,500  | 0                           | 1,500                                     | 0                                |
| MISCELLANEOUS SUPPLIES           | 426                                   | 1,000  | 0                           | 1,000                                     | 0                                |
| OFFICE SUPPLIES                  | 2,909                                 | 3,800  | 0                           | 3,800                                     | 0                                |
| POSTAGE                          | 16,775                                | 16,400   | 0                           | 16,400                                    | 0                                |
| PRINTING                         | 11,247                                | 10,550   | 0                           | 10,550                                    | 0                                |
| IT EQUIP UNDER \$5,000           | 11,828                                | 3,784  | 0                           | 3,784                                     | 0                                |
| OTHER EQUIP UNDER \$5,000        | 851                                   | 0  | 0                           | 0   | 0                                |
| OFFICE EQUIP & FURN SUPPLIES     | 701                                   | 350  | 0                           | 350                                       | 0                                |
| INSURANCE                        | 1,617                                 | 1,450  | 0                           | 1,450                                     | 0                                |
| RENTALS/LEASES-EQUIP & OTHER     | 3,377                                 | 3,950  | 0                           | 3,950                                     | 0                                |
| RENTALS/LEASES - BLDG/LAND       | 46,416                                | 45,475   | 0                           | 45,475                                    | 0                                |
| REPAIRS                          | 295                                   | 200  | 0                           | 200                                       | 0                                |
| IT - DATA PROCESSING             | 4,914                                 | 10,000   | 0                           | 10,000                                    | 0                                |
| IT-COMMUNICATIONS                | 10,900                                | 4,500  | 10,000                      | 14,500                                    | 0                                |
| IT CONTRACTUAL SERVICES AND RE   | 2,100                                 | 1,200  | 50,000                      | 51,200                                    | 0                                |
| PROFESSIONAL DEVELOPMENT         | 3,781                                 | 6,580  | 0                           | 6,580                                     | 0                                |
| OPERATING FEES AND SERVICES      | 7,120                                 | 121,051  | -67,440                     | 53,611                                    | 0                                |

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

| Program: FIRE AND TORNADO BUDGET  |                                       | Reporting Level: 00-401-100-41-00-00-00-00000000 |                             |   |                                  |
|-----------------------------------|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                       | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| FEES - PROFESSIONAL SERVICES      | 17,717                                | 15,000   | 7,440                       | 22,440                                    | 0                                |
| MEDICAL, DENTAL AND OPTICAL       | 275                                   | 0  | 0                           | 0   | 0                                |
| <b>TOTAL</b>                      | <b>226,834</b>                        | <b>348,576</b>                                   | <b>0</b>                    | <b>348,576</b>                            | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>         |                                       |  |                             |   |                                  |
| GENERAL FUND                      | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                     | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                     | 226,834                               | 348,576  | 0                           | 348,576                                   | 0                                |
| <b>TOTAL</b>                      | <b>226,834</b>                        | <b>348,576</b>                                   | <b>0</b>                    | <b>348,576</b>                            | <b>0</b>                         |
| <b>PROGRAM FUNDING SOURCES</b>    |                                       |  |                             |   |                                  |
| GENERAL FUND                      | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                     | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                     | 840,459                               | 1,138,576  | 15,228                      | 1,153,804                                 | 0                                |
| <b>PROGRAM FUNDING TOTAL</b>      | <b>840,459</b>                        | <b>1,138,576</b>                                 | <b>15,228</b>               | <b>1,153,804</b>                          | <b>0</b>                         |
| <b>FTE EMPLOYEES</b>              | <b>6.75</b>                           | <b>6.75</b>                                      | <b>.00</b>                  | <b>6.75</b>                               | <b>.00</b>                       |
| <b>FUNDING DETAIL</b>             |                                       |  |                             |   |                                  |
| <b>SPECIAL FUNDS</b>              |                                       |  |                             |   |                                  |
| 211 STATE FIRE & TORNADO FUND 211 | 840,459                               | 1,138,576  | 15,228                      | 1,153,804                                 | 0                                |
| <b>TOTAL</b>                      | <b>840,459</b>                        | <b>1,138,576</b>                                 | <b>15,228</b>               | <b>1,153,804</b>                          | <b>0</b>                         |

**CHANGE PACKAGE DETAIL**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

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|   |   |              |               |               |             |
|---|---|--------------|---------------|---------------|-------------|
| <b>PROGRAM:</b> FIRE AND TORNADO BUDGET | <b>REPORTING LEVEL:</b> 00-401-100-41-00-00-00-00000000 |              |               |               |             |
| Description                             | FTE   | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                     |            |          |          |               |               |
|---------------------|------------|----------|----------|---------------|---------------|
| Cost To Continue    | .00        | 0        | 0        | 15,228        | 15,228        |
| <b>Agency Total</b> | <b>.00</b> | <b>0</b> | <b>0</b> | <b>15,228</b> | <b>15,228</b> |

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## PROGRAM NARRATIVE

401 OFFICE OF THE INSURANCE COMMISSIONER

Date: 12/14/2006

Time: 16:11:12

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|  |
|--|
| Program: PETRO TANK RELEASE COMP FUND BUDGET |
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|--|
| Reporting Level: 00-401-100-42-00-00-00-00000000 |
|--|

## PROGRAM PERFORMANCE MEASURES

No Narrative

## PROGRAM STATISTICAL DATA

Created by the 1989 legislature, this provides contaminated clean-up coverage and third-party liability coverage to petroleum tank owner and/or operators. Tank owners must be in compliance with all federal and state regulations, including regulations relating to financial responsibility in order to participate in this Fund. There are approximately 1680 registered sites that pay an annual registration fee for approximately 5666 tanks.

## EXPLANATION OF PROGRAM COSTS

Budget expenses are for salaries and benefits, general operating expenses, system maintenance and enhancements, professional development, and program related travel costs. Investigation and claim cost are allocated loss expenses and paid directly out of surplus.

## PROGRAM GOALS AND OBJECTIVES

To provide affordable pollution liability insurance coverage to all petroleum tank owners and operators that the law requires them to maintain for financial responsibility of a petroleum release from a tank and its piping. To handle the needs of our customers the right way the first time, accurately, fairly and timely, and always with the benefit of prevention, safety and education.

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

| Program: PETRO TANK RELEASE COMP FUND BUDGET |                                       | Reporting Level: 00-401-100-42-00-00-00-00000000 |                             |   |                                  |
|--|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                                  | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>SALARIES AND WAGES</b>                    |                                       |  |                             |   |                                  |
| SALARIES - PERMANENT                         | 51,361                                | 54,692   | -9,236                      | 45,456                                    | 0                                |
| FRINGE BENEFITS                              | 13,287                                | 16,408   | -2,590                      | 13,818                                    | 0                                |
| SALARY INCREASE                              | 0                                     | 0  | 0                           | 0   | 0                                |
| BENEFIT INCREASE                             | 0                                     | 0  | 0                           | 0   | 0                                |
| <b>TOTAL</b>                                 | <b>64,648</b>                         | <b>71,100</b>                                    | <b>-11,826</b>              | <b>59,274</b>                             | <b>0</b>                         |
| <b>SALARIES AND WAGES</b>                    |                                       |  |                             |   |                                  |
| GENERAL FUND                                 | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                                | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                                | 64,648                                | 71,100   | -11,826                     | 59,274                                    | 0                                |
| <b>TOTAL</b>                                 | <b>64,648</b>                         | <b>71,100</b>                                    | <b>-11,826</b>              | <b>59,274</b>                             | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>                    |                                       |  |                             |   |                                  |
| SALARIES - PERMANENT                         | 125                                   | 0  | 0                           | 0   | 0                                |
| TRAVEL                                       | 4,506                                 | 2,180  | 0                           | 2,180                                     | 0                                |
| SUPPLIES - IT SOFTWARE                       | 60                                    | 0  | 0                           | 0   | 0                                |
| SUPPLY/MATERIAL-PROFESSIONAL                 | 349                                   | 650  | 0                           | 650                                       | 0                                |
| FOOD AND CLOTHING                            | 0                                     | 200  | 0                           | 200                                       | 0                                |
| MISCELLANEOUS SUPPLIES                       | 0                                     | 600  | 0                           | 600                                       | 0                                |
| OFFICE SUPPLIES                              | 1,246                                 | 4,000  | 0                           | 4,000                                     | 0                                |
| POSTAGE                                      | 5,159                                 | 3,800  | 0                           | 3,800                                     | 0                                |
| PRINTING                                     | 6,667                                 | 3,950  | 0                           | 3,950                                     | 0                                |
| RENTALS/LEASES-EQUIP & OTHER                 | 2,251                                 | 1,300  | 0                           | 1,300                                     | 0                                |
| RENTALS/LEASES - BLDG/LAND                   | 5,453                                 | 2,525  | 0                           | 2,525                                     | 0                                |
| IT - DATA PROCESSING                         | 3,006                                 | 2,000  | 0                           | 2,000                                     | 0                                |
| IT-COMMUNICATIONS                            | 1,268                                 | 1,000  | 500                         | 1,500                                     | 0                                |
| PROFESSIONAL DEVELOPMENT                     | 121                                   | 6,580  | 0                           | 6,580                                     | 0                                |
| OPERATING FEES AND SERVICES                  | 0                                     | 15,115   | 0                           | 15,115                                    | 0                                |
| FEES - PROFESSIONAL SERVICES                 | 71                                    | 5,000  | 0                           | 5,000                                     | 0                                |
| <b>TOTAL</b>                                 | <b>30,282</b>                         | <b>48,900</b>                                    | <b>500</b>                  | <b>49,400</b>                             | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>                    |                                       |  |                             |   |                                  |
| GENERAL FUND                                 | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                                | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                                | 30,282                                | 48,900   | 500                         | 49,400                                    | 0                                |
| <b>TOTAL</b>                                 | <b>30,282</b>                         | <b>48,900</b>                                    | <b>500</b>                  | <b>49,400</b>                             | <b>0</b>                         |

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Bill#: SB 2010

Date: 12/14/2006

Biennium: 2007-2009

Time: 16:11:12

|   |                                       |   |                             |   |                                  |
|---|---------------------------------------|---|-----------------------------|---|----------------------------------|
| <b>Program:</b> PETRO TANK RELEASE COMP FUND BUDGET |                                       | <b>Reporting Level:</b> 00-401-100-42-00-00-00-00000000 |                             |   |                                  |
| Description   | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                          | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

**PROGRAM FUNDING SOURCES**

|                              |               |                |                |                |            |
|------------------------------|---------------|----------------|----------------|----------------|------------|
| GENERAL FUND                 | 0             | 0              | 0              | 0              | 0          |
| FEDERAL FUNDS                | 0             | 0              | 0              | 0              | 0          |
| SPECIAL FUNDS                | 94,930        | 120,000        | -11,326        | 108,674        | 0          |
| <b>PROGRAM FUNDING TOTAL</b> | <b>94,930</b> | <b>120,000</b> | <b>-11,326</b> | <b>108,674</b> | <b>0</b>   |
| <b>FTE EMPLOYEES</b>         | <b>.45</b>    | <b>.45</b>     | <b>.00</b>     | <b>.45</b>     | <b>.00</b> |

**FUNDING DETAIL****SPECIAL FUNDS**

|                                   |               |                |                |                |          |
|-----------------------------------|---------------|----------------|----------------|----------------|----------|
| 233 PETROLEUM REL. COMP. FUND 233 | 94,930        | 120,000        | -11,326        | 108,674        | 0        |
| <b>TOTAL</b>                      | <b>94,930</b> | <b>120,000</b> | <b>-11,326</b> | <b>108,674</b> | <b>0</b> |

**CHANGE PACKAGE DETAIL**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

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|   |   |              |               |               |             |
|---|---|--------------|---------------|---------------|-------------|
| <b>PROGRAM:</b> PETRO TANK RELEASE COMP FUND BUDGET | <b>REPORTING LEVEL:</b> 00-401-100-42-00-00-00-00000000 |              |               |               |             |
| Description   | FTE   | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                      |            |          |          |                |                |
|----------------------|------------|----------|----------|----------------|----------------|
| Cost To Continue     | .00        | 0        | 0        | -11,826        | -11,826        |
| 2 Operating Expenses | .00        | 0        | 0        | 500            | 500            |
| <b>Agency Total</b>  | <b>.00</b> | <b>0</b> | <b>0</b> | <b>-11,326</b> | <b>-11,326</b> |

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## PROGRAM NARRATIVE

401 OFFICE OF THE INSURANCE COMMISSIONER

Date: 12/14/2006

Time: 16:11:12

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|   |
|---|
| <b>Program:</b> UNSATISFIED JUDGEMENT FUND BUDGET |
|---|

|   |
|---|
| <b>Reporting Level:</b> 00-401-100-43-00-00-00-00000000 |
|---|

## PROGRAM PERFORMANCE MEASURES

Reviewing and resolving claims against the Unsatisfied Judgment Fund are completed in a timely manner, depending on the facts and circumstances relating to the claim.

## PROGRAM STATISTICAL DATA

For the 2003-05 biennium, there were no judgments paid. For the 2005-07 biennium to date (as of July 2006), three judgments were paid totaling \$20,000. There are currently two open files with the potential claim amount of \$10,000 for each file.

## EXPLANATION OF PROGRAM COSTS

The Legal Division assists with the administration of the Unsatisfied Judgment Fund. The Legal Division consists of the General Counsel, Legal Counsel, Legal Assistant, and Market Conduct Examiner/Analyst.

## PROGRAM GOALS AND OBJECTIVES

Assist with the administration of the Unsatisfied Judgment Fund by reviewing and resolving claims against the Fund.

**REQUEST DETAIL BY PROGRAM**

**401 OFFICE OF THE INSURANCE COMMISSIONER**  
**Biennium: 2007-2009**

**Bill#: SB 2010**

**Date: 12/14/2006**

**Time: 16:11:12**

| <b>Program: UNSATISFIED JUDGEMENT FUND BUDGET</b> |                                       | <b>Reporting Level: 00-401-100-43-00-00-00-00000000</b> |                             |   |                                  |
|---|---------------------------------------|---|-----------------------------|---|----------------------------------|
| Description                                       | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                          | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>SALARIES AND WAGES</b>                         |                                       |   |                             |   |                                  |
| SALARIES - PERMANENT                              | 14,856                                | 17,692  | -14,382                     | 3,310                                     | 0                                |
| FRINGE BENEFITS                                   | 5,476                                 | 5,308   | -4,072                      | 1,236                                     | 0                                |
| SALARY INCREASE                                   | 0                                     | 0   | 0                           | 0   | 0                                |
| BENEFIT INCREASE                                  | 0                                     | 0   | 0                           | 0   | 0                                |
| <b>TOTAL</b>                                      | <b>20,332</b>                         | <b>23,000</b>   | <b>-18,454</b>              | <b>4,546</b>                              | <b>0</b>                         |
| <b>SALARIES AND WAGES</b>                         |                                       |   |                             |   |                                  |
| GENERAL FUND                                      | 0                                     | 0   | 0                           | 0   | 0                                |
| FEDERAL FUNDS                                     | 0                                     | 0   | 0                           | 0   | 0                                |
| SPECIAL FUNDS                                     | 20,332                                | 23,000  | -18,454                     | 4,546                                     | 0                                |
| <b>TOTAL</b>                                      | <b>20,332</b>                         | <b>23,000</b>   | <b>-18,454</b>              | <b>4,546</b>                              | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>                         |                                       |   |                             |   |                                  |
| IT - DATA PROCESSING                              | 67                                    | 500   | 0                           | 500                                       | 0                                |
| OPERATING FEES AND SERVICES                       | 0                                     | 9,500   | 0                           | 9,500                                     | 0                                |
| FEES - PROFESSIONAL SERVICES                      | 0                                     | 2,000   | 0                           | 2,000                                     | 0                                |
| <b>TOTAL</b>                                      | <b>67</b>                             | <b>12,000</b>   | <b>0</b>                    | <b>12,000</b>                             | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>                         |                                       |   |                             |   |                                  |
| GENERAL FUND                                      | 0                                     | 0   | 0                           | 0   | 0                                |
| FEDERAL FUNDS                                     | 0                                     | 0   | 0                           | 0   | 0                                |
| SPECIAL FUNDS                                     | 67                                    | 12,000  | 0                           | 12,000                                    | 0                                |
| <b>TOTAL</b>                                      | <b>67</b>                             | <b>12,000</b>   | <b>0</b>                    | <b>12,000</b>                             | <b>0</b>                         |
| <b>PROGRAM FUNDING SOURCES</b>                    |                                       |   |                             |   |                                  |
| GENERAL FUND                                      | 0                                     | 0   | 0                           | 0   | 0                                |
| FEDERAL FUNDS                                     | 0                                     | 0   | 0                           | 0   | 0                                |
| SPECIAL FUNDS                                     | 20,399                                | 35,000  | -18,454                     | 16,546                                    | 0                                |
| <b>PROGRAM FUNDING TOTAL</b>                      | <b>20,399</b>                         | <b>35,000</b>   | <b>-18,454</b>              | <b>16,546</b>                             | <b>0</b>                         |
| <b>FTE EMPLOYEES</b>                              |                                       |   |                             |   |                                  |
|   | <b>.05</b>                            | <b>.05</b>  | <b>.00</b>                  | <b>.05</b>                                | <b>.00</b>                       |

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER

Bill#: SB 2010

Date: 12/14/2006

Biennium: 2007-2009

Time: 16:11:12

|   |                                       |   |                             |   |                                  |
|---|---------------------------------------|---|-----------------------------|---|----------------------------------|
| <b>Program:</b> UNSATISFIED JUDGEMENT FUND BUDGET |                                       | <b>Reporting Level:</b> 00-401-100-43-00-00-00-00000000 |                             |   |                                  |
| Description                                       | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                          | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

**FUNDING DETAIL****SPECIAL FUNDS**

209 UNSATISFIED JUDGEMENT FUND 209

|               |               |                |               |          |
|---------------|---------------|----------------|---------------|----------|
| 20,399        | 35,000        | -18,454        | 16,546        | 0        |
| <b>20,399</b> | <b>35,000</b> | <b>-18,454</b> | <b>16,546</b> | <b>0</b> |

**TOTAL**

**CHANGE PACKAGE DETAIL**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

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|   |   |              |               |               |             |
|---|---|--------------|---------------|---------------|-------------|
| <b>PROGRAM:</b> UNSATISFIED JUDGEMENT FUND BUDGET | <b>REPORTING LEVEL:</b> 00-401-100-43-00-00-00-00000000 |              |               |               |             |
| Description                                       | FTE   | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|                     |            |          |          |                |                |
|---------------------|------------|----------|----------|----------------|----------------|
| Cost To Continue    | .00        | 0        | 0        | -18,454        | -18,454        |
| <b>Agency Total</b> | <b>.00</b> | <b>0</b> | <b>0</b> | <b>-18,454</b> | <b>-18,454</b> |

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## PROGRAM NARRATIVE

401 OFFICE OF THE INSURANCE COMMISSIONER

Date: 12/14/2006

Time: 16:11:12

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|                                |
|--------------------------------|
| Program: FISCAL ADMINISTRATION |
|--------------------------------|

|   |
|---|
| Reporting Level: 00-401-100-60-00-00-00000000 |
|---|

## PROGRAM PERFORMANCE MEASURES

To provide accurate and timely information to all employees, officials, legislators, companies and consumers.

To maintain an efficient and effective information technology program that will enable quality work from employees and provide accurate information to our customers.

To provide friendly, high-quality internal services to our fellow employees whenever needed.

To be accessible and to have constant, positive communications with North Dakota citizens and industry in an effort to further strengthen the insurance industry in the state.

## PROGRAM STATISTICAL DATA

The Administrative division primarily serves the staff at the Department and other state agencies in the areas of budget, IT and administrative support.

## EXPLANATION OF PROGRAM COSTS

The division expenses include all salaries/benefits and all operating expenses for the department. The division includes the Commissioner, the Deputy Commissioner, Public Information Officer, one Accountant/Budget Spec, one Payroll/HR, the IT position and three administrative assistants.

## PROGRAM GOALS AND OBJECTIVES

The Administration division goals and objectives relate to all other divisions in that the divisions serves to wisely manage the human and financial resources of the department, provide superior service to internal and external customers and maintain a positive work environment for staff.

**REQUEST DETAIL BY PROGRAM**401 OFFICE OF THE INSURANCE COMMISSIONER  
Biennium: 2007-2009

Bill#: SB 2010

Date: 12/14/2006

Time: 16:11:12

| Program: FISCAL ADMINISTRATION |                                       | Reporting Level: 00-401-100-60-00-00-00-00000000 |                             |   |                                  |
|--------------------------------|---------------------------------------|--|-----------------------------|---|----------------------------------|
| Description                    | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                   | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |
| <b>SALARIES AND WAGES</b>      |                                       |  |                             |   |                                  |
| SALARIES - PERMANENT           | 787,099                               | 1,027,634  | -317,900                    | 709,734                                   | 0                                |
| SALARIES - OTHER               | 0                                     | 0  | 0                           | 0   | 0                                |
| TEMPORARY SALARIES             | 7,024                                 | 9,960  | 0                           | 9,960                                     | 0                                |
| FRINGE BENEFITS                | 262,389                               | 416,304  | -173,294                    | 243,010                                   | 0                                |
| SALARY INCREASE                | 0                                     | 0  | 0                           | 0   | 0                                |
| BENEFIT INCREASE               | 0                                     | 0  | 0                           | 0   | 0                                |
| <b>TOTAL</b>                   | <b>1,056,512</b>                      | <b>1,453,898</b>                                 | <b>-491,194</b>             | <b>962,704</b>                            | <b>0</b>                         |
| <b>SALARIES AND WAGES</b>      |                                       |  |                             |   |                                  |
| GENERAL FUND                   | 0                                     | 0  | 0                           | 0   | 0                                |
| FEDERAL FUNDS                  | 0                                     | 0  | 0                           | 0   | 0                                |
| SPECIAL FUNDS                  | 1,056,512                             | 1,453,898  | -491,194                    | 962,704                                   | 0                                |
| <b>TOTAL</b>                   | <b>1,056,512</b>                      | <b>1,453,898</b>                                 | <b>-491,194</b>             | <b>962,704</b>                            | <b>0</b>                         |
| <b>OPERATING EXPENSES</b>      |                                       |  |                             |   |                                  |
| TRAVEL                         | 56,055                                | 13,435   | 0                           | 13,435                                    | 0                                |
| SUPPLIES - IT SOFTWARE         | 15,808                                | 18,368   | 0                           | 18,368                                    | 0                                |
| SUPPLY/MATERIAL-PROFESSIONAL   | 2,045                                 | 4,820  | 0                           | 4,820                                     | 0                                |
| FOOD AND CLOTHING              | 0                                     | 300  | 0                           | 300                                       | 0                                |
| MISCELLANEOUS SUPPLIES         | 0                                     | 22,300   | 0                           | 22,300                                    | 0                                |
| OFFICE SUPPLIES                | 4,631                                 | 9,700  | 0                           | 9,700                                     | 0                                |
| POSTAGE                        | 6,798                                 | 5,600  | 0                           | 5,600                                     | 0                                |
| PRINTING                       | 3,116                                 | 21,250   | 0                           | 21,250                                    | 0                                |
| IT EQUIP UNDER \$5,000         | 20,738                                | 15,253   | -6,866                      | 8,387                                     | 0                                |
| OFFICE EQUIP & FURN SUPPLIES   | 2,894                                 | 24,650   | 0                           | 24,650                                    | 0                                |
| INSURANCE                      | 27,499                                | 38,550   | 0                           | 38,550                                    | 0                                |
| RENTALS/LEASES-EQUIP & OTHER   | 2,913                                 | 6,600  | 0                           | 6,600                                     | 0                                |
| RENTALS/LEASES - BLDG/LAND     | 37,924                                | 31,850   | 0                           | 31,850                                    | 0                                |
| REPAIRS                        | 870                                   | 3,800  | 0                           | 3,800                                     | 0                                |
| IT - DATA PROCESSING           | 49,106                                | 466,828  | -61,328                     | 405,500                                   | 0                                |
| IT-COMMUNICATIONS              | 15,413                                | 23,750   | -2,000                      | 21,750                                    | 0                                |
| IT CONTRACTUAL SERVICES AND RE | 6,466                                 | 6,510  | -2,610                      | 3,900                                     | 0                                |
| PROFESSIONAL DEVELOPMENT       | 29,458                                | 38,860   | 0                           | 38,860                                    | 0                                |
| OPERATING FEES AND SERVICES    | 70,311                                | 93,528   | -11,017                     | 82,511                                    | 0                                |
| FEES - PROFESSIONAL SERVICES   | 27,760                                | 50,850   | 0                           | 50,850                                    | 0                                |
| <b>TOTAL</b>                   | <b>379,805</b>                        | <b>896,802</b>                                   | <b>-83,821</b>              | <b>812,981</b>                            | <b>0</b>                         |

**REQUEST DETAIL BY PROGRAM**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

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|                                       |                                       |   |                             |   |                                  |
|---------------------------------------|---------------------------------------|---|-----------------------------|---|----------------------------------|
| <b>Program:</b> FISCAL ADMINISTRATION |                                       | <b>Reporting Level:</b> 00-401-100-60-00-00-00-00000000 |                             |   |                                  |
| Description                           | Expenditures<br>2003-2005<br>Biennium | Present<br>Budget<br>2005-2007                          | Budget<br>Request<br>Change | Requested Budget<br>2007-2009<br>Biennium | Optional<br>Request<br>2007-2009 |

**OPERATING EXPENSES**

|               |                |                |                |                |          |
|---------------|----------------|----------------|----------------|----------------|----------|
| GENERAL FUND  | 0              | 0              | 0              | 0              | 0        |
| FEDERAL FUNDS | 0              | 0              | 0              | 0              | 0        |
| SPECIAL FUNDS | 379,805        | 896,802        | -83,821        | 812,981        | 0        |
| <b>TOTAL</b>  | <b>379,805</b> | <b>896,802</b> | <b>-83,821</b> | <b>812,981</b> | <b>0</b> |

**SPECIAL LINES**

|                                    |          |          |               |               |          |
|------------------------------------|----------|----------|---------------|---------------|----------|
| NAT.CONF.OF STATE INS. LEGISLATORS | 0        | 0        | 60,000        | 60,000        | 0        |
| <b>TOTAL</b>                       | <b>0</b> | <b>0</b> | <b>60,000</b> | <b>60,000</b> | <b>0</b> |

**SPECIAL LINES**

|               |          |          |               |               |          |
|---------------|----------|----------|---------------|---------------|----------|
| GENERAL FUND  | 0        | 0        | 0             | 0             | 0        |
| FEDERAL FUNDS | 0        | 0        | 0             | 0             | 0        |
| SPECIAL FUNDS | 0        | 0        | 60,000        | 60,000        | 0        |
| <b>TOTAL</b>  | <b>0</b> | <b>0</b> | <b>60,000</b> | <b>60,000</b> | <b>0</b> |

**PROGRAM FUNDING SOURCES**

|                              |                  |                  |                 |                  |          |
|------------------------------|------------------|------------------|-----------------|------------------|----------|
| SPECIAL FUNDS                | 1,436,317        | 2,350,700        | -515,015        | 1,835,685        | 0        |
| GENERAL FUND                 | 0                | 0                | 0               | 0                | 0        |
| FEDERAL FUNDS                | 0                | 0                | 0               | 0                | 0        |
| <b>PROGRAM FUNDING TOTAL</b> | <b>1,436,317</b> | <b>2,350,700</b> | <b>-515,015</b> | <b>1,835,685</b> | <b>0</b> |

**FTE EMPLOYEES**

|             |             |            |             |            |
|-------------|-------------|------------|-------------|------------|
| <b>8.50</b> | <b>8.50</b> | <b>.00</b> | <b>8.50</b> | <b>.00</b> |
|-------------|-------------|------------|-------------|------------|

**FUNDING DETAIL**

**SPECIAL FUNDS**

|                                   |                  |                  |                 |                  |          |
|-----------------------------------|------------------|------------------|-----------------|------------------|----------|
| 239 INSURANCE REG. TRUST FUND 239 | 1,436,317        | 2,350,700        | -515,015        | 1,835,685        | 0        |
| <b>TOTAL</b>                      | <b>1,436,317</b> | <b>2,350,700</b> | <b>-515,015</b> | <b>1,835,685</b> | <b>0</b> |

**CHANGE PACKAGE DETAIL**

401 OFFICE OF THE INSURANCE COMMISSIONER  
 Biennium: 2007-2009

Bill#: SB 2010

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|                                       |   |              |               |               |             |
|---------------------------------------|---|--------------|---------------|---------------|-------------|
| <b>PROGRAM:</b> FISCAL ADMINISTRATION | <b>REPORTING LEVEL:</b> 00-401-100-60-00-00-00-00000000 |              |               |               |             |
| Description                           | FTE   | General Fund | Federal Funds | Special Funds | Total Funds |

**AGENCY BUDGET CHANGES**

|  |            |          |          |                 |                 |
|--|------------|----------|----------|-----------------|-----------------|
| Cost To Continue                           | .00        | 0        | 0        | -491,194        | -491,194        |
| 2 Operating Expenses                       | .00        | 0        | 0        | -83,821         | -83,821         |
| 5 National Conference of State Legislators | .00        | 0        | 0        | 60,000          | 60,000          |
| <b>Agency Total</b>                        | <b>.00</b> | <b>0</b> | <b>0</b> | <b>-515,015</b> | <b>-515,015</b> |