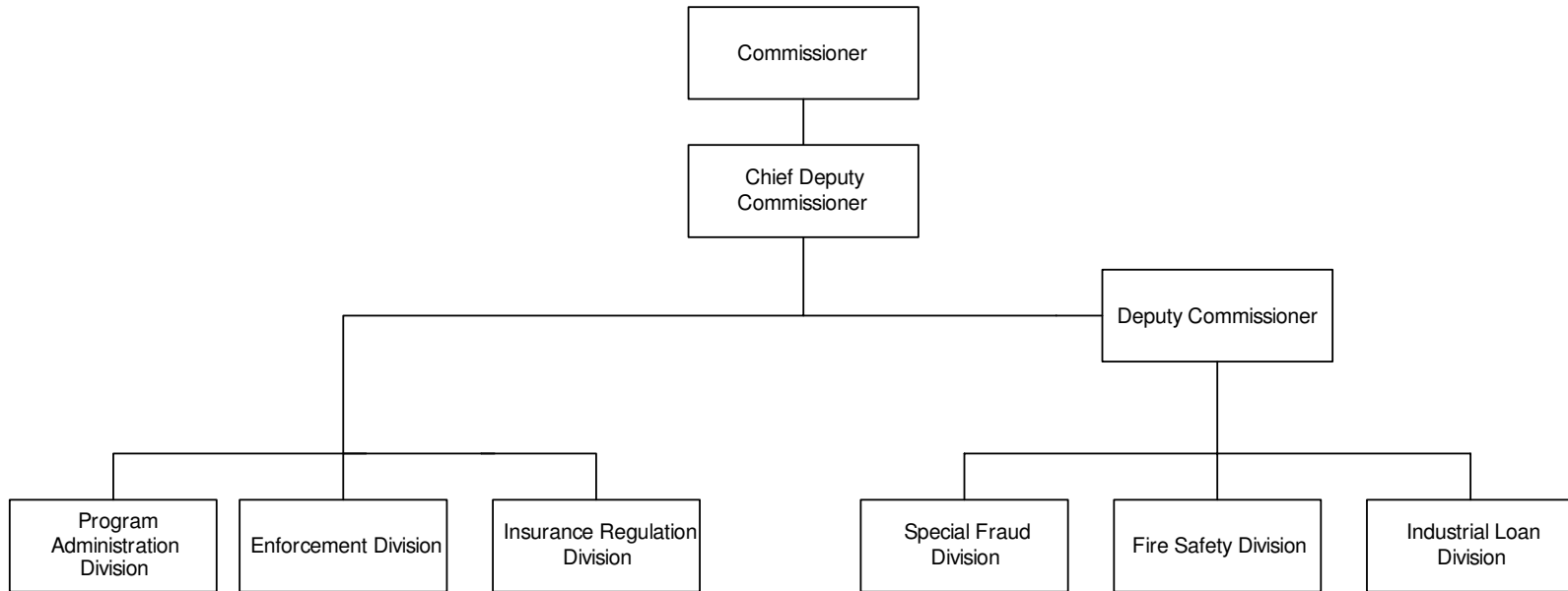


# DEPARTMENT OF INSURANCE

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## ORGANIZATIONAL CHART



# DEPARTMENT OF INSURANCE

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## **Roles and Responsibilities:**

The Department of Insurance is accountable for upholding state laws regulating insurance, small loans, fire safety, and manufactured housing. The department organizes its efforts in fulfilling these responsibilities around five divisions as follows.

### **INTERNAL ADMINISTRATION**

The Internal Administration Division provides management, policy direction, and enforcement and administrative support for the department's programs which regulate companies and protect consumers in the areas of insurance, industrial loans, fire safety, manufactured housing, arson investigations, building inspections, and hazardous materials handling and storage. The division's activities include performing accounting, budgetary, personnel, and purchasing duties for all agency divisions. Additionally, the division oversees the establishment and implementation of department policies and procedures.

### **INSURANCE REGULATION**

The Insurance Regulation Division is responsible for administering Georgia insurance laws and regulations.

Staff members process applications for insurance companies to conduct business in the state and insurance agent license applications. The division is also responsible for reviewing and approving insurance company life and health and property and casualty policy forms, and rates as well as regulating group self-insurance funds.

### **INDUSTRIAL LOAN REGULATION**

The Industrial Loan Regulation Division administers the Georgia Industrial Loan Act by performing examinations of all accounts held by industrial loan companies (small loan companies making loans of \$3,000 or less) licensed to do business in Georgia and accounting for all fees and taxes payable by such companies. Additionally, division staff members process applications for new industrial loan company licenses and investigate consumer complaints.

### **FIRE SAFETY AND MANUFACTURED HOUSING REGULATION**

The Fire Safety and Manufactured Housing Regulation Division administers and enforces compliance with state and federal laws regarding fire safety and manufactured housing. The division is charged with reviewing construction plans for

public buildings and manufactured houses and ensuring that the plans meet fire prevention and protection standards. In addition, division staff members process applications for licenses and permits to use/store hazardous or physically unstable substances and materials. The division is also responsible for investigating suspicious fires in the state.

### **SPECIAL INSURANCE FRAUD UNIT**

The Special Insurance Fraud Unit investigates claims of insurance fraud, upon request. This unit was established through enactment of HB 616 by the 1995 General Assembly with the goal of reducing the occurrence of insurance fraud and the resulting financial burden it places on businesses and consumers.

### **AUTHORITY**

State Constitution; Title 45-14 of the Official Code of Georgia Annotated.

# DEPARTMENT OF INSURANCE

## DEPARTMENT BUDGET FINANCIAL SUMMARY BY PROGRAM - FISCAL YEAR 2007

Program / Fund Sources	FY 2007 Agency Request Total	FY 2007 Governor' s Recommendation						
		FY 2006 Current Budget	Redistribution	Reductions	Enhancements	Other Adjustments	Total Changes	Total
<b>Administration</b>								
State General Funds	\$2,236,232	\$2,203,831				\$92,105	\$92,105	\$2,295,936
Total	2,236,232	2,203,831				92,105	92,105	2,295,936
<b>Enforcement</b>								
State General Funds	782,482	767,482				44,748	44,748	812,230
Total	782,482	767,482				44,748	44,748	812,230
<b>Fire Safety</b>								
Federal Funds	954,555	954,555						954,555
Other Funds	81,945	81,945				15,287	15,287	97,232
State General Funds	5,101,286	4,955,173				179,558	179,558	5,134,731
Total	6,137,786	5,991,673				194,845	194,845	6,186,518
<b>Industrial Loan</b>								
State General Funds	703,827	688,827				34,299	34,299	723,126
Total	703,827	688,827				34,299	34,299	723,126
<b>Insurance Regulation</b>								
State General Funds	5,651,036	5,396,059				221,895	221,895	5,617,954
Total	5,651,036	5,396,059				221,895	221,895	5,617,954
<b>Special Fraud</b>								
State General Funds	\$3,002,400	\$2,803,036			\$196,964	\$102,764	\$299,728	\$3,102,764
Total	3,002,400	2,803,036			196,964	102,764	299,728	3,102,764
<b>TOTAL FUNDS</b>	<b>\$18,513,763</b>	<b>\$17,850,908</b>	<b>\$0</b>	<b>\$0</b>	<b>\$196,964</b>	<b>\$690,656</b>	<b>\$887,620</b>	<b>\$18,738,528</b>
<b>Less:</b>								
Federal Funds	\$954,555	\$954,555						\$954,555
Other Funds	81,945	81,945				\$15,287	\$15,287	97,232
Subtotal	\$1,036,500	\$1,036,500	\$0	\$0	\$0	\$15,287	\$15,287	\$1,051,787
State General Funds	\$17,477,263	\$16,814,408			\$196,964	\$675,369	\$872,333	\$17,686,741
<b>TOTAL STATE FUNDS</b>	<b>\$17,477,263</b>	<b>\$16,814,408</b>	<b>\$0</b>	<b>\$0</b>	<b>\$196,964</b>	<b>\$675,369</b>	<b>\$872,333</b>	<b>\$17,686,741</b>

## DEPARTMENT OF INSURANCE

### DEPARTMENT BUDGET FINANCIAL SUMMARY BY OBJECT CLASS - FISCAL YEAR 2007

Object Classes / Fund Sources	FY 2007 Agency Request Total	FY 2004 Expenditures	FY 2005 Expenditures	FY 2007 Governor' s Recommendations		
				FY 2006 Current Budget	Changes	Total
Personal Services	\$15,977,613	\$14,486,963	\$14,628,910	\$15,358,389	\$717,684	\$16,076,073
Regular Operating Expenses	703,982	707,228	673,483	703,982		703,982
Travel	396,661	370,160	365,920	383,030	13,631	396,661
Motor Vehicle Purchases	80,176	51,422	77,207	80,176		80,176
Equipment	35,000	33,170	37,353	35,000		35,000
Computer Charges	304,426	225,409	238,103	304,426		304,426
Real Estate Rentals	610,509	622,027	622,027	610,509	126,305	736,814
Telecommunications	289,354	257,691	243,164	289,354		289,354
Per Diem and Fees	66,042	54,754	53,570	66,042		66,042
Contracts	50,000			20,000	30,000	50,000
<b>TOTAL FUNDS</b>	<b>\$18,513,763</b>	<b>\$16,808,824</b>	<b>\$16,939,737</b>	<b>\$17,850,908</b>	<b>\$887,620</b>	<b>\$18,738,528</b>
<u>Less:</u>						
Federal Funds	\$954,555	\$730,933	\$980,761	\$954,555		\$954,555
Other Funds	81,945	123,000	121,125	81,945	\$15,287	97,232
Subtotal	<b>\$1,036,500</b>	<b>\$853,933</b>	<b>\$1,101,886</b>	<b>\$1,036,500</b>	<b>\$15,287</b>	<b>\$1,051,787</b>
State General Funds	<b>\$17,477,263</b>	<b>\$15,954,891</b>	<b>\$15,837,851</b>	<b>\$16,814,408</b>	<b>\$872,333</b>	<b>\$17,686,741</b>
<b>TOTAL STATE FUNDS</b>	<b>\$17,477,263</b>	<b>\$15,954,891</b>	<b>\$15,837,851</b>	<b>\$16,814,408</b>	<b>\$872,333</b>	<b>\$17,686,741</b>
Positions	310	324	310	310		310
Motor Vehicles	51	51	51	51		51

## DEPARTMENT OF INSURANCE

### PROGRAM BUDGET SUMMARY - FISCAL YEAR 2007

Program Budgets	FY 2006 Current Budget			FY 2007 Governor' s Recommendations		
	State Funds	Federal and Other Funds	Total	State Funds	Federal and Other Funds	Total
Administration	\$2,203,831		\$2,203,831	\$2,295,936		\$2,295,936
Enforcement	767,482		767,482	812,230		812,230
Fire Safety	4,955,173	\$1,036,500	5,991,673	5,134,731	\$1,051,787	6,186,518
Industrial Loan	688,827		688,827	723,126		723,126
Insurance Regulation	5,396,059		5,396,059	5,617,954		5,617,954
Special Fraud	2,803,036		2,803,036	3,102,764		3,102,764
<b>TOTAL</b>	<b>\$16,814,408</b>	<b>\$1,036,500</b>	<b>\$17,850,908</b>	<b>\$17,686,741</b>	<b>\$1,051,787</b>	<b>\$18,738,528</b>

# DEPARTMENT OF INSURANCE

## BUDGET SUMMARY - FISCAL YEAR 2007

Governor' s Recommended Adjustments to the Current Budget	Amounts
<b>FY 2006 STATE GENERAL FUND APPROPRIATIONS</b>	<b>\$16,814,408</b>
<b>Department of Insurance</b>	
1. Annualize the cost of the FY 2006 salary adjustment (\$129,603) and provide for a salary increase in FY 2007 of up to 4% effective January 1, 2007(\$133,663).	\$263,266
2. Provide funds for an adjustment to the Georgia Building Authority (GBA) real estate rental rate for office space.	126,305
3. Increase funds to reflect an adjustment in the Workers' Compensation premiums.	15,869
4. Increase funds to reflect an adjustment in the employer share of State Health Benefit Plan premiums from 14.20% to 16.713%.	269,929
5. Increase funding for the Special Fraud program.	196,964
<b>TOTAL NET STATE GENERAL FUND ADJUSTMENTS</b>	<b>\$872,333</b>
<b>TOTAL STATE GENERAL FUNDS RECOMMENDED</b>	<b>\$17,686,741</b>