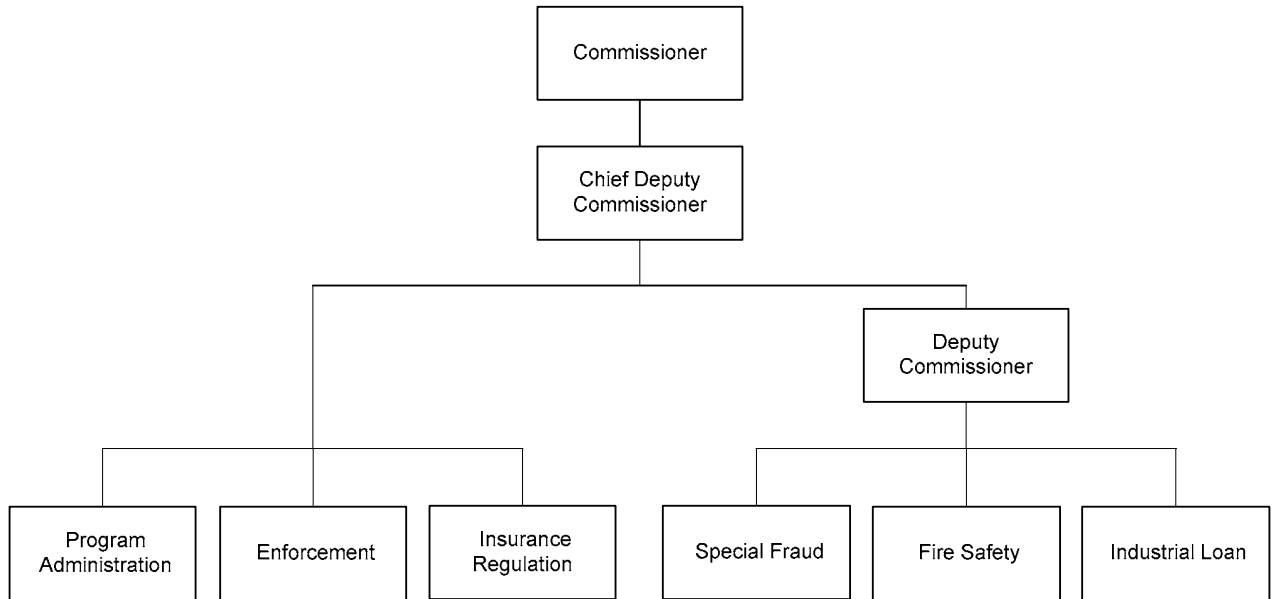


OFFICE OF THE COMMISSIONER OF INSURANCE
ORGANIZATIONAL CHART



OFFICE OF THE COMMISSIONER OF INSURANCE

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.

INTERNAL ADMINISTRATION

The Internal Administration program provides management, policy direction, 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 program's activities include performing accounting, budgetary, personnel, and purchasing duties for all agency divisions. Additionally, the program oversees the establishment and implementation of department policies and procedures.

INSURANCE REGULATION

The Insurance Regulation program 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 program is also responsible for reviewing and approving insurance company rates and life, health, property and casualty policy forms as well as regulating group self-insurance funds.

The Industrial Loan Regulation program 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 program administers and enforces compliance with state and federal laws regarding fire safety and manufactured housing. The program 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, program staff members process applications for licenses and permits to use/store hazardous or physically unstable substances and materials. The program is also responsible for investigating suspicious fires in the state.

SPECIAL INSURANCE FRAUD UNIT

The Special Insurance Fraud program investigates claims of insurance fraud upon request. This program 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.

OFFICE OF THE COMMISSIONER OF INSURANCE
PROGRAM BUDGET AND PERFORMANCE MEASURES - FY 2008

DEPARTMENT BUDGET SUMMARY	FY 2007		FY 2008
	<u>Current Budget</u>	<u>Changes</u>	<u>Recommended</u>
State General Funds	\$17,686,741	\$1,236,645	\$18,923,386
TOTAL STATE FUNDS	\$17,686,741	\$1,236,645	\$18,923,386
Federal Funds	954,555		954,555
Other Funds	97,232		97,232
TOTAL FUNDS	\$18,738,528	\$1,236,645	\$19,975,173

BUDGET RECOMMENDATIONS BY DEPARTMENT (Information Only):

Statewide Budget Changes:

1. Annualize the cost of the FY 2007 salary adjustment.	\$133,663
2. Provide for a general salary increase of 3% effective January 1, 2008 and provide for performance increases.	267,436
3. Reflect an adjustment in the employer share of the State Health Benefit Plan premiums from 16.713% to 22.843%.	716,408
4. Reflect an adjustment in the Workers' Compensation premiums.	79,620
5. Increase the Georgia Building Authority (GBA) real estate rental rate for office space.	39,518
Total Change	<u>\$1,236,645</u>

BUDGET RECOMMENDATIONS BY PROGRAM:

ADMINISTRATION

Recommended Change:

1. Fund statewide budget changes.	\$155,359
Total Change	<u>\$155,359</u>

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$2,295,936	\$2,451,295
Total Funds	<u>\$2,295,936</u>	<u>\$2,451,295</u>

ENFORCEMENT

Purpose: Provide legal advice and initiate legal proceedings with regard to enforcement of specific provisions of state law relating to insurance, industrial loan, fire safety and fraud.

Performance Measures:

	FY 2005	FY 2006	FY 2007	FY 2008
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
1. Number of cases against insurance companies, agents, and other licensees	710	991	773	881
2. Number of enforcement actions taken against insurance agents	592	939	742	841

Recommended Change:

1. Fund statewide budget changes.	\$55,571
Total Change	<u>\$55,571</u>

OFFICE OF THE COMMISSIONER OF INSURANCE
PROGRAM BUDGET AND PERFORMANCE MEASURES - FY 2008

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$812,230	\$867,801
Total Funds	<u>\$812,230</u>	<u>\$867,801</u>

FIRE SAFETY

Purpose: Create a fire safe environment in the state that protects the public from fire and limits the loss of life and property.

Performance Measures:	FY 2005	FY 2006	FY 2007	FY 2008
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
1. Number of persons trained in a fire safety house	36,738	36,984	39,000	42,000
2. Number of suspected criminal fire investigations	762	754	889	1,049

Recommended Change:

1. Fund statewide budget changes.	\$399,071
2. Increase the number of authorized motor vehicles in the Fire Safety program by 1 to reflect existing motor vehicle inventory.	Yes
Total Change	<u>\$399,071</u>

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$5,134,731	\$5,533,802
Federal Funds	954,555	954,555
Other Funds	97,232	97,232
Total Funds	<u>\$6,186,518</u>	<u>\$6,585,589</u>

INDUSTRIAL LOAN

Purpose: Protect customers by licensing, regulating, and examining finance companies that provide consumer loans of \$3,000 or less.

Performance Measures:	FY 2005	FY 2006	FY 2007	FY 2008
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
1. Penalties collected from violators	\$2,418,680	\$2,440,250	\$2,462,250	\$2,484,250
2. Amount of refunds to consumers paid by finance companies that have not complied with state law	\$167,939	\$228,649	\$240,080	\$252,084

Recommended Change:

1. Fund statewide budget changes.	\$47,408
Total Change	<u>\$47,408</u>

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$723,126	\$770,534
Total Funds	<u>\$723,126</u>	<u>\$770,534</u>

OFFICE OF THE COMMISSIONER OF INSURANCE
PROGRAM BUDGET AND PERFORMANCE MEASURES - FY 2008

INSURANCE REGULATION

Purpose: Ensure that licensed insurance entities maintain solvency, comply with state law and adopted rules, regulations, and standards.

Performance Measures:	FY 2005	FY 2006	FY 2007	FY 2008
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
1. Number of licensed insurance companies	1,576	1,603	1,633	1,661
2. Funds recovered on behalf of Georgia consumers and health care practitioners	\$15,946,254	\$20,220,524	\$22,000,000	\$24,000,000

Recommended Change:

1. Fund statewide budget changes.	\$385,562
Total Change	<u>\$385,562</u>

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$5,617,954	\$6,003,516
Total Funds	<u>\$5,617,954</u>	<u>\$6,003,516</u>

SPECIAL FRAUD

Purpose: Identify and take appropriate action to deter insurance fraud.

Performance Measures:	FY 2005	FY 2006	FY 2007	FY 2008
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>
1. Funds collected from all indictable fraud cases	\$9,445,754	\$24,430,580	\$7,940,000	\$8,000,000

Recommended Change:

1. Fund statewide budget changes.	\$193,674
Total Change	<u>\$193,674</u>

Program Budget:	FY 2007	FY 2008
	<u>Current Budget</u>	<u>Recommended</u>
State General Funds	\$3,102,764	\$3,296,438
Total Funds	<u>\$3,102,764</u>	<u>\$3,296,438</u>

OFFICE OF THE COMMISSIONER OF INSURANCE
DEPARTMENT BUDGET FINANCIAL SUMMARY BY OBJECT CLASS - FY 2008

Object Classes / Fund Sources	FY 2005 Expenditures	FY 2006 Expenditures	FY 2007 Current Budget	FY 2008 Agency Request Total	FY 2008 Governor's Recommendation
Personal Services	\$14,628,910	\$15,082,426	\$16,076,073	\$16,209,736	\$17,273,200
Regular Operating Expenses	673,483	682,323	1,100,643	1,100,643	1,121,029
Travel	365,920	476,293			
Motor Vehicle Purchases	77,207	89,880	80,176	80,176	80,176
Equipment	37,353	34,881	35,000	35,000	35,000
Computer Charges	238,103	282,253	304,426	304,426	304,426
Real Estate Rentals	622,027	609,665	736,814	736,814	776,332
Telecommunications	243,164	219,161	289,354	289,354	268,968
Per Diem and Fees	53,570	64,244			
Contractual Services		15,261	116,042	116,042	116,042
TOTAL FUNDS	\$16,939,737	\$17,556,387	\$18,738,528	\$18,872,191	\$19,975,173
<u>Less:</u>					
Federal Funds	\$980,761	\$955,278	\$954,555	\$954,555	\$954,555
Other Funds	121,125	81,945	97,232	97,232	97,232
Subtotal	\$1,101,886	\$1,037,223	\$1,051,787	\$1,051,787	\$1,051,787
 State General Funds	 \$15,837,851	 \$16,519,164	 \$17,686,741	 \$17,820,404	 \$18,923,386
 TOTAL STATE FUNDS	 \$15,837,851	 \$16,519,164	 \$17,686,741	 \$17,820,404	 \$18,923,386
 Positions	 310	 310	 310	 310	 310
Motor Vehicles	51	51	51	52	52