

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

FINANCIAL SUMMARY

	FY 2006 EXPENDITURE	FY 2007 APPROPRIATION	FY 2008 REQUEST	GOVERNOR RECOMMENDS FY 2008
Insurance				
Administration and Insurance Operations	\$ 4,551,227	\$ 5,558,972	\$ 5,810,560	\$ 5,961,657
Information Technology Consolidation	931,250	0	0	0
Market Conduct and Financial Examinations	5,808,990	7,279,720	7,279,720	7,441,258
Health Insurance Counseling	758,594	800,000	800,000	800,000
Financial Institutions				
Credit Unions	905,759	1,203,687	1,203,687	1,235,154
Finance	5,052,625	6,146,439	6,146,439	6,305,277
Professional Registration	10,657,859	13,642,286	13,642,286	13,890,120
DEPARTMENTAL TOTAL	\$ 28,666,304	\$ 34,631,104	\$ 34,882,692	\$ 35,633,466
Federal Funds	558,594	600,000	600,000	600,000
Other Funds	28,107,710	34,031,104	34,282,692	35,033,466
Full-time equivalent employees *	518.63	523.65	528.65	527.65

* Amounts reflect the transfer of the Divisions of Credit Unions, Finance, and Professional Registration into the new department.

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2008 budget provides a total of \$35.6 million for the Department of Insurance, Financial Institutions and Professional Registration. Governor Blunt created the Missouri Department of Insurance, Financial Institutions and Professional Registration by Executive Order on August 28, 2006. The new department consists of the former Department of Insurance and the Divisions of Finance, Credit Unions, and Professional Registration formerly within the Department of Economic Development. The department protects consumers through oversight of the insurance industry, financial institutions, and licensed professionals.

INSURANCE

Administration and Insurance Operations – Insurance staff are responsible for overseeing the insurance industry's compliance with Missouri insurance laws and regulations, and protecting the interests of Missouri insurance-buying consumers. Specific duties include licensing insurance producers (agents, brokers, and agencies), investigating consumer complaints, collecting over \$175 million in premium taxes paid by insurance companies, and providing information to over 40,000 consumers each year through a statewide toll-free hotline and the department's website.

With the creation of the new Department of Insurance, Financial Institutions and Professional Registration, certain administrative functions will be centralized to provide more efficient services. Insurance staff will provide functions such as policy development, legislative coordination, communications (public information), research and accounting, centrally with the costs allocated based on usage to the appropriate divisions within the department.

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

Health Insurance Counseling – The department contracts with Primaris to administer the CLAIM (Community Leaders Assisting the Insured of Missouri) program. CLAIM provides counseling and educational activities to seniors on health insurance coverage and Medicare benefits. The program recruits sponsors and volunteers, develops and conducts volunteer training, publicizes the program and maintains a toll-free number, 1-800-390-3330, and website, www.missouricclaim.org. Volunteers are recruited locally and community organizations such as hospitals, community centers, extension offices or senior centers serve as cosponsors and provide space, supplies, and local publicity for the program.

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

Fiscal Year 2008 Governor's Recommendations

- \$65,101 Department of Insurance Dedicated Fund to implement provisions of HB 1837 (2006) by providing greater oversight in the review of medical malpractice rates, supporting the Healthcare Stabilization Fund Feasibility Board and administering the Consumer Restitution Fund.
- \$300,446 other funds for pay plan.
- \$186,487 and five staff transferred from the Department of Economic Development pursuant to Executive Order 6-04.
- \$12,189 transferred from fringe benefits to pay for fringe costs associated with the mailroom consolidation.
- (One) staff core reduction for mailroom consolidation from the Fiscal Year 2007 appropriation level.

FINANCIAL INSTITUTIONS

Credit Unions – The Division of Credit Unions is responsible for the examination, supervision, chartering, merger, and liquidation of Missouri's 151 state-chartered credit unions. The division also responds to consumer complaints against credit union services or operations. Missouri credit unions have approximately 1.2 million members and assets exceeding \$8.7 billion. Missouri ranks seventh in the nation in the number of state-chartered credit unions.

Finance – The Division of Finance is responsible for the incorporation and regulation of Missouri's 298 state-chartered banks, non-deposit trust companies, and savings and loan associations. The division also licenses and regulates consumer credit companies, credit services organizations, money order companies, and residential mortgage brokers. Primary objectives include ensuring the safety and soundness of these institutions and the monitoring of compliance with laws and regulations, thereby safeguarding the funds of depositors and maintaining public confidence in Missouri's financial system. Missouri ranks fifth in the nation in the number of state-chartered banks.

Fiscal Year 2008 Governor's Recommendations

- \$190,305 other funds for pay plan.

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

FINANCIAL SUMMARY

	FY 2006 EXPENDITURE	FY 2007 APPROPRIATION	GOVERNOR RECOMMENDS FY 2008
Administration	\$ 3,388,793	\$ 3,984,609	\$ 4,070,681
State Board of Accountancy	386,606	443,588	451,476
State Board of Architects, Professional Engineers, and Land Surveyors	462,621	748,868	759,495
State Board of Chiropractic Examiners	118,481	149,567	149,567
Missouri Dental Board	462,045	613,645	624,168
State Board of Embalmers and Funeral Directors	64,667	145,393	145,393
State Board of Registration for the Healing Arts	2,174,699	2,461,803	2,512,572
State Board of Nursing	1,217,265	1,903,757	1,933,045
State Board of Optometry	37,962	42,043	42,043
State Board of Pharmacy	1,194,598	1,539,453	1,566,035
State Board of Podiatric Medicine	12,965	20,669	20,669
Missouri Real Estate Commission	859,913	1,187,039	1,213,124
Missouri Veterinary Medical Board	51,033	109,579	109,579
State Board of Cosmetology and Barbers	0	292,273	292,273
State Board of Barber Examiners	36,767	0	0
State Board of Cosmetology	189,444	0	0
TOTAL	\$ 10,657,859	\$ 13,642,286	\$ 13,890,120
Board Funds	7,269,066	9,657,677	9,819,439
Professional Registration Fees Fund	3,388,793	3,984,609	4,070,681
Full-time equivalent employees	217.49	212.50	212.50

PROFESSIONAL REGISTRATION

The Division of Professional Registration is responsible for supporting 38 professional licensing boards and commissions in licensing and regulating the activities of over 400,000 Missourians representing 240 different trades and professions. The division serves and protects the public by providing an accessible, responsible, and accountable regulatory system to ensure that Missouri consumers benefit from competent practitioners. Each licensing entity licenses qualified professionals by ensuring that minimum requirements have been met. In addition, each entity must also appropriately enforce standards through the inspection of facilities and the investigation of complaints.

Fiscal Year 2008 Governor's Recommendations

ADMINISTRATION

- \$86,072 Professional Registration Fees Fund for pay plan.

STATE BOARD OF ACCOUNTANCY

- \$7,888 Board of Accountancy Fund for pay plan.

STATE BOARD OF ARCHITECTS, PROFESSIONAL ENGINEERS, AND LAND SURVEYORS

- \$10,627 State Board of Architects, Engineers, and Land Surveyors Fund for pay plan.

STATE BOARD OF CHIROPRACTIC EXAMINERS

Continue funding at the current level.

DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS AND PROFESSIONAL REGISTRATION

PROFESSIONAL REGISTRATION (CONTINUED)

MISSOURI DENTAL BOARD

- \$10,523 Dental Board Fund for pay plan.

STATE BOARD OF EMBALMERS AND FUNERAL DIRECTORS

Continue funding at the current level.

STATE BOARD OF REGISTRATION FOR THE HEALING ARTS

- \$50,769 Board of Registration for Healing Arts Fund for pay plan.

STATE BOARD OF NURSING

- \$29,288 Board of Nursing Fund for pay plan.

STATE BOARD OF OPTOMETRY

Continue funding at the current level.

STATE BOARD OF PHARMACY

- \$26,582 Board of Pharmacy Fund for pay plan.

STATE BOARD OF PODIATRIC MEDICINE

Continue funding at the current level.

MISSOURI REAL ESTATE COMMISSION

- \$26,085 Missouri Real Estate Commission Fund for pay plan.

MISSOURI VETERINARY MEDICAL BOARD

Continue funding at the current level.

STATE BOARD OF COSMETOLOGY AND BARBERS

Continue funding at the current level.