

**0425 – DEPARTMENT OF COMMERCE - STATE INSURANCE DEPARTMENT
FISCAL YEAR 2024
AS ENACTED BY ACT 342 OF 2023**

Insurance Department, according to Arkansas Code § 23-61-101(c)(1)(A) and (B),

"(A) The purpose of the department is to serve and protect the public interest by the equitable enforcement of the state's laws and regulations affecting the insurance industry.

(B) The primary mission of the department shall be consumer protection through insurer solvency and market conduct regulation, and fraud prosecution and deterrence."

The Department is funded with existing fund balances, trust funds (interest income, earnings, adjustments, grants, refunds, gifts), employer workers' compensation benefits contributions (revolving funds), special revenue (fees, premiums collected), federal funds, and cash.

Per Act 107 of 2019, the Arkansas Health Insurance Marketplace was abolished and their powers and duties have been transferred by a Type 3 transfer to the State Insurance Department.

TOTAL APPROPRIATION

Appropriation		2021-2022	2022-2023	2023-2024
		Actual	Authorized	Legislative
1QA	AMAIT - Operations	\$12,772,660	\$20,000,000	\$40,000,000
2SW	Insurance-State Operations	\$11,344,816	\$14,641,739	\$15,207,333
2SX	Fraud Investigation Unit	\$823,942	\$861,723	\$934,534
2SY	Insurance Fraud Investigation Division	\$474,833	\$626,518	\$661,663
2SZ	Prepaid Funeral Benefits Division	\$272,171	\$406,544	\$433,873
2TA	Continuing Education Program	\$0	\$31,184	\$31,184
2TB	State Employee Claims	\$11,505,429	\$16,500,000	\$16,500,000
2TC	Governmental Bonding Board Operations	\$187,325	\$3,005,000	\$3,005,000
2TD	Public Employees Claims Section	\$1,620,480	\$1,978,199	\$2,122,933
2TE	Health Information Counseling	\$956,767	\$1,258,950	\$1,256,702
2TF	Refunds of Overpayments	\$7,836,490	\$11,000,000	\$11,000,000
2TG	Public School Employees Claims	\$21,427	\$400,000	\$400,000
2TH	County Employee Claims	\$3,111	\$200,000	\$200,000
2TJ	City Employee Claims	\$10,116	\$400,000	\$400,000
2TK	Consumer Info System - Cash	\$1,547	\$28,005	\$28,005
2TM	Travel & Subsistence-Cash	\$224	\$100,000	\$0
2TN	Prepaid Funeral Contracts Recovery	\$28,996	\$500,000	\$500,000
4HH	Criminal Background Checks-Cash	\$5,016	\$125,000	\$125,000
56A	Public School Insurance Program	\$10,240,932	\$20,000,000	\$20,000,000
F08	Level One Cooperative Agreement*	\$0	\$0	\$0
N41	MIPPA - 3	\$456,359	\$518,000	\$1,234,188
V46	AR Healthcare Transparency Initiative Database	\$1,759,635	\$3,200,000	\$3,200,000
V98	Funeral Services	\$358,806	\$566,639	\$598,610
X39	Market Stabilization Grant	\$70,773	\$232,500	\$500,816
Z65	Firefighters Cancer Relief	\$0	\$250,000	\$250,000
Total		\$60,751,855	\$96,830,001	\$118,589,841

FUNDING SOURCES

Funding Sources		2021-2022 Actual	%
Fund Balance	4000005	\$52,014,191	31.41
Federal Revenue	4000020	\$1,470,305	0.89
Special Revenue	4000030	\$55,841,118	33.72
Cash Fund	4000045	\$377,139	0.23
Interest	4000300	\$36,042	0.02
Investments	4000315	\$20,996,933	12.68
Inter-agency Fund Transfer	4000316	\$35,433	0.02
Intra-agency Fund Transfer	4000317	\$0	0.00
Miscellaneous Adjustments	4000345	\$9,996	0.01
Miscellaneous Revolving	4000350	\$21,620,608	13.06
Miscellaneous Transfers	4000355	(\$35,004)	-0.02
Other	4000370	\$14,715,325	8.89
Transfer to State Central Services	4000676	(\$1,500,000)	-0.91
Total Funds		\$165,582,086	100.00
Excess Appropriation/(Funding)		(\$104,830,231)	
Grand Total		\$60,751,855	

CHANGE LEVEL REQUESTS**AMAIT - Operations (Appropriation 1QA)**

Commitment Item		2022-2023	2023-2024	
		Authorized	Legislative	Change Level
5900046	AMAIT	\$20,000,000	\$40,000,000	\$20,000,000
Total		\$20,000,000	\$40,000,000	\$20,000,000

- Increase in appropriation authorized to offset the increases in property premiums due to the addition of the University of Arkansas for each year of the biennium.

Insurance-State Operations (Appropriation 2SW)

Commitment Item		2022-2023	2023-2024	
		Authorized	Legislative	Change Level
5010000	Regular Salaries	\$7,736,755	\$8,029,718	\$292,963
5010003	Personal Services Matching	\$2,531,210	\$2,803,841	\$272,631
5020002	Operating Expenses	\$2,200,674	\$2,250,674	\$50,000
5120032	Special Maintenance	\$50,000	\$0	(\$50,000)
Total		\$12,518,639	\$13,084,233	\$565,594

- Increase in Regular Salaries and Personal Services Matching due to salary and matching rate adjustments during the 2021-2023 Biennium.
- Reallocation of \$50,000 from Special Maintenance to Operating Expenses. The Special Maintenance line is no longer utilized by the agency due to the relocation of the Insurance Department.

Fraud Investigation Unit (Appropriation 2SX)

Commitment Item		2022-2023	2023-2024	
		Authorized	Legislative	Change Level
5010000	Regular Salaries	\$651,500	\$696,450	\$44,950
5010003	Personal Services Matching	\$210,223	\$238,084	\$27,861
Total		\$861,723	\$934,534	\$72,811

- Increase in Regular Salaries and Personal Services Matching due to salary and matching rate adjustments during the 2021-2023 Biennium.

Insurance Fraud Investigation Division (Appropriation 2SY)

Commitment Item		2022-2023	2023-2024	
		Authorized	Legislative	Change Level
5010000	Regular Salaries	\$236,040	\$260,661	\$24,621
5010003	Personal Services Matching	\$70,843	\$81,367	\$10,524
Total		\$306,883	\$342,028	\$35,145

- Increase in Regular Salaries and Personal Services Matching due to salary and matching rate adjustments during the 2021-2023 Biennium.

Prepaid Funeral Benefits Division (Appropriation 2SZ)

Commitment Item		2022-2023	2023-2024	
		Authorized	Legislative	Change Level
5010000	Regular Salaries	\$250,258	\$266,572	\$16,314
5010003	Personal Services Matching	\$85,586	\$96,601	\$11,015
Total		\$335,844	\$363,173	\$27,329

- Increase in Regular Salaries and Personal Services Matching due to salary and matching rate adjustments during the 2021-2023 Biennium.

Public Employees Claims Section (Appropriation 2TD)

Commitment Item		2022-2023	2023-2024	
		Authorized	Legislative	Change Level
5010000	Regular Salaries	\$1,080,850	\$1,168,948	\$88,098
5010003	Personal Services Matching	\$374,418	\$431,054	\$56,636
Total		\$1,455,268	\$1,600,002	\$144,734

- Increase in Regular Salaries and Personal Services Matching due to salary and matching rate adjustments during the 2021-2023 Biennium.

Health Information Counseling (Appropriation 2TE)

Commitment Item		2022-2023	2023-2024	
		Authorized	Legislative	Change Level
5010000	Regular Salaries	\$265,684	\$279,319	\$13,635
5010003	Personal Services Matching	\$99,307	\$113,424	\$14,117
5120011	Capital Outlay	\$30,000	\$0	(\$30,000)

Total	\$394,991	\$392,743	(\$2,248)
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- Increase in Regular Salaries and Personal Services Matching due to salary and matching rate adjustments during the 2021-2023 Biennium.
- Decrease in Capital Outlay to reflect historical actual expenditures.

Travel & Subsistence-Cash (Appropriation 2TM)

Commitment Item		2022-2023	2023-2024	
		Authorized	Legislative	Change Level
5900046	Travel & Subsistence Expenses	\$100,000	\$0	(\$100,000)
Total		\$100,000	\$0	(\$100,000)

- Expenditure of appropriation is contingent upon available funding. Decrease due to funding not being authorized for the 2023-2025 biennium.

MIPPA - 3 (Appropriation N41)

Commitment Item		2022-2023	2023-2024	
		Authorized	Legislative	Change Level
5120011	Capital Outlay	\$30,000	\$0	(\$30,000)
Total		\$30,000	\$0	(\$30,000)

- Decrease due to reallocation of appropriation within commitment items for better alignment of expenditures.

Funeral Services (Appropriation V98)

Commitment Item		2022-2023	2023-2024	
		Authorized	Legislative	Change Level
5010000	Regular Salaries	\$245,995	\$264,828	\$18,833
5010003	Personal Services Matching	\$89,988	\$103,126	\$13,138
Total		\$335,983	\$367,954	\$31,971

- Increase in Regular Salaries and Personal Services Matching due to salary and matching rate adjustments during the 2021-2023 Biennium.

Market Stabilization Grant (Appropriation X39)

Commitment Item		2022-2023	2023-2024	
		Authorized	Legislative	Change Level
5010000	Regular Salaries	\$72,500	\$81,945	\$9,455
5010003	Personal Services Matching	\$24,000	\$41,202	\$17,202
5020002	Operating Expenses	\$8,000	\$72,240	\$64,240
5060010	Professional Fees	\$100,000	\$277,429	\$177,429
Total		\$104,500	\$472,816	\$268,326

- Increase in Regular Salaries and Personal Services Matching due to salary and matching rate adjustments during the 2021-2023 Biennium and to accommodate expenses for the continuation of two Miscellaneous Federal Grant for the Medicare Enrollment Assistance Programs.
- Increase in Operating Expenses to accommodate expenses for the continuation of two Miscellaneous Federal Grant for the Medicare Enrollment Assistance Programs.
- Increase in Professional Fees to accommodate expenses for the continuation of two Miscellaneous Federal Grant for the Medicare Enrollment Assistance Programs.

POSITIONS

Total Authorized Positions FY2024: 189

Total Authorized Positions FY2023: 189

Increase / (Decrease): 0

Extra Help Positions FY2024: 19

SPECIAL LANGUAGE REVISIONS

- **New Language: Refund to expenditure** - Authorizes the proceeds from the reimbursement of travel expenses received by the Arkansas Insurance Department to be deposited into the same State Treasury Fund or Fund Account from which the original travel expenditure was incurred as a refund to expenditure to the credit of the appropriation from which the original expenditure was made.