

Agency 022 - DEPT OF INSURANCE

STATUTORY AUTHORITY:

The Department of Insurance was created by Article 12, Section 1, of the Constitution of the State of Nebraska. The Department's general powers are granted by State Statute Section 44-101.01 R.R.S. 1943. The Department's duties and responsibilities are defined in State Statute Chapters 8, 11, 21, 44, 48, 59, 77, 81, and 84.

VISION:

To serve policyholders with an agency workforce that understands and responds to the diversity of regulatory matters whether emanating from local competitive issues confronting small regional insurers or global forces such as international accounting treatment challenging all US based insurers. With continued national recognition as a "tough but fair" regulatory body, the department envisions playing an important role in the continued growth of the insurance industry in Nebraska.

MISSION AND PRINCIPLES:

To safeguard those affected by the business of insurance through the fulfillment of our statutory obligations and by promoting the fair and just treatment of all parties to insurance transactions.

GOALS:

1. Improve and enhance services and protection provided to Nebraska insurance consumers.
2. Maximize efficiency and effectiveness of the department's operations and delivery of services.

Both of these goals can be reached through maintaining the department's accreditation status, upgrading the department's current database with a web-based system that would allow more information to be available to the public, and updating the department's web site. Each subprogram has also identified specific divisional goals that also help the department achieve these goals.

Agency 022 - DEPT OF INSURANCE

Financial Data

	FY12 Actual	FY13 Approp	FY14 Request	FY14 Recomm	FY15 Request	FY15 Recomm
Operations Funding						
General Fund	0	0	2,000,000	0	0	776,605
Cash Fund	8,464,686	11,447,027	11,447,027	11,576,484	25,632,246	11,713,691
Federal Fund	2,928,372	1,425,670	119,085,654	2,956,819	59,622,581	2,222,924
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Operations	11,393,058	12,872,697	132,532,681	14,533,303	85,254,827	14,713,220
Aid Funding						
General Fund	0	0	0	0	0	0
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Aid Funding	0	0	0	0	0	0
Total Funding						
General Fund	0	0	2,000,000	0	0	776,605
Cash Fund	8,464,686	11,447,027	11,447,027	11,576,484	25,632,246	11,713,691
Federal Fund	2,928,372	1,425,670	119,085,654	2,956,819	59,622,581	2,222,924
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Agency	11,393,058	12,872,697	132,532,681	14,533,303	85,254,827	14,713,220

Agency 022 - DEPT OF INSURANCE
Program 068 - MEDICAL PROFESSIONAL LIABILITY

PROGRAM DESCRIPTION:

The Medical Professional Liability program coordinates implementation of the provisions of the Hospital-Medical Liability Act (Chapter 44, Article 28). Functions performed include qualification of health care providers, collection of annual surcharges/premiums, disposal of claims, and other activities necessary to protect the assets of the Excess Liability Fund.

The department has contracted administration duties through February 2014 for claim payments as allowed under §44-2854. The department maintains all other responsibilities, including all payments from the fund. All expenditures are reimbursed by the Excess Liability Trust fund (fund 62220) per §44-2829(6).

PROGRAM OBJECTIVES:

The department hired an outside entity to administer the claim process while the department maintained the collection of the surcharge and the payment of claims. Any expenditures from program 068 are reimbursed by the Excess Liability fund.

Program Objective:

For all claim payments ordered by the courts or mediated between the two parties to be made within three business days of receiving supporting documentation.

PERFORMANCE MEASURES:

The department has made payment within three business days of receiving supporting documentation.

Agency 022 - DEPT OF INSURANCE
Program 068 - MEDICAL PROFESSIONAL LIABILITY

Financial Data

	FY12 Actual	FY13 Approp	FY14 Request	FY14 Recomm	FY15 Request	FY15 Recomm
Operations Funding						
General Fund	0	0	0	0	0	0
Cash Fund	171,776	195,035	195,035	195,092	195,035	195,593
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Operations	171,776	195,035	195,035	195,092	195,035	195,593
Aid Funding						
General Fund	0	0	0	0	0	0
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Aid Funding	0	0	0	0	0	0
Total Funding						
General Fund	0	0	0	0	0	0
Cash Fund	171,776	195,035	195,035	195,092	195,035	195,593
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Program	171,776	195,035	195,035	195,092	195,035	195,593

Agency 022 - DEPT OF INSURANCE
Program 069 - ENF OF STDS-INSURANCE

PROGRAM DESCRIPTION:

This program is responsible for the enforcement of all insurance laws and insuring the financial stability of Nebraska's domestic companies and is organized into the following functional areas:

- Administration – Includes Director's office
- Financial Examination – Monitors domestic company's financial condition
- Property & Casualty – Reviews/approves company filings
- Life & Health – Reviews/approves company filings
- Licensing – Licenses producers and agencies
- Legal – Provides legal counsel for the agency
- Administrative Services – Provides accounting, budgeting, and IT/office support
- Market Conduct Examination – Monitors conduct of companies
- Fraud Prevention – Investigates insurance fraud

PROGRAM OBJECTIVES:

The objectives for this program are included in the unlimited section of the the budget document.

PERFORMANCE MEASURES:

Performance measures are included on an attached spreadsheet.

**Agency 022 - DEPT OF INSURANCE
Program 069 - ENF OF STDS-INSURANCE**

Financial Data

	FY12 Actual	FY13 Approp	FY14 Request	FY14 Recomm	FY15 Request	FY15 Recomm
Operations Funding						
General Fund	0	0	0	0	0	776,605
Cash Fund	8,292,901	11,242,492	11,242,492	11,371,892	11,242,492	11,508,598
Federal Fund	2,928,372	1,425,670	1,425,670	2,956,819	1,425,670	2,222,924
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Operations	11,221,273	12,668,162	12,668,162	14,328,711	12,668,162	14,508,127
Aid Funding						
General Fund	0	0	0	0	0	0
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Aid Funding	0	0	0	0	0	0
Total Funding						
General Fund	0	0	0	0	0	776,605
Cash Fund	8,292,901	11,242,492	11,242,492	11,371,892	11,242,492	11,508,598
Federal Fund	2,928,372	1,425,670	1,425,670	2,956,819	1,425,670	2,222,924
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Program	11,221,273	12,668,162	12,668,162	14,328,711	12,668,162	14,508,127

Agency 022 - DEPT OF INSURANCE
Program 140 - NEBRASKA EXCHANGE

PROGRAM DESCRIPTION:

A health insurance Exchange is a central marketplace for health insurance that provides one-stop shopping for individuals and small businesses to compare rates, benefits and quality among plans. The Exchange will also administer the new federal health insurance tax credits for those who qualify and make it easier to enroll in health insurance. This program's responsibilities include researching which type of Exchange best suits Nebraskans - state-based Exchanges, regional Exchanges (in cooperation with neighboring states) or an exchange administered by the Federal government.

PROGRAM OBJECTIVES:

The current objective of this program is to determine the type of exchange that is best suited for Nebraskans.

PERFORMANCE MEASURES:

Determination of the type of exchange will be the performance measure.

Agency 022 - DEPT OF INSURANCE
Program 140 - NEBRASKA EXCHANGE

Financial Data

	FY12 Actual	FY13 Approp	FY14 Request	FY14 Recomm	FY15 Request	FY15 Recomm
Operations Funding						
General Fund	0	0	2,000,000	0	0	0
Cash Fund	0	0	0	0	14,185,219	0
Federal Fund	0	0	117,659,984	0	58,196,911	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Operations	0	0	119,659,984	0	72,382,130	0
Aid Funding						
General Fund	0	0	0	0	0	0
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Aid Funding	0	0	0	0	0	0
Total Funding						
General Fund	0	0	2,000,000	0	0	0
Cash Fund	0	0	0	0	14,185,219	0
Federal Fund	0	0	117,659,984	0	58,196,911	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Program	0	0	119,659,984	0	72,382,130	0

Agency 022 - DEPT OF INSURANCE
Program 556 - LIQUIDATION OF INSUR COMPANIES

PROGRAM DESCRIPTION:

The purpose of this program is to provide funding for activities associated with conservatorship or liquidation of troubled insurance companies. This program's appropriation is restricted and can only be expended in specific to allow the department of undertake and maintain corrective action. The number of actions requiring expenditures under this program vary widely from year to year. With the exception of a few expenditures, all costs associated with a conservatorship or liquidation of an insurance company is paid for directly from the estate of the company.

PROGRAM OBJECTIVES:

With the exception of a few expenditures, all costs associated with a conservatorship or liquidation of an insurance company is paid for directly from the estate of the company. Therefore no program objectives have been identified.

PERFORMANCE MEASURES:

With the exception of a few expenditures, all costs associated with a conservatorship or liquidation of an insurance company is paid for directly from the estate of the company. Therefore no performance measures have been identified.

Agency 022 - DEPT OF INSURANCE
Program 556 - LIQUIDATION OF INSUR COMPANIES

Financial Data

	FY12 Actual	FY13 Approp	FY14 Request	FY14 Recomm	FY15 Request	FY15 Recomm
Operations Funding						
General Fund	0	0	0	0	0	0
Cash Fund	9	9,500	9,500	9,500	9,500	9,500
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Operations	9	9,500	9,500	9,500	9,500	9,500
Aid Funding						
General Fund	0	0	0	0	0	0
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Aid Funding	0	0	0	0	0	0
Total Funding						
General Fund	0	0	0	0	0	0
Cash Fund	9	9,500	9,500	9,500	9,500	9,500
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
Total Program	9	9,500	9,500	9,500	9,500	9,500