



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Testimony Appropriations Committee February 18, 2021

Committee Chairs, Ranking Members, and members of the Appropriations Committee, the Insurance Department appreciates the opportunity to submit testimony in support of the Department's recommended budget within the Governor's Fiscal Year 2022 and Fiscal Year 2023 recommended budget. The Insurance Department's budget is comprised of appropriations from the State's Insurance Fund which is funded through assessments on Connecticut's domestic insurance industry.

The Department's recommended budget includes increases in both Fiscal Years 22 and 23 for State Employee Wage Adjustments and Indirect Overhead at Comptroller's Projected Amount of \$113,937 and \$136,389 respectively. There is also an increase of \$1,132,943 for Fiscal Year 2023 to reflect the impact of the 27th payroll during that fiscal year.

Additionally, the Department's recommended budget reflects costs reductions of \$174,749 achieved through adjustments of fringe benefits to reflect actual rates and removal funds for rent expenses. Additionally, there is a reallocation of \$208,527 for Fiscal Year 2022 and \$216,448 for Fiscal Year 2023 attributed to the centralization of human resources and labor relations services. The overall recommended budget for the Department is \$31,268,871 for Fiscal Year 2022 and \$32,393,793 for Fiscal Year 2023.

To achieve greater efficiency, the Department has made significant improvements in the time frames for reviewing Life & Health and Property & Casualty insurance products. Through the implementation of LEAN procedures, Department staff streamlined our processes and made the following improvement in turnaround time since 2015:

- Health 71.3 days to 14.01 days
- Life 80.7 days to 3.05 days
- Property & Casualty 93.4 days to 10.2 days

The Insurance Department will be able to continue to fulfill its obligations of consumer protection and industry regulation within the recommended appropriations.