

## Insurance Department DOI37500

### Permanent Full-Time Positions

Fund	Actual FY 21	Actual FY 22	Appropriation FY 23	Governor Recommended		Legislative	
				FY 24	FY 25	FY 24	FY 25
Insurance Fund	151	150	145	160	160	157	157

### Budget Summary

Account	Actual FY 21	Actual FY 22	Appropriation FY 23	Governor Recommended		Legislative	
				FY 24	FY 25	FY 24	FY 25
Personal Services	14,716,817	14,633,429	15,454,654	17,559,427	17,783,381	17,235,304	17,459,258
Other Expenses	2,026,985	1,995,198	1,343,489	1,609,489	1,609,489	1,609,489	1,609,489
Equipment	52,500	51,936	52,500	152,500	62,500	140,500	62,500
<b>Other Current Expenses</b>							
Fringe Benefits	12,835,814	13,045,246	14,140,718	16,242,470	16,449,628	15,942,656	16,149,814
Indirect Overhead	413,706	364,857	325,994	247,375	247,375	247,375	247,375
<b>Agency Total - Insurance Fund</b>	<b>30,045,822</b>	<b>30,090,666</b>	<b>31,317,355</b>	<b>35,811,261</b>	<b>36,152,373</b>	<b>35,175,324</b>	<b>35,528,436</b>

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25

## *Policy Revisions*

### Provide Funding and Positions for Additional Staff

Personal Services	918,453	918,453	594,330	594,330	(324,123)	(324,123)
Equipment	40,000	-	28,000	-	(12,000)	-
Fringe Benefits	849,569	849,569	549,755	549,755	(299,814)	(299,814)
<b>Total - Insurance Fund</b>	<b>1,808,022</b>	<b>1,768,022</b>	<b>1,172,085</b>	<b>1,144,085</b>	<b>(635,937)</b>	<b>(623,937)</b>
<b>Positions - Insurance Fund</b>	<b>15</b>	<b>15</b>	<b>12</b>	<b>12</b>	<b>(3)</b>	<b>(3)</b>

#### Background

The insurance industry is becoming increasingly complex in terms of insurer operations, structure, financials, and use of technology (e.g., big data, artificial intelligence).

#### Governor

Provide 15 new positions and funding of \$1,808,022 in FY 24 and \$1,768,022 in FY 25. Funding across the Personal Services, Equipment, and Fringe Benefits accounts is provided for ten positions, which are anticipated to be the following roles: four insurance associate examiners, two data scientists, one license and applications analyst, one fiscal administrative assistant, and two new roles - an Assistant Director of Health Policy and a Chief of Staff. Existing funding will support five new accounting career trainees.

#### Legislative

Provide 12 new positions and funding of \$1,172,085 in FY 24 and \$1,144,085 in FY 25. Funding across the Personal Services, Equipment, and Fringe Benefits accounts is provided for the following seven positions: four insurance associate examiners, two data scientists, and one license and applications analyst. Existing funding will support five new accounting career trainees.

### Provide Funding for Other Expenses and Equipment

Other Expenses	266,000	266,000	266,000	266,000	-	-
Equipment	60,000	10,000	60,000	10,000	-	-
<b>Total - Insurance Fund</b>	<b>326,000</b>	<b>276,000</b>	<b>326,000</b>	<b>276,000</b>	<b>-</b>	<b>-</b>

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25

### Background

Section 312 of PA 21-2 JSS, the FY 22 and FY 23 budget implementer, requires DOI to report biennially on the agency's progress towards addressing climate-related risks and bolstering the resilience of insurers to the physical impacts of climate change. The law allows the agency to contract with third-party actuaries, professionals, and specialists to assist in the report's completion. Relatedly, DOI began holding the annual Connecticut Conference on Climate Change and Insurance in October 2021.

### Governor

Provide funding of \$326,000 in FY 24 and \$276,000 in FY 25, consisting of Other Expenses funding of \$266,000 in both FY 24 and FY 25, and Equipment funding of \$60,000 in FY 24 and \$10,000 in FY 25. Funding is anticipated to support additional staff training and travel, industry-promoting marketing, the biennial climate report, and equipment for hybrid meetings and other equipment upgrades.

### Legislative

Same as Governor

## Current Services

### Provide Funding for Existing Wage Agreements

Personal Services	1,786,714	2,010,668	1,786,714	2,010,668	-	-
Fringe Benefits	1,652,710	1,859,868	1,652,710	1,859,868	-	-
<b>Total - Insurance Fund</b>	<b>3,439,424</b>	<b>3,870,536</b>	<b>3,439,424</b>	<b>3,870,536</b>	<b>-</b>	<b>-</b>

### Background

The Governor's Recommended Budget provides net funding of \$237.2 million in FY 24 and \$394 million in FY 25, across six appropriated funds, to reflect current wage-related adjustments resulting from existing wage agreements.

### Governor

Provide funding of \$3,439,424 in FY 24 and \$3,870,536 in FY 25 to reflect this agency's increased wage costs.

### Legislative

Same as Governor

### Remove Funding for 27th Payroll

Personal Services	(600,394)	(600,394)	(600,394)	(600,394)	-	-
Fringe Benefits	(555,364)	(555,364)	(555,364)	(555,364)	-	-
<b>Total - Insurance Fund</b>	<b>(1,155,758)</b>	<b>(1,155,758)</b>	<b>(1,155,758)</b>	<b>(1,155,758)</b>	<b>-</b>	<b>-</b>

### Background

The FY 23 Revised Budget included a total of \$128,456,014 for an extra 27<sup>th</sup> pay period for six appropriated funds. There are usually 26 pay periods in a fiscal year, but every 11 years there is an additional 27<sup>th</sup> pay period.

### Governor

Remove funding of \$1,155,758 in both FY 24 and FY 25 to reflect 26 pay periods in each fiscal year.

### Legislative

Same as Governor

### Adjust Fringe Benefits to Reflect Actual Rates

Fringe Benefits	154,837	154,837	154,837	154,837	-	-
<b>Total - Insurance Fund</b>	<b>154,837</b>	<b>154,837</b>	<b>154,837</b>	<b>154,837</b>	<b>-</b>	<b>-</b>

### Background

The fringe benefits costs for employees supported by funds other than the General Fund are budgeted within their respective agencies, as opposed to the fringe benefit account within the Office of the State Comptroller.

### Governor

Provide funding of \$154,837 in both FY 24 and FY 25 to ensure sufficient funds for fringe benefits.

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25

**Legislative**

Same as Governor

**Fund Indirect Overhead at Comptroller's Projected Amount**

Indirect Overhead	(78,619)	(78,619)	(78,619)	(78,619)	-	-
<b>Total - Insurance Fund</b>	<b>(78,619)</b>	<b>(78,619)</b>	<b>(78,619)</b>	<b>(78,619)</b>	<b>-</b>	<b>-</b>

**Background**

Agencies funded outside the General Fund are charged with indirect overhead costs by the Office of the State Comptroller for utilizing certain centralized state agency services.

**Governor**

Reduce funding by \$78,619 in both FY 24 and FY 25 to reflect revised indirect overhead costs.

**Legislative**

Same as Governor

**Totals**

Budget Components	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25
FY 23 Appropriation - IF	31,317,355	31,317,355	31,317,355	31,317,355	-	-
Policy Revisions	2,134,022	2,044,022	1,498,085	1,420,085	(635,937)	(623,937)
Current Services	2,359,884	2,790,996	2,359,884	2,790,996	-	-
<b>Total Recommended - IF</b>	<b>35,811,261</b>	<b>36,152,373</b>	<b>35,175,324</b>	<b>35,528,436</b>	<b>(635,937)</b>	<b>(623,937)</b>

Positions	Governor Recommended		Legislative		Difference from Governor	
	FY 24	FY 25	FY 24	FY 25	FY 24	FY 25
FY 23 Appropriation - IF	145	145	145	145	-	-
Policy Revisions	15	15	12	12	(3)	(3)
<b>Total Recommended - IF</b>	<b>160</b>	<b>160</b>	<b>157</b>	<b>157</b>	<b>(3)</b>	<b>(3)</b>