

Meier, Lisa M.

From: Godfread, Jon
Sent: Wednesday, February 10, 2021 1:23 PM
To: Meier, Lisa M.
Cc: Arnold, John R.; Davis, Jessica E.
Subject: Insurance Department Budget Questions

Rep. Meier,

To answer your questions.

Attorney Position:

This is an existing position (Legal Assistant Currently) and we are requesting that position get de-classified and repurposed into an attorney position. The legal assistant position work load has been assumed by other employees in the department, namely my executive assistant. Due to the reorganization of the legal division and fraud division (we separated those division out, to avoid any potential civil rights issues with peace officers investigating regulatory infractions) with this reorganization and our separating out of the civil investigations v. the criminal investigations we have the need for another attorney. From our numbers this would result in an increase of \$79,204 to reclassify the legal assistant to an attorney.

Supervising Examiner position:

The Department is also requesting to de-classify the supervising examiner position. Doing so will bring the position into an equitable range with peers in other states; and an analysis found that hiring consultants and contractors to do this job would not be fiscally responsible. This was also a recommendation of the National Association of Insurance Commissioners and was discovered during our accreditation process. The Department's request includes an increase of \$64,460 to cover the declassification of this position.

SHIC Workload Increase:

Our reorganization warranted a responsibility workload increase for a team lead to oversee the State Health Insurance Counseling (SHIC) program, an increase of \$5,998 for salary and fringe. This individual is now a manager, and oversees two employees as part of her duties as a team lead for SHIC.

Other Workload or Equity Increases to get to our total:

The other smaller amounts were for our division directors, as I mentioned when we met we are having a very difficult time hiring the expertise we need due to some equity issues amongst staff. The salary range that we have seen necessary to attract worthy staff has generally approached our director level, so we made some modifications at to some of the division director salaries to give us some breathing room when hiring staff to come on board.

Another equity increase is we have staff actuary who has passed all of his certification exams and now a fully licensed actuary, this resulted in an equity increase for this individual as well. Hiring external contract actuaries to do our work is very costly, we are extremely lucky to have two actuaries on staff, this is a rarity and a major cost savings to keep them on staff versus having to contract out on an ongoing basis to get the daily analysis we need to regulate the insurance industry.

During the hearing this morning you mentioned reducing our operating line by \$110,495? Curious as to why that is coming up and where that reduction is coming from. As we have mentioned in our previous testimony the executive budget from the Governor's office had a number of inconsistencies within it and we struggled to understand where they got their numbers.