

Senate Bill No. 2010

Presented by: Jon Godfread
Commissioner
North Dakota Insurance Department

Before: Senate Appropriations
Senator Brad Bekkedahl, Chairman

Date: January 4, 2023

Good afternoon, Mr. Chairman, and members of the Senate Appropriations Committee. For the record, my name is Jon Godfread, Insurance Commissioner. Before we get into the budget changes we are proposing, I feel it would be best to give you a very brief overview of insurance regulation and a summary of our Insurance Department.

Insurance regulation in the United States is primarily the responsibility of the individual states. Each state has its own Insurance Commissioner that is responsible for overseeing the insurance industry within that state. My role as an insurance regulator is to ensure that insurance companies operating within North Dakota are financially stable and able to pay claims when they are due. We accomplish this by reviewing financial reports, examining insurance companies doing business within our state, reviewing the products that these companies sell within the state to make sure that they comply with the laws that you all pass, and offering consumers assistance when they feel that a company is not honoring the terms of insurance contracts.

In addition to the state-level regulation, North Dakota is also a member of the National Association of Insurance Commissioners or the NAIC. Currently, I serve as Vice President of this organization. The NAIC is a voluntary organization made up of insurance commissioners from each state, the District of Columbia and the five U.S. territories. The NAIC assists state-based regulation through the development of model laws, regulations and provides accreditation to states, which is a third-party review of our financial analysis.

North Dakota just last month received another 5-year accreditation from the NAIC, we were the only state in our cohort to receive a clean bill of health, meaning that other states can confidently rely on our work when it comes to reviewing insurance companies. While this process may

sound overly technical and boring, I cannot stress the importance of accreditation. It's a big deal. Staffing was the only concern raised in our accreditation review. We are a small and efficient team, but we cannot get any smaller, and it was recommended that we maintain our current staff level and develop a plan to expand when needed.

There are also a few federal agencies that have some regulatory authority the insurance industry. For example, the Department of Labor regulates employee benefit plans, including group health insurance plans. Additionally, the Affordable Care Act extended federal involvement in health insurance with regards to the individual marketplace.

The National Flood Insurance Plan or NFIP, operates our country's flood insurance program. Recent changes to the NFIP have allowed private flood insurance to finally be recognized as acceptable coverage to the NFIP. This is a small step in a positive direction when it comes to flood insurance in North Dakota. Traditionally flood insurance in North Dakota has been cost prohibitive, it will be interesting to see if the private flood market can have an impact on the cost of flood insurance. We continue to attempt to explain to the NFIP that flooding in North Dakota is different, its generally overland flooding, we do not face hurricanes like our coast friends. NFIP must recognize the difference.

It should come as no surprise that the issues we see in the insurance industry primarily stem from health insurance and flood insurance, the two areas where there is the most federal intrusion. Our state-based system has withstood over 150 years of insurance evolution; our system has survived depressions, financial crises, and most recently a pandemic. Our state and our country benefit from a strong state-based system, and I am proud of the work we continue to do here in North Dakota and happy to provide a brief summary of some of the changes we would like to see.

ND Insurance Industry and Regulation—At a Glance:

The North Dakota Insurance Department is a special funded agency that primarily serves as a consumer protection agency for North Dakota. We receive our funding from the Insurance Regulatory Trust Fund, which is funded by all fees and fines paid for by insurance companies

and agents operating in this state. The Department contributed \$49.7 million of premium tax and turned back an additional \$6.3 million to the general fund for the fiscal year 2021.

It is the Department's mission to safeguard the promises made to North Dakotans and foster a fair and thriving marketplace to meet the needs of our consumers and evolving insurance industry. The Department serves North Dakotans by assisting consumers with insurance needs, investigating insurance fraud, and regulating the insurance industry in the State. Simply put, we are one of the best kept secrets in North Dakota, but we are working on changing that, and continue to engage with our consumers at an ever-increasing rate.

One of our primary activities is to help consumers navigate the complex world of insurance. We can stand in the shoes of our consumers with insurance companies when our consumers have been treated unfairly or simply have questions. When you pick up the phone to ask questions or complain to your insurance company you are often at a big disadvantage, insurance companies work on these issues daily, and consumers often only call their insurance company in the middle of what might be one of the worst days of their lives. The Department can take that burden from our consumers and stand in their shoes to provide the best possible outcome, given their coverage. It is truly expert talking with expert and letting the consumer put their life back together without having to navigate the often-confusing insurance process. We take great pride in the services we offer our citizens, and we are bringing forth a budget that not only allows us to help more people but does so in a fiscally prudent manner.

Department Overview:

The North Dakota Insurance Department began the 2021-2023 biennium with 38 FTEs working in 7 different divisions.

BUSINESS LINE SHIFT

At the beginning of 2021 we shifted our focus to business lines of insurance rather than the functional department operations. Meaning we now have a Life and Health Division and a Property and Casualty Division.

These changes have allowed the experts in each division to focus on the business line versus trying to be everything to everyone.

LIFE AND HEALTH DIVISION

The Life and Health Division is made up of 3 branches. The first is the Consumer Assistance, which deals with North Dakota consumers who have concerns about their life or health insurance products. Consumer Assistance also contains our State Health Insurance Assistance Program or SHIP.

STATE HEALTH INSURANCE ASSISTANCE PROGRAM (SHIP)

SHIP provides free, unbiased, and confidential health insurance counseling to Medicare beneficiaries, their families, or other representatives. The program held virtual appointments for the 2021 and 2022 open enrollments periods and found them to be very successful. This is one of our many consumer outreach programs that not only assists our consumers, as they enroll in Medicare, but also helps answer any questions that may arise throughout the year. While Medicare is a federally operated program, our SHIP team is a group of experts in North Dakota that can assist North Dakotans with their questions. I know our citizens appreciate talking to a fellow citizen rather than waiting on hold for a federal government official. This program is primarily funded through federal grants, and we are seeking some language changes within our budget to help clear up some timing issues with how we receive those grants for this program. I will cover more on that later.

PRESCRIPTION CONNECTION PROGRAMS

Our Prescription Connection program helps low-income North Dakotans find low-cost and no-cost prescription drugs by connecting them with prescription assistance programs offered by various pharmaceutical companies. The program assists consumers with the application process and connects over 95 percent of all applicants to a program.

Lastly, the Life and Health Division has a product filing component. Product Filing reviews policy forms and rate requests to ensure policy language complies with all the laws of this state, properly reflects the benefits provided by the policy and is not deceptive or misleading. For most types of insurance, this division evaluates the premium rates companies propose to charge to ensure that the premiums are not excessive, inadequate, or unfairly discriminatory.

PROPERTY AND CASUALTY DIVISION

The Property and Casualty Division is made 2 teams, Consumer Assistance and Product Filing. Consumer Assistance helps North Dakota consumers who have issues or concerns about property and casualty products. While Product Filing reviews policy forms and rate requests on the P&C side to ensure compliance with our laws.

PRODUCER LICENSING DIVISION

The producer licensing division is responsible for the licensing of 109,462 individual insurance producers doing business in the State, of which 5,874 are North Dakota resident producers. Insurance producers must comply with pre-licensing exams, background checks and continuing education requirements.

EXAMINATIONS AND COMPANY LICENSING

The primary function of the Examinations and Company Licensing Division is to monitor the financial strength of insurance companies licensed to do business in North Dakota.

As of December 2022, there were 2,506 insurance entities licensed to do business in North Dakota which has increased 175 from 2019. 33 of those companies call North Dakota home, which we are proud to report is up 4 from 2019.

LEGAL DIVISION

The Legal Division provides legal counsel to the Department; investigates and enforces all laws governing insurance producers and insurance companies; litigates administrative actions, and

researches and prepares proposed legislative bills and administrative rules. Currently, the Legal Division is comprised of a General Counsel and 3 staff attorneys.

FRAUD

The Fraud Division is comprised of 3 licensed peace officers, 1 attorney, and 1 civilian investigator. The Fraud Division is responsible for conducting investigations on behalf of the public. Our team investigates fraud claims, recommends charges, and may prosecute alleged fraud, through our insurance fraud prosecution program. Our fraud prosecution program is a partnership program with local states attorneys, which allows us to assist them in the prosecution of insurance fraud. Its beneficial for our states attorneys to receive this assistance as it lessens their workload, and it's a benefit to the state as it allows us to ensure that insurance fraud is prosecuted. In 2021 there were 272 known fraud cases which unfortunately resulted in \$1.1 million dollars of actual loss to North Dakotans. We take insurance fraud very seriously in the department, as it ultimately ends up coming out of our pockets by way of increased premiums. We have taken great strides to stamp out insurance fraud in this state but there is more work to be done.

ADMINISTRATION

The Administration Division of the Insurance Department is responsible for oversight of the budget, accounting, IT needs and general office support through the Department. In addition, the division oversees day-to-day business operations, public relations, human resource management and the internal policies and procedures for the Department.

Since I took office over 7 years ago, we have undertaken a significant amount of restructuring and right-sizing of our department, this has led to not only right-sizing our budget, but we have also improved our functionality. It is important to note that we are down from our appropriated numbers by 13.59% in operations, 8.35% in salaries, and 25.25% in FTEs over the past 7 years.

You may recall in 2019 we moved our State's Boiler Inspection program and Petroleum Tank Storage program to the Department of Environmental Quality. We also moved the administration of the State's Fire and Tornado Fund and Bonding Fund to the North Dakota Insurance Reserve

Fund (NDIRF). These are two prime examples of improving efficiencies and making sure programs are housed in agencies where they can provide the services, while removing duplication and added expense.

We are particularly proud of our work with NDIRF, that move has truly been one of those rare instances where everyone involved has benefited. Our state has benefited by lowering administrative costs of the program, the clients of the fund have benefited by receiving a more comprehensive overview of their policies and leading to better coverage and our insurance agents are once again at the table, doing what they do best, advising their clients on appropriate coverage levels.

Because of this move, the North Dakota Insurance Department is no longer directly selling insurance, which I would argue, we should never have been in the business of selling insurance. To date, NDIRF has identified over 2 billion dollars of uncovered property in our state, this is government owned property that did not previously have insurance coverage. This change has dramatically lessened potential exposure of significant losses to our state and political subdivisions, and they are still finding more. We have found that when we get out of the way of the experts at NDIRF, good things happen and that benefits our state greatly.

While the pandemic placed a significant amount of stress on everyone, it also allowed us to experiment with different work models. Like everyone, at the height of the pandemic we went to remote work, we found that transition to remote work to be effective and we didn't miss a beat. Since the pandemic, we have gone back to a more traditional model, but we still do employ hybrid options. Presently 75% of our staff is working in person and 25% working in a hybrid work model. We have had positive reactions to having anchor days and bringing back the much-needed comradery to our small team. This flexibility has helped with attracting and retaining employees, which as you know is a significant challenge across our state.

We have seen a great deal of success with this model. Much of the work we do at the Insurance Department is of a financial or regulatory nature and we have found removing some of the office distractions has actually made some of our team members more productive, while also allowing

us to better utilize our existing space and eliminate another off-site location located Burnt Boat Dr.

By eliminating our last off-site lease, we have saved \$28,500 for the current biennium and will be able to realize savings of \$70,000 for the next biennium by acquiring all of the 5th floor. We are asking for \$75,000 dollars to make modifications to our capitol office space which was previously occupied by the Securities Commissioner. These renovations will allow us to better accommodate walk-in traffic and hotel offices for staff who are in the hybrid working model. With the elimination of our last off-site lease and our acquiring the entirety of the 5th floor, for the first time in as far back as I can remember, the Insurance Department will be entirely under one roof. This makes perfect sense for an agency our size as having multiple locations has been an additional and unnecessary cost to our state.

We are not yet done reorganizing our Department and I will cover some additional ideas we have for the future in a moment, but I hope the Insurance Department has gained your trust over the past 7 years, we accomplish what we set out to do, we do so in an efficient manner, and ultimately the moves we have made have not only improved the processes and performance of our state functions, but have done so in a very efficient cost effective manner.

Changes Proposed to 2023-2025 Budget:

Changes and requests for Insurance Department Budget:

I would like to cover some of the changes we are proposing to our salary and operating lines of our budget. Our 2023-25 base budget is reported as \$30.3 million dollars. Currently over 2/3rds of our budget is simply pass through dollars that are appropriated to our fire districts and fire fighter association from the Fire Insurance Tax Distribution Fund. During this session there will be at least one bill that is seeking to change the fire districts appropriation to a continuing appropriation, as it was from 1887 – to the late 1980s. What I want to talk with you today is the remaining 1/3rd of our budget, which is departments salaries and operations.

Salaries and Wages Line:

On our salaries and wages line the Department is requesting to join the IT Unification project. As a department we have been re-evaluating our IT needs for the past two years. We have determined that we would benefit from IT unification, and it would be a cost-saving for our department. This is reflected in our salary and fringe line with moving \$78,492 salary dollars over to ITD.

Also related to salary, we are asking for a one-time funding of \$98,300 for retirement payouts as we have 5 staff members who could potentially retire in the 23-25 biennium.

We are currently not requesting any additional Insurance Department FTEs at this time, and through IT Unification we would be reducing our FTE count by one bringing us to 37.

However, as with any legislative session, bills may be introduced or pass that could have a dramatic impact on our needs at the Insurance Department. One piece of legislation that has been introduced regarding regulation of the pharmaceutical industry is already scheduled for a hearing. Should that bill pass, we would need additional FTEs and additional dollars to implement. There is another piece of legislation which I will touch on at the end of my testimony regarding the funding and structure of our fire service in North Dakota, that would require changes to our budget. We understand we are in day 2 of the session and stand ready to assist this body with any changes brought forward.

I would again like to point out that over the past 7 years we are down 8.35% in salaries, and 25.25% in FTEs.

Operational Line:

As for our operational line, travel is returning to normal and, due to inflation, increase in cost. You do see an increase in our travel line. As insurance is a state-based system, the Insurance Department generally attends 3 national meetings of the NAIC, these meetings are critical to work with our colleagues from other states and to strengthen our state-based system. Our primary involvement with the NAIC is to prevent federal overreach into a system that has a 150-year track record of protecting consumers and regulating the insurance industry. Given the recent rise in inflation, airline travel and hotel prices have risen dramatically, our travel line reflects a

movement back to normal travel and the increased costs we are all. Normally, the NAIC reimburses the state for a significant portion of our NAIC based travel, but I find it hard to assume that will always continue. Any travel that does get reimbursed from the NAIC will be turn back dollars next biennium.

Other notable increases to our operating line is an increase in electronic services due to the nature of our global environment conducting business has shifted to more electronic needs. Additionally, there are items that are not covered by the IT unification that we need to provide to staff. Such as additional licenses from electronic services we use and provide, which give us access to critical information for our core functions. Our data processing and communications line increased for IT Unification as well as creating a new system for our Property and Casualty division.

Lastly, we did increase our professional services line to cover expenses related to unforeseen legal battles. During the current biennium we did go to the Emergency Commission to request an additional \$250,000 to defend our state laws that you all pass from over-reach by Pennsylvania. I am happy to talk more about it, but essentially a Pennsylvania domiciled long-term care insurance company, that is in rehabilitation and, through the actions of the Pennsylvania Insurance Commissioner, is flagrantly disregarding the laws in our state by seeking to impose an unapproved 400% rate increase upon North Dakota consumers. We are currently in a legal battle which we did not anticipate during the appropriation process of the last regular session, to block that action.

We have had many decreases in our operational line as well. Due to IT unification, we were able to cut from our IT equipment line. We have reduced our rent due to the elimination of the off-site lease at Burnt Boat Dr. and the relocation to the capitol tower occupying the space formerly occupied by the Securities Department.

One-Time Funding

For the 23-25 biennium we are requesting a \$75,000 one-time funding for an office remodel of the west side of 5th floor previously occupied by the Securities Commission. This biennium we did remodel our current space with the \$100,000 appropriated last session.

Last session we also received one time of \$662,000 in federal funds for the State Flexibility to Stabilize the Market Grant Program. This program was intended to provide added flexibility to strengthen the private health insurance market through the implementation of market reforms under Part A of Title XXVII (27) of the Public Health Service Act. During the interim, with the help of two consultants we completed 3 studies on our current health market. The studies consisted of reviewing our Essential Health Benchmark or EHB plan, the Comprehensive Health Association of North Dakota or CHAND program, and the concept of combining our small group and individual market for purposes of reinsurance. As a result of these 3 studies, there are 2 legislative initiatives have been introduced, one being a resolution regarding proposed changes to our EHB plan, which has not been updated since 2010.

The second is a continuation of the study to allow our department to partner with NDPERS and DHHS to determine the next steps of CHAND, which is our high-risk pool with our state, and develop a plan to eventually wind-down our high risk pool.

The final study of the combination of small group and the individual market was determined to not benefit our health marketplace and would negatively impact consumers. So we are not recommending any further action on that idea. Currently, we consider all of these studies to be complete, and are presently not seeking any funding for studies of this nature.

Last session we also received \$200,000 from the SIIF fund to study our coal and fossil fuel industry and the insurance impacts on those industries. This study was primarily to address the increasing cost of insurance in our energy sector, phase two of that study is currently underway and is being supported by the Lignite Energy Council. We determined that ESG pressures being applied globally to our reinsurance marketplace are having a secondary impact on the affordability and availability of insurance to our energy sector. Phase two of that study is seeking to find solutions on what, we as a state, can do to prevent further problems.

This is also a conversation that is continuing in the insurance industry all over the world. ESG pressures are having a real-world impact right here in North Dakota and while insurance is generally the last thing on people's minds, it is appearing to be the first domino to fall. If our energy industry cannot acquire insurance, it will be unable to operate. We have partnered with like-minded states such as Alaska, Oklahoma, Texas, and West Virginia to sound the alarm bells that removing reliable, affordable electricity from our society will cause a host of other issues

within the insurance sector that are not being properly mitigated. This continues to be a top priority for me and the department as it is an emerging threat in our marketplace.

EXCESS APPROPRIATION FOR OUR FEDERAL GRANTS TO OPERATE OUR STATE HEALTH INSURANCE ASSISTANCE PROGRAM (SHIP):

As previously described, our State Health Insurance Assistance Program or SHIP provides free, unbiased, and confidential health insurance counseling to Medicare beneficiaries, their families, or other representatives. We are requesting an excess appropriation for our federal funds that would allow us to fully access all the federal funds that are awarded to the state above the level of funds appropriated by the Legislative Assembly. The Department continues to be challenged by the biennial budget process vs. the federal government's award windows which are not aligned with the state's fiscal years. An excess appropriation would allow ultimate flexibility to utilize all the federal funds awarded to the state to operate SHIP as the federal funds continue to fluctuate. This would also allow us to use our federal dollars fully, before spending any state dollars on these programs.

Conclusion:

These changes bring the Department's salary and fringe budget to \$8,097,788 before the executive compensation package and before the one-time funding ask of \$98,300 for retirements. This is approximately a quarter percent (.27%) increase from the 21-23 legislative base budget.

Our operational changes resulted in a requested appropriation of \$2,170,770 which is an increase from the 21-23 legislative base budget primarily due to IT unification, travel, and unexpected legal costs.

Our total ask for our department appropriation comes to \$10,441,858 which includes the one-time funding request of \$75,000 for remodeling and \$98,300 for retirement payouts

The Department's FTE count from 21-23 was 38. Our proposed 23-25 FTE count would be 37 due to the one position being transferred as the result of IT unification.

These changes plus the conclusion of our one-time funding packages from last session -- the State Flexibility to Stabilize the Market Grant Program, the SIIF fund appropriation to study our coal and fossil fuel industry, and the \$100,000 capital asset remodel -- would result in approximately a 3.28% decrease in our overall Department salary and operating budget from the last biennium.

Finally, I do feel it's important when considering the Insurance Department budget to look at the last 7 years, we have undertaken some significant restructuring and repurposing. Since the 2015-17 biennium and if this body adopts our proposed budget, we are bringing forward, the Insurance Department would be down roughly 8.35% in salary, 13.59% in operations, and 25.25% in FTEs.

During my time as Commissioner, we have consistently brought forward budgets that recognize our need to increase efficiencies which have often resulted in greater reductions than targeted by this body.

My ask would be that when considering our request, you consider the work and reductions we have accomplished over the past 7 years while still making contributions to the general fund in the form of licensing fees, fines, and premium tax, and give us the tools we believe necessary to uphold the insurance laws of North Dakota.

Lastly, although it is not a part of our proposed budget, I wanted to let this Committee know that Senator Weber is bringing forth a policy bill that introduces a few items that will affect our budget if passed. I would encourage this committee to await the results from Senator Weber's bill regarding the State Fire Marshal and the Fire District funding, before acting on the Fire Insurance Tax Distribution Fund portion of the Insurance Department's budget. It is for this reason I did not address the additional \$20.7 million that is currently in our budget, however, I do want to provide a brief overview of what is to come from Senator Weber's bill.

CONTINUING APPROPRIATION FOR FIRE DISTRICTS/SENATOR WEBER'S BILL:

Funding for fire departments and fire districts comes from a couple of different sources (property taxes, benefits, etc.) but a significant portion of the funding has come from the insurance premium tax. The Department administers the premium tax and from that, the Legislature appropriates an amount up to 100% of the fire insurance premium tax revenue collected.

This is essentially a pass-through fund, whereby we collect the tax and pass that collection on to the fire districts. This fund was a continuing appropriation from 1887 – 1985. Since 1985, funding to the fire districts has fluctuated between 101% of the funds to as low as 48% of the funds available.

Senator Weber's bill is asking that the continuing appropriation be restored; this ensures that the dollars that are intended to go to the fire districts are going to the fire districts. The average consumer likely knows that a portion of their homeowner's insurance premiums goes to funding fire departments. What they do not know is that a portion of those dollars are being put back into the general fund. Our consumers are being double or triple hit, once on their homeowner's premiums, once on their property tax, and then again by participating in various benefits put on by fire departments to cover their costs.

In addition to the continuing appropriation for the fire districts, Senator Weber's bill introduces language to pay a flat amount to the North Dakota Firefighter's Association (NDFFA) from the Insurance Regulatory Trust Fund, or our special fund, instead of the Fire Insurance Tax Distribution Fund. This would allow all dollars that are collected on behalf of the fire districts to go only to the fire districts. Because of the flat amount set to be allocated to NDFFA, the last major item Senator Weber's bill introduces, is restoring the State Fire Marshal's office in the Insurance Department. Currently the State Fire Marshal is appointed by and a part of the Attorney General's Office, which is a general funded agency. Senator Weber's bill proposes to move the State Fire Marshal back to the Insurance Department where it was housed up until the 1960's, this move would allow the State Fire Marshal to have oversight and reporting requirements of NDFFA.

The statutory requirements of the State Fire Marshal are already in line with what we do at the Insurance Department. We believe that the realignment with the Insurance Department would allow the State Fire Marshal to focus on what they are statutorily obligated to do at an elevated level, which is to prevent fires, suppress arson, oversee combustibles, explosives, fire alarms, fire extinguishing equipment, and educate the citizens of North Dakota on the hazards of fire. These

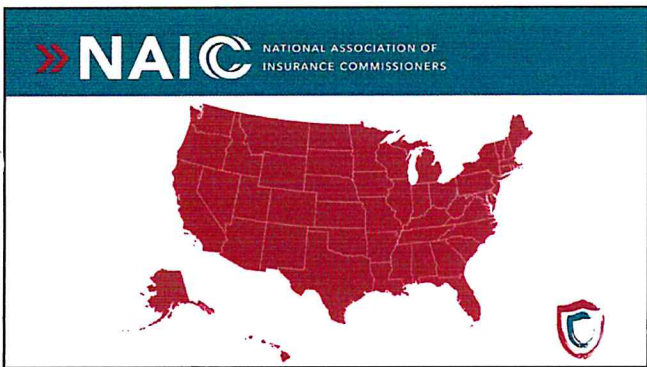
requirements align with risk mitigation and the prevention of loss, which are closely related to the insurance industry.

Again, this is separate from the Department budget before you so I will end my testimony here, but I am happy to answer any questions you may have. Additionally, Doug Nelson, the State Fire Marshal, is here and can also answer questions in a neutral position.

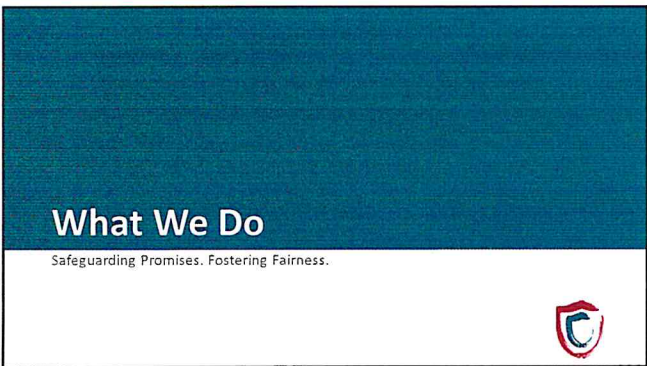
Chairman Bekkedahl and members of the committee, thank you for the opportunity to share the Insurance Department's story and introduce our budget request for the next biennium. I am happy to answer any questions that you have now and throughout the session.



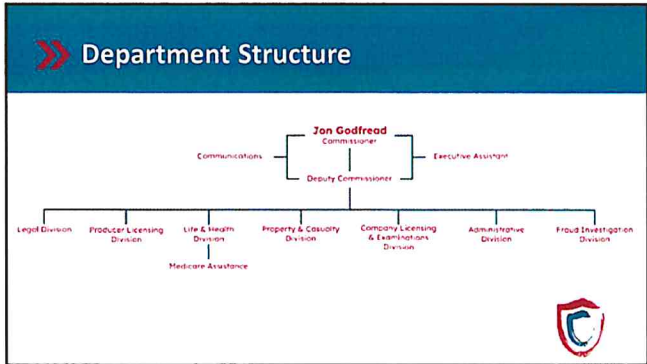
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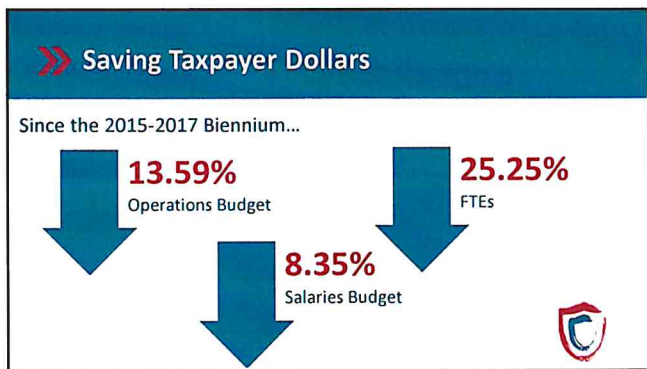
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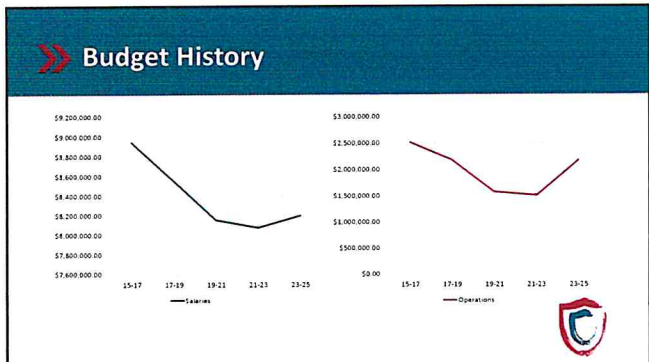


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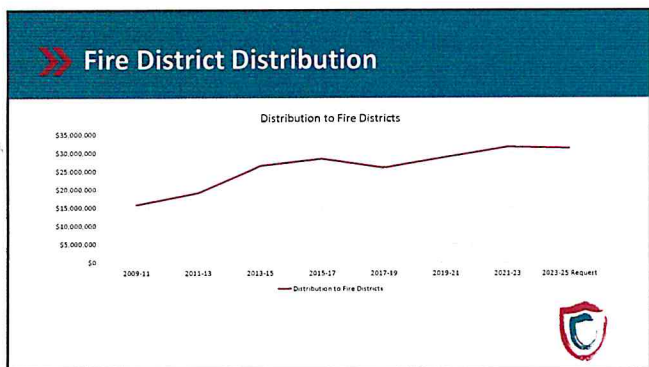
Our Budget Proposal

Safeguarding Promises. Fostering Fairness.

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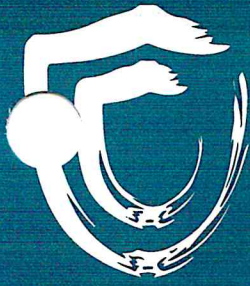


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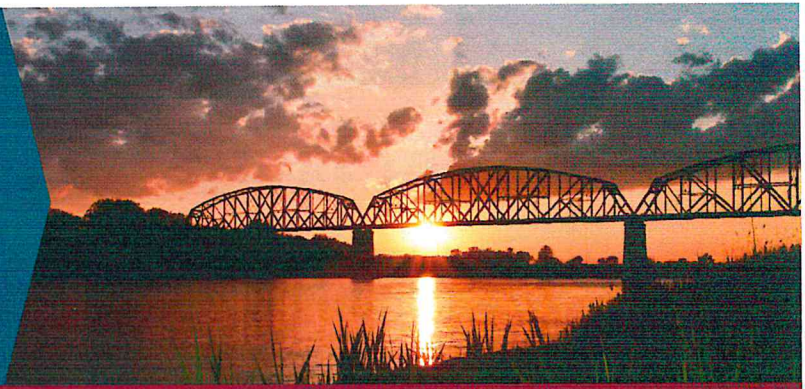
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North Dakota Insurance Department

Safeguarding Promises. Fostering Fairness.
Jon Godfread, Commissioner



What we do

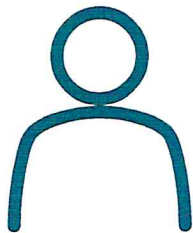
Mission

Safeguarding the promises made to North Dakotans and fostering a fair and thriving marketplace to meet the needs of our consumers and evolving insurance industry.

Functions

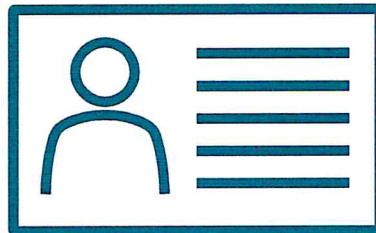
- » Consumer Protection & Assistance
- » Rate & Benefit Analysis
- » Agent & Company Licensing
- » Financial & Market Conduct Examinations
- » Fraud Investigation
- » Insurance Tax Distribution

Who we serve



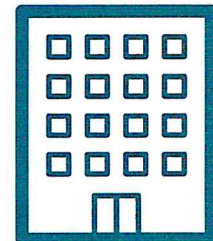
Consumers

Offer consumer assistance and advocacy.



Agents

Manage the licensing of agents and producers.



Companies

Regulate insurance companies and products sold.

Numbers at a glance

For the 2021-2023 biennium

38

Full-Time Positions

10.8 million

2021-2023 Budget

20.7 million

Distributed to Fire Districts & ND Firefighter's Assn.

Department Budget

The North Dakota Insurance Department is a special-funded agency where the agency is not allocated money from the General Fund, rather by company and producer licensing fees and fines. Any remaining funds over a million dollars are placed into the General Fund annually.

2021-2023 Biennium **Legislative Base**

38 FTE positions

Salaries & Benefits	\$ 8.076 million
Operating	\$ 1.507 million
One-time Funding	+ \$ 0

\$ 9.583 million

2021-2023 Biennium **Appropriated**

38 FTE positions

Salaries & Benefits	\$ 8.076 million
Operating	\$ 1.507 million
One-time Funding	\$ 962,000
Emergency Commission	+ \$ 250,000

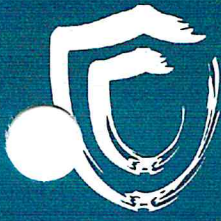
\$ 10.795 million

2023-2025 Biennium **Request**

37 FTE positions

Salaries & Benefits	\$ 8.196 million
Operating	\$ 2.170 million
One-time Funding	+ \$ 75,000

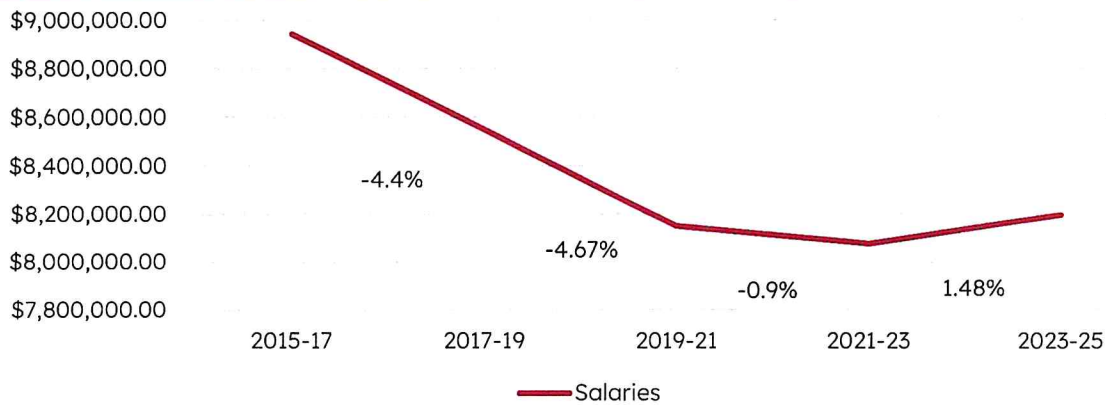
\$ 10.441 million



Department Budget History

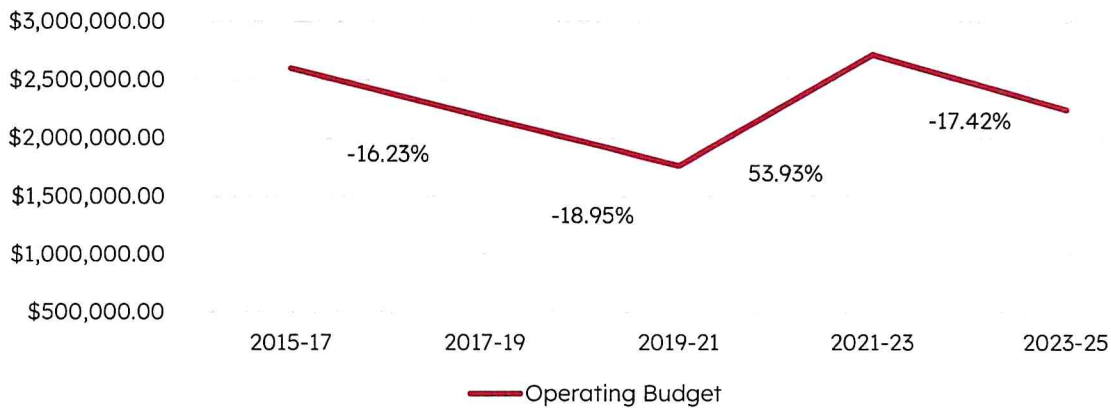
Appropriated Salaries Over Time

2015-17 Biennium Appropriated	2017-19 Biennium Appropriated	2019-21 Biennium Appropriated	2021-23 Biennium Appropriated	2023-25 Biennium Request
\$ 8,943,097.00	\$ 8,549,567.00	\$ 8,149,998.00	\$ 8,076,281.00	\$ 8,196,088.00



Appropriated Operating Budget Over Time*

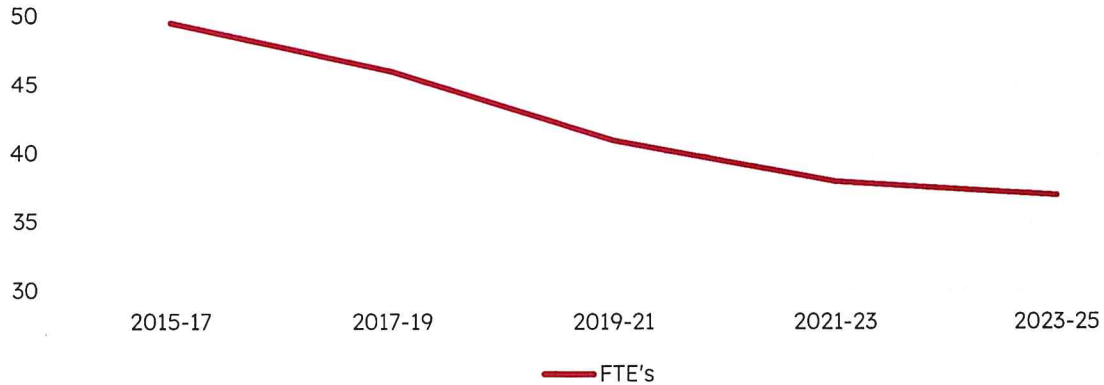
2015-17 Biennium Appropriated	2017-19 Biennium Appropriated	2019-21 Biennium Appropriated	2021-23 Biennium Appropriated	2023-25 Biennium Request
\$ 2,602,042.00	\$ 2,179,777.00	\$ 1,766,675.00	\$ 2,719,359.00	\$ 2,245,770.00



*Includes one-time funding.

Appropriated FTE's Over Time

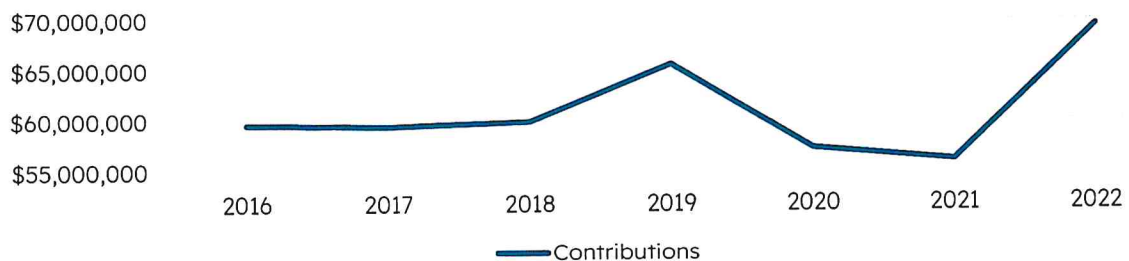
2015-17 Biennium Appropriated	2017-19 Biennium Appropriated	2019-21 Biennium Appropriated	2021-23 Biennium Appropriated	2023-25 Biennium Request
49.50	46	41	38	37



2015-17 to 2023-25 Comparison



General Fund Contributions by Year



Jacob Just
Director of
Communications

Jon Godfreed
Commissioner

John Arnold
Deputy
Commissioner

Executive Assistant

Johnny Palsgraff
General Counsel & Legal
Division Director

Chrystal Bartuska
Life & Health/Medicare
Division Director

Janelle Middlestead
Property and Casualty /
Producer Licensing
Division Director

Rachel Kriege
Administrative Division
Director

Matt Fischer
Chief Examiner &
Company Licensing and
Examinations Division
Director

Dale Pittman
Fraud Investigation
Division Director

Sara Gerwing
Attorney

Tyler Erickson
Attorney

Santana Edison
Attorney

Yuri Venjohn
Health Form Analyst

Ross Hartley
Life and Health Form
Analyst

Angie Voegele
Life and Health
Consumer Assistance
Analyst

Colton Storseth
Life and Health
Actuary

Karri Morris
Medicare Manager

Kelly Helbing
Medicare Consumer
Assistance Analyst

Stefanie Fogel
Medicare Consumer
Assistance Analyst

Holly Brockman
Property and
Casualty Consumer
Assistance Analyst

Blaine Bergstedt
Property and
Casualty Consumer
Assistance Analyst

Chris Aufenthie
Property and
Casualty Form
Analyst

Mike Andring
Property and
Casualty Actuary

Theresa Vogel
Producer Licensing
Analyst

Cindi Offerman
Producer Licensing
Analyst

Producer Licensing
Analyst

Jess Davis
Accountant

Laurie Scully
IT Administrator

Nichole Feldman
Administrative
Assistant

Patrick Hendrickson
Financial Analyst

Colton Schultz
Supervising
Examiner

Rebekkah Boubin
Financial Analyst

Financial Analyst

Laney Herauf
Attorney

Becky Kopp
Special Investigator

Mike Stoltz
Special Investigator

Breanna Holgard
Civilian Investigator



Organizational Chart

Updated November 2022

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