

**FY 2026 Budget Performance Review  
38500 Oklahoma Insurance Department**

Version Original  
Lead Administrator: Glen Mulready

Date submitted 10/1/2024  
Lead Financial Officer: Sherry Marczewski

**Agency Mission**

The Oklahoma Insurance Department will provide competent and trustworthy employees who will protect Oklahoma consumers by providing timely assistance and information and efficiently regulate the insurance industry's market behavior and financial solvency, while fostering a competitive insurance marketplace.

**Division and Program Descriptions**

Note: Please define any acronyms used in program descriptions.

**Administration (01)**

This division includes the Executive, Communications, Comptroller and Administrative Services Divisions of the agency. Their purpose is to provide general administrative support and guidance to all functions of the agency. All agency operations are directed through the Executive Division. The Communications Division delivers current event information to the public through press releases, press conferences, seminars, industry meetings, direct mail to insurers and by updating the agency website. The Comptroller Division is responsible for handling revenue and expenditures and all other agency financial issues in compliance with all state and federal laws. The Administrative Services Division is responsible for coordinating staff recruitment and personnel actions including hiring, promotions, transfers, separations and terminations, as well as staff training and developing employment policies.

**Regulatory (10)**

This division is comprised of the following departments: Producer Licensing, Consumer Assistance and Claims, Financial, Legal, Anti-Fraud, Rate & Form Compliance, Bail Bonds, Real Estate Appraiser Board, PBM Compliance, and Field Operations-ISO Advocacy. It is charged with the duty of regulating the insurance industry, bail bondsmen and real estate appraisers while ensuring compliance with the relevant statutes and rules and regulations from state and federal sources.

**Medicare Assistance Program (20)**

The purpose of the State Health Insurance Assistance Program (SHIP) is to provide and support locally accessible counseling services to Medicare beneficiaries and their caregivers in coordination with staff and a network of local community partners and volunteers. Services provided by SHIP are intended for Medicare beneficiaries who need accurate and objective information, counseling and enrollment assistance to help them understand and utilize their Medicare and related benefits. The Senior Medicare Patrol (SMP) program is aimed at facilitating the collaboration of aging network agencies and other entities in recruiting and training retired professionals to educate Medicare and Medicaid beneficiaries and their caregivers on how to better monitor what is paid on their behalf and what to do about identified discrepancies and possible fraud. The Medicare Improvements for Patients and Providers Act (MIPPA) of 2008 provides for expansion or enhancement of the outreach efforts to Medicare beneficiaries on Medicare Part D and for those beneficiaries with limited incomes, in rural areas and for outreach activities aimed at Medicare prevention and wellness benefits.

**Strengthen Oklahoma Homes (SOH)**

A state funded grant program aimed at assisting homeowners in reinforcing their roofs with impact-resistant materials that meet FORTIFIED standards set by the IBHS. These funds will enable consumers to construct or retrofit their homes with impact-resistant shingles and other enhancements. Additionally, many insurance companies offer reduced premiums for homes with such modifications.

**ISD Data Processing (88)**

The purpose of this division is to manage all IT-related issues within the agency.

**FY'25 Budgeted Department Funding By Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
01	Administration	\$0	\$0	\$9,248,371	\$0	\$0	\$9,248,371
10	Regulatory	\$0	\$0	\$12,304,444	\$0	\$0	\$12,304,444
20	Medicare Assistance Program	\$0	\$1,732,553	\$0	\$0	\$0	\$1,732,553
20	Strengthen Oklahoma Homes ( SOH)	\$0	\$0	\$10,000,000	\$0	\$0	\$10,000,000
88	ISD Data Processing	\$0	\$0	\$2,204,876	\$0	\$0	\$2,204,876
							\$0
<b>Total</b>		<b>\$0</b>	<b>\$1,732,553</b>	<b>\$33,757,691</b>	<b>\$0</b>	<b>\$0</b>	<b>\$35,490,244</b>

- Please describe source of Local funding not included in other categories:
- Please describe source(s) and % of total of "Other" funding if applicable for each department:

**Balances of Appropriated Funds from Prior Fiscal Years**

3-digit Class Fund #	Class Fund Name	GA Bill # and Section #	Fiscal Year of Original Appropriation	Original Appropriation Amount (\$)	Total Expended Amount as of 8/31/2024 (\$)	Balance as of 8/31/2024 (\$)
N/A	N/A	N/A	N/A	\$0	\$0	\$0
<b>Total remaining prior year appropriation balance:</b>						<b>\$0</b>

Report appropriations that have existing balances from all prior fiscal years at the 3-digit class fund number (i.e. 193, 194). Do not report carryover class funds separately. Include appropriations located in disbursing funds. Report PREP, but not ARPA/SRF, appropriations.

**What changes did the agency make between FY'24 and FY'25?**

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1.) Are there any services no longer provided because of budget cuts?

No

2.) What services are provided at a higher cost to the user?

None

3.) What services are still provided but with a slower response rate?

None

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?

In accordance with the State Employee Compensation Program, 74 O.S. § 840-2.15A, a salary survey was completed to attract, retain, and reward OID staff with salaries that are competitive with public and private sectors in Oklahoma, and, to the extent reasonably possible, reach the legislative goal of compensating state employees at 90% of the private market.

**Appropriation Increase Review**

Appropriation Increase Purpose	Appropriation Increases (Additional to Agency Base Appropriation)			Expenditures	
	FY 2023	FY 2024	Total Amount Received FY 2023-2024	Total Expenditure of Increase as of 6/30/2024	If funds have not been spent, please explain why.
N/A	\$0	\$0	\$0	\$0	N/A
<b>Total:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	

List appropriation increases that the agency has received in the prior two years. List amounts received in each year. Include PREP, but not ARPA/SRF, appropriations.

**FY'26 Requested Funding By Department and Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Other <sup>1</sup>	Total	% Change
01	Administration	\$0	\$0	\$9,248,371	\$0	\$9,248,371	0.00%
10	Regulatory	\$0	\$0	\$12,304,444	\$0	\$12,304,444	0.00%
20	Medicare Assistance Program	\$0	\$1,732,553	\$0	\$0	\$1,732,553	0.00%
2000005	Strengthen Oklahoma Homes Program	\$0	\$0	\$10,000,000	\$0	\$10,000,000	0.00%
88	ISD Data Processing	\$0	\$0	\$2,204,876	\$0	\$2,204,876	0.00%
<b>Total</b>		<b>\$0</b>	<b>\$1,732,553</b>	<b>\$33,757,691</b>	<b>\$0</b>	<b>\$35,490,244</b>	<b>0.00%</b>

1. Please describe source(s) and % of total of "Other" funding for each department:

**FY'26 Top Five Operational Appropriated Funding Increase Requests**

Request by Priority	Request Description	Is this a Supplemental Request? (Yes/No)	Timeframe (One-Time or Recurring)	Appropriation Request Increase Amount (\$)
Request 1: N/A		N/A	N/A	\$0
Request 2: N/A		N/A	N/A	\$0
Request 3: N/A		N/A	N/A	\$0
Request 4: N/A		N/A	N/A	\$0
Request 5: N/A		N/A	N/A	\$0
<b>Top Five Request Subtotal:</b>				<b>\$0</b>
<b>Total Increase above FY-25 Budget (including all requests)</b>				<b>\$0</b>
Difference between Top Five requests and total requests:				\$0

**What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?**

Description of requested increase in order of priority	Needed State Funding for Project (\$)	Submitted to LRCP or OCAMP? (Yes/No)
Priority 1 N/A	\$0	No
Priority 2 N/A	\$0	No
Priority 3 N/A	\$0	No

**List any requests for new construction from the Legacy Capital Fund**

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Description of requested increase in order of priority	Needed State Funding for Project (\$)	Submitted to LRCPC? (Yes/No)
Priority 1 N/A	\$0	No
Priority 2 N/A	\$0	No
Priority 3 N/A	\$0	No

**Does the agency have any costs associated with the Pathfinder retirement system and federal employees?**

Yes, approximately \$12,720/year.

**How would the agency be affected by receiving the same appropriation for FY '26 as was received in FY '25? (Flat/ 0% change)**

N/A

**How would the agency handle a 2% appropriation reduction in FY '26?**

N/A

**Is the agency seeking any fee increases for FY '26?**

Description of requested increase in order of priority	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1 N/A	\$0	No
Increase 2 N/A	\$0	No
Increase 3 N/A	\$0	No

**Federal Funds**

CFDA	Federal Program Name	Agency Dept. #	FY 25 budget (\$)	FY 24 actuals (\$)	FY 23 actuals (\$)	FY 22 actuals (\$)	FY 24 budgeted FTE (#)
93.324	Senior Health Insurance Counseling Program	20-01	820,240	905,658	684,627	559,244	2
93.048	Senior Medicare Patrol Program	20-02	623,905	423,089	412,144	235,639	2
93.071	Medicare Improvements for Patients & Providers	20-03	288,408	244,453	230,502	218,027	1

**Federal Government Impact**

<b>1.) How much federal money received by the agency is tied to a mandate by the Federal Government?</b>	None
<b>2.) Are any of those funds inadequate to pay for the federal mandate?</b>	N/A
<b>3.) What would the consequences be of ending all of the federal funded programs for your agency?</b>	N/A
<b>4.) How will your agency be affected by federal budget cuts in the coming fiscal year?</b>	Agency services to the senior population and other Medicare beneficiaries in the state would be suspended.
<b>5.) Has the agency requested any additional federal earmarks or increases?</b>	No

**FY 2025 Budgeted FTE**

Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
01	Administration	9	17	0	13	8	5
10	Regulatory	24	70	3	54	24	13
20	Medicare Assistance Program	1	4	0	4	1	0
20	Strengthen Oklahoma Homes Program	0	0	0	0	0	0
88	ISD Data Processing	0	0	0	0	0	0
<b>Total</b>		<b>34</b>	<b>91</b>	<b>3</b>	<b>71</b>	<b>33</b>	<b>18</b>

**FTE History by Fiscal Year**

Division #	Division Name	FY 2025 Budgeted	FY 2025 YTD	FY 2024	FY 2023	FY 2022	FY 2016
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01	Administration	26.0	25.0	25.0	23.0	22.0	25.0
10	Regulatory	94.0	89.0	98.0	103.0	81.0	84.0
20	Medicare Assistance Program	5.0	5.0	5.0	5.0	6.0	5.0
20	Strengthen Oklahoma Homes Program	0.0	0.0	0.0	0.0	0.0	0.0
88	ISD Data Processing	0.0	0.0	0.0	0.0	3.0	2.0
<b>Total</b>		<b>125.0</b>	<b>119.0</b>	<b>128.0</b>	<b>131.0</b>	<b>112.0</b>	<b>116.0</b>

Performance Measure Review					
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
<b>Financial Examinations Conducted</b>					
Financial examinations adopted on domestic insurers, captives and funeral home/special purpose entities	42	56	45	51	76
<b>Consumer premium dollars recovered</b>					
Note: Consumer Assistance money recovered by calendar year	\$ 12,465,302.68	\$ 8,286,778	\$ 5,656,720	\$ 6,736,697	\$ 3,117,171.00
<b>Number of Domestic Insurance Companies</b>	91	87	86	83	76
<b>Producer Licenses Issued</b>					
Resident	34,776	34,686	34,417	30,187	33,820
Non-Resident	315,941	298,084	307,690	255,760	252,678
Total	350,717	332,770	273,273	225,573	218,858
<b>Number of Client Contacts for the Medicare Assistance Program</b>	28,086	19,242	20,785	19,753	24,164

Revolving Funds (200 Series Funds)			
	FY'22-24 Avg. Revenues	FY'22-24 Avg. Expenditures	June '24 Balance
<b>200 - Commissioner's Revolving Fund</b>			
Operating fund for the agency	\$27,500,000	\$13,214,732	\$28,479,241
<b>225 - Real Estate Appraisal Board</b>			
Operating fund for the Real Estate Appraisal Board	\$740,000	\$679,000	\$822,121
<b>230 - Anti-Fraud Fund</b>			
Funds used for anti-fraud related expenses by the agency's Anti-Fraud unit.	\$151,000	\$157,592	\$140,218
<b>240 - PBM Revolving Fund</b>			
Insurance Department Pharmacy Benefits Manager Revolving Fund designated for the purpose of licensing, regulating and investigating abuse, negligence, criminal conduct, or other violations of insurance laws and regulations, and ensuring	\$448,000	\$125,772	\$965,233
<b>245 - Strengthen Oklahoma Homes Program Fund</b>			
The Strengthen Oklahoma Homes Act will establish a grant program aimed at assisting homeowners in reinforcing their roofs with impact-resistant materials that meet FORTIFIED standards set by the IBHS. These funds will enable consumers to construct or retrofit their homes with impact-resistant shingles and other enhancements.	\$0	\$0	\$0

FY 2025 Current Employee Telework Summary						
Agency Location / Address	City	County	Full-time and Part-time Employees (#)			
			Onsite (5 days onsite, rarely remote)	Hybrid (2-4 days onsite weekly)	Remote (1 day or less weekly onsite)	Total Employees
Oklahoma City/400 NE 50th Street, Oklahoma City, OK 73105	Oklahoma City	Oklahoma	12	85	16	113
Tulsa/7645 East 63rd Street, Ste 102, Tulsa OK 74133	Tulsa	Tulsa	3	1	2	6
						0
<b>Total Agency Employees</b>						<b>119</b>