**OTHER ELECTIVE**

**12-00-00**

---

**Lieutenant Governor**
- Image
- Text

**Auditor of Accounts**
- Image
- Text

**Insurance Commissioner**
- Image
- Text

**State Treasurer**
- Image
- Text

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### Five-Year Appropriation History

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<thead>
<tr>
<th>Year</th>
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<td>FY 08</td>
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### Auditor of Accounts
- Recommend $14.8 ASF in Personnel Costs to reflect projected expenditures.

### Insurance Commissioner
- Recommend $473.7 ASF for increased operational costs, including Captive Insurance initiatives.

### State Treasurer
- Recommend $68.5 ASF in Personnel Costs to reflect projected expenditures.

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**FY 2009 Budget Highlights**

**Operating Budget:**

**Lieutenant Governor**
- Recommend base funding to maintain Fiscal Year 2008 level of service.
**MISSION**

To fulfill the constitutional duties of the office by effectively presiding over the State Senate, fairly and equitably chairing the Board of Pardons, assisting the Governor when asked and providing complete and efficient services to constituents. Additionally, to help improve schools, promote healthier lifestyles, make government more constituent friendly and find new economic opportunities for Delaware.

**KEY OBJECTIVES**

- Promote healthy lifestyles as a tool to improve quality of life for all Delawareans and reduce the incidence of chronic diseases.
- Identify Delaware public schools that have shown continuous improvement in student achievement and provide those schools the opportunity to share their successes and methods with other schools.
- Create and facilitate a pilot mentorship between a school that has raised student achievement and one that is looking for proven methods to implement.
- Serve residents by helping them navigate state government to find the answers to their questions and the solutions to their problems.
- Continue to identify and develop solutions and alternatives to addressing health-related issues such as uninsured and underinsured, disparities that exist in different communities, and the rising cost of health insurance.

**BACKGROUND AND ACCOMPLISHMENTS**

The constitutional duties of the Lieutenant Governor are President of the Senate and President of the Board of Pardons. The office also handles constituent work and other initiatives to serve the residents of Delaware.

**POSITIONS**

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</tr>
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</table>

**ACTIVITIES**

The duties and activities of the Lieutenant Governor and staff include the following:

- President, Delaware State Senate;
- President, Board of Pardons;
- Chair, Delaware Health Care Commission;
- Chair, Criminal Justice Council;
- Chair, Science and Technology Council;
- Chair, Delaware Center for Educational Technology;
- Chair, Livable Delaware Advisory Council;
- Chair, Interagency Council on Adult Literacy;
- Past Chair, National Lieutenant Governors Association;
- Executive Committee, National Lieutenant Governors Association;
- Chair, Small Business Committee;
- Chair, Single Payer Committee;
- Member, Delaware River and Bay Oversight Committee;
- Member, State Budget Commission;
- Member, United Way Cabinet Committee;
- Honorary Chair, Delaware SafeKids; and
- Honorary Chair, State Employees Charitable Campaign.

**PERFORMANCE MEASURES**

The following are the Fiscal Year 2008 goals of the Office of Lieutenant Governor:

- **Healthy Lifestyles:** Expand the Lieutenant Governor’s Challenge, to encourage Delawareans to increase their daily physical activity, thereby lowering their risk of suffering the most deadly chronic diseases, such as diabetes, heart disease and some cancers.
- **Education:** Continue the Models of Excellence in Education initiative and establish a pilot mentorship program. The Lieutenant Governor developed the initiative to identify those schools successfully raising student achievement and to provide them with a platform to share their successes and practices with other schools. This year the program will celebrate its
third year of partnership with the State Chamber of Commerce’s Superstars in Education.

- **Health Disparities:** Lead efforts to address and reduce the health disparities that exist in Delaware as co-chair of the Health Disparities Task Force, which will develop broad-based recommendations for action.
- **Constituent Service:** Continue to provide timely assistance to Delaware residents in need of help by connecting them with proper agencies and people within state government.
- **Economic Development:** Continue to lead efforts to retain and recruit businesses by partnering with the State Chamber of Commerce and other business organizations, and through role as chair of the State’s Science and Technology Council.

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**AUDITOR OF ACCOUNTS**

12-02-01

**MISSION**

The mission of the Office of Auditor of Accounts is to benefit all Delaware citizens and government leaders and managers by providing high quality audit, review and investigative services to improve the fiscal integrity, efficiency, economy, and effectiveness of state government operations.

**KEY OBJECTIVES**

- Issue timely reports that enhance public accountability and stewardship of state and federal government programs.
- Identify and reduce fraud, waste and abuse in state and local organizations that receive state funds.
- Maintain a high quality of audit services as evidenced by passing the National State Auditor Association’s external quality control peer review, and 100 percent of professional staff completing 80 hours of continuing professional education (CPE) requirements every two years.

The objectives of the Office/Contract Administration section are to ensure that the office operates in accordance with state laws and regulations, and that audits are contracted out in accordance with state laws and regulations. This section also ensures that contracted audits are accomplished within the required timeframe as set forth by federal and state governments and provides information systems support to other audit sections within the office. This section is also responsible for the Statewide Single Audit Report that is required to be submitted to the federal government every March 31. The objectives of the Statewide Single Audit are as follows:

- To express an opinion as to whether the State of Delaware's financial statements are presented fairly in all material respects in conformity with Generally Accepted Accounting Principles and whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole.
- To report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.
- To express an opinion as to whether the State complied with laws, regulations and the provisions of
contracts or grant agreements that could have a direct and material effect on each major program.

- To ensure that prior audit recommendations, questioned costs and disallowances reported in the Single Audit Report for fiscal year ending June 30, 2006, have been resolved.

The objectives of the Financial/Compliance section are to issue audit reports/engagements to improve the internal control structure, operations, compliance with laws and regulations, and opinions on financial statements in a timely manner.

The objectives of the Investigative Audit section are to conduct investigations that may involve activities of waste, fraud, or abuse of state and/or federal resources, and ensure that the Auditor's Hotline program is a viable service to the citizens of the State of Delaware.

**BACKGROUND AND ACCOMPLISHMENTS**

The audits and investigations completed by the office in Fiscal Year 2007 cumulatively identified more than $24.1 million in cost savings and questioned costs and potential fraud, waste, or abuse of state and federal funds.

The Fiscal Year 2006 Single Audit Report, completed during Fiscal Year 2007, contained 76 findings and 106 recommendations, and disclosed questioned and disallowed costs that totaled $22.7 million.

During Fiscal Year 2007, the office completed mandated audit reports which resulted in potential cost savings of nearly $1.4 million.

Thirteen in-depth investigations were conducted which uncovered $544.0 in fraud, waste and abuse. The investigations disclosed 35 findings and 35 recommendations.

### Funding

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### Positions

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**ACTIVITIES**

- Evaluate whether the State’s financial statements are fairly presented in accordance with accounting principles generally accepted in the United States.
- Evaluate whether government and quasi-government organizations included in the State’s entity have expended federal funds in accordance with the Single Audit Act and various related federal regulations.
- Evaluate compliance with state laws, administrative regulations and guidelines.
- Investigate reported instances of fraud, waste or abuse pertaining to state and federal funds.

The Auditor of Accounts and staff are active in the following organizations:

- Past President and Member, National Association of State Auditors, Comptrollers and Treasurers;
- Member, National State Auditors Association (NSAA); Accounting and Financial Reporting Committee and Single Audit Committee for NSAA;
- Member, State Board of Pardons;
- Member, State Insurance Determination Committee;
- Local Chapter President and Member, Association of Government Accountants;
- Member, Association of Certified Fraud Examiners;
- Member, National Audit Forum;
- State Representative and Program Committee Chairperson, Mid-Atlantic Intergovernmental Audit Forum;
- Member, Association of Certified Fraud Specialists;
- Member, American Institute of Certified Public Accountants; and
- Member, Delaware and Pennsylvania Society of Certified Public Accountants.
**PERFORMANCE MEASURES**

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<tr>
<td>within 45 days of end of fieldwork</td>
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<tr>
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<tr>
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<td>within 45 days after completion</td>
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**INSURANCE COMMISSIONER**

**12-03-00**

**MISSION**

The Insurance Commissioner of the State of Delaware and the Department of Insurance will strive to:

- Protect Delaware insurance consumers;
- Inform consumers of their options and rights when it comes to their insurance;
- Serve consumers by controlling the cost of insurance and increasing its availability;
- Advocate for and assist consumers in disputes with their insurance companies and agents; and
- Regulate the insurance industry - including the solvency of insurance companies and the licensure of insurance agents - with the best interest of Delaware’s insurance consumers in mind.

**KEY OBJECTIVES**

Since January 2005, the goal of the Insurance Commissioner’s Office has been to improve its service and responsiveness to, and advocacy for, Delaware citizens and businesses in the area of insurance. Key objectives for the Commissioner and staff include:

- Respond to consumer inquiries and complaints within 24 hours;
- Require insurance companies to respond to Commissioner’s Office inquiries made on behalf of consumers within 21 days;
- Make public to consumers the number and nature of complaints against insurance companies;
- Expand the amount of consumer information and guidance on insurance topics provided to consumers by the Commissioner’s Office through publications, online, public consumer alerts and community outreach;
- Increase the scrutiny of insurance company rate applications;
- Increase frequency of market conduct examinations of insurance companies when there are practices that appear to not be in the best interest of consumers;
- Analyze and assess the financial condition of insurance entities domiciled and doing business in Delaware;
• Manage, rehabilitate or liquidate financially-impaired insurers;
• Increase activities and efforts to prevent and prosecute insurance fraud;
• Regulate agent licensing, with a goal of better service to consumers;
• Encourage competition in the Delaware insurance market; and
• Seek changes to the Delaware Code, changes to insurance regulations and new programs within state government in order to better protect, inform, serve and advocate for consumers.

BACKGROUND AND ACCOMPLISHMENTS

With a continued focus on consumers, the Commissioner and the Department have recently completed the following:

• Began an effort with the Department of Health and Social Services (DHSS), Department of Education (DOE), community groups and volunteers to sign up more children for low-cost insurance through the Delaware Healthy Children program;
• Expanded the online rate comparison website to include estimates from more than 50 companies for both auto and homeowners insurance;
• Negotiated with insurance companies to lower premium increase requests based on actuarial recommendations and reviews;
• Cited insurance companies for practices that hurt consumers, with fines ranging from $15,000 to $500,000;
• Froze average workers compensation insurance premiums, rejecting a proposed increase;
• Worked with Delaware’s legal and financial sectors to attract new captive insurance companies to the State;
• Protected military service members from unscrupulous practices by life insurance agents through a new regulation;
• Worked with the General Assembly to restrict the use of credit scoring;
• Generated more than $120 million in premium tax revenue;
• Created or updated publications for consumers on Medicare, credit scoring, insurance issues for members of the military, and insurance issues for civic and homeowner associations; and

ACTIVITIES

• Member, Delaware Health Care Commission.
• Member, Delaware State Employee Benefits and Insurance Coverage committees.
• Member, National Association of Insurance Commissioners (NAIC).

FUNDING

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<tr>
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<th>FY 2007 ACTUAL</th>
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<th>FY 2009 GOV. REC.</th>
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POSITIONS

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REGULATORY ACTIVITIES

12-03-01

ACTIVITIES

**Fraud Prevention Bureau** - Health care and workers compensation cases are reported to the Bureau. In Fiscal Year 2007, the Fraud Prevention Bureau investigated 501 cases. Approximately 64 percent of the cases were resolved by consent or arrest, deemed to be unfounded, or dispositions were suspended.

The Fraud Prevention Bureau has prevented more than $5.3 million in reserves from being processed since it was created in 1995. Approximately $64,637 in civil penalties was assessed in substantiated fraud cases during Fiscal Year 2007, an increase of 150 percent from the year before.

Several current members of the Fraud Prevention Bureau hold certifications in professional associations such as the Association of Certified Fraud Specialists (CFS), Association of Certified Fraud Examiners and Association of Accredited Healthcare Fraud Investigators.

Fraud investigators also maintain the following activities:

• Member, Delaware Valley Chapter of International Association of Special Investigative Units (SIU);
• Member, NAIC Anti-Fraud Task Force;
• Member, National Insurance Crime Bureau (NICB);
• Member, International Association of Special Investigation Units;
• Member, National Health Care Anti-Fraud Association; and
• Special training on Health Care Fraud Detection and Investigation and Claims Fraud.

**Performance Measures**

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<td># of participants in Workplace Safety program (CY06)</td>
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<td>(CY07)</td>
<td>(CY08)</td>
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**Bureau of Examination, Rehabilitation and Guaranty**

**Activities**

**Consumer Services** - The Consumer Services section investigates and attempts to resolve complaints by Delaware consumers against insurance companies and agents. As the frontline in the Department’s interaction with and service to Delaware insurance consumers, the Consumer Services section has been at the center of many of the changes to the Department since January 2005, including a new director position, new deadlines for companies to respond to the Department regarding consumer complaints and a number of administrative actions brought against insurance companies based on complaints from Delawareans to the Department.

Since 2005, the Department has put increased emphasis and resources into reaching consumers, with increased presence at community events, visits by the Commissioner to every senior center in the State, and rotating visits by Consumer Services staff to churches in the City of Wilmington. The Department has also published a number of new guides on insurance topics that have been inserted into weekly newspapers and has redesigned and added consumer content to the website. Almost all outreach and promotional materials include the Consumer Services phone number and the Department email address.

Consumer-related performance measures are being adjusted downward for Fiscal Year 2009. Over the last year, Consumer Services has noticed a marked downturn in the number of cases being brought to the Department, even with increased consumer activity and outreach. It is the Department’s position that the aggressive pro-consumer stance of the last few years is altering company behavior when it comes to consumer complaints, resulting in more complaints being resolved at the company level and fewer being brought to the Department.

**Examinations/Financial Analysis** - The primary responsibilities for the Examination and Financial Analysis units are to provide financial solvency oversight for Delaware domesticated companies and to perform financial and market conduct examinations as required by statute or as deemed necessary for the protection of Delaware policyholders. The State of Delaware is highly regarded in the business community for its organization and/or domestication. As such, the demand for domestication and redomestication is significant. The Department received reaccreditation from the NAIC in 2003 for five years, which has since been extended a year to 2009.

Bureau personnel are responsible for the registration and/or licensing of 54 accredited reinsurers, six Medicare prescription plans, 109 surplus lines insurers, 41 premium finance companies, 31 reinsurance intermediaries, 156 third party administrators, 545 risk purchasing groups and 92 risk retention groups.

**Market Conduct Oversight** - This section conducts examinations of companies to be sure that companies are in compliance with the Delaware Insurance Code and Regulations with respect to rating, underwriting and claim handling practices. Exams can be scheduled based on complaint activity, special requests or on a regular schedule. In addition to regular examinations, the Department is currently targeting company reviews regarding homeowner coverage, credit scoring practices, rate increase practices in personal lines (auto and homeowner) and health insurance including long-term care insurance. The Department is also participating in the NAIC Market Analysis program, including market conduct and analysis collaboration efforts. This will streamline and enhance the market conduct review of those companies...
authorized to transact insurance in the State. The unit exceeded the goal set by the NAIC for completed analysis. The goal for the current fiscal year is to complete an analysis of all domestic companies.

**Agency Market Conduct** - This section receives referrals from the public as well as from the Consumer Services and Fraud Bureau sections regarding alleged misconduct of insurance agents and agencies. In addition, the Agency Market Conduct section conducts examinations of agents and agencies to make sure they are in compliance with the Delaware Insurance Code and Regulations.

The Agency Market Conduct section also reviews producer/adjuster applications regarding prior criminal or civil actions. Some of these have resulted in fines being assessed.

This section implemented the State Based Systems (SBS) online database in November 2006. SBS is designed to assist with the full life cycle of insurance regulatory activity, including licensing, consumer services, product approvals, revenue management and market conduct. SBS ensures efficient and accurate processing of enforcement cases through a fully integrated system that is linked to the Company and Producer Licensing systems.

The examiners of the Market Conduct section are pursuing Accredited Insurance Examiner (AIE), Certified Insurance Examiner (CIE) and Certified Professional Insurance Woman (CPIW) designations. Market Conduct Examiners also maintain the following activities:

- Member, Securities Insurance Licensing Association (SILA);
- Member, System for Electronic Rate & Form Filing (SERFF);
- Member, State Based Systems;
- Member, Insurance Regulatory Examiners Society (IRES), including Board of Directors; and
- Member, National Association of Insurance Women (NAIW).

**Producer Licensing** - This section is responsible for the licensing and administration of the following license types: Producer, Adjuster, Appraiser, Public Adjuster, Fraternal Producer, Apprentice Adjuster, Apprentice Appraiser, Surplus Lines Broker, Limited Lines Producer and Business Entities. The section is also responsible for insurance company appointments, continuing education, investigations, and insurer licensing market conduct issues.

This section recently amended the Continuing Education Regulation by implementing flood credit requirements and revising the number of ethic credits required. The staff has provided presentations to business entities, professional insurance organizations, and companies on current insurance industry trends, enforcement issues and ethics.

The section has continued to enhance the electronic application process by providing both residents and non-residents the ability to apply online and renew licenses through the National Insurance Producer Registry (NIPR). The NIPR Gateway is a communication network that links State insurance regulators with the entities they regulate to facilitate the electronic exchange of producer information. Address change requests are now processed through NIPR as well and licensees now have the ability to update their addresses online in every state in which they are licensed.

**Workplace Safety Program** - This program, available to employers doing business in Delaware, offers participants the opportunity to earn up to a 19 percent discount on workers compensation premiums. Employers who have been in operation three years or more, and whose annual workers compensation premium is $3,161 or more are eligible to participate.

The program works with the Delaware Compensation Rating Bureau, qualified inspectors, insurance industry and employers to ensure accuracy of information and expeditious processing of each employer’s safety credit. Since its inception in 1988, the program has yielded a savings of approximately $66 million for Delaware employers. Participation was 1,469 in calendar year 2006, with a projection of 1,480 participants in calendar year 2007.

**Rates and Forms** - The Department has enhanced the tracking and monitoring of rate and form filings with the implementation of a new version of the system for Electronic Rate and Form Filing (SERFF). SERFF is designed to enable companies to send and receive, comment on, and approve or reject insurance industry rate and form filings electronically. Applications and procedures have been updated to streamline the review of filings within SERFF and to speed to market for filings. The Rates and Forms section streamlined the approval process prior to sending filings to the Commissioner for final approval.

The Rates and Forms section maintains the following activities:

- Board Member, Delaware Health Information Network (DHIN);
- Member, Interagency Coordinating Council (ICC);
- Member, Chronic Illness Task Force;
- Member, NAIC Senior Issues Medigap Subgroup; and
- One staff member holds the designation of Fellow, Life Management Institute from the Life Office Management Association.

**ELDERinfo** - ELDERinfo is the State Health Insurance program (SHIP) for Delaware’s Medicare population of...
approximately 125,929. The program is a public service of the Delaware Insurance Department and funded, in part, through a grant from the Centers for Medicare and Medicaid Services (CMS), though the Department has increasingly supplemented the program’s budget in order to expand its services to consumers.

The program is designed to assist, educate and empower people with Medicare and their caregivers with complex and often confusing matters concerning: the Medicare Prescription Drug Improvement and Modernization Act of 2003; Medigap and other supplemental insurance; medical bills; enrollment issues; non-renewals; Medicare Advantage options; guaranteed issue rights; financial assistance with prescriptions; Medicare Savings programs; long-term care insurance; and other health insurance matters.

Staffing consists of four employees and more than 40 volunteer counselors throughout the State conducting one-on-one counseling. From June 2006 through June 2007, the unit assisted 4,182 beneficiaries with one-on-one counseling and reached more than 25,347 individuals through interactive public presentations, health fairs and direct mailings. The unit mailed 273 Delaware Prescription Assistance program (DPAP) applications, and 110 Medicaid applications, resulting in potential savings of more than $843,580 with prescription drug benefits and savings for the Medicare premium reimbursement.

ELDERinfo continues to focus on one-on-one counseling for Delaware seniors. The unit will continue to educate the Medicare population through direct mailers, health fairs, outreach programs, radio/TV interviews, senior forums, and one-on-one counseling.

**Captive Insurance Program** - Created in 2006 following the passage of legislation revamping existing laws, the Delaware Captive Insurance program is targeting the growing sector of insurance companies that are owned by the entities they insure. Much like Delaware’s incorporation business, the captive insurance business has the potential to make significant contributions to Delaware’s economy and General Fund. With the new law, a concentrated marketing and outreach effort and partnerships with the private sector, the number of captive insurance companies domiciled in Delaware has grown from an original five to an expected 17 by the end of Fiscal Year 2008.

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<tr>
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<td>2,705</td>
<td>3,150</td>
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<td># of forms received</td>
<td>29,561</td>
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<td>29,600</td>
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<td># of advertisements received</td>
<td>325</td>
<td>500</td>
<td>325</td>
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<td># of rules received</td>
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<td># of market conducts</td>
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<td>45</td>
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<tr>
<td># of captive insurance companies</td>
<td>6</td>
<td>17</td>
<td>27</td>
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STATE TREASURER  
12-05-00

MISSION
To maximize taxpayer value by promoting responsible cash management and investment practices statewide.

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<thead>
<tr>
<th>FUNDING</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
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<tr>
<td>GF</td>
<td>53,351.2</td>
<td>53,911.8</td>
<td>49,543.2</td>
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<td>ASF</td>
<td>39,209.8</td>
<td>45,200.2</td>
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<td>92,561.0</td>
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<td>102,461.7</td>
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<th>POSITIONS</th>
<th>FY 2007</th>
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<th>FY 2009</th>
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<tr>
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<td>13.5</td>
<td>14.5</td>
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<tr>
<td>ASF</td>
<td>9.5</td>
<td>9.5</td>
<td>9.5</td>
</tr>
<tr>
<td>NSF</td>
<td>-</td>
<td>1.0</td>
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<tr>
<td>TOTAL</td>
<td>23.0</td>
<td>25.0</td>
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ADMINISTRATION  
12-05-01

MISSION
To ensure the accuracy of financial records under the agency’s control; manage the State’s daily and invested cash balances in accordance with approved guidelines; pay all employees and vendors as authorized by law; serve as federal Social Security agent for the State; administer and assist State employees with the financial aspects of the Deferred Compensation program, 403(b) programs and the Delaware College Investment Plan; respond in a timely, accurate and courteous manner to any inquiry directed to the office; and faithfully discharge any and all further obligations given under statute.

KEY OBJECTIVES
- Increase the number of households participating in the Delaware College Investment Plan.
- Maintain statewide financial literacy efforts.
- Increase efforts, such as demographic analyses and tools for seniors, to help Delaware prepare for future trends impacting state finances.
- Continue to champion electronic commerce.

BACKGROUND AND ACCOMPLISHMENTS
During Fiscal Year 2007, the State Treasurer’s Office continued to develop and meet ambitious objectives related to improving internal operations and services to agencies, vendors, State employees, and taxpayers. Equally important, this agency continues its successful promotion of financial literacy. Nurturing a savings/investment ethic among State employees and the Delaware citizenry, the Office of State Treasurer partners several financial education initiatives.

Deferred Compensation Program
Since the October 1999 conversion, participation in the State of Delaware Deferred Compensation program has grown from 3,400 to 13,067 in September 2007. Since the passage of Senate Bill 425, which provides a $10-per-pay employer match to employee contributions, more than $19.6 million has been contributed to State employee match accounts. State employees now contribute more than $1.3 million per paycycle and have over $335 million saved toward their retirement. The match also allows for rollovers into and out of 401(k)s, individual retirement accounts and other qualified retirement plans.

College Savings
Since the appointment of the State Treasurer to chair the Delaware College Investment Plan Board in July 1999, the number of new accounts has grown from 824 to more than 25,688. Assets now total more than $399 million, up from $320 million this time last year.
Reconciliation
The statewide bank reconciliation audit has been completed again with no findings. This is a reflection of the dedication and hard work of the staff in the Reconciliation unit of the Treasurer’s Office. In addition, that unit continues to manage the reconciliation of the growing credit card revenue to the State.

The Treasurer’s Office maintains a constant improvement policy for fraud prevention, including the use of positive pay amount and check number on vendor and payroll checks. The office also works with other state agencies on internal processes and increasing professional education to keep up with ways to fight fraud.

Payables
The Treasurer’s Office continues to work on improvements to vendor payments. Most importantly, the office continues to expand the use of consolidated checks and consolidated automated clearinghouse (ACH) payments. This technology combines multiple agency payments into one transaction while maintaining all the necessary payment detail for the vendor. We continue to provide input to the design and functionality of the new financial system, including the use of consolidated ACH payments as a safe and secure substitute for live check issuance.

Cash Management
Preparation for the bidding of the State’s two major banking services contracts began in Fiscal Year 2007. The Cash Management Unit (CMU) is also responsible for promoting the State’s partnership with Export Import Bank of the U.S. In addition to completing staff training, the CMU conducted a major statewide mailing to businesses that may benefit from financial assistance to sell their goods in foreign countries.

Education and Financial Literacy
Delaware Facing Forward - A look at Delaware’s Demographic Future was completed in the summer of 2007. Thanks to financial support from the State to fund this study, public policy groups, non-profits, service providers, education organizations and citizens statewide are understanding and focusing on the impact of Delaware’s aging and shifting population.

The State Treasurer’s Office continues to see considerable interest in the Senior Tool Kit which we produced to assist Delawareans managing the many financial challenges facing our older citizens. The Purses to Portfolios free women’s money conference continued its success throughout the State, and the Treasurer’s Summit for High School kids from throughout Delaware has also provided lasting impact for hundreds of Delaware youth.

In partnership with financial professionals throughout Delaware, the Delaware Money School features hundreds of classes statewide throughout the year. The Treasurer’s Office also continues to partner with the Delaware State Chamber of Commerce and University of Delaware, Center for Economic Education in the Bank-In-School program operating in elementary and secondary schools throughout the State.

The Go Direct program lead by the State Treasurer in partnership with the federal government encourages Delaware seniors to enroll in direct deposit to help reduce check fraud and provide quick, safe and secure access to their money.

Activities
- Daily settlement of the cash position to ensure that funds are recorded in appropriate accounts while maximizing dollars available for investment.
- Administration and promotion of the State Deferred Compensation program.
- Promote saving for college education activities and provide staff to the Delaware College Investment Plan (DCIP) 529 College Savings Board.
- Oversee and support the State’s relationship with the Export Import Bank of the United States.
- Daily recording and deposit of receipts including tracking ACH activity.
- Reconcile major State bank accounts and lockboxes.
- Disburse funds to meet financial obligations, including ACHs, wire transfers and daily processing of vendor checks.
- Provide service to agencies and schools by issuing stop payment/reissues and other check requests.
- Manage 218 agreements statewide with the federal Social Security Administration.
- Process payroll, pension and personal income tax refunds.
- Facilitate cash management projects statewide that improve efficiency by reducing float, eliminating paper and streamlining processes.
• Reconcile state payroll and payment of federal taxes.
• Disburse municipal street aid, support to fire organizations and police pensions.
• Approve, monitor and reconcile the State’s acceptance of credit cards by any state agency.

**Performance Measures**

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<tr>
<th></th>
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<tbody>
<tr>
<td># of Deferred Compensation participants</td>
<td>12,592</td>
<td>13,500</td>
<td>14,000</td>
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<tr>
<td># of Delaware College Investment Plan accounts</td>
<td>25,276</td>
<td>26,500</td>
<td>28,000</td>
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<tr>
<td># of days to reconcile major accounts</td>
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<td>5</td>
<td>5</td>
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<tr>
<td>$ ACH vendor payments (billions)</td>
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<td>2.5</td>
<td>2.6</td>
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**Debt Management 12-05-03**

**Mission**

To manage the State’s debt including legal and accounting records; process and account for all local school debt and interest; process and account for all special fund balances and interest; and to provide overall guidance and accounting in order to maximize tax payer value in the area of debt issuance.

**Key Objectives**

• Provide guidance to state officials regarding debt issuance and capital financing which maximizes taxpayer value and protects the interests of the prudent investor.

• Develop an overall accounting and data retrieval system in the Treasurer’s Office that will link bond authorizations, bond sales, amortizations, debt budgeting, and debt payments into an integrated system with less reliance on manual calculations and operations and coordinate with the State’s new financial system.

• Work with the Division of Accounting to improve electronic reporting of special and school funds interest within the Delaware Financial Management System (DFMS) and new financial system.

• Coordinate the payment of principal and interest on behalf of all state agencies, school districts, banks, and other financial institutions.

**Background and Accomplishments**

During Fiscal Year 2007, all debt service payments to the Depository Trust Company were met on the bond due dates which entailed:

• Disbursement of $168.2 million for 19 General Obligation issues on $1,310.6 million outstanding on June 30, 2007; and

• Collection of $45.7 million from schools for the repayment of their local share of school construction on $482.1 million outstanding local share bonds on June 30, 2007.

**Activities**

• Maintain records required for bond projects as authorized by the annual Capital Improvement Act from authorization through bond sale and 10 or 20-year amortizations of the projects.

• Provide the Office of Management and Budget with the principal and interest payments due by department, division and organization.

• Provide Bond Counsel with data relating to bond projects including project identification, description, volume, and chapter required to obtain legal opinion for the bond issue.

• Establish, monitor, calculate and pay interest on approximately 457 special funds on deposit with the State Treasurer. Interest in Fiscal Year 2006 totaled more than $26.1 million.

• Provide assistance to local school districts in acquiring an Attorney General’s opinion in securing a Bond Anticipation Note or permanent bond financing of the local share.

• Maintain the school interest table in DFMS to calculate interest to schools for their operation, debt service and construction funds on deposit with the State Treasurer. Interest paid to school districts on their funds on deposit with the State Treasurer totaled $16.9 million for Fiscal Year 2007.

• Assist the general public with any inquiries concerning state bonds.

**Performance Measures**

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<tr>
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</thead>
<tbody>
<tr>
<td>% of accounting automation for debt issuances</td>
<td>100</td>
<td>100</td>
<td>100</td>
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</table>
**REFUNDS AND GRANTS**  
12-05-04

**MISSION**
To process refunds for improperly collected fees or receipts and maintain an accurate accounting of fiscal year refunds issued. To accurately and timely process grants-in-aid in accordance with legislation.

**KEY OBJECTIVES**
- Streamline the processing of revenue refunds.

**BACKGROUND AND ACCOMPLISHMENTS**
As per 29 Del. C. §2713, the State Treasurer executes a payment voucher as a direct claim in the event that any agency improperly collects fees or receipts that become revenue to the General Fund.

In accordance with the annual grants-in-aid legislation, this agency makes quarterly disbursements to non-profit organizations.