



A Commitment to the Department of Banking and Insurance's Priorities *Protecting Consumers, Fairly Regulating Industries, Growing Business in New Jersey*

A Commitment to the Department of Banking and Insurance's Mission

The mission of the Department of Banking and Insurance is to regulate the banking, insurance and real estate industries in a professional and timely manner that protects and educates consumers and promotes the growth, financial stability and efficiency of those industries. The Department seeks to ensure the solvency of financial institutions through regular financial examinations, stress testing and analysis; and to protect the public from unlawful or unfair practices by insurers, financial institutions, and real estate licensees by promptly investigating complaints filed by consumers and aggressively prosecuting violators.

Protecting Priorities in the Face of an Economic and Fiscal Crisis

The Department's priorities reflected in the Fiscal Year 2011 Budget:

- In order to carry out DOBI's statutory responsibility, the Department must maintain accreditation by national regulatory coordinating bodies, including the National Association of Insurance Commissioners (NAIC) and the Conference of State Bank Supervisors (CSBS). Preliminary work for both quinquennial accreditation processes has begun with the full process occurring this fall;
- Insurance companies and financial institutions are regularly examined for solvency, compliance with statutes and regulations, and market conduct with regard to treatment of consumers. DOBI bank examiners will continue to review quarterly surveillance reports to ensure solvency. In instances of serious financial problems, companies may be placed under the Department's jurisdiction. In FY10 to date, DOBI has returned \$11.3 million to consumers. In FY09, DOBI returned \$52.4 million to consumers.

Making Tough Decisions

Currently, the Department has 13 different divisions which have either achieved their mission, are redundant, or could achieve efficiencies.

- With the Office of Insurance Fraud Prosecutor (OIFP) operations moved to DOBI, an annual budget savings of \$10 million will be achieved by ensuring that OIFP-designated funds are expended solely on OIFP matters, thus increasing insurance fraud recoveries;
- The compensation for the Real Estate Commission will be changed from full-salaried positions with health benefits and pension credits to a per-diem payment for meeting attendances similar to Boards under the Division of Consumer Affairs;
- One-tenth of 1 percent of premium tax revenue is dedicated to DOBI operations. By removing this dedication, more than \$20 million will be contributed annually to the General Fund and removes DOBI completely from the General Fund.

Making DOBI Work Better for New Jersey

By building on the efficiencies DOBI has attained in the past few years, we can continue to serve our regulated industries and consumers. A few examples include:

- Consolidating the Banking, Insurance and Real Estate licensing units;
- Implementing the use of lock-box services to process the payments of assessments from our regulated industries;
- Increasing the opportunity for online licensing transactions and payments;
- Centralizing the payment operation for all monies owed to the Department by establishing a collections unit for debt processing. This unit also actively works with the Division of Revenue to maximize state resources.
- Consolidating and streamlining the initial consumer inquiry and complaint functions by establishing the Consumer Inquiry and Case Preparation Unit. This unit is the primary intake and tracking mechanism for all consumer inquiries. Further, it allows the Department to dispose of cases that are not in our jurisdiction in a timely and efficient manner;
- Continuing the work to create a single Enforcement Unit from the current individual Banking and Insurance units under a centralized manager and cross training of investigators.