

**DEPARTMENT OF BANKING AND INSURANCE
OVERVIEW**

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’s goals are to ensure the solvency of the financial institutions through regular financial examinations and analysis; 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; to issue licenses to qualified individuals and companies to provide banking, insurance, and real estate services to New Jersey citizens; to improve the efficient and effective review of insurance rates and forms; and to apply technology, where appropriate, to more effectively interact with the public and regulated industries.

FY 2007 Budget Highlights

The Fiscal 2007 Budget for the Department of Banking and Insurance totals \$68 million and remains essentially unchanged from fiscal 2006. Two offsetting factors impacted the fiscal 2007 appropriation: lower salary and related administrative costs, in addition to the elimination of funded vacancies and attrition contributed \$1.9 million in reductions. This reduction was partially offset by an increase of \$1.8 million that represents the movement of 21 managed care positions from the Department of Health & Senior Services to the Department of Banking and Insurance, pursuant to Reorganization Plan #005-2005. In addition to its central mission of regulating the banking, insurance, and real estate industries, \$29.9 million of the Department’s budget is used to fund the activities of the Office of the Insurance Fraud Prosecutor in the Department of Law & Public Safety.

Consumer Protection

The Enforcement Unit and the Ombudsman’s Office answer and investigate complaints about insurance issues from consumers and take action against companies that have behaved improperly. In fiscal 2005, these units, along with the Office of Consumer Finance and Real Estate Commission, recovered more than \$11 million for consumers and collected more than \$3.1 million in fines. In the first three quarters of fiscal 2006, the Department recovered nearly \$8.8 million and collected fines of more than \$2.2 million.

Department Accomplishments

The continuing progress of the auto insurance reform initiative codified in P.L.2003, c.89, resulted in the entrance of AMEX Assurance Company and the Progressive Group of Companies into the New Jersey auto insurance marketplace and economy. Eight of the top ten national companies now write business in New Jersey. Since calendar year 2003, 76% of New Jersey drivers have received rate reductions and special dividends of more than \$436 million.

Fiscal 2006 saw the initial payments from the Medical Malpractice Liability Insurance Subsidy, provided for in the “New Jersey Medical Care and Responsibility and Patients First Act” of 2004. The Department distributed over \$13 million to more than 1,200 eligible physicians in high-risk specialties and subspecialties to assist in payment of medical malpractice insurance premiums.

P.L.2005, c.199 establishes assessment-based dedicated funding of the Division of Banking, beginning in fiscal 2007. The legislation not only provides a stable source of funding for the Division, but also will result in advantages for the financial services industry, including lower costs for licensed lenders and the elimination of fees that are now part of the assessment.

**DEPARTMENT OF BANKING AND INSURANCE
SUMMARY OF APPROPRIATIONS BY FUND
(thousands of dollars)**

| Year Ending June 30, 2005 | | | | | Year Ending June 30, 2007 | | | |
|---------------------------|---------------------|----------------------------|-----------------|---------------|---|---------------|---------------|---------------|
| Orig. & (S)Supplemental | Reapp. & (R)Recpts. | Transfers & (E)Emergencies | Total Available | Expended | 2006 Adjusted Approp. | Requested | Recommended | |
| 67,703 | 7,686 | --- | 75,389 | 64,386 | GENERAL FUND | | | |
| | | | | | Direct State Services | 68,033 | 67,965 | 67,965 |
| 67,703 | 7,686 | --- | 75,389 | 64,386 | Total General Fund | 68,033 | 67,965 | 67,965 |
| 67,703 | 7,686 | --- | 75,389 | 64,386 | Total Appropriation, Department of Banking and Insurance | 68,033 | 67,965 | 67,965 |

BANKING AND INSURANCE

SUMMARY OF APPROPRIATIONS BY PROGRAM (thousands of dollars)

| Year Ending June 30, 2005 | | | | | | Year Ending June 30, 2007 | | |
|---------------------------|------------------|-------------------------|-----------------|---------------|---|---------------------------|---------------|---------------|
| Orig. & Supplemental | Reapp. & Recpts. | Transfers & Emergencies | Total Available | Expended | | 2006 Adjusted Approp. | Requested | Recommended |
| | | | | | DIRECT STATE SERVICES - GENERAL FUND | | | |
| | | | | | Economic Regulation | | | |
| 15,992 | 244 | 167 | 16,403 | 16,039 | Consumer Protection Services and Solvency Regulation | 17,234 | 17,880 | 17,880 |
| 5,820 | 33 | -464 | 5,389 | 5,226 | Actuarial Services | 6,194 | 6,344 | 6,344 |
| 3,151 | 46 | 1 | 3,198 | 2,934 | Regulation of the Real Estate Industry | 3,151 | 3,009 | 3,009 |
| 1,844 | 8 | --- | 1,852 | 1,825 | Public Affairs, Legislative and Regulatory Services | 2,012 | 1,971 | 1,971 |
| --- | --- | --- | --- | --- | Unsatisfied Claims | --- | --- | --- |
| 32,976 | 36 | --- | 33,012 | 29,739 | Insurance Fraud Prevention | 31,976 | 31,747 | 31,747 |
| 3,600 | 6,321 | -343 | 9,578 | 3,627 | Supervision and Examination of Financial Institutions | 3,547 | 3,404 | 3,404 |
| --- | 987 | --- | 987 | 187 | Pinelands Development Credit Bank | --- | --- | --- |
| 4,320 | 11 | 639 | 4,970 | 4,809 | Administration and Support Services | 3,919 | 3,610 | 3,610 |
| 67,703 | 7,686 | --- | 75,389 | 64,386 | <i>Subtotal</i> | 68,033 | 67,965 | 67,965 |
| 67,703 | 7,686 | --- | 75,389 | 64,386 | <i>Total Direct State Services - General Fund</i> | 68,033 | 67,965 | 67,965 |
| 67,703 | 7,686 | --- | 75,389 | 64,386 | TOTAL DIRECT STATE SERVICES | 68,033 | 67,965 | 67,965 |
| 67,703 | 7,686 | --- | 75,389 | 64,386 | <i>Total Appropriation, Department of Banking and Insurance</i> | 68,033 | 67,965 | 67,965 |

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

52. ECONOMIC REGULATION

OBJECTIVES

- To ensure fair and equitable treatment of the public by financial institutions.
- To inform and educate the public concerning financial matters.
- To protect the public from financial loss resulting from the failure of financial and consumer credit institutions.
- To ensure that fair and equitable insurance markets exist to provide reliable insurance coverage.
- To improve the efficiency and responsiveness of the prior approval rate making process.
- To protect the public from unlawful or unfair practices by insurance or real estate agents, brokers, solicitors, and salespersons.
- To provide research and legislative support for new or revised legislation and regulations which will ensure equitable pricing and reasonable underwriting standards.
- To examine, monitor, and investigate the affairs of insurance companies, banks, and consumer finance companies authorized to do business in New Jersey.
- To aggressively combat insurance fraud through prevention, investigations, and prosecution.
- To oversee the provision of services by managed care organizations, develop analytical data on managed care quality, and outcome measures for dissemination to the public,

manage external appeals of managed care denials of care, and investigate consumer complaints.

PROGRAM CLASSIFICATIONS

- Consumer Protection Services and Solvency Regulation.** Insurance companies, brokers, and agents are licensed to engage in the business of insurance in the State. Companies are examined periodically for solvency and compliance with statutes and regulations and market conduct with regard to treatment of consumers. In instances of serious financial problems or insolvency, domiciled firms may be placed under the Department's jurisdiction as the rehabilitator or liquidator. The Office of the Ombudsman investigates direct property-casualty claims settlements to determine the appropriate disposition of claims. As a result of complaints and investigations, the Department may fine licensees and suspend or revoke licenses.

Responsible for the chartering of commercial banks, savings banks, credit unions, and savings and loan associations which operate in New Jersey. Responsible for investigating complaints against these institutions and/or licensees. Responsible for the licensing of all consumer credit lenders and vendors of credit as well as mortgage bankers and financial institutions and performs the necessary statistical, economic, and demographic research to determine the merits of these applications. Responsible for review and development of regulations, which includes regulating managed care

organizations, addressing consumer complaints, and assessing the performance of Health Maintenance Organizations.

- 02. **Actuarial Services.** Reviews insurance policies and other insurance forms relating to individual and group accident health, life, property and liability insurance; regulates compliance with the rating law for property and liability insurance; verifies and analyzes liability calculations of domestic life and health insurers; participates with the Department of Health and Senior Services in regulating the financial aspects of health care facilities; and determines reasonableness of benefits provided in relation to premium charged.
- 03. **Regulation of the Real Estate Industry.** Ensures that members of the industry comply with existing statutes and regulations; investigates and resolves complaints; conducts hearings involving violations and improper practices; registers and regulates out-of-state land sales arranged through New Jersey brokers; inspects brokers' offices; examines and licenses brokers and salespersons; and maintains a directory of licensees and publishes bulletins.
- 04. **Public Affairs, Legislative and Regulatory Services.** Promulgates regulations and monitors proposed legislation and legal issues affecting the regulation of the banking, insurance, and real estate industries for the Department; publishes a quarterly newsletter and consumer booklets and provides consumer educational outreach programs; researches policy questions and investigates consumer issues.
- 06. **Insurance Fraud Prevention.** The Office of the Insurance Fraud Prosecutor thoroughly and aggressively investigates allegations of insurance fraud in order to fully develop the facts of each case and thus determine whether criminal prosecution, civil fraud enforcement, or administrative professional licensing enforcement are required. Activities of State and local law enforcement and regulatory agencies are coordinated to develop a statewide enforcement strategy addressing insurance fraud in its many forms. Information is

collected and analyzed about persons and entities engaging in insurance fraud related conduct to assist the prosecution in criminal, civil, or administrative forums. Fines are assessed with restitution made to insurance carriers. Activities related to Fraud Prevention are handled as part of a company's market conduct exam, including audits of fraud prevention and detection plans. Collection of all civil penalties related to insurance fraud and training for industry groups and law enforcement groups are also handled by the Department.

- 07. **Supervision and Examination of Financial Institutions.** Responsible for the supervision and examination of State chartered commercial banks, savings banks, credit unions, and savings and loan associations, as well as consumer credit associations such as check cashers, check sellers, insurance premium finance companies, pawnbrokers, secondary mortgage loan companies, and foreign money remitters. Ensures compliance with the mortgage loan discrimination statute (C17:16F et seq.). Regulates, supervises, and examines mortgage bankers and brokers (C17:11B-1 et seq.). Determines financial and legal compliance with all applicable statutes and regulations and takes appropriate legal and regulatory action to ensure compliance with existing statutes and regulations. Responsible for the examination of bank holding companies (C17:9A-1 et seq.) and savings and loan holding companies (C17:12B-281 et seq.).
- 08. **Pinelands Development Credit Bank.** Empowered to purchase and sell Pinelands development credits in accordance with the Comprehensive Management Plan for the Pinelands, thus preserving the resources of this area and accommodating regional growth in an orderly fashion.
- 99. **Administration and Support Services.** Directs the activities of the Department and provides administrative and support services. The Office of the Commissioner provides legislative and policy guidance to programs within the Department and coordinates all regulatory and legislative initiatives with the Legislature, Executive Branch, and the financial community.

EVALUATION DATA

| | Actual FY 2004 | Actual FY 2005 | Revised FY 2006 | Budget Estimate FY 2007 |
|--|-------------------|-------------------|--------------------|-------------------------------|
| PROGRAM DATA | | | | |
| Consumer Protection Services and Solvency Regulation | | | | |
| Consumer Credit Associations - Banking | | | | |
| Licenses issued | 6,732 | 8,061 | 6,700 | 6,700 |
| Associations subject to examination | 2,262 | 2,172 | 2,200 | 2,200 |
| Examinations conducted | 384 | 336 | 365 | 415 |
| Consumer Complaints | | | | |
| Received | 2,577 | 2,450 | 2,100 | 2,200 |
| Completed | 2,430 | 2,215 | 2,100 | 2,200 |
| Inquiries and Referrals | 732 | 700 | 745 | 865 |
| Insurance Licensing | | | | |
| Licenses issued | 37,778 | 38,014 | 42,000 | 43,000 |
| Candidates examined | 18,480 | 13,432 | 13,500 | 14,000 |
| Phone inquiries handled | 38,111 | 34,951 | 35,000 | 40,000 |
| Number of Insurance Companies and Regulated Entities | 1,827 | 1,830 | 1,916 | 1,950 |
| Field financial exams | 27 | 30 | 24 | 24 |
| Office analysis of companies - exams | 554 | 554 | 600 | 625 |

BANKING AND INSURANCE

| | Actual FY 2004 | Actual FY 2005 | Revised FY 2006 | Budget Estimate FY 2007 |
|--|-------------------|-------------------|--------------------|-------------------------------|
| Insurance Consumer Assistance | | | | |
| Complaints received | 12,035 | 10,226 | 10,500 | 10,500 |
| Complaints resolved | 10,714 | 13,648 | 10,500 | 10,500 |
| Inquiries handled | 62,980 | 63,758 | 57,200 | 54,200 |
| Market analysis of companies | --- | 102 | 150 | 175 |
| Companies data audited | 16 | 20 | 25 | 25 |
| Funds recovered on behalf of complainants | \$5,486,152 | \$5,143,363 | \$4,500,000 | \$4,500,000 |
| Actuarial Services | | | | |
| Property and Casualty | | | | |
| Commercial lines filings | 1,871 | 2,139 | 2,200 | 2,300 |
| Personal lines filings | 857 | 774 | 900 | 925 |
| Individual risk filings | 14 | 18 | 20 | 22 |
| Consent-to-rate filings | 12 | 10 | 15 | 16 |
| Authorization filings | 115 | 107 | 125 | 130 |
| Excess profits filings | 49 | 47 | 49 | 50 |
| Statistical filings | 175 | 175 | 175 | 175 |
| Surveys | 598 | 598 | 600 | 600 |
| Record requests | 323 | 361 | 400 | 425 |
| Complaints/inquiries | 360 | 285 | 300 | 325 |
| Life and Health | | | | |
| Policy forms processed | 25,952 | 23,258 | 26,000 | 28,000 |
| Dental rate filings | 134 | 195 | 200 | 200 |
| HMO filings | 87 | 23 | 20 | 20 |
| Office of Managed Care | | | | |
| Written complaints | 811 | 608 | 966 | 1,000 |
| Phone complaints/inquiries | 2,936 | 1,200 | 1,614 | 1,700 |
| Independent Utilization Review Organization | 394 | 322 | 462 | 600 |
| Eligible/forwarded requests | 284 | 229 | 326 | 500 |
| Ineligible/returned requests | 110 | 93 | 136 | 125 |
| Regulation of the Real Estate Industry | | | | |
| Licensed brokers and salespersons | 86,259 | 87,050 | 87,500 | 88,000 |
| Candidates examined | 20,297 | 20,500 | 20,700 | 20,900 |
| Broker offices | 660 | 675 | 690 | 705 |
| Offices inspected | 280 | 290 | 300 | 310 |
| Complaints investigated | 2,935 | 3,000 | 3,100 | 3,200 |
| Licensed schools | 121 | 131 | 135 | 139 |
| Licensed instructors | 220 | 247 | 260 | 272 |
| Public Affairs, Legislative and Regulatory Services | | | | |
| OAL submissions | 119 | 124 | 116 | 125 |
| Bulletins and orders issued | 127 | 102 | 100 | 125 |
| Written inquiries handled | 926 | 588 | 616 | 650 |
| Services of process handled | 953 | 899 | 846 | 900 |
| Newsletters and booklets published | 48 | 70 | 76 | 76 |
| Insurance Fraud Prevention | | | | |
| Market conduct examinations | 15 | 9 | 9 | 10 |
| Civil fines collected | \$2,133,250 | \$4,873,550 | \$4,000,000 | \$4,000,000 |
| Restitution of fraudulently obtained dollars | \$88,071 | \$69,606 | \$78,000 | \$78,000 |
| Type of cases investigated (%) | | | | |
| Auto | 77% | 66% | 72% | 72% |
| Health | 8% | 9% | 8% | 8% |
| Workers' compensation | 3% | 4% | 3% | 3% |
| Homeowners | 2% | 4% | 3% | 3% |
| Commercial | 2% | 3% | 2% | 2% |
| All other | 8% | 14% | 12% | 12% |
| New investigations referred | 8,821 | 7,266 | 7,700 | 7,700 |
| Pending investigations | 6,536 | 5,082 | 5,700 | 5,700 |

BANKING AND INSURANCE

| | Actual FY 2004 | Actual FY 2005 | Revised FY 2006 | Budget Estimate FY 2007 |
|--|-------------------|-------------------|--------------------|-------------------------------|
| Supervision and Examination of Financial Institutions | | | | |
| State Chartered Institutions | | | | |
| Banks and Savings and Loans | 98 | 94 | 97 | 98 |
| Examinations conducted | 39 | 39 | 41 | 41 |
| Bank Holding Companies | 15 | 11 | 19 | 20 |
| Specialty examinations | 56 | 31 | 44 | 59 |
| PERSONNEL DATA | | | | |
| Affirmative Action Data | | | | |
| Male Minority | 48 | 50 | 52 | 55 |
| Male Minority % | 9.6 | 10.1 | 10.5 | 11.1 |
| Female Minority | 97 | 99 | 105 | 110 |
| Female Minority % | 19.4 | 19.9 | 21.1 | 22.1 |
| Total Minority | 145 | 149 | 157 | 165 |
| Total Minority % | 29.0 | 30.0 | 31.6 | 33.2 |
| Position Data | | | | |
| Filled Positions by Funding Source | | | | |
| State Supported | 4 | 4 | 3 | 4 |
| All Other | 478 | 495 | 498 | 501 |
| Total Positions | 482 | 499 | 501 | 505 |
| Filled Positions by Program Class | | | | |
| Consumer Protection Services and Solvency Regulation | 206 | 226 | 236 | 243 |
| Actuarial Services | 69 | 72 | 73 | 72 |
| Regulation of the Real Estate Industry | 44 | 45 | 45 | 45 |
| Public Affairs, Legislative and Regulatory Services | 26 | 28 | 30 | 31 |
| Unsatisfied Claims | 14 | --- | --- | --- |
| Insurance Fraud Prevention | 27 | 27 | 23 | 23 |
| Supervision and Examination of Financial Institutions | 41 | 39 | 36 | 41 |
| Pinelands Development | --- | 4 | 3 | 4 |
| Administration and Support Services | 55 | 58 | 55 | 46 |
| Total Positions (a) | 482 | 499 | 501 | 505 |

Notes:

Actual payroll counts are reported for fiscal years 2004 and 2005 as of December and revised fiscal year 2006 as of March. The Budget Estimates for fiscal year 2007 reflect the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

(a) Per executive Reorganization Plan No. 005-2005, the total positions listed for fiscal year 2007 reflect the transfer of 21 Managed Care positions from the Department of Health and Senior Services.

APPROPRIATIONS DATA (thousands of dollars)

| Year Ending June 30, 2005 | | | | | Year Ending June 30, 2007 | | | | |
|---|------------------------|------------------------------------|--------------------|----------|------------------------------|-----------------------------|-----------|------------------|--|
| Orig. & (S)Supple- mental | Reapp. & (R)Recpts. | Transfers & (E)Emer- gencies | Total Available | Expended | Prog. Class. | 2006 Adjusted Approp. | Requested | Recom- mended | |
| <u>DIRECT STATE SERVICES</u> | | | | | | | | | |
| Distribution by Fund and Program | | | | | | | | | |
| 15,992 | 244 | 167 | 16,403 | 16,039 | | | | | |
| | | | | | 01 | 17,234 | 17,880 | 17,880 | |
| 5,820 | 33 | -464 | 5,389 | 5,226 | 02 | 6,194 | 6,344 | 6,344 | |
| 3,151 | 46 | 1 | 3,198 | 2,934 | 03 | 3,151 | 3,009 | 3,009 | |
| 1,844 | 8 | --- | 1,852 | 1,825 | 04 | 2,012 | 1,971 | 1,971 | |
| 32,976 | 36 | --- | 33,012 | 29,739 | 06 | 31,976 | 31,747 | 31,747 | |
| 3,600 | 6,321 | -343 | 9,578 | 3,627 | 07 | 3,547 | 3,404 | 3,404 | |

BANKING AND INSURANCE

| Year Ending June 30, 2005 | | | | | Year Ending June 30, 2007 | | | |
|--|---------------------|----------------------------|-----------------|---------------|---------------------------|-----------------------|---------------|---------------|
| Orig. & (S)Supplemental | Reapp. & (R)Recpts. | Transfers & (E)Emergencies | Total Available | Expended | Prog. Class. | 2006 Adjusted Approp. | Requested | Recommended |
| DIRECT STATE SERVICES | | | | | | | | |
| --- | 987 | --- | 987 | 187 | | | | |
| 4,320 | 11 | 639 | 4,970 | 4,809 | 08 | --- | --- | --- |
| | | | | | 99 | 3,919 | 3,610 | 3,610 |
| 67,703 | 7,686 | --- | 75,389 | 64,386 | | 68,033 (a) | 67,965 | 67,965 |
| Distribution by Fund and Object | | | | | | | | |
| Personal Services: | | | | | | | | |
| 29,532 | --- | 790 | 30,322 | 30,173 | | | | |
| | | | | | | 31,643 | 31,519 | 31,519 |
| 29,532 | --- | 790 | 30,322 | 30,173 | | 31,643 | 31,519 | 31,519 |
| 317 | --- | -14 | 303 | 275 | | 332 | 332 | 332 |
| 5,009 | --- | 58 | 5,067 | 4,919 | | 5,340 | 5,396 | 5,396 |
| 203 | --- | 20 | 223 | 208 | | 211 | 211 | 211 |
| Special Purpose: | | | | | | | | |
| --- | 179 | --- | 210 | --- | 01 | --- | --- | --- |
| | 31 R | | | | | | | |
| 711 | --- | --- | 711 | 633 | 01 | --- | --- | --- |
| 600 | --- | -464 | 136 | 35 | 02 | 600 | 600 | 600 |
| 29,877 | --- | --- | 30,877 | 27,750 | 06 | 29,877 | 29,877 | 29,877 |
| 1,000 S | --- | --- | | | | | | |
| --- | 400 | --- | 5,934 | --- | 07 | --- | --- | --- |
| | 5,921 R | -387 | | | | | | |
| --- | 987 | --- | 987 | 187 | 08 | --- | --- | --- |
| 30 | --- | --- | 30 | 29 | 99 | 30 | 30 | 30 |
| 424 | 168 | -3 | 589 | 177 | | --- | --- | --- |
| 67,703 | 7,686 | --- | 75,389 | 64,386 | | 68,033 | 67,965 | 67,965 |
| OTHER RELATED APPROPRIATIONS | | | | | | | | |
| Federal Funds | | | | | | | | |
| --- | --- | 170 | 170 | --- | 07 | --- | --- | --- |
| --- | --- | 170 | 170 | --- | | --- | --- | --- |
| All Other Funds | | | | | | | | |
| --- | 150 | --- | 515 | 401 | 01 | 445 | 445 | 445 |
| | 365 R | | | | | | | |
| --- | 71 R | --- | 240 | 31 | 03 | 51 | 51 | 51 |
| --- | --- | --- | --- | --- | 07 | 400 | 400 | 400 |
| --- | 755 | --- | 755 | 432 | | 896 | 896 | 896 |
| 67,703 | 8,441 | 170 | 76,314 | 64,818 | | 68,929 | 68,861 | 68,861 |

Notes -- Direct State Services - General Fund

- (a) The fiscal year 2006 appropriation has been adjusted for the allocation of salary program and reallocation of administrative efficiencies.
- (b) Appropriation of \$711,000 for the Ombudsman Program has been reallocated to the Consumer Protection Services and Solvency Regulation salary account.

Language Recommendations -- Direct State Services - General Fund

Receipts derived from extraordinary financial condition examinations or actuarial certifications of loss reserves are appropriated for the conduct of such examinations or certifications, subject to the approval of the Director of the Division of Budget and Accounting.

The unexpended balance at the end of the preceding fiscal year in the Public Adjusters' Licensing account, together with receipts derived from the "Public Adjusters' Licensing Act," P.L. 1993, c. 66 (C.17:22B-1 et seq.), are appropriated for the administration of the act, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts from the investigation of out-of-State land sales are appropriated for the conduct of those investigations.

There are appropriated from the Real Estate Guaranty Fund such sums as may be necessary to pay claims.

There are appropriated from the assessments imposed by the New Jersey Individual Health Coverage Program Board, created pursuant to P.L. 1992, c. 161 (C.17B:27A-2 et seq.), and by the New Jersey Small Employer Health Benefits Program Board, created pursuant to P.L. 1992, c. 162 (C.17B:27A-17 et seq.), those sums as may be necessary to carry out the provisions of those acts, subject to the approval of the Director of the Division of Budget and Accounting.

Receipts in excess of anticipated revenues from examination and licensing fees, bank assessments, fines and penalties, and the unexpended balances at the end of the preceding fiscal year, not to exceed \$400,000, are appropriated to the Division of Banking, subject to the approval of the Director of the Division of Budget and Accounting.

Proceeds from the sale of credits by the Pineland Development Credit Bank pursuant to P.L.1985, c.310 (C.13:18A-30 et. seq.) shall be appropriated to the Pineland Development Credit Bank for the same purpose.

The unexpended balance at the end of the preceding fiscal year in the Pinelands Development Credit Bank account is appropriated for the same purpose.

In addition to the amounts appropriated hereinabove, such other sums as the Director of the Division of Budget and Accounting shall determine, are appropriated from the assessments of the insurance industry pursuant to P.L. 1995, c. 156 (C.17:1C-19 et seq.) and from the assessments of the banking and consumer finance industries pursuant to P.L. 2005, c.199 (C.17:1C-33 et seq.) for the purpose of implementing the requirements of those statutes.

The amount hereinabove for the Division of Insurance accounts is payable from receipts received from the Special Purpose Assessment of insurance companies pursuant to section 2 of P.L.1995, c.156 (C.17:1C-20). If the Special Purpose Assessment cap calculation is less than the amount herein appropriated for this purpose for the Division of Insurance, the appropriation shall be reduced to the level of funding supported by the Special Purpose Assessment cap calculation.

All monies deposited in the Division of Motor Vehicles Surcharge Fund are appropriated to the Market Transition Facility Revenue Fund in accordance with the provisions of P.L. 1994, c. 57 (C.34:1B-21.1 et seq.).

The amount hereinabove appropriated for FAIR Act Administration shall be funded from the additional taxes on the taxable premiums of insurers for the payment of Department of Banking and Insurance administrative costs related to its statutory duties, pursuant to P.L. 1990, c. 8 (C.17:33B-1 et al.).

There is appropriated such sums as are necessary to fund the administrative costs of the New Jersey Hospital Care Payment Commission pursuant to P.L.2003, c. 112, (C.17B:30-41 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.

Notwithstanding the provision of any other law to the contrary, such sums as the Director of the Division of Budget and Accounting determines are necessary for the administrative costs associated with the "New Jersey Medical Care Access and Responsibility and Patients First Act," P.L. 2004, c.17 (C.2A:53A-37 et al.), are appropriated from the Medical Malpractice Liability Insurance Premium Assistance Fund. Such other sums as the Director of the Division of Budget and Accounting shall determine as necessary on behalf of State employees are appropriated to the Interdepartmental, Unemployment Insurance Liability account for deposit in the Medical Malpractice Liability Insurance Premium Assistance Fund. If annual receipts deposited in the Medical Malpractice Liability Insurance Premium Assistance Fund are higher or lower than the amounts projected for specific spending categories in the "New Jersey Medical Care Access and Responsibility and Patients First Act," the difference shall be pro-rated among those categories in the same proportion as established in section 27 of P.L.2004, c.17 (C.17:30D-29).

NOTES