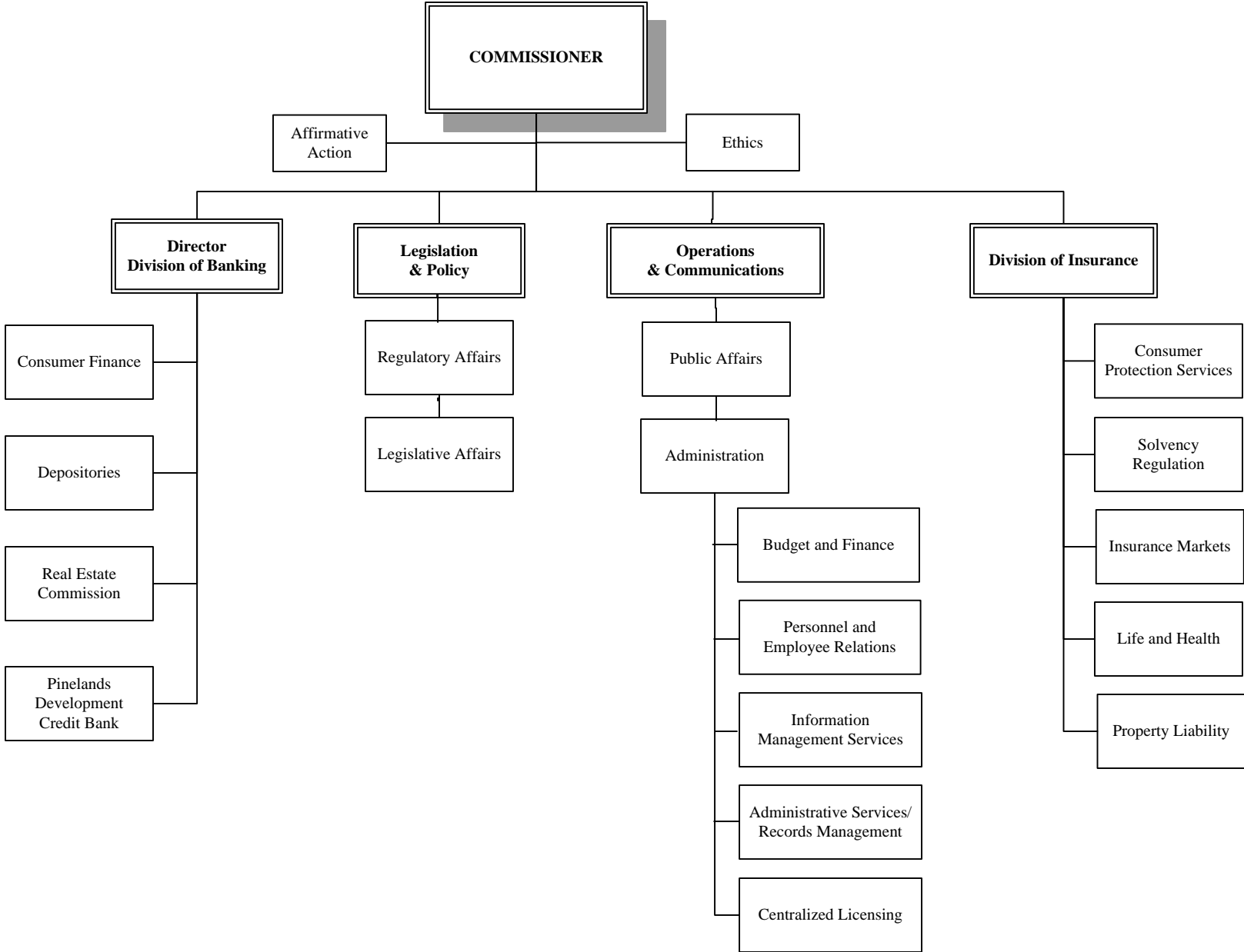


BANKING AND INSURANCE



BANKING AND INSURANCE

DEPARTMENT OF BANKING AND INSURANCE OVERVIEW

Mission and Goals

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 2009 Budget Highlights

The Fiscal 2009 Budget for the Department of Banking and Insurance totals \$70.3 million, a decrease of \$1.8 million or 2.5% under the fiscal 2008 adjusted appropriation of \$72.1 million. 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 Insurance Fraud Prosecutor in the Department of Law and Public Safety.

Consumer Protection

The Insurance Consumer Protection and Enforcement Unit, the Office of Consumer Finance in Banking, and the Real Estate Commission answer questions and investigate complaints from consumers about insurance, banking, and real estate issues and take action against companies that have behaved improperly. In fiscal 2007, these units recovered more than \$13 million for consumers and collected more than \$2.5 million in fines. In the first six months of fiscal 2008, the Department recovered nearly \$14 million and collected fines of more than \$900,000.

Department Accomplishments

In response to the crisis in the residential subprime mortgage market, the Department, in cooperation with the Department of Community Affairs, established the New Jersey Home Ownership Preservation Effort (NJHOPE). NJHOPE is a voluntary public-private alliance designed to educate and assist New Jersey homeowners with issues related to homeownership and mortgages. The goals of the alliance are to enhance homeownership preservation by providing consumer awareness mortgage products, increased access to credit and loan counseling, and temporary assistance to those in danger of foreclosure.

The continuing progress of the auto insurance reform initiative codified in P.L. 2003, c.89, resulted in the entrance of several companies into the New Jersey auto insurance marketplace and economy. Seven of the top ten national companies now write

business in New Jersey. Since calendar year 2003, New Jersey drivers have received rate reductions and special dividends totaling to savings of more than \$1.2 billion.

The auto insurance reforms of 2003 transformed the marketplace by lowering prices, improving availability and increasing customer satisfaction, but two long-anticipated reforms have yet to be completed. They are: 1) the establishment of a comprehensive schedule of allowable fees for the treatment of auto accident injuries; and 2) the revision of the State's 60-year-old territorial rating map. The first measure, the Personal Injury Protection (PIP) Medical Fee Schedule, is designed to reduce fee disputes between medical providers and auto insurers and moderate this area of cost pressure on consumers. The Department proposed a regulation in September, 2006 establishing the fees but an appellate court stayed implementation in September, 2007 at the request of medical providers. The second measure will increase efficiency by increasing the accuracy of pricing. Implementation of the territorial rating has begun and will occur over a period of one to two years.

Fiscal 2008 represented the third and final year of payments from the Medical Malpractice Liability Insurance Subsidy Fund, provided for in the "New Jersey Medical Care and Responsibility and Patients First Act" of 2004. In December, 2007, the Department distributed over \$16.4 million to more than 1,163 eligible physicians in high-risk specialties and subspecialties to help offset the cost of medical malpractice insurance premiums.

In partnership with other departments and financial services representatives, the Division of Banking and the Office of Public Affairs' Education Unit continued the biannual Financial Literacy Awareness Program aimed at high school students across the state. The program focuses on a basic understanding of saving, budgeting, and use of financial credit. In 2007, the program reached 9,283 students at 183 high schools.

The Department collects five assessments from the industries it regulates, totaling approximately \$92 million. During fiscal 2008, the Department increased the use of lock box services to receive and process these payments. Over 2,500 payments that were previously deposited manually are now processed electronically. As a result, approximately \$62 million in deposits will be credited to the State's accounts on the day they were received.

As part of its continuing effort to identify common functions and business processes, the Department consolidated and streamlined the initial consumer inquiry and complaint functions through the creation of the Consumer Inquiry and Case Preparation Unit. This unit of cross-trained investigators will respond to all initial consumer inquiries and complaints concerning banking, insurance and real estate matters. The Department's goal is to improve efficiency and effectiveness by utilizing computer and telephone technology to track and categorize issues relating to these regulated industries.

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DEPARTMENT OF BANKING AND INSURANCE

SUMMARY OF APPROPRIATIONS BY FUND

(thousands of dollars)

Year Ending June 30, 2007						Year Ending June 30, 2009		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2008 Adjusted Approp.	Requested	Recom- mended
68,944	1,725	870	71,539	68,336	GENERAL FUND			
					Direct State Services	72,127	70,340	70,340
68,944	1,725	870	71,539	68,336	Total General Fund	72,127	70,340	70,340
68,944	1,725	870	71,539	68,336	Total Appropriation, Department of Banking and Insurance	72,127	70,340	70,340

SUMMARY OF APPROPRIATIONS BY PROGRAM

(thousands of dollars)

Year Ending June 30, 2007						Year Ending June 30, 2009		
Orig. & (S)Supple- mental	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies	Total Available	Expended		2008 Adjusted Approp.	Requested	Recom- mended
DIRECT STATE SERVICES - GENERAL FUND								
Economic Regulation								
18,859	342	278	19,479	17,886	Consumer Protection Services and Solvency Regulation	20,154	19,012	19,012
6,344	56	-245	6,155	5,892	Actuarial Services	6,404	6,404	6,404
3,009	96	---	3,105	3,055	Regulation of the Real Estate Industry	3,163	3,163	3,163
1,971	34	120	2,125	2,116	Public Affairs, Legislative and Regulatory Services	2,458	2,458	2,458
31,747	53	---	31,800	31,054	Insurance Fraud Prevention	32,038	32,038	32,038
3,404	400	-271	3,533	3,532	Supervision and Examination of Financial Institutions	3,721	3,221	3,221
---	630	---	630	166	Pinelands Development Credit Bank	---	---	---
3,610	114	988	4,712	4,635	Administration and Support Services	4,189	4,044	4,044
68,944	1,725	870	71,539	68,336	Subtotal	72,127	70,340	70,340
68,944	1,725	870	71,539	68,336	Total Direct State Services - General Fund	72,127	70,340	70,340
68,944	1,725	870	71,539	68,336	TOTAL DIRECT STATE SERVICES	72,127	70,340	70,340
68,944	1,725	870	71,539	68,336	Total Appropriation, Department of Banking and Insurance	72,127	70,340	70,340

50. ECONOMIC PLANNING, DEVELOPMENT, AND SECURITY

52. ECONOMIC REGULATION

OBJECTIVES

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

BANKING AND INSURANCE

quality, and outcome measures for dissemination to the public, manage external appeals of managed care denials of care, and investigate consumer complaints.

PROGRAM CLASSIFICATIONS

01. 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 brokers. Processes applications of licensees 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

PROGRAM DATA	Actual FY 2006	Actual FY 2007	Revised FY 2008	Budget Estimate FY 2009
Consumer Protection Services and Solvency Regulation				
Consumer Credit Associations - Banking				
Licenses issued	7,489	8,194	8,000	8,500
Mortgage Solicitors	36,855	43,775	36,000	43,000
Associations subject to examination	2,168	1,892	1,792	1,692
Examinations conducted	409	437	790	821

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	Actual FY 2006	Actual FY 2007	Revised FY 2008	Budget Estimate FY 2009
Consumer Complaints				
Received	2,564	2,345	2,570	2,825
Completed	1,846	1,858	2,550	2,550
Inquiries and Referrals	700	700	700	925
Insurance Licensing				
Licenses issued	38,453	41,658	42,000	43,000
Candidates examined	18,316	16,951	16,000	15,500
Phone inquiries handled	31,542	33,826	35,988	38,150
Number of Insurance Companies and Regulated Entities	2,024	2,050	2,221	2,221
Field financial exams	30	28	38	40
Office analysis of companies - exams	631	674	694	702
Insurance Consumer Assistance				
Complaints received	7,102	7,548	7,500	7,500
Complaints resolved	7,005	9,550	8,000	8,000
Inquiries handled	56,728	57,261	55,000	55,000
Market analysis of companies	189	642	750	800
Companies data audited	79	24	70	85
Funds recovered on behalf of complainants	\$8,507,891	\$9,663,993	\$8,500,000	\$8,500,000
Actuarial Services				
Property and Casualty				
Filings for unit	2,821	2,717	3,100	3,200
Surveys	598	631	640	650
Record requests	411	371	400	425
Complaints/inquiries	235	250	300	325
Life and Health				
Policy forms processed	13,222	14,064	15,000	15,000
Filings for unit	2,673	2,447	2,762	2,762
Inquiries to unit	16,200	14,200	14,200	14,200
Office of Managed Care				
Complaints/inquiries	2,580	3,761	4,000	4,150
Independent Utilization Review Organization	462	519	600	650
Eligible/forwarded requests	326	345	400	425
Ineligible/returned requests	136	174	200	225
Regulation of the Real Estate Industry				
Licensed brokers and salespersons	93,783	95,889	97,000	99,500
Candidates examined	24,652	19,167	19,500	20,000
Broker offices	713	767	780	800
Offices inspected	307	318	330	340
Complaints investigated	2,385	1,819	1,900	2,000
Licensed schools	158	127	130	135
Licensed instructors	273	274	280	290
Public Affairs, Legislative and Regulatory Services				
Office of Administrative Law submissions	102	85	90	100
Bulletins and orders issued	112	87	100	100
Written inquiries handled	601	708	700	700
Services of process handled	819	806	810	800
Newsletters and booklets published	36	24	30	32
Insurance Fraud Prevention				
Market conduct examinations	7	8	7	7
Civil fines imposed	\$9,770,257	\$1,376,000	\$4,000,000	\$4,000,000
Restitution of fraudulently obtained dollars	\$170,869	\$12,504,393 ^(a)	\$1,000,000	\$1,000,000
Type of cases investigated (%)				
Auto	61%	54%	72%	72%
Health	15%	21%	8%	8%
Workers' compensation	4%	4%	3%	3%
Homeowners	3%	3%	3%	3%
Commercial	3%	3%	2%	2%
All other	14%	15%	12%	12%
New matters received (b)	5,992	5,141	7,700	7,700
Matters closed (b)	4,262	5,940	5,700	5,700

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	Actual FY 2006	Actual FY 2007	Revised FY 2008	Budget Estimate FY 2009
Supervision and Examination of Financial Institutions				
State Chartered Institutions				
Banks and Savings and Loans	93	92	92	94
Examinations conducted	42	33	41	42
Bank Holding Companies	14	9	14	14
Specialty examinations	44	40	56	56
PERSONNEL DATA				
Affirmative Action Data				
Male Minority	50	53	54	55
Male Minority %	9.9	11.0	10.7	11.1
Female Minority	105	100	103	110
Female Minority %	20.8	20.7	20.4	22.1
Total Minority	155	153	157	165
Total Minority %	30.7	31.6	31.0	33.2
Position Data				
Filled Positions by Funding Source				
State Supported	5	2	2	3
All Other	505	481	463	466
Total Positions	510	483	465	469
Filled Positions by Program Class				
Consumer Protection Services and Solvency Regulation	241	226	225	224
Actuarial Services	76	67	62	65
Regulation of the Real Estate Industry	46	45	43	42
Public Affairs, Legislative and Regulatory Services	28	31	31	31
Insurance Fraud Prevention	23	24	23	24
Supervision and Examination of Financial Institutions	36	34	31	32
Pinelands Development	3	1	2	3
Administration and Support Services	57	55	48	48
Total Positions	510	483	465	469

Notes:

Actual payroll counts are reported for fiscal years 2006 and 2007 as of December and revised fiscal year 2008 as of January. The Budget Estimate for fiscal year 2009 reflects the number of positions funded. All Other includes positions supported by fees or other dedicated resources previously reported as State Supported.

- (a) Beginning in fiscal year 2007, figures include both industry and Office of Insurance Fraud Prevention (OIFP) civil and criminal restitutions. Prior to fiscal year 2007, criminal restitutions were not included.
- (b) Includes both civil and criminal.

APPROPRIATIONS DATA
(thousands of dollars)

Orig. & (S)Supple- mental	Year Ending June 30, 2007			Total Available	Expended	2008 Prog. Class.	Adjusted Approp.	Year Ending June 30, 2009	
	Reapp. & (R)Recpts.	Transfers & (E)Emer- gencies						Requested	Recom- mended
18,859	342	278	19,479	17,886					
6,344	56	-245	6,155	5,892					
3,009	96	---	3,105	3,055					
1,971	34	120	2,125	2,116					
31,747	53	---	31,800	31,054					
3,404	400	-271	3,533	3,532					
---	630	---	630	166					
3,610	114	988	4,712	4,635					
68,944	1,725	870	71,539	68,336					
						DIRECT STATE SERVICES			
						Distribution by Fund and Program			
						01	20,154	19,012	19,012
						02	6,404	6,404	6,404
						03	3,163	3,163	3,163
						04	2,458	2,458	2,458
						06	32,038	32,038	32,038
						07	3,721	3,221	3,221
						08	---	---	---
						09	4,189	4,044	4,044
							72,127 ^(a)	70,340	70,340

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Year Ending June 30, 2007					Year Ending June 30, 2009			
Orig. & (S)Supplemental	Reapp. & (R)Recpts.	Transfers & (E)Emergencies	Total Available	Expended	Prog. Class.	2008 Adjusted Approp.	Requested	Recommended
DIRECT STATE SERVICES								
Distribution by Fund and Object								
Personal Services:								
31,374	---	1,469	32,843	32,820		34,557	33,745	33,745
					Salaries and Wages			
<u>31,374</u>	<u>---</u>	<u>1,469</u>	<u>32,843</u>	<u>32,820</u>	<i>Total Personal Services</i>	<u>34,557</u>	<u>33,745</u>	<u>33,745</u>
332	---	-39	293	282	Materials and Supplies			
5,396	---	-31	5,365	5,048	Services Other Than Personal			
211	---	-4	207	183	Maintenance and Fixed Charges			
Special Purpose:								
---	181	---	299	---	Public Adjusters Licensing	01	---	---
1,124	---	---	1,124	32	Rate Counsel- Insurance	01	1,124	149
600	---	-125	475	303	Actuarial Services	02	600	600
29,877	---	---	29,877	29,189	Insurance Fraud Prosecution Services	06	29,877	29,877
---	400	-400	---	---	Supervision and Examination of Financial Institutions	07	---	---
---	630	---	630	166	Pinelands Development Credit Bank	08	---	---
30	---	---	30	29	Affirmative Action and Equal Employment Opportunity	99	30	30
---	396	---	396	284	Additions, Improvements and Equipment		<u>100</u>	<u>100</u>
68,944	1,725	870	71,539	68,336	Grand Total State Appropriation		72,127	70,340
OTHER RELATED APPROPRIATIONS								
Federal Funds								
---	170	---	170	170	Supervision and Examination of Financial Institutions	07	---	---
---	<u>170</u>	---	<u>170</u>	<u>170</u>	Total Federal Funds		<u>---</u>	<u>---</u>
All Other Funds								
---	87	---	25,258	25,107	Consumer Protection Services and Solvency Regulation	01	432	432
---	238	---	379	17	Regulation of the Real Estate Industry	03	---	---
---	141	---	---	---	Supervision and Examination of Financial Institutions	07	<u>400</u>	<u>400</u>
---	<u>25,637</u>	---	<u>25,637</u>	<u>25,124</u>	Total All Other Funds		<u>832</u>	<u>832</u>
68,944	27,532	870	97,346	93,630	GRAND TOTAL ALL FUNDS		72,959	71,172

Notes -- Direct State Services - General Fund

(a) The fiscal year 2008 appropriation has been adjusted for the allocation of salary program.

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.

BANKING AND INSURANCE

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.) are 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 hereinabove appropriated, 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 appropriated 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 hereinabove 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 provisions of any law or regulation 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 into 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).