

0425 – DEPARTMENT OF COMMERCE - STATE INSURANCE DEPARTMENT
FISCAL YEAR 2026
AS ENACTED BY ACT 607 OF 2025

Insurance Department, according to Arkansas Code § 23-61-101(c)(1)(A) and (B),

"(A) The purpose of the department is to serve and protect the public interest by the equitable enforcement of the state's laws and regulations affecting the insurance industry.

(B) The primary mission of the department shall be consumer protection through insurer solvency and market conduct regulation, and fraud prosecution and deterrence."

The Department is funded with existing fund balances, trust funds (interest income, earnings, adjustments, grants, refunds, gifts), employer workers' compensation benefits contributions (revolving funds), special revenue (fees, premiums collected), federal funds, and cash.

TOTAL APPROPRIATION

Appropriation		2023-2024	2024-2025	2025-2026
		Actual	Authorized	Legislative
1QA	AMAIT - Operations	\$42,105,005	\$40,000,000	\$75,000,000
2SW	Insurance-State Operations	\$12,199,233	\$15,379,408	\$15,426,841
2SX	Fraud Investigation Unit	\$794,798	\$943,027	\$0
2SY	Insurance Fraud Investigation Division	\$489,363	\$663,643	\$1,641,563
2SZ	Prepaid Funeral Benefits Division	\$385,673	\$437,173	\$466,924
2TA	Continuing Education Program	\$0	\$31,184	\$31,184
2TB	State Employee Claims	\$12,394,275	\$16,500,000	\$15,500,000
2TC	Governmental Bonding Board Operations	\$654,425	\$3,005,000	\$1,705,000
2TD	Public Employees Claims Section	\$1,729,902	\$2,122,933	\$2,147,492
2TE	Health Information Counseling	\$713,415	\$1,262,677	\$1,319,945
2TF	Refunds of Overpayments	\$4,140,758	\$11,000,000	\$11,000,000
2TG	Public School Employees Claims	\$10,836	\$400,000	\$400,000
2TH	County Employee Claims	\$2,178	\$200,000	\$200,000
2TJ	City Employee Claims	\$7,624	\$400,000	\$400,000
2TK	Consumer Info System - Cash	\$6,110	\$28,005	\$28,005
2TN	Prepaid Funeral Contracts Recovery	\$46,664	\$500,000	\$500,000
4HH	Criminal Background Checks-Cash	\$44	\$125,000	\$25,000
56A	Public School Insurance Program	\$36,564,816	\$20,000,000	\$50,000,000
BF1	AR Self-Funded Cyber Response Program	\$0	\$10,000,000	\$10,000,000
BI2	AID - Senior Medicare Patrol SMP	\$266,149	\$0	\$815,853
N41	MIPPA	\$738,067	\$1,234,188	\$1,286,140
V46	AR Healthcare Transparency Initiative Database	\$2,124,000	\$3,200,000	\$3,200,000
V98	Funeral Services	\$466,520	\$602,570	\$612,164
X39	Market Stabilization Grant	\$167,486	\$501,476	\$0
Z65	Firefighters Cancer Relief	\$250,000	\$250,000	\$250,000
Total		\$116,021,046	\$128,802,942	\$191,956,111

FUNDING SOURCES

Funding Sources		2023-2024 Actual	%
Fund Balance	4000005	\$97,572,465	42.04
Federal Revenue	4000020	\$1,911,952	0.82
Special Revenue	4000030	\$107,594,587	46.35
Cash Fund	4000045	\$69,566	0.03
DFA Motor Vehicle Acquisition	4000184	(\$34,830)	-0.02
Inter-agency Fund Transfer	4000316	(\$1,468,906)	-0.63
Miscellaneous Revolving	4000350	\$15,256,650	6.57
Other	4000370	\$140,025	0.06
Restricted Reserve Fund	4000755	\$11,076,173	4.77
Total Funds		\$232,117,682	100.00
Excess Appropriation/(Funding)		(\$116,096,636)	
Grand Total		\$116,021,046	

CHANGE LEVEL REQUESTS

*Change levels in salary and match line items are due to adjustments for employees as authorized by law.

AMAIT - Operations (Appropriation 1QA)

Commitment Item		2024-2025	2025-2026	
		Authorized	Legislative	Change Level
5900046	For Expenses and Claims From AMAIT Fund	\$40,000,000	\$75,000,000	\$35,000,000
Total		\$40,000,000	\$75,000,000	\$35,000,000

- Increase in For Expenses and Claims from AMAIT Fund line item to offset the increases in property premiums for participating state entities and school districts.

State Employee Claims (Appropriation 2TB)

Commitment Item		2024-2025	2025-2026	
		Authorized	Legislative	Change Level
5110015	Claims	\$16,500,000	\$15,500,000	(\$1,000,000)
Total		\$16,500,000	\$15,500,000	(\$1,000,000)

- Reduction in Claims line item to align appropriation with anticipated expenditures while supporting program capacity for catastrophic claims.

Governmental Bonding Board Operations (Appropriation 2TC)

Commitment Item		2024-2025	2025-2026	
		Authorized	Legislative	Change Level
5110015	Claims	\$2,800,000	\$1,500,000	(\$1,300,000)
Total		\$2,800,000	\$1,500,000	(\$1,300,000)

- Decrease in Claims line item to align appropriation with anticipated expenditures while supporting program capacity for claims.

Health Information Counseling (Appropriation 2TE)

Commitment Item		2024-2025	2025-2026	
		Authorized	Legislative	Change Level
5020002	Operating Expenses	\$217,407	\$317,407	\$100,000
5050009	Conference & Travel Expenses	\$10,000	\$20,000	\$10,000
5060010	Professional Fees	\$601,552	\$471,552	(\$130,000)
5090028	Promotional Items	\$35,000	\$55,000	\$20,000
Total		\$1,262,677	\$1,319,945	\$57,268

- Reallocation in Professional Fees to other line items to better align appropriation with program actual spend and grant goals.

Criminal Background Checks-Cash (Appropriation 4HH)

Commitment Item		2024-2025	2025-2026	
		Authorized	Legislative	Change Level
5020002	Operating Expenses	\$125,000	\$25,000	(\$100,000)
Total		\$125,000	\$25,000	(\$100,000)

- Decrease in Operating Expenses to better align budget with anticipated expenditures.

Public School Insurance Program (Appropriation 56A)

Commitment Item		2024-2025	2025-2026	
		Authorized	Legislative	Change Level
5900046	Expenses and Claims	\$20,000,000	\$50,000,000	\$30,000,000
Total		\$20,000,000	\$50,000,000	\$30,000,000

- Increase in Expenses and Claims line item to support the increase in property premiums.

AID - Senior Medicare Patrol SMP (Appropriation BI2)

Commitment Item		2024-2025	2025-2026	
		Authorized	Legislative	Change Level
5020002	Operating Expenses	\$0	\$394,432	\$394,432
5050009	Conference & Travel Expenses	\$0	\$9,582	\$9,582
5090028	Promotional Items	\$0	\$36,000	\$36,000
5100004	Grants and Aid	\$0	\$192,000	\$192,000
Total		\$0	\$815,853	\$815,853

- Increase in Operating Expenses to support program operations, including outreach, education, and in-state travel.
- Increase in Conference and Travel Expenses for in-state travel and health fairs.
- Increase in Promotional Items line item to purchase promotional items related to Medicare education, fraud, and abuse.
- Increase in Grants and Aid to support sub-grantee's scope of service to prevent health care fraud and abuse through education.

Funeral Services (Appropriation V98)

Commitment Item		2024-2025	2025-2026	
		Authorized	Legislative	Change Level
5020002	Operating Expenses	\$167,242	\$100,000	(\$67,242)
Total		\$539,156	\$548,750	\$9,594

- Decrease in Operating Expenses to align budget with anticipated expenditures

Market Stabilization Grant (Appropriation X39)

Commitment Item		2024-2025	2025-2026	
		Authorized	Legislative	Change Level
5020002	Operating Expenses	\$72,240	\$0	(\$72,240)
5050009	Conference & Travel Expenses	\$3,000	\$0	(\$3,000)
5060010	Professional Fees	\$277,429	\$0	(\$277,429)
5090028	Promotional Items	\$25,000	\$0	(\$25,000)
Total		\$501,476	\$0	(\$501,476)

- Decrease due to discontinuation of federal funding.

POSITIONS

Total Authorized Positions FY2026: 188

Total Authorized Positions FY2025: 190

Increase / (Decrease): (2)

Extra Help Positions FY2026: 19

SPECIAL LANGUAGE REVISIONS

No changes