

**California Department of Insurance
Description of Department Functions Applicable to Proposition 103
Fiscal Year 2015-16**

The Rate Regulation Branch consists of five Rate Filing Bureaus, the Rate Actuary Office, the Rate Specialist Bureau, the Special Projects Unit, and the Deputy Office. Most of the branch's work relates to Proposition 103 rate filings.

The Legal Branch has eight bureaus and one Deputy Office that have workload related to Proposition 103. Approximately 80 percent of the Rate Enforcement Bureau is dedicated to Proposition 103 activities. The remaining seven legal bureaus participate in limited Proposition 103 legal matters. The Legal Deputy Office develops and implements procedures by which the Department may award advocate fees to participating intervenors whom make a substantial contribution to hearing decisions. Please note that in Fiscal Year (FY) 2015-16 the Corporate and Regulatory Affairs Branch (CARAB) is now part of the Legal Branch due to a re-organization.

The Consumer Services and Market Conduct Branch consists of the Consumer Services Division, the Market Conduct Division, the respective Division Offices, and the Deputy Office. The Rating and Underwriting Services Bureau within the Consumer Services Division conducts inquiries into individual consumer complaints related to industry rating and underwriting practices. The Consumer Communications Bureau within the Consumer Services Division staffs the Department's toll-free Consumer Hotline which provides information to the public on all insurance matters and assists consumers in resolving insurance related problems. The Field Rating and Underwriting Bureau within the Market Conduct Division conducts field examinations of industry rating and underwriting practices. The Consumer Law Unit provides legal services to the Consumer Services and Market Conduct Branch.

The Community Programs and Policy Initiatives Branch currently has two entities that perform Proposition 103 related activities: Special Projects and Statistical Analysis Division. The Statistical Analysis Division studies and compares auto rates and maintains vital information from rate filings. The Special Projects works closely with other branches to aid in the facilitation of Prop 103 activities.

Executive Operations has one bureau which has workload related to Proposition 103. The Administrative Hearing Bureau's (AHB) law judges preside over the rate hearings mandated by the provisions of Proposition 103. Special Counsel to the Commissioner's time and related costs that are not directly charged to specific program activities are allocated as part of department-wide service costs. Please note that in FY 2014-15 AHB was part of CARAB.

The Enforcement Branch has limited direct charges for Proposition 103.

The Communications and Press Relations Branch has limited direct charges for Proposition 103.

The Administration and Licensing Services Branch has two Division's that perform Proposition 103 related activities: Information Technology and Financial Management, which includes Accounting Services, Business Management, and Budget and Revenue Management. The time and related costs of these bureaus/units are not directly charged to specific program activities; however, they are allocated as part of department-wide service costs.

Department-wide service costs also include the Department's share of statewide support services, rent, communications, and other operating expenses not directly assigned. To the extent practical, operating expenses that can be identified as Proposition 103 are directly assigned to the Proposition 103 program costs. Remaining costs that cannot be directly assigned are allocated and distributed to all departmental program activities including Proposition 103, examinations, fraud, and other regulatory activities by the California State Accounting and Reporting System.