



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT



Employment First State for Individuals with Disabilities

ROY COOPER
GOVERNOR

KRISTIN WALKER
STATE BUDGET DIRECTOR

March 20, 2024

TO: Joint Legislative Commission on Governmental Operations

FROM: Kristin Walker *Kristin Walker*
State Budget Director

SUBJECT: Deviation Requests from the NC Department of Insurance

Pursuant to G.S. 143C-6-4 (b1) prior consultation with Governmental Operations is required when the over expenditure would cause a department's total requirements for a fund to exceed the department's certified budget for a fiscal year for that fund by more than three percent (3%) prior to authorizing the over expenditures.

The Department of Insurance (DOI) is requesting to deviate in its Insurance-Trust-Internal Service (budget code 63903) in order budget receipts and an associated over expenditure for a legal settlement that has been paid.

The deviation request is outlined below:

- **Budget Code 63903** – Request to utilize over-realized receipts to budget for over expenditures in account 52919000 in the amount of \$2,000,000. This request is to budget \$2,000,000 received from Ambridge (excess liability insurer) pursuant to a legal settlement (Love vs Town of Kill Devil Hills) to be paid to plaintiffs.

Please see the attached Deviation Exception Request Form for more details.

If you have questions or concerns, please contact DOI Budget Manager, Tanya Oginski, tanya.oginski@ncdoi.gov or OSBM budget analyst, Alice Saunders, Alice.Saunders@osbm.nc.gov.

REQUEST TO DEVIATE UNDER G.S. 143C-6-4(b)(3)(b1):

(b1) Prior consultation with Governmental Operations is required when the overexpenditure would cause a department's total requirements for a fund to exceed the department's certified budget for a fiscal year for that fund by more than three percent (3%) prior to authorizing the overexpenditures.

DEPARTMENT: Insurance
FISCAL YEAR: 2023-2024
Date: 12-20-23
Budget Revision #: -

Budget Code	Certified Requirements	3% Deviation Threshold	Amount of the Overexpenditure Request	Amount the Request Exceeds the Deviation Threshold
63903	\$ 35,409,909	\$ 1,062,297	\$ 2,000,000	\$ 937,703
	\$ -	\$ -		\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -
Fund Type Total	\$ 35,409,909	\$ 1,062,297	\$ 2,000,000.00	\$ 937,703

JUSTIFICATION FOR REQUEST:

The Department of Insurance submitted budget revision 12-0003 in budget code 63903 to budget a legal settlement. This budget revision was submitted per General Statute, G.S. 58-31-10 (a) (b); G.S. 143C-6-4 (b1), that requires agencies to submit a budget revision to alleviate any deviations exceeding the certified budget for a fiscal year.