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Commerce

http://www.gov.mn/commerce/ **Agency Profile**

Mission:

Protecting the public interest through effective, consistent regulation, proactive consumer outreach, and supporting a vibrant and competitive marketplace.

Statewide Outcome(s):

Commerce supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

Sustainable options to safely move people, goods, services and information.

Context:

The Minnesota Department of Commerce serves the public interest, consumers, and businesses by ensuring secure, stable and reliable markets in over twenty industries. Commerce seeks to strike a balance by protecting consumer rights while ensuring a competitive marketplace for business in Minnesota. As such, Commerce works with regulated entities, the public, the Legislature, other state agencies and the Governor. Commerce's budget consists of approximately 63 percent federal funds, 27 percent special revenue funds and 10 percent general fund. Financial Institutions, Insurance, Telecommunications and TAM, and Energy Resources assess and recover their operating costs from regulated entities.

Strategies:

The Minnesota Department of Commerce uses the following strategies to achieve success:

- Investigating and resolving consumer complaints
- Safeguarding consumers' rights and investments
- Regulating and licensing business activity to ensure compliance, responsible business conduct, and a fair and consistent regulatory environment
- Advocating for the public interest before public bodies
- Expanding economic opportunity while working to improve our quality of life and environment

The specific business units employ the following strategies to achieve success:

Financial Institutions Division:

- Licenses, examines and regulates credit unions, state chartered banks, mortgage companies, finance companies and other financial institutions to ensure that they remain safe and financially solvent.

Insurance Division:

- Licenses, examines and regulates insurance companies and other financial institutions to ensure that they remain safe and financially solvent.

Administration:

- Manages day-to-day operations, manages financial and human resources operations.
- Provides unclaimed property services to the people of Minnesota.
- Provides information management services and technical support to the department.
- Licenses businesses and individuals according to Minnesota statutes.

Enforcement Division:

- Enforces compliance and responsible business conduct across a broad range of licensed occupations, including insurance agents, stock and investment brokers, and realtors.
- Registers securities sold in Minnesota.
- Investigates insurance fraud in Minnesota

Division of Energy Resources:

- Advocates on behalf of consumers and ratepayers in proceedings relating to regulated electric and gas utilities.
- Promotes energy-efficient building, conservation, alternative transportation fuels, and modern energy technologies.
- Oversees conservation improvement programs operated by public, municipal and cooperative utilities.
- Administers the Low Income Home Energy Assistance Program and the Weatherization Assistance Program.

Telecommunications Division:

- Advocates on behalf of consumers and ratepayers in proceedings relating to regulated telecommunications and utilities.
- Promotes competition among telecommunications companies in Minnesota.

Weights and Measures Division:

- Ensures accuracy in all commercial transactions based on weight or measure.
- Ensures consistent quality of petroleum products.
- Provides precision mass, temperature, density and volume measurement services to businesses.

Petrofund:

- Reimburses petroleum storage tank owners and operators for the cost of investigating and cleaning up petroleum tank releases.
- Contracts to remove abandoned underground petroleum storage tanks across Minnesota.

Measuring Success:

Commerce continues to work through the economic recovery to ensure stable financial institutions, opportunities for economic growth, and protection for consumers. Commerce will make every effort to provide a state regulatory environment to aide in the economic recovery and provide the foundation for strong growth in the future.

Commerce
Financial Institutions
http://mn.gov/commerce/banking-and-finance/

Statewide Outcome(s):

The Department of Commerce, Financial Institutions Division of the Department of Commerce supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Context:

The Financial Institutions Division licenses and regulates financial institutions and other entities that provide financial products and services. The Financial Institution licenses and regulates state-chartered banks, trust companies, credit unions, certificate investment companies, thrift companies, consumer credit companies, and debt management and debt settlement companies through licensure and on-site examinations. On-site examinations focus on various financial factors including loan portfolios and overall asset quality.

Oversight also includes ongoing monitoring of quarterly financial reports. The Division also licenses and examiners mortgage companies that operate in Minnesota. The Division serves all Minnesota consumers and businesses that rely on regulated business for financial products and services. The objectives include assuring a competitive market for a broad range of financial services, mitigating and resolving institution failures with minimal financial losses to citizens.

Strategies:

The Financial Institutions Division employs the following strategies to achieve success:

- Licenses and conducts on-site examination at all state-chartered banks, trust companies, credit unions and certificate investment companies on a 12 to 18 month cycle.
- Licenses and examines consumer credit companies with a focus on consumer compliance issues.
- Participates in the National Mortgage Licensing System (NMLS), which screens and licenses natural persons who engage in mortgage origination. Additionally, Financial Institutions conducts on-site mortgage company examinations.
- Conducts examinations jointly and shares findings with the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank, and the National Credit Union Administration (NCUA).
- Licenses currency exchanges, payday lenders, money transmitters and debt management service providers.

Results:

Results are monitored by the following measures:

- Monitor the financial health of Minnesota's state banks, credit unions, trust companies, mortgage companies, and the nation's only certificate investment company.
- Initiate timely corrective actions where appropriate.
- Stay current with the statutory schedule for examinations of banks, credit unions, finance and mortgage companies.
- Act on various licensing and activities applications for the supervised enterprises in a timely manner and according to statutory requirements.
- Maintain the accreditation (peer review quality control) with the Conference of State Bank Supervisors;
- Assist the legislature to update statutes and regulations as needed.
- Minimize the impact upon Minnesotans by adequate and timely intervention in the case of financial institution failures.

Performance Measures	Previous	Current	Trend
Complete financial examinations for state-chartered banks and credit unions within the 12-18 month time frame[1]	100%	100%	Stable
The division has implemented written corrective programs for all identified problem banks[2]	111	90	Improving
Complete financial examinations for other licensees within a 24 month time frame[3]	30%	40%	Stable
Complete company licensing applications and corporate amendment applications on a timely basis	60 days	60 days	Stable
Troubled company market disruptions[4]	15	3	Improving
Problem bank monitoring[5]	111	90	Improving

Performance Measures Notes:

1. Monitored quarterly.
2. Monitored quarterly
3. Monitored quarterly. The mortgage company examination program was implemented in 2008 and the division has not completed a full examination cycle. Examinations for other licensees are current with the statutory cycle.
4. The state experienced 20 bank failures in the period 2008 through year-to-date 6/30/2012 (14 state-chartered). In 2012 the number of financial institution failures declined to 3 (one state-chartered). Seventeen of the failures were resolved by merger, with no financial loss to depositors and minimal inconvenience. A thrift institution failure in 2012 was resolved via payout of insured deposits. No apparent losses to Minnesota consumers.
5. The severe economic downturn beginning in 2007 resulted in 20 financial institution failures in Minnesota. The year-end watch list for troubled banks in Minnesota was at 51 for 2008, 91 for 2009, 111 for 2010, 104 for 2011 and 90 year to date 6/30/2012. Seventy-one Minnesota banks reported negative net income at year end 2010 and the number dropped to 46 at year end 2011. Recent reports indicate generally better financial performance in 2012.

Commerce
Petroleum Tank Release Cleanup Fund (Petrofund)

http://www.mn.gov/commerce/topics/Petrofund/

Statewide Outcome(s):

The Department of Commerce, Petrofund supports the following statewide outcome(s).

A clean, healthy environment with sustainable uses of natural resources.

Context:

The Petrofund provides financial assistance to owners and operators of petroleum storage tanks', owners of properties where a release has occurred from a petroleum storage tank that once existed on the property; and anyone else who has been requested or ordered by the Minnesota Pollution Control Agency (MPCA) to investigate and clean up contamination from leaking petroleum storage tanks. In this capacity, the program serves as the federally-mandated financial assurance mechanism for tank owners in the state to cover these types of costs, as well as certain third-party liability claims.

The Petrofund program is completely funded by an appropriation from the Petrofund, which derives its revenue from a fee on petroleum products paid by the first licensed distributors receiving the products in Minnesota. The fee is imposed at a rate of $20 per 1,000 gallons of product, rounded to the nearest 1,000 gallons, but is typically referred to as a $.02 per gallon fee. The fee is collected only when the unencumbered balance of the Petrofund falls below $4 million and only after imposition of the fee has been authorized by the Petrofund Board. After four months, the fee automatically turns off. Revenue is also received from investment earnings on the fund balance. Fees collected in FY 2012 totaled $27.6 million.

Strategies:

The Petrofund performs the following activities:

- Reimburses eligible applicants for a significant portion of their costs to investigate and clean up contamination from leaking petroleum storage tanks in the most cost-effective manner possible.
- Utilizes private Minnesota contractors to remove abandoned underground petroleum storage tanks.
- Passes through funds to the MPCA for administration of the Petroleum Remediation, the Underground Storage Tank, and the Emergency Response Programs, and to pay for state-financed investigation and cleanup projects where no viable responsible person exists.
- Approves the use of funds by DEED for the administration of the Contamination Cleanup and Investigation Grant Program.

By providing funding to help pay for what are often expensive investigation and cleanup projects, and by removing old, abandoned petroleum storage tanks, the Petrofund protects the health and safety of the citizens of Minnesota from the harmful effects of petroleum contamination in the state's soil and water.

Results:

The key goal of the Petrofund program is to provide timely financial assistance to those who are cleaning up contaminated soil and water from leaking petroleum storage tanks, with the ultimate goal of protecting the public health and welfare and the environment. The principal measure of whether or not this goal is being met is found in Minnesota Statute §115C.09, which provides that initial applications be reviewed within 60 days of receipt and supplemental applications be reviewed within 120 days of receipt. The status of the application is assessed weekly by the Petrofund Director and reported to the Petrofund Board at their bi-monthly meetings. The Petrofund staff is currently reviewing applications within the 60-day and 120-day deadlines, as noted in the table below.

Another measure of the Petrofund's efforts to protect the health of safety of Minnesotans is the number of abandoned underground petroleum storage tanks that have been removed by the program, thereby eliminating potential and existing sources of contamination that would otherwise go unaddressed. The Petrofund tracks a wide array of tank removal data including the number of tanks removed, the amount of petroleum product/sludge/contaminated water removed from the tanks, the number of petroleum releases reported to the

MPCA, and project cost information. Although the number of tanks removed in Fiscal Year 2012 was slightly lower than in Fiscal Year 2011, the program removed all eligible tanks identified in the past fiscal year.

Performance Measures	Previous	Current	Trend
Review of reimbursement applications within 60- and 120-day statutory deadlines [1]	Initial: 75 days Supplemental: 143 days	Initial: 25 days Supplemental: 21 days	Improving
Removal of abandoned underground petroleum storage tanks [2]	58 tanks 43 sites	42 tanks 28 sites	Stable
Applications for Reimbursement Received [3]	807	442	Declining
Claims for which reimbursement was approved [4]	1090 claims/ $11 million	581 claims/ $8 million	Stable

Performance Measures Notes:

1. The application review data compares the 'application backlog' as of August 28, 2011 (previous) and August 26, 2012 (current). The 'application backlog' is mainly driven by the number of reimbursement applications received.
2. The abandoned tank removal data compares the number of tanks removed in Fiscal Year 2011 to the number removed in Fiscal Year 2012. The number of tanks removed is contingent on the number of applications received and the staff resources available to manage the tank removal projects.
3. The number of applications received by the Petrofund is generally influenced by two factors: the number of new releases reported each year; and the number of older, historical cleanup projects under way at any given time. Over the past five years, the number of new releases reported to the MPCA, as well as the number of applications tied to those new releases, has remained relatively constant. As older, historical releases have been dealt with, however, the Petrofund has begun to receive fewer and fewer applications related to those projects.
4. This represents a range of claims approved in 2008 versus claims approved in 2012.

Commerce
Administrative Services
http://www.commerce.state.mn

Statewide Outcome(s):

Administrative Services supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

A clean, healthy environment with sustainable uses of natural resources.

Context:

Administrative Services seeks to provide a licensing and complaint resolution process that is citizen-focused and easy to navigate. The Unclaimed Property unit strives to reunite citizens with their abandoned property. Lastly, the division provides consistent support services across all department work units.

Administrative Services has a large customer base inside and outside of Commerce. The licensing, consumer protection, and central management functions interface with a large number of citizens on a daily basis. Many of the Administrative Services functions are focused on programs in other work units within Commerce.

These activities are funded through general fund appropriations and special revenue funds.

Strategies:

Administrative Services' performs the following activities:

- Coordinates the issuance and renewal of licenses of professionals primarily in insurance, real estate, and collection agencies.
- Responds to consumer complaints to resolve problems with regulated businesses or individuals or to determine whether such businesses or individuals have violated laws.
- Serves owners of abandoned property collected by the state from financial institutions, former employers, retailers, and other businesses.
- This function coordinates support activities to facilitate the operations of the department's main programs. These functions include day-to-day financial management, data processing, budget development and implementation, payroll, human resources, and facilities management.

Licensing, Consumer Protection & Education, and Unclaimed Property work with a large number of licensed professionals and regulated entities together with other department units and other state agencies. Program staff work to incorporate these perspectives into a robust regulatory scheme that protects citizens but also promotes economic growth.

Results:

There is a wide variety of duties that occur in Administrative Services and in many cases processing information and providing the results to the right people at the right time is the key to success. Many of the functions in Administrative Services are support services for other areas of Commerce. If the other business units are able to meet their goals, this is a good indication of success for Administrative Services.

Performance Measures	Previous	Current	Trend
Process invoices within 30 days[1]	98.12%	80.17%	Worsening
Wait times for phone assistance in the Licensing Unit[2]	20 min	10 min	Improving
Missed calls for Licensing Unit[2]	15 per day	5 per day	Improving
Unclaimed Property claims paid[2]	6,377	7,197	Stable
Unanswered calls in the Unclaimed Property Unit[2]	5.4%	6.1%	Worsening

Performance Measures	Previous	Current	Trend
Unclaimed Property fund collected[2]	$56.9M	$61.5M	Improving

Performance Measures Notes:

1. The previous column indicates FY2011 in MAPS and the current column indicates FY2012 in SWIFT. The last three months of FY2012 indicate a trend of almost 95% paid within 30 days.
2. Information is FY2011 vs. FY2012.

Commerce
Enforcement

http://mn.gov/commerce/consumer-protection

Statewide Outcome(s):

Enforcement supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

People in Minnesota are safe.

Context:

Enforcement serves the Commissioner, the Governor, the Legislature and the public. Enforcement's regulates over 200,000 natural persons and business entities including insurance companies, insurance producers, , third party administrators, adjusters, loan originators, loan servicers, notaries, real estate sales representatives, real estate brokers, appraisers, payday lenders, securities broker-dealers, sales representatives, investment advisors, debt collection agencies, debt collectors, currency exchanges, money transmitters, subdivided land sales (time shares), franchisors and others subject to the laws under Commerce's jurisdiction. The Insurance Fraud unit actively investigates criminal insurance fraud matters.

The priorities of Enforcement are:

- Conduct investigations and examinations to determine whether any law under the Department's jurisdiction has been violated, while providing due process during the resolution of any violations.
- Work to eliminate financial fraud, other criminal abuse and illegal conduct on the part of regulated entities.
- Promote and encourage a fair and competitive marketplace, fair business practices and accountability.

Strategies:

The Enforcement Division employs the following strategies, among others, to achieve success:

- Actively investigate complaints of unlawful activity perpetrated against persons or entities subject to the Department's jurisdiction.
- Evaluate market data and other relevant information to anticipate regulatory issues and establish enforcement goals.
- Research and evaluate regulated businesses, and investigate activities as appropriate.
- Review referrals of suspected insurance fraud submitted by insurers
- Register and examine investment advisors
- Consumer and industry education and outreach

Results:

The Enforcement Division measures success by ensuring a consistent and fair regulatory environment in Minnesota for consumers and businesses. This includes conducting and executing investigations and, when appropriate, levying a civil penalty. Additionally, success is also measured by education and outreach efforts for both consumers and regulated entities.

Performance Measures	Previous	Current	Trend
Enforcement			
Civil Actions	311	280	Stable
Civil Penalties[1]	$ 3,800,000	$ 6,300,00	Stable
Insurance Fraud			
Reports of Suspected Insurance Fraud	1,356	1,350	Stable

Performance Measures	Previous	Current	Trend
Cases Submitted for Prosecution	102	100	Stable
Securities			
Registrations of Broker Dealers, Agents, Investment Advisors, and Franchises and Timeshares	18,096	1,8016	Stable
Examinations	0	20	Improving
Investor Education/Outreach Activities	2	6	Improving
Complaint Investigation, Referral or File Closing	17	55	Improving

Performance Measures Notes:

1. Civil penalties are within multiple year averages and are dependent upon the timing of when any large case is resolved. FY 2012 involved the focus on certain larger civil and criminal cases.

Commerce
Telecommunications
http://mn.gov/commerce/topics/telecom/

Statewide Outcome(s):

The Department of Commerce, Telecommunications Division supports the following statewide outcome(s).

Sustainable options to safely move people, goods, services and information.

Context:

The Telecommunications Division serves the public as a state regulator of the telecommunications industry. The Division conducts thorough and detailed review of filings made with the PUC by telecommunications companies in compliance with state statutes, PUC orders and state and federal regulations and makes recommendations for PUC action. Telecommunications provides staff and administrative support for the Governor's Broadband Task Force and for the TAM, Minnesota Relay and TED programs. It Investigates complaints from the public, local governments and telecommunications companies about illegal, unfair or anti-competitive practices and takes action to enforce state and federal statutes and regulations.

Most functions of the Division are fully assessed to and paid by the telecommunications providers who make use of the Division's services. Telecommunications carriers are assessed all direct and indirect costs based on their gross Minnesota jurisdictional revenues. TAM programs are funded by a surcharge on all wired and wireless telephone access lines in Minnesota that are paid into an interest-bearing, dedicated special revenue account.

Strategies:

The Telecommunications Division employs the following strategies to achieve success:

- Promotes the development and maintenance of a state-wide telecommunications network that is affordable and of high-quality. This includes reviewing and evaluating matters that come before the PUC and making recommendations for PUC action.
- Enforces Minnesota statutes and rules and orders of the PUC and the Federal Communications Commission (FCC).
- Investigates complaints about service quality, prices, anti-competitive behavior and other matters affecting the public's ability to obtain efficient and reliable telecommunications services.
- Administers the Telecommunications Access Minnesota (TAM) Fund, the Minnesota Relay and Telephone Equipment Distribution (TED) Program to ensure equal access to telecommunications services for persons with a hearing, speech or physical disability.
- Houses the Broadband Development Office and staffs the Governor's Task Force on Broadband.

Results:

The Division measures success by the extent to which all Minnesota citizens have access to high-quality affordable telecommunications services, including high-speed broadband services, and by the ability of the Division to carry out its statutory duties to the PUC and the legislature. The impact of the Division's activities is reflected in the fact that 99.9% of all residents in the state have telecommunications services available, including reliable and vital 911 services. This includes those Minnesotans with hearing, speech and physical disabilities. The Division has implemented and enforced state and federal statutes and rules in a consistent and thorough manner and has done so in a way that is efficient and fair to all parties.

Performance Measures	Previous	Current	Trend
Telecommunications penetration for Minnesota citizens	99.9%	99.9%	Stable
Internet penetration for Minnesota citizens	99.2%	99.9%	Improving
Broadband Availability at State speed goals[1]	57%	60%	Improving
Number of PUC cases opened[2]	894	925 (est. for 2012)	Stable

Performance Measures Notes:

1. State broadband speed goals are 10 to 20 megabits per second upload and 5 to 10 download. M.S. § 237.012.
2. Number of cases opened in 2010 was 914.

Commerce
Energy Resources
http://www.mn.gov/commerce/energy

Statewide Outcome(s):

The Department of Commerce, Division of Energy Resources (DER) supports the following statewide outcome(s).

Strong and stable families and communities.

A clean, healthy environment with sustainable uses of natural resources.

Context:

DER provides energy-related services to the citizens of the State by advocating on behalf of the public interest in regulated utility matters, administering Minnesota's Low-Income Heating Assistance (LIHEAP) and Weatherization Assistance Programs (WAP), assisting viable new energy technologies to enter the commercial market, overseeing utilities' Conservation Improvement Programs, assisting the Public Utilities Commission with siting and permitting large energy facilities, and distributing information to individual energy users on actions they can take to reduce energy usage.

DER's activities are funded through federal block and formula grants, and General Fund dollars that are then assessed back to Minnesota utilities.

Strategies:

DER's strategies to accomplish its goals include the following:

- Ensure energy service is reliable and wholesale power is reasonably priced through continued collaboration with utilities, the Public Utilities Commission, and federal and regional transmission participants while updating means to increase deployment of new energy platforms.
- Pursue public-private partnerships with capital markets participants to deploy new clean energy technologies and bring new venture capital opportunities for Minnesota's businesses.
- Continue to work with utilities to meet Conservation Improvement Program (CIP) goals while expanding work in making all public buildings more energy efficient.
- Develop additional programs to encourage increased biofuel use, solar installations and supporting the extension of the wind production tax incentive while ensuring that utilities continue to meet Renewable Energy Standard (RES) goals.
- Work with Minnesota's Congressional delegation to ensure continued federal support of all low-income energy programs.
- Administer LIHEAP and the WAP programs effectively and efficiently.

Results:

DER's work encompasses many facets of energy, but there are performance measures that can be tracked for each of the strategies that will reflect the success of a strategy.

Performance Measures	Previous	Current	Trend
Increase number of customers employing net metering	670	979	Improving
Increase the number of clean energy businesses assisted	5	12	Improving
Continue to meet or surpass energy savings goals in CIP (Natural Gas/Electric percentages	0.6%/1.1%	0.9%/1.5%	Improving
Continue to meet or surpass RES goals	1% goal met	7%/15% met	Stable
Number of households served by low-income programs	175,352	166,235	Stable

Performance Measures Notes:

1. Net metering information from annual Qualifying Facilities Report, E999/PR-11-09. 2010 numbers were increased some by improved reporting but mostly due to acceleration in the solar market.
2. Energy savings through CIP are reported annually by utilities to DER. The percentages given are for Natural Gas/Electric.
3. Minn. Stat. § 216B.1691 requires utilities subject to the RES to generate or procure renewable energy sufficient to meet certain percentages of the electric utility's annual sales to Minnesota customers. Confirmation of the utilities' compliance with the 2010 standard (current) can be found in Docket No. E999/PR-11-189.
4. The low-income programs performance measure combines households served by either Low-Income Heating Assistance Program (LIHEAP) and Energy Assistance Program Weatherization (EAPWX) and Department of Energy (DOE)-funded weatherization programs. Service level is highly dependent on federal appropriations which can vary a great deal from year to year. It should be noted that federal standards allow up to 10% of an allocation for administrative costs. 8% of that is provided to local service providers for their administrative services. Up to 2% of the 10% is allowed for the state's administrative costs. Minnesota's administrative costs have typically been 1%-1.5%.
5. Weatherization assistance was supplemented by federal ARRA stimulus dollars. From 2009 to date, an additional 19,592 households received weatherization assistance with ARRA funding.

Commerce
Weights & Measures Division
http://mn.gov/commerce/weights-and-measures

Statewide Outcome(s):

The Minnesota Department of Commerce Weights & Measures Division supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Context:

The Weights and Measures Division's mission is to protect Minnesota's free enterprise markets by promoting and ensuring equity, accuracy, and quality, and by providing precision physical measurement services. Weights and Measures serves businesses and individuals in need of International Organization for Standardization (ISO) accredited calibration services to enable them to provide materials or services to other businesses in the United States, and throughout the world, and to enable them to compete in European Union nations. Additionally, Weights and Measures serves Minnesota citizens and businesses that buy or sell goods or services based on a measured quantity, like gasoline or food. Lastly, Weights and Measures ensures the integrity and quality of fuel that Minnesota citizens and businesses use.

Weights and Measures' performs the following activities:

- Ensures the accuracy of commercial weighing and measuring devices in use in Minnesota
- Protects the integrity of standards of mass, length, volume, temperature, and density used in both commercial transactions and manufacturing.
- Ensures the accuracy of commercial weighing and measuring devices in use in Minnesota
- Safeguards the quality of gasoline, diesel fuel, heating fuel, and other fuel products for sale in the state including the enforcement of biofuel mandates.
- Ensures the competence and performance of service persons registered to install and repair weighing and measuring equipment, and of licensed private LPG inspectors.

The Department of Revenue collects $0.81 petroleum inspection fee for every 1,000 gallons of petroleum products received in Minnesota and transfers it to the Weights & Measures Division to fund program operations. Cost to the taxpayers is reduced by returning fees from scale inspections, package checking, metrology and petroleum lab services to the General Fund. ($1,104,781 in FY 2012).

Strategies:

The Weights & Measures Division provides four distinct services:

- Enforce Minnesota's weights and measures statutes to ensure the accuracy of gas pumps, meters used at the terminals, refineries and airports, grocery scales, prepackaged commodities, livestock scales, railway track scales, grain and fertilizer scales, precious metals scales, and a broad range of other commercial weighing and measuring devices.
- Promote accuracy in basic physical measurement by maintaining the state standards for mass, length, volume, temperature, and density; and by offering precision calibration services to Minnesota businesses and individuals.
- Ensure fuel quality through routine sampling, complaint investigation, and testing for licensed distributers, and enforce statutory biofuel mandates.
- Test the competency and performance of registered service technicians and private LPG inspectors who install and repair commercial weighing and measuring devices in Minnesota.

The Weights & Measures Division encourages business growth and employment opportunities by:

- Providing ISO accredited calibration services to Minnesota manufacturers and other businesses which require those services to participate in international trade or to meet precision manufacturing standards;

- Promoting an equitable marketplace where both consumers and venders can be assured of getting a full measure in their commercial transactions;
- Ensuring quality fuel to keep Minnesotans' homes and businesses powered and heated and their vehicles on the road while helping the state to meet its petroleum replacement and energy independence goals;
- Facilitating the registration and certification of competent service agents to install, and repair weighing and measuring devices throughout the state.
- The Division partners with other state agencies such as the Pollution Control Agency Tank Enforcement Division, the Department of Revenue Petroleum Division, and the Department of Agriculture (in a consulting role on the Biodiesel Task Force, and the advisory group to the NextGen Energy Board). In addition the Division participates in national and international standard setting organizations such as the National Conference on Weights & Measures (NCWM), ASTM International (fuel subcommittees), and the National Conference of Standards Laboratories International (NCSLI).

Results:

Effectiveness can be judged by impact on the market place.

Performance Measures	Previous	Current	Trend
Number of devices, lab tests, audits, and package lots checked	78,545	73,330	Decreasing
Percent of devices, fuels, tanks, and package lots approved as found	88.8%	88.2%	Stable
Percent of devices, fuels, tanks, and package lots rejected and removed from marketplace	3.4%	3.9%	Stable
Percent of devices, fuels, tanks, and package lots corrected because of W&M Inspections	7.8%	7.9%	Improving

Performance Measures Notes:

Previous indicates ‘FY 2011’ and ‘Current’ indicates ‘FY 2012.’

Commerce
Insurance Division
http://mn.gov/commerce/insurance/

Statewide Outcome(s):

The Insurance Division of the Department of Commerce supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Context:

The Department of Commerce, Insurance Division evaluates insurance policies and rates to ensure fairness in rates and compliance with Minnesota statutes, and, licenses, examines and regulates insurance companies to ensure they are safe and financially solvent now and in the future. The primary customers for the Insurance Division are all the Minnesota businesses and citizens that rely on insurance companies for financial products and services, the Minnesota Insurance Industry, other state insurance regulators, the legislature, and other state agencies.

The Insurance Division is partially funded through the general fund and partially through the insurance examination revolving fund. Revenues generated from the activity consist of examination fees, desk analysis fees, registration and filing fees, and transaction fees.

Strategies:

The work of the Insurance Division can be divided into the following broad categories:

- Calculate and verify the adequacy of insurance company reserves, manage insurance programs within Minnesota, oversee public companies, and ensure compliance with state statutes
- Evaluate information and develop a financial profile of both domestic and foreign insurance companies doing business in Minnesota based on statutorily required financial reports submitted by the companies and authorize requests for reportable transactions by domestic insurers
- Conduct on-site examinations of Minnesota domiciled insurers once every five years during which examiners review insurance company books and records at the company headquarters, conduct a risk focused examination, make recommendations, and draft and file examination reports
- Review insurance company applications for insurers wishing to be admitted to the state and/or wishing to write additional lines of business and approves or denies those applications
- Review insurance form and rate submissions to ensure compliance with Minnesota statutes, and that rates are fair, non-discriminatory, equitable, and adequate.
- Review the financial condition of companies that self-insure.

Each of these functions contributes to a thriving economy that encourages business growth and employment opportunities by ensuring Minnesota businesses and citizens that rely on insurance products and services find a strong, fair and competitive insurance marketplace available to them that protects consumers and experiences minimal failures, interruptions and inconveniences.

Results:

Results are monitored by the following measures:

- Quarterly monitoring of domestic insurers with appropriate action taken on a timely basis;
- Each financial examination includes a Supervisory Plan that is carefully monitored between examinations for improvement and compliance;
- Speed to Market of insurer filings are tracked to ensure efficient product innovation times;
- New and revised applications for admittance into the Minnesota insurance marketplace are tracked:
- Continual training and staff development to ensure staff remains knowledgeable regarding market changes, developing issues and trends;
- Availability for the legislature to update statutes and regulations as needed;
- Minimize the impact for Minnesotans by adequate and timely intervention in the case of insolvencies.

Performance Measures	Previous	Current	Trend
Complete financial analysis as required by NAIC on timely basis[1]	100%	100%	Stable
Complete all financial examinations within 18 month timeframe[2]	100%	100%	Stable
Review company applications and corporate amendments on a timely basis[3]	60 days	60 days	Stable
Troubled company market disruptions[4]	1	2	Stable
Speed to Market			
Property and Casualty Product Filings[5]	33 days	39 days	Worsening
Life and Health Product Filings[5]	62 days	67 days	Worsening

Performance Measures Notes:

1. Based on comparison of data between last two NAIC Accreditation Reviews regarding financial analysis function.
2. Based on comparison between last two NAIC Accreditation Reviews regarding financial examination function.
3. Based on data monitored within the licensing division.
4. Based on comparison of number of troubled companies at year-end 2011 versus current number.
5. Based on NAIC Speed to Market Report generated with SERFF (timing turnaround goal nationally of 40 or less days).