

Although DCS is the mandated agency to investigate abuse and neglect allegations and to provide for children who can't reside with their families, we cannot do this alone. Children don't exist in isolation. They exist within families, and families exist in your communities. We need the partnerships of local schools, universities and colleges, private agencies, law enforcement, judges, community leaders, and everyday citizens to help keep children safe and assure every child has a permanent home with loving adults.

DCS, and particularly our case managers, need the help and support of their communities. Every day they go into harm's way with no badges, no guns, and no uniforms in order to protect Tennessee's children. They are often required to diffuse hostile situations, calm the

fears of a child, and make major decisions that could greatly affect a family, all within a short period of time. For these reasons, they need to be respected for their dedication and commitment to making a difference in a child's life.

I made a promise to the governor and to the legislators to make this agency accountable, efficient, and effective with improved outcomes for families, and I intend to keep my word. The staff at DCS desperately wants to restore credibility and professionalism to this agency, and they have conveyed to me their vision is to have a first-class public child welfare agency in Tennessee. With effective leadership and community partnership, this goal can, one day, be achieved. When that happens, the children and families of Tennessee will be the real winners. Our children are our only hope for the future. ■

# TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE



by Commissioner Paula Flowers

**T**he Department of Commerce and Insurance (C&I) protects the interests of consumers while providing fair, efficient oversight and a level field of competition for a broad array of industries and professionals doing business in Tennessee.

That's another way of saying that we do a lot of things for a lot of people—from assisting in emergency services and fire protection to regulating insurance, business, and securities.

C&I consists of seven separate divisions: Consumer Affairs, Insurance, Fire Prevention, 911 Emergency Communications, Regulatory Boards, TennCare Oversight, and Securities. We have approximately 630 full-time employ-

ees on staff and an annual budget of around \$82 million.

The *Division of Insurance* regulates 1,600 insurance companies and more than 97,000 agents that contribute more than \$14 billion dollars to the state's economy. But we've also been charged with making sure Tennessee's insurance market is healthy.

The division reviews life, health, and credit life insurance policy form changes annually and approves changes in those policies. It also examines life insurance companies to make sure they have enough money in reserve to pay

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claims. The section also reviews property and casualty rates to assure that they are “fair, reasonable, adequate, and not unfairly discriminatory” as required by law.

Through our Consumer Insurance Services section, we intercede in insurance-related disputes, work to educate the public on insurance issues, offer disaster assistance, and make referrals to other state and federal agencies when appropriate.

The section’s primary responsibility is the investigation and mediation of insurance claims and other insurance-related disputes as a third-party mediator. Its investigators must determine if an insurance company or agent has acted in accordance with accepted business principles reflecting good-faith actions and is acting in accordance with Tennessee laws, rules, and regulations.

We also review the financial status, market conduct, and legal compliance of captives; HMOs; risk retention groups; and life, property and casualty, and title companies.

The *Tennessee Emergency Communications Board* exists to help build and maintain the infrastructure of the “basic 911” service and “enhanced” or “E-911” service statewide. The nine-member board is an independent, quasi-regulatory, and financial-support organization that provides financial oversight of the state’s emergency communications districts.

The board is funded by the monthly \$1 fee imposed on all cellular telecommunications consumers. The board’s revenue is about \$30 million annually. Basic 911 service is primarily funded through fees assessed on local telephone service. The board does not collect fees for basic 911 service.

The *Division of Consumer Affairs*, founded in 1977, enforces the state Consumer Protection Act and assists consumers and businesses affected by unfair business practices. We mediate or otherwise resolve more than 6,000 consumer complaints per year.

I firmly believe the best consumer protection results from consumer education: an informed, savvy consumer can do more to combat unfair business practices than we ever could.

The division mediated 4,621 written complaints, responded to 8,358 general inquiries, referred 1,162 consumers to other state or federal government offices, and provided educational advice to 2,736 other consumers in 2003. Consumer Affairs helped return \$469,935 in cash and merchandise to consumers. It also investigates and makes referrals to the attorney general’s office.

The *Securities Division* regulates brokers, dealers, agents, and investment advisors; works to educate consumers and investors; and investigates fraud. For calendar year 2003, there were 18,723 equity, debt, exemption, and mutual fund registrations.

The Broker-Dealer, Agent, and Investment Advisor section maintains the records on everyone who is authorized to sell securities and provide investment advice in Tennessee.

The Securities Registration section is responsible for the regulation of securities (equity, debt, and mutual funds) being offered and sold to the public. When this section approves an application, it does not guarantee a financial return or investment strategy; it just means that certain minimal financial and informational requirements are met.

The Enforcement section investigates investor complaints and can initiate administrative or civil action against violators. It also refers cases to the attorney general’s office for potential criminal prosecution.

The *TennCare Oversight Division* monitors the financial condition and timely payment practices of the health maintenance organizations (HMOs) and behavioral health organizations (BHOs) that participate in TennCare.

The division’s duty is to make sure TennCare HMOs and BHOs conform to the requirements of state and federal law, NAIC (National Association of Insurance Commissioners) Statutory Accounting principles, the TennCare waiver, and the TennCare contracts.

The *Division of Fire Prevention* includes the state’s building and safety codes enforcement operations, arson and explosives investigations, and the new Fire Service and Codes Enforcement Academy.

Along with being the commissioner for the Department of Commerce and Insurance, I am also the state fire marshal.

This division provides fire prevention education, analysis of fire loss statistics, and fire building inspector certifications along with the licensure of fireworks, extinguishers, blasting, and sprinkler systems.

Our Bomb and Arson section is a highly specialized law enforcement unit that investigates arson crimes or criminal misuse of explosives. Our Bomb and Arson agents work with federal, state, and local agencies to ensure those who commit crimes are held accountable.

The Codes Enforcement section enforces building and fire codes and reviews architectural plans of public buildings to assure public safety. The Electrical Inspections section ensures that all electrical work in Tennessee is done in a safe manner and that manufactured homes are properly installed and anchored.

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The Fire Service and Codes Enforcement Academy is a state-of-the-art training facility that offers training to firefighters, emergency responders, and codes enforcement officials. The 330-acre academy campus, in Bedford County, is equipped with nine classrooms, a computer lab, a mock courtroom, fire protection and building material labs, fire training props, a 104-bed dormitory, and a 250-seat dining hall.

The *Division of Regulatory Boards* consists of 22 boards and commissions that enforce professional standards of conduct and statutory mandates for industries ranging from architecture and engineering to contracting, cosmetology, boxing, and accounting.

It is the mission of this division to provide a fair, flexible, and positive regulatory environment for consumers and consumer service industries. The division has its own investigative unit.

The *Division of Regulatory Boards* is the largest division within the Department of Commerce and Insurance. Through its 22 boards, there are 100 different types of licenses, and this division regulates more than 264,000 licensees.

As you can see, the Department of Commerce and Insurance is a very diverse department, touching almost every aspect of commercial activity in this state. ■

# TENNESSEE DEPARTMENT OF CORRECTION



by Commissioner Quenton I. White

**W**hen Governor Bredesen asked me to lead the Department of Correction, I felt I had a pretty good idea of the kind of responsibilities I would be assuming. Having served stints as both a prosecutor and defense attorney, I figured those experiences would supplement most of the learning curve and minimize the need for an exhaustive indoctrination into the world of corrections.

Particularly, I thought that running the department would be simple and I had all it took to be effective. Needless to say, after spending time assessing departmental operations, I was awakened and came to fully appreciate the magnitude of the functions of the department and its vast impact in the state. Now, some 17 months later, the impressions of simplicity that I had then have been totally reformed. Nevertheless, the department is poised to be a national leader in many areas.

## Who Are We?

The Tennessee Department of Correction consists of more than 5,000 employees who are assigned to the central office or one of our 15

correctional facilities across the state. Of these facilities, 12 are managed by the state while three are under the private management of Corrections Corporation of America. Sixty-five percent of these employees are correctional officers (not “prison guards”). The department operates annually on a budget of approximately \$500 million.

The current inmate population under supervision is around 19,400. These inmates are housed in one of two female facilities (Tennessee Prison for Women or Mark Luttrell Correctional Complex), a hospital facility for patients needing constant medical supervision (Deberry Special Needs Facility), a death-row facility (Riverbend Maximum Security Institution), and a mixture of other facilities that include classification, boot camp, and time building and prerelease functions for minimum-, medium-, and maximum-security inmates.

The population of some of our prisons is larger than many of the small towns in Tennessee. Therefore, as in a municipality, the costs

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