

MEMORANDUM

State of Alaska
Department of Administration
Division of Personnel

To: Dianne Corso
Director

Date: April 15, 2004

Thru: Lee Powelson
Classification Manager

From: Diane Larocque
Human Resource Specialist

Phone: 465-3837

Fax: 465-2576

Email: Diane_Larocque@admin.state.ak.us

Subject: Business Registration Examiner Study

Introduction

The Department of Community & Economic Development (DCED) requested a study of the Business Registration Examiner (P2320 SR12) job class for the purpose of providing a full review of class specifications and internal alignment, and to create a separate series for the Business Registration Examiners in the Division of Insurance. In addition, the Division of Occupational Licensing and the Department of Public Safety Alcohol Beverage Control Board requested permission to include specific Administrative Clerk III positions in this study.

History

The Insurance Examiner job class (P2320 SR12) was originally created in August 1973. Positions allocated to this job class were located solely within the Department of Commerce. The Insurance Examiners performed technical examinations of insurance companies to determine proper payment of fees and taxes, for admitting insurance companies to the state, and to ensure compliance with laws applicable to their insurance and investment transactions.

In December 1983, the Department of Commerce requested a complete revision of the Insurance Examiner job class. As a result, revisions to title, definition, examples of duties, knowledge, skills and abilities, and minimum qualifications were made for the purpose of expanding the job class. There were no distinguishing characteristics created. These revisions were approved and the newly titled Business Registration Examiner job class (P2320 SR 12) replaced the Insurance Examiners and became effective in January 1984. The intent of these revisions was to broaden the definition to include document examination for licensing companies filing with the State of Alaska to do business as a corporation or securities agents or brokers filing with the state to offer and sell securities.

There have been no other changes or updates made to the Business Registration Examiner (BRE) job class since 1984. All positions allocated to this job class are currently located in DCED (formerly Department of Commerce), in either the Division of Banking, Securities and Corporations or the Division of Insurance. DCED submitted a class study request in March 2002

and the study was initiated in April 2002. Due to changes in Division of Personnel priorities and the Human Resource integration, the study was pended until January 2004 at which time the Division of Personnel resumed the study in full, establishing a target effective date of April 15, 2004.

Scope

The scope of this study included all positions currently allocated to the BRE job class. At the request of supervisors within the Division of Occupational Licensing and the Alcohol Beverage Control Board located in the Department of Public Safety, the study was expanded to include some Administrative Clerk III positions. The supervisors felt these positions were performing work similar to the work of BREs and should be included in this study. One Administrative Clerk II working for the Division of Insurance was also reviewed. The supervisors were reviewed concurrently with the BREs, however this is a separate study (Records and Licensing Supervisor Study) which is scheduled for completion in May 2004.

Contacts

Information regarding the work of the BREs and the Administrative Clerk positions submitted for inclusion to this study was provided by: Alyce Houston, Records and Licensing Supervisor; Vincent Usera, Securities Analyst II (Division of Banking, Securities and Corporations); Cathy Isadore, Records and Licensing Supervisor; Linda Brunette, Program Manager; Dee Ann Teseneer, Insurance Financial Examiner I (Division of Insurance); Jenny Strickler, Administrative Manager II (Division of Occupational Licensing); and Dawn Holland Williams, Records and Licensing Supervisor (Alcohol Beverage Control Board). All incumbents assigned to study PCNs were initially interviewed during position audits. Follow-up questions were directed to the supervisors and some senior workers who were audited.

Method

Position descriptions were received for all positions included in the study. The various divisions identified Occupational Consultants (OC) and the OCs from the Division of Banking, Securities and Corporations, Division of Insurance, Division of Occupational Licensing, and the Alcohol Beverage Control Board gave presentations to classifiers on the work performed in their sections.

Position audits were performed for all PCNs submitted for inclusion to the study in order to gather more specific information about the work performed. Draft class specifications were written and provided to all Department of Personnel classifiers for review and comment. The draft specifications were revised and sent to the supervisors of the subject positions for additional review and comment. Class specifications were further revised and finalized, and positions were then allocated to the appropriate job class using the new job specifications. The job classes were analyzed for internal alignment and appropriate range assignment, and the study was finalized.

Class Concepts**Business Registration Examiner**

Under general direction, Business Registration Examiners examine applications and documents submitted by individuals and businesses registering with the State of Alaska to: 1) conduct business as a corporate entity; or 2) offer and sell securities; or 3) manufacture, dispense, or sell alcoholic beverages.

Business Registration Examiners independently perform technical, recurring assignments based on specific instructions or established statutes, regulations, and policies and procedures to examine and determine if documentation submitted is complete and complies with state statutory and regulatory requirements. Incumbents examine information provided by using a variety of resources and provide timely and accurate information to filers in areas that may be multifaceted, unusual, or controversial, but are defined in statutes, regulations, policies and procedures. Work is performed independently with little review from the supervisor. Judgment and discretion are exercised to accurately interpret the intent of the law in those statutes that are not clearly defined and may be open to interpretation. Incumbents examine documentation and make decisions to accept or deny filings. Lead responsibilities may be assigned but are not class controlling.

Insurance Examiner I

Insurance Licensing Examiner I is the training level of the Insurance Licensing Examiner series. Positions in this series are flexibly staffed. Under general supervision, Insurance Licensing Examiners I learn and develop the knowledge, skills, and abilities to perform a full range of Insurance Licensing Examiner duties.

Insurance Licensing Examiners examine, approve, and process insurance license applications submitted by individuals and insurance business entities for licensure in the State of Alaska. Incumbents provide guidance and interpretation to applicants in areas that may be complex and not clearly defined in statutes, regulations, policies and procedures. The work is most often non-routine, requiring an in-depth understanding of insurance terminology and the complexities of an evolving industry, the inter-relationship of programmatic functions within the Division of Insurance, and the laws governing the issuance of insurance licenses. Positions in this series are flexibly staffed.

Insurance Examiner I is the training level of the series. Incumbents undergo on-the-job training to learn and perform routine duties specifically selected to familiarize them with the statutes, regulations, policies and procedures used in processing insurance license applications. Direction and guidance is given from the supervisor and senior examiners with work being reviewed both in progress and upon completion. As the incumbent becomes proficient the scope and complexity of assignments are expanded and supervision is relaxed.

Insurance Licensing Examiner II

Insurance Licensing Examiner II is the journey level of the Insurance Licensing Examiner series. Positions in this series are flexibly staffed. Under general direction, incumbents examine, approve, and process applications submitted by individuals and insurance business entities applying for licensure in the State of Alaska.

Insurance Licensing Examiners examine, approve, and process insurance license applications submitted by individuals and insurance business entities for licensure in the State of Alaska. Incumbents provide guidance and interpretation to applicants in areas that may be complex and not clearly defined in statutes, regulations, policies and procedures. The work is most often non-routine, requiring an in-depth understanding of insurance terminology and the complexities of an evolving industry, the inter-relationship of programmatic functions within the Division of Insurance, and the laws governing the issuance of insurance licenses. Positions in this series are flexibly staffed.

Insurance Licensing Examiner II is the full proficiency level in the series. At this level, the incumbent has considerable knowledge of the insurance industry and has developed an understanding of insurance terminology and the laws governing the licensing of individuals and businesses involved in the sale of insurance in Alaska. Incumbents independently review, approve or deny insurance licenses and respond to inquiries regarding insurance licensure and applicability of state statutes and regulations with little review from the supervisor. Lead duties may be assigned but are not class controlling.

Analysis

BREs working for the Department of Community & Economic Development are located in the Division of Banking, Securities, and Corporations and the Division of Insurance. Within the Division of Banking, Securities and Corporations, the Securities Section regulates the offer and sale of securities in Alaska, while the Corporation section is primarily responsible for acting as a filing agency. The Division of Insurance is responsible for the regulation of all aspects of the insurance industry in the state.

All BREs assist the private sector in processing documents while ensuring compliance with state law. BREs from both divisions are responsible for examining, evaluating, and processing applications submitted by companies or individuals wanting to do business in Alaska. Similarly, BREs for both divisions work independently with little supervision, use judgment and discretion to interpret Alaska Statutes and regulations when determining if documentation complies with state law, must be able to understand and interpret other state statutes, and have the authority to accept or reject application filings based on findings. On the surface it would appear that all BREs perform the same type and level of work under similar conditions. In order to make a thorough examination and comparison of the journey level work performed by the BREs from each division, classification factors used by classifiers served as guidelines to provide the basis for analyzing positions and making the comparisons.

Analyzing the journey level work of the BREs in both divisions against the classification factors indicated differences between the divisions in variety and complexity of work and the qualifications required to perform the work. Although the nature of the work performed is similar, differences in these areas are the defining points. The journey level work performed by the Securities and Corporations BREs, while not always routine, is defined in state statutes. Although some situations may require interpretation of the intent of state statutes, the issue in question or the governing statutes are clear for the most part. When asked to identify and describe the more complex work, the Corporations examiners referred to trademark or multi-entity mergers. Complexity is described as work requiring extensive research resulting in a greater amount of documentation that is collected, examined, and evaluated. For the Securities

examiners, complex work was described as that which involves making decisions on borderline cases based on an applicant's initial screening and the examiner's judgment.

Clearly both the Corporations and Securities examiners perform technical duties. Examination work at this level requires the ability to conduct extensive research, analysis, and evaluation of documents and state statutes with the ability to make correct decisions based on experience, judgment, and discretion. However, the variety and complexity of the work performed by the Insurance Examiners exceeds that which makes up the technical work performed by the Corporations and Securities examiners. The main reason for this difference is the complex nature of the insurance industry. This is an evolving industry that has its own unique language and terminology. There are several different professions (producers, adjusters, surplus lines brokers, title, bail bond, credit, third party administrators, managing general agents, car rental agencies, etc.) with varying requirements and job functions under those different professions. Job functions are delineated based on the relationships between insurance companies, policy holders, licensees, and the role of the professional. An insurance examiner must be able to distinguish products sold with the appropriate line of authority. An example of this is the relationship between the producer and insurance company and the producer's role to sell insurance products that are made available through the company. Because there are hundreds of variations of products that may be purchased by the consumer, the examiner must know which products fall under which lines of authority in order to understand the producer's job function as well as the correct license class of authority that person should receive. Consequently the insurance examiner's response within the application most often varies due to the variety of questions and circumstances posed in each application. Responding to a single question may involve applying several statutes and regulations to one situation that may then be compounded with another. There is little work that can be considered routine.

BREs and supervisors from each section were asked to provide an estimate of time that, based on their experience with employees over many years, required for an incumbent to become proficient at the journey level. BREs and supervisors in the Corporations and Securities sections indicated most employees become proficient in approximately six months. The BREs and supervisors in the Insurance section indicated at least twelve to eighteen months was required before an incumbent normally becomes proficient. The fact that more time is required for an Insurance BRE to become proficient at the journey level supports the argument that BRE work in the Insurance section is more complex and varied. This was also a critical issue in determining the appropriate minimum qualifications for each specialty.

The Department of Public Safety Alcohol Beverage Control Board requested that two Administrative Clerk III positions be included in this study. These positions conduct the examination of applications for liquor licenses and permits. This work requires knowledge of the organization's regulations, programs, and statutes governing the program, and the ability to use judgment and discretion in order to interpret and apply statutes and regulations when determining document compliance. Similar to the BREs working in the Division of Banking, Securities, and Corporations, the work is technical in nature and is defined by extensive, in-depth research with a greater amount of supportive documentation required, collected, and examined. Incumbents have the authority to accept or deny applications before application packets are submitted to the Liquor Licensing Board for final approval.

Administrative Clerk III positions located in the Division of Occupational Licensing were submitted for inclusion in this study at the request of the supervisor. Recent duties added include tobacco endorsements, the issuance of tobacco signs, and penalties. The primary purpose of these Administrative Clerks is to receive applications from individuals filing for business licenses, review applications for completeness, collect appropriate fees, and issue license numbers and licenses. Incumbents provide customer service through telephone, email, or written correspondence to help applicants fill out applications, and enter information into a database. Business licensing clerks perform a function requiring knowledge of the organization's regulations, programs, and statutes and regulations that govern the program. The work requires the review of applications, rather than in-depth examination of documents. The applications are basic, straight forward documents. Incumbents review these applications to ensure they are complete, but do not have the authority to deny licenses. While judgment is used by the incumbent when assisting the applicant in selecting a line of business and business code that accurately represents their business activities, this exercise of judgment is not beyond that which is typically required of an Administrative Clerk III. These positions must have an understanding of the inter-relationship of program functions in order to respond to and provide guidance to applicants needing information on more difficult or unusual business related questions. The work performed by the business licensing clerks remains clerical in nature.

One Administrative Clerk II position located in the Division of Insurance was also submitted for review as part of this study. After reviewing the position description, performing a desk audit with the incumbent, and interviewing the supervisor, it was determined that this position performs clerical rather than technical level work. A review to determine the appropriate level of clerical work was performed and the position was allocated accordingly.

In order to group positions into job classes, the Division of Personnel has established the following criteria to determine if the positions are sufficiently similar with respect to duties and responsibilities, degree of supervision exercised and received, and entrance requirements so that: 1) the same title can be used to clearly identify each position; 2) the same minimum qualifications for initial appointment can be established for all positions; 3) the same basic rate of pay can be fairly applied to all positions; and 4) employees in a particular class are considered an appropriate group for purposes of layoff and recall.

Comparisons of the journey level positions indicate differences with regard to variety, complexity and required qualifications. Whereas the positions fail the criteria for grouping into a single job class, the establishment of a new Insurance Licensing Examiner job class is warranted. In addition, because this new job class requires a longer training period for incumbents to become proficient, in order to facilitate recruitment and retention and to provide a promotional training, creating this series as flexibly staffed is appropriate. The Licensing Examiner I is established as the training level designed to develop the necessary knowledge and skills to reach the journey level of work. Per the Division of Personnel SOP, a training plan will be submitted which demonstrates how the employee will be trained to perform journey level work, and lists flexible staffing criteria to indicate when training has been achieved. Position Descriptions describe the duties of each level.

Internal Alignment

The state's pay plan, as mandated by the state constitution and statutes, is governed by the merit principle and includes "integrated salary programs based on the nature of the work performed." The pay plan is based upon the state's classification plan, provides for fair and reasonable compensation for services rendered, and reflects the principle of "like pay for like work." In achieving this principle, internal consistency is the primary consideration when setting the salary range of a job class. This internal consistency reflects the difficulty, responsibility, knowledge, skills and other characteristics of a job. Job classes in the same family and group are typically used during classification and internal alignment studies.

The work of Business Registration Examiners and the Insurance Licensing Examiners is technical. For the purpose of internal alignment, job classes performing technical and paraprofessional work were considered when assigning salary ranges. The job classes included in this study are in the Business Regulation and Compliance Family (P23XX). Because the number of technical level job classes in this family is limited, technical level positions outside this family and outside the Business, Industry, and Land Management Group (P2XXX) were included in the analysis to ensure full compensatory consideration.

Range 11 job classes that were reviewed for internal alignment were Recorder II and Law Office Assistant I. Because these are advanced level clerical job classes rather than technical job classes, it was determined that they do not compare favorably to the Business Registration Examiner or Insurance Licensing Examiner job classes. There were no technical job classes at salary range 11 that were considered appropriate for internal alignment comparison.

The classes used for comparison at range 12 include Retirement & Benefit Technician II (P1444), Human Resource Technician I (P1406), and Natural Resources Technician II (P6632). These job classes are either journey level in which incumbents are assigned technical work that is recurring and well defined, based on specific instruction to gather facts, review documents, and investigate issues generally not of a complex, sensitive or controversial nature or are entry level technical positions in a series completing, processing and auditing documents and providing technical information and assistance to managers. Work requires an understanding and interpretation of policies, procedures, regulations and statutes that govern programs.

Classes used for comparison at range 13 include Occupational Licensing Examiner (P2325) and Regulations Specialist I (P2340). These are journey level technical job classes in which incumbents independently perform technical research, and which require specific knowledge of multiple statutes and regulations.

Classes used for comparison at range 14 include Consumer Complaints Specialist (P2319), Retirement and Benefits Technician III (P1445), Natural Resource Technician III (P6633) and Human Resource Technician II (P1407). These classes are advanced level technical job classes that working independent, interpreting multiple regulations, and determine and implement resolutions to complex situations.

After the review of job classes used for comparison at range 15, Human Resource Technician III (P1408) and PFD Unit Supervisor (P1220), it was determined that there were no job classes that were comparable at this range. Technical positions assigned to range 15 typically include supervisory responsibilities.

The Business Registration Examiners perform journey level technical work. Incumbents in this job class provide information to filers that may be routine or complex but defined in state statute, and make decisions to accept or deny applications. The level of independence in performing duties and the knowledge, judgment and discretion required to examine documents and ensure compliance with state law most closely matches that of the Occupational Licensing Examiner. Business Registration Examiner is appropriately assigned range 13.

The Insurance Licensing Examiner II performs journey level technical work in the flexibly staffed series. The work is non-routine, most often complex, and not clearly defined in statutes. Incumbents must have an in-depth understanding of the insurance industry and terminology. The level of knowledge and skill required to successfully perform duties exceeds that of job classes assigned to range 13. The Insurance Licensing Examiner II compares favorably to the job classes assigned to range 14.

The Insurance Licensing Examiner I is the trainee level in the flexibly staffed series. Incumbents undergo on the job training to gain knowledge about the insurance industry, statutes and regulations that govern the issuance of licenses. At this level, the work is assigned for training and development, and is performed under close supervision.. The Insurance Licensing Examiner I must learn the language and general practices and procedures of a complicated and changing insurance industry, and must also gain an understanding of and the ability to interpret policies, procedures, and complex regulations and statutes governing insurance licensing. The level, scope, and complexity of work, along with the required information and knowledge which must be learned in order to successfully and independently perform the work, is characteristic of classes at range 12. Insurance Licensing Examiner I is appropriately assigned range 12.

Conclusion

The Administrative Clerk III positions submitted by the Division of Occupational Licensing remain appropriately allocated to the Administrative Clerk III job class.

The Administrative Clerk III positions submitted by the Department of Public Safety, Alcohol Beverage Control Board are appropriately reallocated to the Business Registration Examiner job class. The Business Registration Examiners in the Division of Banking, Securities, and Corporations are appropriately allocated to the revised Business Registration Examiner job class. Based on the duties and responsibilities this class is assigned salary range 13.

The request by the Division of Insurance to create a new flexibly staffed job series for the Insurance Examiners is appropriate. The new flexibly-staffed series, Insurance Licensing Examiner I and II is established. Based on the variety and complexity duties and responsibilities and the required qualifications, classes in this series are established at ranges 12 and 14.

The new and revised classes are implemented effective April 16, 2004.

cc: Mark Davis, Director
Division of Banking, Securities and Corporations

Department of Community & Economic Development

Linda Hall, Director
Division of Insurance
Department of Community & Economic Development

Rick Urion, Director
Division of Occupational Licensing
Department of Community & Economic Development

Tom Lawson, Director
Administrative Services
Department of Community & Economic Development

Doug Griffin, Director
Alcohol Beverage and Control Board
Department of Public Safety

Danial Spencer, Director
Administrative Services
Department of Public Safety