



CHIEF FINANCIAL OFFICER  
**JIMMY PATRONIS**  
STATE OF FLORIDA

## LONG-RANGE PROGRAM PLAN

Department of Financial Services

Tallahassee, Florida

September 30, 2019

Chris Spencer, Policy Director  
Office of Policy and Budget  
Executive Office of the Governor  
1702 Capitol  
Tallahassee, Florida 32399-0001

Eric Pridgeon, Staff Director  
House Appropriations Committee  
221 Capitol  
Tallahassee, Florida 32399-1300

Cynthia Kynoch, Staff Director  
Senate Committee on Appropriations  
201 Capitol  
Tallahassee, Florida 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, our Long-Range Program Plan (LRPP) for the Department of Financial Services is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our mission, goals, objectives and measures for the Fiscal Year 2020-21 through Fiscal Year 2024-25. The internet website address that provides the link to the LRPP located on the Florida Fiscal Portal is <http://www.myfloridacfo.com/>. This submission has been approved by Jimmy Patronis, Chief Financial Officer.

A handwritten signature in black ink, appearing to read "Ryan West".

Ryan West  
Chief of Staff



# **Department of Financial Services**

## **Long-Range Program Plan**

**Fiscal Years  
2020-21 through 2024-25**

***Jimmy Patronis***  
***Chief Financial Officer***

## **Agency Mission**

To safeguard the integrity of the transactions entrusted to the Department of Financial Services and to ensure that every program within the Department delivers value to the citizens of Florida by continually improving the efficiency and cost effectiveness of internal management processes and regularly validating the value equation with our customers.

# GOALS

- 1) Combat Fraud, Abusive Business Practices, and Excessive Regulation**
  
- 2) Foster Open Government Through Financial Accountability and Transparency**
  
- 3) Promote a Customer-Focused Culture and Strengthen Efficiency**
  
- 4) Equip First Responders with the Training and Tools Necessary to Protect Floridians**

# Objectives

- 1) Effectively Manage Regulatory Activities**
- 2) Conduct Successful Investigations**
- 3) Responsibly Steward Taxpayer's Funds**
- 4) Promote Transparency Through Technology**
- 5) Enhance Customer Experience**

# Agency Service Outcomes and Performance Projection Tables

## 1) Combat Fraud, Abusive Business Practices, and Excessive Regulation

### Objective 1: Effectively Manage Regulatory Activities

#### Division of Accounting and Auditing:

**Outcome 1-1-1:** Number of Agencies Audited for Contract/Grant Manager’s Performance-

FY2020-21 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
8	8	8	8	8	8

**Outcome 1-1-2:** Number of Contracts/Grants Reviewed in a Twelve-Month Period

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
1,100	1,100	1,100	1,100	1,100	1,100

#### Division of Funeral, Cemetery and Consumer Services:

**Outcome 1-1-3:** Percentage of Inspections That do not Require Quality Control Follow Up

FY2007-08 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
72.65%	98%	98%	98%	98%	98%

**Outcome 1-1-4:** Percentage of Deficiency Letters Sent Out within Five Business Days of Receiving the Application

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
88%	88%	88%	88%	88%	88%

**Outcome 1-1-5:** Average Age (Days) of Closed Investigations

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
65	65	65	65	65	65

### Objective 2: Conduct Successful Investigations

#### Division of Agent and Agency Services:

**Outcome 1-2-1:** Average Number of Investigations Completed per Investigator

FY2013-14 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
71.3	114	114	114	114	114

**Outcome 1-2-2: Average Direct Cost of Investigations Operations per Completed Investigation**

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
\$1,470	\$935	\$935	\$935	\$935	\$935

**Division of Public Assistance Fraud:****Outcome 1-2-3: Public Assistance Dollars Withheld as a Result of Investigation (in Millions)**

FY2013-14 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
\$26.355	\$26.355	\$26.355	\$26.355	\$26.355	\$26.355

**Outcome 1-2-4: Dollar Amount of Loss Due to Fraud Referred for Administrative Hearing (in Millions)**

FY2013-14 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
\$2.852	\$2.852	\$2.852	\$2.852	\$2.852	\$2.852

**Outcome 1-2-5: Dollar Amount of Loss Due to Fraud Referred to SAO for Prosecution (in Millions)**

FY2013-14 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
\$6.863	\$6.863	\$6.863	\$6.863	\$6.863	\$6.863

**Outcome 1-2-6: Number of Investigations Completed**

FY2013-14 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
2,912	2,912	2,912	2,912	2,912	2,912

**Division of Workers' Compensation:****Outcome 1-2-7: Number of Employer Investigations Conducted**

FY 2009-10 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
30,000	32,000	32,000	32,000	32,000	32,000

**Investigative and Forensic Services: Fire and Arson Investigations****Outcome 1-2-8: Percentage of Arson Cases Cleared**

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
20%	20%	20%	20%	20%	20%

**Investigative and Forensic Services: Forensic Services****Outcome 1-2-9: Average Turnaround Time for the Bureau of Forensic Services**

FY2020-21 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
10 days	10 days	10 days	10 days	10 days	10 days

**Investigative and Forensic Services: Insurance Fraud**

**Outcome 1-2-10: Number of Arrests**

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
1,224	1,224	1,224	1,224	1,224	1,224

**Outcome 1-2-11: Number of Presentations Submitted for Prosecution**

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
1,260	1,320	1,320	1,320	1,320	1,320

**Outcome 1-2-12: Amount of Court Ordered Restitution (in Millions)**

FY2011-12 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
\$42.788	\$42.788	\$42.788	\$42.788	\$42.788	42,788

**Outcome 1-2-13: Requested Restitution as a Percentage of Legislatively Approved Budget**

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
200%	200%	200%	200%	200%	200%

**Investigative and Forensic Services: Office of Fiscal Integrity**

**Outcome 1-2-14: Percentage of Investigations That Result in Action Taken Against the Investigative Target**

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
50%	50%	50%	50%	50%	50%

**2) Foster Open Government Through Financial Accountability and Transparency**

**Objective 3: Responsibly Steward Taxpayer's Funds**

**Division of Administration:**

**Outcome 2-3-1: Percentage of DFS Contracts Sampled for Review by the Division of Administration’s Contract Administration Manager That Meet the Division of Accounting and Auditing Accountability Standards**

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
80%	88%	90%	90%	95%	95%

**Division of Treasury: Deposit Security**

**Outcome 2-3-2: Percentage of Qualified Public Depositories Analyses Completed within 90 Days**

FY2011-12 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
100%	100%	100%	100%	100%	100%



**Outcome 2-3-3: Percentage of Collateral Administrative Program Transactions Completed within Three Business Days**

FY2011-12 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
97%	97%	97%	97%	97%	97%

**Division of Treasury: State Funds Management and Investment**

**Outcome 2-3-4: Amount by which the Treasury’s Investment Pool Exceeded the Blended Benchmark for a Rolling Three-Year Period**

FY2011-12 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

**Outcome 2-3-5: Percentage of Core Accounting Processes that Meet Established Deadlines and Standards for Accuracy**

FY2011-12 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
98%	98%	98%	98%	98%	98%

**Division of Risk Management:**

**Outcome 2-3-6: Average Loss Adjustment Expense per Claim Worked**

FY2015-16 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
\$1,850	\$1,850	\$1,850	\$1,850	\$1,850	\$1,850

**Division of Rehabilitation and Liquidation:**

**Outcome 2-3-7: Administrative Costs as a Percentage of Total Assets Entrusted to the Receiver**

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
2%	2%	2%	2%	2%	2%

**Outcome 2-3-8: Distributions, Including Early Access, as a Percentage of Cash and Cash Equivalents**

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
25%	25%	25%	25%	25%	25%

**Outcome 2-3-9: Administrative Costs as a Percentage of the Amounts Recovered, Excluding Recoveries from Litigation**

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
15%	15%	15%	15%	15%	15%

**Outcome 2-3-10: Percentage of Service Requests, Excluding Public Records Requests, Closed within 30 Days**

FY 2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
80%	90%	90%	90%	90%	90%

**Division of Agent and Agency Services**

**Outcome 2-3-11: Cost of Licensing Operations per Active License**

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
\$4.83	\$2.96	\$2.96	\$2.96	\$2.96	\$2.96

**Outcome 2-3-12: Average Number of Applications Processed per Licensing FTE**

FY2013-14 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
2,647	3,200	3,200	3,200	3,200	3,200

**Division of Public Assistance Fraud:**

**Outcome 2-3-13: Return on Investment**

FY2020-21 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
500%	500%	650%	650%	650%	650%

**Objective 4: Promote Transparency Through Technology**

**Office of the General Counsel, Public Records Unit:**

**Outcome 2-4-1: Percentage of Public Records Available by Email or Electronic Media**

FY2010-11 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
70%	95%	95%	100%	100%	100%

**3) Promote a Customer-Focused Culture and Strengthen Efficiency**

**Objective 5: Enhance Customer Experience**

**Office of the General Counsel, Service of Process:**

**Outcome 3-5-1: Percentage of Insurers Receiving Legal Service of Process by Electronic Means**

FY2006-07 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
10%	100%	100%	100%	100%	100%

**Division of Information Systems:**

**Outcome 3-5-2:** Percentage of Internal Customers who Returned an Information System’s Customer Service Satisfaction Rating of at Least Four (4) on a Scale of One (1) to Five (5) on Surveys (with 5 Being Highest Rating)

FY2008-09 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
95.03%	96%	96%	96%	96%	96%

**Office of Insurance Consumer Advocate:**

**Outcome 3-5-3:** Percentage of Referred Cases Responded to and/or Transferred within Three (3) Days of Receipt

FY2010-11 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
90%	90%	90%	90%	90%	90%

**Outcome 3-5-4:** Percentage of Rate Filings Subject to Public Hearing which Were Reviewed by Our Office

FY2013-14 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
95%	95%	95%	95%	95%	95%

**Division of Information Systems: FLAIR Infrastructure**

**Outcome 3-5-5:** Percentage of Scheduled Hours Computer and Network is Available

FY2008-09 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
95%	99%	99%	99%	99%	99%

**Division of Treasury: Supplemental Retirement**

**Outcome 3-5-6:** Percentage of State Employees Participating in the State Deferred Compensation Plan

FY2011-12 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
40%	40%	40%	40%	40%	40.0%

**Division of Unclaimed Property:**

**Outcome 3-5-7:** Percentage of Claims Processed within 60 Days of Receipt

FY2020-21 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
60%	60%	60%	60%	60%	60%

**Division of Risk Management:**

**Outcome 3-5-8:** Percentage of Indemnity and Medical Payments Made in a Timely Manner in Compliance with DFS Rule 69L-24.006, Florida Administrative Code

FY 2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
95%	95%	95%	95%	95%	95%

**Outcome 3-5-9: Percentage of Tort Liability Claim Files Resolved Prior to Litigation**

FY 2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
81%	81%	81%	81%	81%	81%

**Outcome 3-5-10: Number of Agency Loss Prevention Training and Consultation Events Conducted during the Fiscal Year Top 3 Agencies)**

FY 2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
80	80	80	80	80	80

**Division of Consumer Services:**

**Outcome 3-5-11: Percentage of Consumer Survey Responses That Rate the Division’s Services as Very Good or Excellent (Survey Results)**

FY2010-11 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
75%	78%	78%	78%	78%	78%

**Outcome 3-5-12: Percentage of Helpline Call and Service Request Audits That Result in Quality Service (Audit Scores)**

FY2007-08 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
80%	95%	95%	95%	95%	95%

**Outcome 3-5-13: Percentage of Phone Calls Answered within Four Minutes**

FY2020-21 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
80%	80%	80%	80%	80%	80%

**Outcome 3-5-14: Percentage of Monetary Eligible Service Requests That Resulted in a Recovery**

FY2012-13 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
85%	85%	85%	85%	85%	85%

**Division of Workers’ Compensation:**

**Outcome 3-5-15: Percentage of Overall Accepted Claims in Electronic Data Interchange (EDI) Form Filings**

FY 2020-21 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
81%	81%	81%	81%	82%	83%

**Outcome 3-5-16: Percentage of Disputed Issues Between Carriers, Employers and Injured Workers Resolved during the Informal Dispute Resolution Process**

FY 2011-12 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
78.5%	92%	92%	92%	93%	95%

#### 4) Equip First Responders with the Training and Tools Necessary to Protect Floridians

##### Objective 1: Effectively Manage Regulatory Activities

##### Division of State Fire Marshal: Compliance and Enforcement

##### Outcome 4-1-1: Percentage of Fire Code Inspections Completed within Statutorily Defined Timeframes

FY2006-07 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
100%	100%	100%	100%	100%	100%

##### Division of State Fire Marshal: Professional Training and Standards

##### Outcome 4-1-2 Percentage of Students Passing Certification Exam on First Attempt

FY2011-12 Baseline	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
77%	77%	77%	77%	77%	77%

## **TRENDS AND CONDITIONS STATEMENT**

### ***ORGANIZATIONAL OVERVIEW***

*Article IV, Section 4(a)(c), Florida Constitution states that, “The Chief Financial Officer shall serve as a member of the Florida Cabinet and as the chief fiscal officer of the state, and shall settle and approve accounts against the state, and shall keep all state funds and securities.”*

Florida voters amended Florida’s Constitution in 1998 reducing the size of the Florida Cabinet from six members to three. Effective January 2003, the Offices of the Secretary of State and Commissioner of Education were removed from the Florida Cabinet, and the Offices of the Treasurer and Comptroller were combined. The Department of Insurance and the Department of Banking and Finance merged, forming a new agency: the Department of Financial Services. This Department is headed by the Chief Financial Officer.

A constitutional officer of Florida, as well as a member of the Cabinet, the Chief Financial Officer (CFO) serves as the State’s financial watchdog and is responsible for the management and policies of the Department of Financial Services, including but not limited to monitoring state investments and spending, as well as keeping track of the more than \$90 billion that comes into and goes out of state government each year. Within the organization, the Office of Chief of Staff, the Office of Insurance Consumer Advocate, and the Office of Inspector General report directly to the Chief Financial Officer.

The Office of Chief of Staff consists of the following: the Deputy Chief Financial Officers, the General Counsel, the Office of Policy and Strategic Initiatives, the Office of Legislative and Cabinet Affairs and the Office of Communications. In addition, the Division of Information Systems is organized under the Office of Chief of Staff.

The CFO is also a member of the Financial Services Commission, along with the Governor, Attorney General, and Commissioner of Agriculture. The commission is the agency head for two offices receiving administrative and information systems support from the Department: the Office of Financial Regulation (OFR) and the Office of Insurance Regulation (OIR). These two offices develop their own long-range program plans separate from the Department.

## **PROGRAM AUTHORITY AND PRIMARY RESPONSIBILITIES**

<b>Programs and Statutes</b>	<b>Description</b>
<p><b><u>Office of the Chief Financial Officer and Administration</u></b></p>	<p>Serves DFS and its stakeholders with necessary support.</p> <ul style="list-style-type: none"> <li>➤ Office of Chief of Staff</li> <li>➤ Office of Inspector General</li> <li>➤ Division of Administration</li> <li>➤ Office of General Counsel</li> <li>➤ Office of Information Technology</li> <li>➤ Office of Insurance Consumer Advocate</li> </ul>
<p><b><u>Treasury</u></b> (Division of Treasury) Chapters 17, 112.215, and 280, F.S.</p>	<p>Ensures that state monies, employee deferred compensation contributions, state and local governments’ public funds on deposit in Florida banks and savings associations, and cash and other assets held for safekeeping by the CFO are adequately accounted for, completely invested, and protected. Responsible for:</p> <ul style="list-style-type: none"> <li>➤ deposit security (collateral management);</li> <li>➤ funds management and investment; and</li> <li>➤ deferred compensation (supplemental retirement program).</li> </ul>
<p><b><u>Financial Accountability for Public Funds</u></b> (Division of Accounting and Auditing) Chapters 17, 215 and 216, F.S.</p>	<p>Promotes financial accountability for public funds throughout state government and provides Florida’s citizens with comprehensive information about how state funds are expended. Responsible for:</p> <ul style="list-style-type: none"> <li>➤ providing the public with timely, accurate, and comprehensive information on the financial status of the state, its component units, and local governments;</li> <li>➤ auditing disbursements and other financial transactions; and</li> <li>➤ providing state employee payroll services.</li> </ul>
<p><b><u>Financial Accountability for Public Funds</u></b> (Division of Unclaimed Property) Chapters 717, F.S.</p>	<p>“Stands in the shoes” of property owners and protects their rights by taking custody of their lost, abandoned, unknown assets, safeguarding and returning them to the rightful owner or heirs. Responsible for:</p> <ul style="list-style-type: none"> <li>➤ identifying, recovering, receiving, and safeguarding unclaimed property data and assets received from holders;</li> <li>➤ performing outreach, education, assistance to holder and holder-related organizations, including examinations and audits;</li> <li>➤ receiving, evaluating and processing claims from citizens and businesses; and</li> <li>➤ disbursing all claims and expense payments from the Unclaimed Property Trust Fund, managing the trust fund balances and budget.</li> </ul>
<p><b><u>Fire Marshal</u></b> (Division of State Fire Marshal) Chapters 552, 554, 633, and 791, F.S.</p>	<p>The Division is responsible for:</p> <ul style="list-style-type: none"> <li>➤ licensing and registrations;</li> <li>➤ inspections and plans reviews; and</li> <li>➤ professional standards, training, and state firefighter certification.</li> </ul>
<p><b><u>State Property and Casualty Claims</u></b> (Division of Risk Management) Chapter 284, F.S.</p>	<p>Ensures that state agencies are provided quality insurance coverage at reasonable rates. Provides to all state agencies:</p> <ul style="list-style-type: none"> <li>➤ self-insurance program with coverage for workers compensation, general liability, property insurance and others;</li> <li>➤ claims handling services; and</li> <li>➤ technical assistance in loss prevention and managing risks.</li> </ul>

<b>Programs and Statutes</b>	<b>Description</b>
<p><b><u>Licensing and Consumer Protection</u></b> (<i>Division of Rehabilitation and Liquidation</i>) Chapter 631, F.S.</p>	<p>Court-appointed receiver for insurers placed in receivership. Responsible for:</p> <ul style="list-style-type: none"> <li>➤ rehabilitation – take actions necessary to correct the conditions that necessitated the receivership; and</li> <li>➤ liquidation – maximize the value of the assets of the liquidated company and distribute the assets equitably.</li> </ul>
<p><b><u>Licensing and Consumer Protection</u></b> (<i>Division of Agent and Agency Services</i>) Chapters 624, 626, 627, 632, 634, 635, 636, 641, 642, and 648, F.S.</p>	<p>Protects the public by licensing individuals and entities and investigating alleged violations of law. Responsible for:</p> <ul style="list-style-type: none"> <li>➤ licensing and appointment of individuals and entities authorized to transact insurance in Florida; and</li> <li>➤ investigating alleged violations of the Florida Insurance Code.</li> </ul>
<p><b><u>Licensing and Consumer Protection</u></b> (<i>Division of Consumer Services</i>) Subsection 20.121(2)(h), F.S.</p>	<p>Provides education, information and assistance to consumers for all products or services regulated by DFS or the Financial Services Commission. Responsible for:</p> <ul style="list-style-type: none"> <li>➤ providing information to consumers about insurance-related topics; and</li> <li>➤ serving as a mediator between consumers and insurance companies.</li> </ul>
<p><b><u>Licensing and Consumer Protection</u></b> (<i>Division of Funeral, Cemetery and Consumer Services</i>) Chapter 497, F.S.</p>	<p>Protects consumers from illegal practices in the death care industry. Responsible for:</p> <ul style="list-style-type: none"> <li>➤ licensing and regulation of death care businesses and professionals;</li> <li>➤ investigating licensees based on consumer complaints;</li> <li>➤ conducting annual inspections of licensed cemeteries and other entities;</li> <li>➤ providing customer service regarding death care industry questions; and</li> <li>➤ serving as the home office for the Board of Funeral, Cemetery, and Consumer Services.</li> </ul>
<p><b><u>Licensing and Consumer Protection</u></b> (<i>Division of Public Assistance Fraud</i>) Section 414.411, F.S.</p>	<p>The mission of the Division of Public Assistance Fraud (PAF) is to investigate fraud and abuse in the Florida administered public assistance programs. The areas of investigative activity for the PAF unit include:</p> <ul style="list-style-type: none"> <li>➤ program recipient investigations (eligibility fraud);</li> <li>➤ trafficking investigations of SNAP EBT benefits (both program recipients and retail food stores);</li> <li>➤ Subsidized Daycare Program fraud; and</li> <li>➤ DCF ACCESS Program employee fraud.</li> </ul>



<b>Programs and Statutes</b>	<b>Description</b>
<p><b><u>Workers' Compensation</u></b>  <i>(Division of Workers' Compensation)</i>            Chapter 440, F.S.</p>	<p>Regulates employers, insurers, and health care providers; educates and informs all stakeholders of their rights and responsibilities; leverages data to deliver exceptional value to our customers and stakeholders; and, holds parties accountable for meeting their obligations. Responsible for:</p> <ul style="list-style-type: none"> <li>➤ auditing insurers to ensure they provide prompt and accurate benefit payments to injured workers;</li> <li>➤ ensuring that employers secure workers' compensation coverage</li> <li>➤ collecting trust fund assessments;</li> <li>➤ assisting injured workers in obtaining benefits;</li> <li>➤ collecting proof of coverage, medical, and claims data; and</li> <li>➤ resolving reimbursement disputes between health care providers and insurers.</li> </ul>
<p><b><u>Division of Investigative and Forensic Services</u></b>            Sections 626.989, 633.116 and 17.04, F.S., and 69D-5.001 F.A.C.</p>	<p>Protects Florida citizens, businesses and consumers from persons who commit arson and explosives, financial, and insurance fraud crimes. Responsible for:</p> <ul style="list-style-type: none"> <li>➤ performing fire, arson and explosives investigations;</li> <li>➤ providing forensic laboratory services;</li> <li>➤ investigating suspected insurance and financial fraud;</li> <li>➤ issuing public information announcements;</li> <li>➤ training insurers to help deter and combat fraud; and</li> <li>➤ investigating misuse of state funds.</li> </ul>

## **1) Combat Fraud, Abusive Business Practices, and Excessive Regulation**

### **Objective 1: Effectively Manage Regulatory Activities**

#### **Division of Accounting and Auditing**

##### ***Bureau of Auditing***

The Bureau of Auditing ensures that agreements contain a (1) scope of work and measurable deliverables; (2) remedies for non-performance; (3) the statutory requirements in Chapters 215, 216, and 287, F.S.; and, when applicable, (4) the Office of Management and Budget's federal grant reporting requirements.

The Division expects to audit eight agencies for contract/grant manager performance every fiscal year through FY 2024-25 and anticipates reviewing 1,100 contracts every FY through FY 2024-25. Unless there are significant changes to the operating environment, an incremental fiscal impact is not anticipated.

#### **Division of Funeral, Cemetery and Consumer Services**

The Division regulates approximately 10,000 death-care industry licensees. Part of its regulatory responsibilities include inspecting certain facilities, investigating referrals and processing new and renewal applications. More than a thousand new applications for licenses are received each year, and approximately 1,500 licensees must have their facilities inspected every year by Division staff.

Barring unforeseen changes in the operating environment, the Division's three projection tables the Percentage of Funeral Establishment Inspections That Do Not Require Quality Control Follow-Up, the Average Age (Days) of Closed Investigations and Percentage of Deficiency Letters Sent out within 5 Business Days of Receiving the Application are expected to remain flat over the forecast horizon. No incremental fiscal impacts are anticipated.

### **Objective 2: Conduct Successful Investigations.**

#### **Division of Agent and Agency Services**

##### ***Bureau of Investigation***

In Fiscal Year 2018-19, the Bureau received complaints against individual licensees, insurance agencies and unlicensed persons that resulted in 3,862 opened investigations and 3,952 completed investigations. These investigations were conducted by 37 investigators located in Tallahassee and nine field offices throughout the state. A total of 418 investigations resulted in formal disciplinary action, such as license suspension, revocation, probation, restitution and/or administrative fines. The Bureau of Investigation (BOI) expects that each investigator will complete 114 investigations per fiscal year through FY 2024-25 and anticipates that the direct cost of each investigation will be \$935 for each fiscal year through FY 2024-25. Barring any unforeseen changes in the operating environment, like a hurricane that shifts investigator focus, neither measure is expected to

contribute to incremental fiscal impacts. The Bureau also was responsible for securing \$324,354.37 in restitution while conducting these investigations.

To further ensure compliance with Florida Laws and to protect consumers, the Bureau continues taking a pro-active investigative approach by data-mining criminal court records and disciplinary actions of licensees. Of the investigations opened during FY 2018-19, more than half were initiated by the bureau utilizing technology and access to valuable databases. These pro-active procedures enabled the Bureau to uncover more licensee misconduct. The Bureau also referred 35 completed cases to the Division of Fraud for criminal prosecution. It is expected these efforts will continue to ensure a more secure insurance purchasing environment.

### **Division of Public Assistance Fraud**

The mission of the Division of Public Assistance Fraud (DPAF) is to investigate fraud and abuse in state-administered public assistance programs. Section 414.411, F.S., provides the Department of Financial Services' authority to investigate public assistance. On the State level, the DPAF partners with the Department of Children and Families, the Agency for Health Care Administration, the Department of Health, and the Department of Education's Office of Early Learning. On the Federal level the DPAF partners with the Department of Agriculture's Food and Nutrition Service, the Department of Agriculture's Office of Inspector General, and the Social Security Administration's Office of Inspector General. The DPAF investigates fraud committed by recipients, program employees, merchants and contractors. Successful investigations are referred to the appropriate State Attorney for criminal prosecution or the Office of Appeal Hearings for administrative disqualification. The areas of investigative activity for the DPAF unit include:

- Program recipient investigations (eligibility fraud);
- SNAP benefit trafficking investigations (recipient and retailer/merchants involved);
- School Readiness program and Voluntary Pre-K program fraud (recipient, program administrators and daycare providers);
- DCF employee fraud (committed against ACCESS programs); and
- Under special agreement with the Social Security Administration, Social Security disability fraud investigations that include state-administered food stamp and Medicaid benefits.

Over the past year, DPAF has used its full-time investigators on criminal investigations and has used its OPS members to complete administrative referrals to DCF for disqualification. The percent of criminal cases referred for prosecution exceeded 60% of all cases completed over the past year and accounted for more than 80% of total fraud uncovered through investigations. The Division projects the Public Assistance Dollars Withheld as a Result of Investigation to remain flat over the forecast horizon and expects the return on investment to grow to 650% by FY 2024-25. No direct, incremental fiscal impact is expected. With nearly 1.7 million households receiving SNAP benefits in Florida, even the USDA-published standard of 1.3% of households trafficking means almost 22,000 households are potential traffickers.

The DPAF is the only agency in Florida with the statutory authority to investigate public assistance programs under Chapters 409, 411 and 414, F.S. In June 2018, the number of SNAP households totaled 1,655,134; a 2.1% decrease from June 2017 (1,690,899). In FY 2017-18, the Division also

diverted its investigative staff to spend time serving as fraud deterrents in Food for Florida disaster SNAP sites for two and a half months. The 9.5% increase in cases yielded a 17.3% increase in the amount of fraud uncovered for restitution or recovery (an increase of \$3,420,7335 in fraud). The Division will continue to pursue criminal cases of fraud in public assistance programs and is exploring ways to extend its impact on food stamp trafficking.

### **Division of Workers' Compensation**

The Division investigates workers' compensation fraud and conducts outreach to proactively explain workers' compensation coverage requirements. The Division expects to conduct 32,000 employer investigations annually through FY 2024-25. Barring unforeseen changes in the operating environment, like hurricanes that shift investigator focus, the division does not expect incremental fiscal impacts associated with this measure.

### **Investigative and Forensic Services: Fire and Arson Investigations**

The Bureau of Fire, Arson, and Explosives Investigations (BFAEI) is one of the law enforcement bureaus of the Division of Investigative and Forensic Services. The Bureau investigates certain fires and explosions, performs criminal investigative duties associated with fires or explosions and handles other law enforcement activities as required by law (sections 633.112 and 552.113, F.S.). The BFAEI is also a member of the State Emergency Response Team, which responds to natural and manmade disasters statewide (Chapter 252, F.S.). Additionally, BFAEI is an active member of the seven Florida Regional Domestic Security Task Forces (Section 943.0312, F.S.).

BFAEI detectives respond to fire scenes that have been preliminarily investigated by local fire personnel because of the implementation of Rule 69A-61.001, F.A.C. This rule requires the local fire department or law enforcement agency to conduct a preliminary fire cause investigation prior to requesting assistance from the Bureau of Fire, Arson, and Explosives Investigations. The skillset of BFAEI investigators are most effectively used when resources are concentrated on arson fires or fires of unknown origin. The BFAEI projects to clear 20% of arson cases annually through FY 2024-25. Barring any unforeseen changes in the operating environment, the BFAEI does not anticipate any incremental fiscal impacts.

### **Investigative and Forensic Services: Forensic Services**

The Bureau of Forensic Services (BFS) is the only state crime laboratory performing forensic analysis on fire and explosion crime scene evidence. BFS is wholly dependent on its customers for the submissions it receives. For the past three fiscal years, the number of items submitted for processing have averaged 8,566. In FY 2018-19, the Bureau processed 8,372 service requests.

The Bureau continues to serve its customers in a shorter period than most similarly situated laboratories in other states. In a report from Operation Foresight operated by the West Virginia State University, a national survey determined that for "trace" evidence (of which fire debris and explosives analyses are a type) the average turnaround exceeded 50 days. The Division's 8.6-day turnaround time for Fiscal Year 2018-19 may have provided investigators with forensic results while case investigations were active and may have led to more effective questioning of suspects

and witnesses. The Division projects the Average Turnaround Time for Forensic Fire and Explosives Analysis to be 10 days through Fiscal Year 2024-25. Barring significant changes in the operating environment, no incremental fiscal impacts are anticipated.

### **Investigative and Forensic Services: Insurance Fraud**

Section 626.989, F.S., directs the Bureau of Insurance Fraud (BIF) to investigate and establish criminal cases against all persons and entities violating the state's insurance fraud and workers' compensation fraud statutes, insurance and certain federal workers' compensation laws and other related statutes.

The Division has several outcomes measures to track its performance. The outcome measures are the Number of Arrests, the Number of Presentations submitted for prosecution and the Requested Restitution as a Percentage of Legislatively approved Budget. The Division does not currently project growth for any outcome measure over the forecast horizon. All the outcome measures will fluctuate with the level of crime and the referrals that the Division receives. Barring an unforeseen change in the operating environment, no incremental fiscal impact is forecasted.

### **Investigative and Forensic Services: Office of Fiscal Integrity**

The Office of Fiscal Integrity (OFI) detects and investigates intentional misuse or misappropriation of state funds. OFI is a Criminal Justice Agency with subpoena authority and specializes in the investigation of complex state contract fraud, misuse of state purchasing cards, and various other related schemes. OFI also conducts joint investigations with local, state, and federal law enforcement and prosecutorial agencies. Upon successful conclusion of its investigations, referrals for prosecution are made to State Attorneys, the Statewide Prosecutor or the US Attorney's Office. Many of its investigations have led to the arrest and conviction of the principal party or parties involved. OFI anticipates that 50% of Investigations Will Result in Action Taken Against the Investigative Target for every fiscal year through FY 2024-25. Barring any unforeseen changes in the operating environment, no incremental fiscal impact is anticipated.

## 2) Foster Open Government Through Financial Accountability and Transparency

### Objective 3: Responsibly Steward Taxpayer's Funds

#### Division of Administration

**Division of Administration:** The Division of Administration provides administrative support to the department, the Office of Insurance Regulation (OIR), and the Office of Financial Regulation (OFR). For the Fiscal Year 2019-20, the department, including both OIR and OFR, has 2576.5 positions, and 126 temporary employees (as of August 2019). The Division of Administration operates with 58 of these positions. Additionally, for FY 2019-20, DFS/OFR/OIR has a total combined budget of \$388,795,571. DFS has 31 leases statewide accounting for a total of 791,826 square feet and owns two facilities: the State Fire Marshal's Fire College, and the Bureau of Forensic Services' Arson Lab.

**Division of Administration: Office of Purchasing and Contractual Services.** The DFS continues to enhance procurement operations, which promotes fiscal accountability, appropriate planning and contract monitoring. Key components of the DFS's strategy include a Contract Management Life Cycle, a procurement guide handbook and a Contract Administration Manager. The Contract Administration Manager performs quality assurance, monitors the contracting process and provides guidance to procurement staff.

#### Division of Treasury

**Investment Section:** For FY 2018-19, the Treasury distributed earnings for the period of \$592.6 million. These earnings were up from the previous year's distribution of \$417 million. The increase was due to the improved economic conditions and increasing balances in the Treasury. The Division expects to exceed the blended benchmark for a rolling three-year period by 0.2% a year through FY 2024-25.

**Bureau of Funds Management:** For FY 2018-19, Treasury's core accounting processes included: apportioning interest, issuing Certificates of Deposit, submitting ratings agency data, reconciling bank and investment transactions. The Bureau of Funds Management scored an average of 97% in completing the core accounting processes within the timeframes established for the measure. The Division anticipates completing 98% of these processes within the established time frame every fiscal year through FY 2024-25.

**Bureau of Collateral Management:** For FY 2018-19, Treasury's Bureau of Collateral Management processed over 21,000 transactions involving collateral from a variety of regulated entities. Roughly 99.98% of these transactions were completed within the 3-day performance standard. The Bureau forecasts that at least 97% of collateral administrative program transactions will be completed within three business days. The Percentage of Qualified Public Depository Financial Analyses Completed within 90 Days was 100%. The Bureau anticipates that 100% of these analyses will be completed within 90 days each fiscal year through FY 2024-

25. Barring significant changes in the operating environment, the Bureau does not expect incremental fiscal impacts to be associated with either measure.

**Deferred Compensation:** The Deferred Compensation Plan allows an eligible employee to defer or delay, receiving a portion of their income until a later date. The primary purpose of the Deferred Compensation Plan is to help individuals save and invest a sum of money, helping to supplement their retirement income. This income will be in addition to Florida Retirement System and the Social Security Administration benefits. The State has established this Plan under Internal Revenue Code (IRC) 457(b). The Division estimates 40% of state employees to participate in the plan every year until FY 2024-25.

**Division of Accounting and Auditing**

**Bureaus of Financial Reporting, Auditing and State Payrolls** (Chapter 17, F.S.) The Division of Accounting and Auditing is responsible for accounting, auditing and reporting state and local government financial information. State government decision makers and the public rely on the Division’s financial information to understand financial resource usage and state purchases.

Since the state’s enterprise financial information system, the Florida Accounting Information Resource System (FLAIR), is run on an outdated system that lacks flexibility, it limits financial efficiency. FLAIR caters to individual agency needs rather than operating in a standardized environment. To work to resolve these issues, the Division is partnering with Florida PALM to establish a framework prior implementing the successor financial and cash management system.

**Division of Risk Management**

The Division administers the State Risk Management Trust Fund (Chapter 284, F.S.) and handles claims on behalf of state agencies for casualty and property lines of insurance coverage (*Table 1-RM*). The Division has 116 employees and three (3) bureaus under the Office of the Director. The Bureau of Risk Financing and Loss Prevention, the Bureau of State Employee Workers’ Compensation Claims, and the Bureau of State Liability and Property Claims administer the State Property and Casualty Claims Program. The program is responsible for the management of claims reported by or against state agencies and universities. The program adjusts reported claims, provides state agencies and universities with managerial and actuarial information on loss payments, and makes timely payments to claimants and vendors. Claims are paid, and payment information tracked using the Division’s Insurance Management System. An adjuster authorizes a claim related payment and the Division’s financial section processes the payment. For FY 2018-19, the Division produced approximately 87,628 checks, warrants, and state agency journal transfers.

<b>Claim type</b>	<b>Number of claims reported FY 2018-19</b>	<b>Number of claims with payment FY 2018-19 (for claims reported in all years)</b>	<b>Total loss payments for FY 2018-19 (for claims reported in all years)</b>
Workers’ Compensation	12,043	14,989	\$113,088,318

General and Auto Liability	3,326	2,269	\$11,142,793
Federal Civil Rights & Employment Discrimination	412	1,045	\$12,642,978
Property	1,659	2,441	\$30,040,501
<b>Total</b>	<b>17,440</b>	<b>20,744</b>	<b>\$166,914,590</b>

*Table 1-RM. Claims reported, claims with payment, and total loss payments by claim type for FY 2018-19. Claim data from IMS; loss payments from FLAIR fund balance report.*

The total loss payments for FY 2018-19 increased 4.75% or \$7,574,650 from the \$159,339,940 paid in FY 2017-18. Workers' Compensation loss payments decreased by 5.45% or \$6,520,042. General and Auto Liability loss payments increased by 22.50% or \$2,046,443. Federal civil rights claims and property claims are greatly impacted by external forces such as legislation, case law, and catastrophic natural events. As such, each can vary greatly from year to year. In FY 2018-19, total loss payments for federal civil rights claims increased 17.47% or \$1,880,581, and total property loss payments increased 51.16% or \$10,167,668 due to FY 2018-19 loss payments from two named windstorm and flood events impacting multiple regions of the State during FY 2017-18 and FY 2018-19. Hurricane Irma, a Category 4 storm, made landfall in the Florida Keys on September 10, 2017, and moved northward to impact almost the entire state. Whereas Hurricane Michael, a Category 5 storm, made landfall in the Florida Panhandle on October 10, 2018, significantly impacting that area of the state. Operational costs have increased less than 1% from \$64,725,223 in FY 2017-18 to \$65,217,315 in FY 2018-19 for a difference of \$492,092. Although the Division cannot forecast natural disasters, which will almost certainly impact claims, it anticipates that the per claim average loss adjustment expense will be \$1,850 through FY 2024-25. Barring any unforeseen circumstances, the Division does not anticipate any incremental fiscal impacts.

The number of claims reported for FY 2018-19 decreased 12.77% or 2,553 claims from the 19,993 claims reported for FY 2017-18. The bulk of the decrease occurred on the Workers' Compensation and Property lines of coverage. Workers' Compensation claims decreased by 6.12% or 785 claims reported. The Property line of coverage decreased 48.09% or 1,537 claims. Hurricane Michael's impacts to the Florida Panhandle were devastating, but the path of the hurricane resulted in approximately 50% fewer claims than Hurricane Irma. There were 3,135 reported claims for Hurricane Irma and 1,577 reported claims for Hurricane Michael. Reported claims for the General and Auto Liability lines of coverage decreased 5.83% or 206 claims. Reported claims for the Federal Civil Rights line of coverage decreased by 25 claims or 5.72%.

The Division forecasts that 95% of medical indemnity payments will be made in a timely manner in compliance with the Florida Administrative Code and forecasts that 81% of tort liability claims will be resolved prior to litigation. The performance for both measures is expected to remain flat through FY 2024-25, and no incremental fiscal impacts are anticipated.

The Division continues to support and to optimize its Insurance Management System (IMS). Administration and improvement of the IMS allows the Division to continue accomplishing its mission of providing participating state agencies with quality technical



assistance in managing risks and Division management of workers' compensation, general liability, auto liability, federal civil rights and employment discrimination, and property claims and loss payments. The Division utilizes this system to process and pay claims, calculate insurance premiums, maintain covered property and historical claims data used to project claim liabilities and future expenditures, as well as to maintain vendor files and other information necessary to comply with federal laws and IRS regulations.

## **Division of Rehabilitation and Liquidation**

Pursuant to Chapter 631, F.S., the Department serves as the court-appointed receiver of financially impaired or insolvent insurance companies to protect consumer interests. The Division of Rehabilitation and Liquidation administers the various receiverships on behalf of the Department. The Division manages receiverships in a manner that yields the maximum value to claimants and the public.

The Division measures the percentage of service requests it closes in 30 days to track its responsiveness to consumers. The number of service requests are primarily driven by consumer inquiries related to Division's involvement with their insurer. The number of insurers in this status is driven by a complex number of factors, and therefore, service request demand may be influenced by external factors. Barring any unforeseen changes in the operating environment, no incremental fiscal impact is anticipated.

Based on a five-year average, approximately 1.2 insurers are placed in receivership each year, primarily in the areas of life, health, and property and casualty insurance. During FY 2018-19, the Department received one new receivership.

The domestic insurance market in Florida historically has challenged insurance and reinsurance underwriters in almost every segment of business. Florida faces unpredictable natural disasters in addition to volatile underwriting and market conditions. The Division gains insight into the future trends and conditions affecting receiverships by looking at the history of the insolvencies our insurance market has encountered. The number of insurers entering receivership in any one year depends on factors that are outside the Division's control, such as the macroeconomy, company-specific risk and many other external factors.

## **Division of Agent and Agency Services**

### ***Bureau of Licensing***

The Bureau continues to streamline its work through automation and process efficiencies. Even with the reduction in staff, the Bureau continued to reduce processing time with ever-increasing workloads, while maintaining quality.

In Fiscal Year 2018-19, the Bureau assisted and monitored an average of 455,864 licensees with at least one active appointment, and One hundred eighty-five thousand eight hundred fifty-three licensees were not required to be appointed or were not holding an active appointment. The Bureau processed 125,626 new license applications and processed 1,897,032 appointment actions (new, renewals and terminations). There were 117,627 new licenses issued in Fiscal Year 2018-19,

producing a total of 688,568 active licensees who hold a total of 904,509 licenses. The Bureau of Licensing (BOL) anticipates that licensing operations will cost \$2.96 per active license for every fiscal year through FY 2024-25 and forecasts that each licensing FTE will process 3,200 applications. Barring any unforeseen changes to the operating environment, like a hurricane where special licenses are issued, the BOL does not anticipate any incremental fiscal impacts for either of these projections.

The Bureau is also responsible for overseeing the examination process for insurance representative licensing. There are 13 licensing examinations, and approximately 51,751 examinations were administered in Fiscal Year 2018-19. The Bureau also approves and monitors pre-licensing and continuing education providers, courses and instructors. There were 470,348 individuals who completed pre-licensing and continuing education courses.

## **2) Foster Open Government Through Financial Accountability and Transparency**

### **Objective 4: Promote Transparency Through Technology**

#### **Office of the General Counsel: Legal Services**

The Public Records Office is a section within the Office of the General Counsel. Personnel within the Public Records Section (PRS) coordinate multi-division requests, assign single division/office requests, update the Department's public records manual (Manual) and provide public records training to Department employees. The PRS personnel train all new employees on public record laws at each New Employee Orientation. PRS personnel provide quarterly training to coordinators on a range of topics covering specific aspects of public records production and changes in public record law

#### **Office of Information Technology**

##### ***Florida PALM Support***

The Florida PALM project is a large-scale example of application streamlining and modernization. OIT will have a continuing role in supporting the Florida PALM project throughout development and after it becomes a production system. This also means continuing to provide the support of FLAIR (representing almost half of the OIT budget), the legacy system it is replacing and helping to transfer FLAIR functionality and data to the new system.

#### **Division of Accounting and Auditing**

The Chief Financial Officer enhances accountability by providing government spending transparency. The Department established several transparency applications on its website. The "Your Money Matters" application provides a variety of financial tools and resource guides for individuals and businesses. The "Florida Accountability in Contracts Tracking System (FACTS)" application is an online tool that offers visibility into the State's contracts. The Department has

expanded the FACTS functionality to include images of all contracts and information associated with the grant agreements.

### 3) Promote a Customer-Focused Culture and Strengthen Efficiency

#### Objective 5: Enhance Customer Experience

##### Division of Administration

*Division of Administration: Bureau of Human Resource Management.* The Bureau of Human Resource Management (HR) administers a comprehensive program that includes recruitment, staffing, career enhancement, talent planning, classification and pay, learning and development, attendance and leave, grievances and appeals, employee and labor relations, Affirmative Action/EEO, records, payroll, benefits, the Employee Assistance Program, and performance reviews. Over the last fiscal year, HR processed 908 hiring appointments and more than 4,663 classification or organization changes; the office currently employs 15 full-time employees. The Office of Learning and Development was moved under the Bureau of Human Resources Management in early 2011.

##### *Division of Administration: Office of Learning & Development*

The Office of Learning & Development (L&D) provides training and development in four key areas: 1) Leadership, 2) Technology, 3) Value Creation, and 4) Personal Growth. L&D staff:

- Design, develop, deliver and evaluate training courses;
- Facilitate and proctor sessions conducted by outside entities;
- Manage classroom and meeting space reservations;
- Develop Leadership programs;
- Conduct New Employee Orientation;
- Offer Management Bootcamp (Supervisor Training);
- Administer the Department's volunteer program;
- Administer the Department's Prudential Productivity Awards program;
- Maintain the Department's training intranet hub;
- Maintain the Department's learning management system;
- Organize leadership development activities;
- Develop, deliver and monitor biennial compliance training;
- Offer Learning-oriented performance consulting and project management;
- Customized consulting services; and
- Submit monthly compliance reports.

The department considers employees to be its most valuable resource. Learning and professional development events are conducted to promote customer-focused value and to attract and retain top talent. The office delivered 167 learning events, meetings, and conferences to more than 1,600 attendees during last fiscal year, including employees from other agencies.

##### Office of the General Counsel: Legal Services

The Service of Process (SOP) section provides efficient SOP to insurers through mail or by electronic means. The Department's web-based systems and procedures have allowed it to transmit over 99% of SOP documents electronically. A web portal for plaintiffs and attorneys allows individuals to retrieve electronic proof of service immediately after the documents are served.

Electronic SOP has enhanced efficiency reduced turnaround time and benefited all parties to the lawsuits.

## **Office of Information Technology**

### ***Information Technology Optimization Analysis:***

In addition to delivering services like desktop and mobile computing, telecommunications and hardware platform support, the Office of Information Technology (OIT) supports approximately 286 customer software applications, some of which are over 30 years old. The substantial size of OIT's service obligations evolved from a series of reorganizations, market and statutory changes throughout DFS' long history. While these services fulfill a variety of business needs for OIT customers, there may be room for further optimization.

In Fiscal Year 2018-19, OIT enhanced this inventory with additional metadata about 58 customer applications. Subject matter experts and customer owners of these applications were asked to grade the applications on a scale of 1-5 for various criteria. This information will add to other inventory data regarding customer applications. Additional metadata necessary to the analysis will be collected through concurrent initiatives described below.

### ***Service Management Software:***

OIT uses a service management software suite to manage, track and route customer request and system maintenance tickets. Enhancing the software configuration with automated application discovery, will allow the system to build and sustain an up-to-date inventory of hardware, software and network components. With the inventory now in place, it will be able to monitor performance, to find existing trouble spots faster, sometimes before they occur, and to integrate these findings with tickets. These changes save steps and provide long-term resource tracking. It will also minimize change risks by empowering OIT's Change Advisory Board with trusted dependency data to evaluate change impact and to restore service interruptions faster.

Combining this inventory with performance monitoring provided by the service management software and other tools, OIT will have access to up-to-date reports on how resources are used. This will allow better optimization, postponement of upgrades and greater shared use (i.e. "multi-tenant" applications on common hardware). Finally, these tools will identify the relationships between systems (i.e. by identifying pieces of hardware supporting applications and determining which applications share databases and/or software code, etc.). This information will highlight opportunities for further optimization.

### ***Systems Security***

As the world has become more interconnected, security threats to private and public-sector data are growing and breaches are more common. OIT has ongoing initiatives to adapt and harden security through both technical changes to IT environments and security policies followed by customers and staff. While these initiatives are varied, they are all geared towards reducing the number of:

- 1) Places where data could be exposed
- 2) Ways to intrude (i.e. "attack vectors")

### ***Customer Satisfaction***

One of OIT'S Performance Measures records Department satisfaction with Division technical support services. During Fiscal Year 2018-19, OIT surveyed users about its trouble ticketing system (i.e. people who call the Helpdesk for a variety of reasons) and requested that users complete a survey asking them to rank their experience on a scale from 1-5 for six different categories. The Division received an overall customer satisfaction rating of 96.6%. Although the Divisions' software portfolio is likely to change, it projects a 95% satisfaction rate annually through Fiscal Year 2024-25 and no incremental fiscal impact is anticipated.

OIT is now collecting survey responses as a part of the daily routine between OIT and its customers by imbedding survey queries into trouble ticket closure emails.

### ***Information Systems-FLAIR Infrastructure***

The Division's Percentage of Scheduled Hours Computer and Network is Available measures Up-Time Performance. The Division projects that FLAIR infrastructure will be available 99% of scheduled time for every Fiscal Year through 2024-25.

OIT staff also delivered business processing enhancements for Unclaimed Property that automated the completion of additional claims. These enhancements allow current staff to concentrate on more complex claim requests that automation is not able to perform, reducing the cost of processing per claim. Included in enhancements this year was support for more automated email through the Unclaimed Property system to reduce paper consumption, time, and postage.

### **Office of Insurance Consumer Advocate**

The Office of the Insurance Consumer Advocate (ICA) is responsible for assisting with the resolution of Florida insurance issues; monitoring Florida's insurance market, including emerging policy issues; engaging with stakeholders to assess Florida's diverse insurance needs; and analyzing rate and form filings.

Analyzing market reports and tracking approximately 500,000 consumer helpline inquiries made annually allows the ICA to identify market trends affecting Floridians. This data empowers the ICA to work with stakeholders to promote a fair and competitive market. Although the ICA typically refers inquiries to the Department's Division of Consumer Services, the Office will handle specific consumer inquiries. Florida law authorizes the ICA to represent consumer interests in regulatory proceedings regarding all insurance activities conducted under the jurisdiction of the Department of Financial Services and the Office of Insurance Regulation. The ICA examines rate and form filings to assure rate changes are justified, fairly apportioned and that policies clearly and accurately reflect coverage provided. Lastly, the ICA participates in proceedings affecting insurance consumers in the Florida Legislature.

The ICA has projection tables for the Percentage of Referred Cases Responded to and/or Transferred within Three (3) Days of Receipt and the Percentage of Rate Filings Subject to Public Hearing Which Were Reviewed by Our Office. The ICA projects to respond or transfer 90% of cases within three days over the forecast horizon. Insurance consumer needs and industry

trends may impact the number of cases. The Division expects to review 95% of rate filings subject to public hearing every year through Fiscal Year 2024-25 and does not anticipate significant fluctuations in demand. Barring significant changes in the operating environment, the Division does not anticipate any incremental fiscal implications.

### **Division of Unclaimed Property**

Currently, the Chief Financial Officer holds unclaimed property accounts valued at more than \$1 billion, mostly from dormant accounts in financial institutions, insurance and utility companies, securities and trust holdings. In addition to money and securities, unclaimed property includes tangible property, such as watches, jewelry, coins, currency, stamps, historical items and other miscellaneous articles from abandoned safe deposit boxes. Auction proceeds and unclaimed financial assets are deposited into the State School Fund and used for public education. The state provides this service at no cost to claimants; no statute of limitations applies to claims.

The Department seeks to increase awareness of the law and claimable accounts. The Division continually works to enhance efficiencies in receiving unclaimed property from holders and in returning the property to rightful owners. Although the Division forecasts an average processing rate of 60% within 60 days through FY 2024-25, the processing rate fluctuates during the year based on claims volume. A large portion of new reports are received during a limited window, which may explain some of the temporary fluctuation. Demand and fiscal impact are dependent upon claimants; however, the Department continues to raise awareness of the program and to return increasing amounts of property.

### **Division of Risk Management**

The Division also concentrates efforts on preventing and reducing claim costs and frequency. The Division's safety program focuses on workplace safety, loss prevention, and claim-cost mitigation. The Loss Prevention Section consists of six (6) positions that provide targeted training and consultation in the development and maintenance of comprehensive loss prevention programs to all state agencies, state-run universities, and other insured entities. The Division expects that it will annually conduct 80 loss prevention training and consultation events for its top three agencies through FY 2024-25; however, specific requests from these agencies may lead to large single-year fluctuations. For FY 2018-19, the number of paid/reserve occupational injuries (workers' compensation claims) per 100 full-time employees is 3.30, which is based on 198,788 workers' compensation full-time employees and 6,562 claims paid/reserve for the fiscal year.

The Agency Risk Management Program Evaluation Guidelines function as a model of best practices for the effective implementation of agency risk management programs as well as an assessment tool in the Division's evaluation of agency risk management programs under subsection 284.50(4), F.S. The guidelines mirror the expanded scope of agency risk management program evaluations from the safety program and workers' compensation line of coverage to the broader risk management program, including the areas of employment discrimination/federal civil rights and general/automobile liability

## **Division of Consumer Services**

The Division's mission is to proactively educate and assist Florida's insurance and financial consumers through responsive, professional and innovative service. During the past twelve months, the Division assisted more than 802,000 Floridians with insurance or financial issues. Assistance is provided primarily through the statewide toll-free helpline and the Division's website, email and direct mail correspondence. Approximately 90% of the requests for insurance assistance involve Homeowner's Insurance, Auto Insurance or Health Insurance. The Division also provides call center services to the Divisions of Insurance Agent and Agency Services, Unclaimed Property, Rehabilitation and Liquidation and Investigative and Forensic Services.

During FY 2018-19, in the aftermath of Hurricane Michael, the Division received the highest number of Hurricane Michael-related insurance complaints for the following reasons:

- 56% of the complaints involved a claim handling delay
- 13% of the complaints involved a request for mediation
- 13% of the complaints involved a claim underpayment or an unsatisfactory claim settlement offer
- 8% of the complaints involved a claim denial

The types of complaints listed above represent 90% of the total Hurricane Michael-related insurance complaints received.

The Division of Consumer Services provides individualized service to each consumer calling into the Helpline. The Division expects to answer 80% of calls within four minutes for every fiscal year through FY 2024-25. The Division established a 78% benchmark for consumer survey responses that rate the service as very good or excellent and a 95% benchmark for helpline service request audits that result in quality service. The Division's Company Complaint Response System (CCRS) and Online Helpline streamline the process and provide prompt service to consumers. The Division's Online Helpline system allows consumers to file complaints through an online portal on the Division's website. The Division anticipates that 85% of monetary eligible service requests will result in recovery every fiscal year through FY 2024-25. Barring any unforeseen changes in the operating environment, like a natural disaster that causes a spike in demand for services, no incremental fiscal impact is projected to be associated with any outcome measure.

The Division is responsible for reporting potential regulatory violations to the appropriate regulators. From July 2018 through June 2019, the Division sent 1,136 regulatory referrals to the Divisions of Insurance Agent and Agency Services and Investigative and Forensic Services and the Office of Insurance Regulation.

Monitoring these regulatory referrals allows the Division to identify trends or potential issues regarding specific insurance companies, agents or agencies. The Division is proactive in its commitment to consumers, using data analysis, consumer educational interaction, as well as, the promotion of policies and legislative actions to ensure Floridians receive the full benefit of their insurance contracts.



## **Division of Workers' Compensation**

The DWC will continue to leverage data and technology to enhance our service to our stakeholders. The Division anticipates the percentage of overall claims accepted through Electronic Data Interchange to increase to 83% by Fiscal Year 2024-25. Barring unforeseen changes in the operating environment, like hurricanes that shift investigator focus, the division does not expect incremental fiscal impacts associated with any of this measure.

## **4) Equip First Responders with the Training and Tools Necessary to Protect Floridians**

### **Objective 1: Effectively Manage Regulatory Activities**

#### **Division of State Fire Marshal: Compliance and Enforcement**

##### ***Bureau of Fire Prevention***

The Bureau of Fire Prevention administers the compliance and enforcement services of the Division under section 633.218, F.S., by:

- establishing fire safety and life safety codes and standards for statewide application;
- reviewing construction documents and performing inspections of all state-owned and certain state-leased buildings;
- inspecting high and low-pressure boilers in places of public assembly; and
- licensing and regulating fire equipment dealers, fire protection contractors, explosives and construction mining industries, and registration of fireworks manufacturers, wholesalers, retailers, and seasonal retailers.

Field inspections of state-owned buildings are conducted annually for compliance with the Florida Fire Prevention Code. In Fiscal Year 2018-19, Fire Protection Specialists conducted over 15,299 High Hazard, Recurring, and Construction building inspections. Construction inspections, include underground and above ground fire main inspections, fire protection system assessments, and fire rated construction assemblies, which are required for each new building.

Local-level revenue reductions can be expected to impact the State Fire Marshal's workload. If local governments determine they are unable to fully fund their own fire safety programs, including kindergarten through 12<sup>th</sup> school inspections. The State Fire Marshal is statutorily required to assist with K-12 inspections. Although the total number of fire code inspections can be influenced by many factors, the Division forecasts completing 100% of the inspections within statutorily defined time frames through FY 2024-25. The fiscal impact remains indeterminate and dependent on the degree to which local governments request inspection assistance.

The Budget Entity enhanced its database for functional areas of the Bureau; Plans Review, Inspection, Regulatory Licensing and Boilers. The web-based solution provides electronic access to inspection reports and permits the receipt of fees, adding greater efficiency and customer service for all licensing applicants. Electronic transmission of construction documents has recently been implemented and is expected to increase efficiencies.

#### **Division of State Fire Marshal: Professional Standards and Training**

##### ***Bureau of Fire Standards and Training (BFST)***

The Bureau is responsible for training and certification standards for all career and volunteer firefighters, fire inspectors, and fire instructors. The BFST also establishes standardized curricula for use by certified fire training centers, colleges, and other agencies throughout the state. The Bureau conducts examinations, maintains records and issues Certificates of Completion and

Certificates of Competency, per the F.A.C., for fire officers, fire investigators, hazardous materials technicians, and other advanced and technical specialties. Additionally, the Bureau develops model curricula to be used by training centers and colleges and operates the Florida State Fire College. The BFST provides regulatory authority and certification, renewals of certification, and testing for approximately 71,000 firefighters in over 530 Florida fire service providers. The Bureau also provides curriculum support, administrative and regulatory authority, and certification testing for 44 certified fire training centers, which provide firefighter minimum standards training.

The Bureau operates the Florida State Fire College, which provides extensive training for paid and volunteer firefighters. The Division projects the percentage of students passing certification on first attempt to remain at 77% through the projection period. Demand and the corresponding fiscal impact is dependent upon the number of students and the portion that use third-party providers.

### ***Health and Safety***

The Bureau manages the Florida Firefighters Occupational Safety and Health Act. The Bureau of Fire Standards and Training Health and Safety Section is tasked with improving firefighter safety and health by reducing the incidence of firefighter accidents, occupational diseases, and fatalities. The Bureau works cooperatively with our firefighters, fire departments and other stakeholders and provides guidance, resources, and education to reduce the incidence of firefighter accidents, diseases, and fatalities. The Bureau conducts firefighter safety assessments, investigations and inspections to meet this goal.

The Bureau is involved in firefighter safety initiatives, including participation in firefighter safety studies to identify causes of accidents and injuries. The Bureau participates in studies to construct preventative strategies to protect firefighting professionals.

### ***Accreditation***

The Bureau is currently accredited by the National Board on Professional Firefighter Qualifications (“Pro Board”) in 36 “levels”. The Bureau received accreditation from the International Fire Service Accreditation Congress (IFSAC) in nine program areas with additional program areas under review. The Bureau was also successful in achieving accreditation from Pro Board for Fire Investigator.

### **Legislative and Budget Revisions**

The Department proactively advocates for residents, visitors, and first responders through everyday business operations. The Department’s goals are to combat abusive commercial practices, foster transparency, promote a consumer-focused culture and equip first responders with the training and tools necessary to protect Floridians. All these goals are accomplished by efficiently using resources and effectively managing regulatory activities. As part of its strategy, the Department focuses on streamlining programs and processes through legislative and policy revisions. The consolidation of several budget entities into the Investigative and Forensic Services Program is a practical application of department strategy. The revision required both legislative and budget changes.

## **Task Forces and Studies**

### **Combat Fraud, Abusive Business Practices, and Excessive Regulation**

#### **Fraud Free Florida**

Florida Chief Financial Officer (CFO) Jimmy Patronis launched Fraud Free Florida, a new initiative aimed at better coordinating collective investigative efforts to protect Florida's large population from scam artists. The initiative will bring together statewide law enforcement officials, state attorneys, private sector stakeholders, and members of CFO Patronis' fraud investigative teams. The goal is to help Florida to reduce opioid treatment center fraud, public assistance fraud, identity theft, and cybersecurity issues.

The new Fraud Free Florida initiative joins the ranks of CFO Patronis' already robust Division of Investigative and Forensic Services (DIFS), which includes the Disaster Fraud Action Strike Team aimed at curbing hurricane-related insurance fraud, as well as his Division of Public Assistance Fraud. CFO Patronis' DIFS is one of the top law enforcement agencies in the state and is dedicated to rooting out fraud and investigating financial crimes. Fraud Free Florida will help agencies better collaborate on fraud cases and identify legal revisions needed to make Florida the nation's toughest state on fraud.

#### **Sober Homes Task Force**

The DIFS participates in the Sober Homes Task Force (SHTF) established by the State Attorney's Office for the 15<sup>th</sup> Circuit. The SHTF aids in investigating patient brokering, insurance fraud and/or other types of crimes related to the substance abuse treatment industry and sober homes (drug recovery residences).

#### **Property and Casualty Insurance Fraud Task Force (PCTF)**

The PCTF was created by the Florida Department of Financial Services (DFS) to reduce, deter and eliminate Property and Casualty Insurance Fraud. Comprised of approximately 270 members, including regulators, law enforcement officials, risk management professionals, and others concerned about fraud in the industry, the PCTF raises awareness related to Property and Casualty Insurance Fraud and recommends rule changes.

#### **Workers' Compensation Fraud Task Force (WCTF)**

The WCTF was created to review industry standards, processes, procedures, laws, administrative rules, and regulations and to provide recommendations for the prevention, investigation, and prosecution of workers' compensation insurance fraud. The original WCTF had approximately 10 to 15 insurance industry representatives, various employers, DIFS personnel and interested citizens. Membership has expanded to 181 and consisted of representatives from insurance carriers and their Special Investigative Units, DFS personnel workers' compensation insurance adjusters, the Florida Workers' Compensation Joint Underwriters Association (FWCJUA), the National Council on Compensation Insurance (NCCI), attorneys and other stakeholders

### **Foster Open Government Through Financial Accountability and Transparency**

#### **Florida Planning Accounting and Ledger Management (PALM) Project.**

The State of Florida's current accounting and cash management

systems FLAIR and CMS have been performing the State's accounting and financial management functions for over thirty years. Although they have been maintained and modified over the years to accommodate state and federal mandates, the systems are becoming increasingly unable to meet the State's changing and growing needs.

A 2014 study confirmed our concerns and recommended replacing these systems (FLAIR and CMS) with a single, integrated financial management solution. In 2014, the Legislature wisely appropriated funds to ensure there are dedicated staff and a comprehensive plan in place to manage this complex system transition. This effort, known as *Florida PALM* (for Planning, Accounting, and Ledger Management), is in its sixth year of execution.

The goals of implementing Florida PALM in the State of Florida are to:

- Reduce the state's risk exposure by harnessing modern financial management technology built on the premises of scalability, flexibility, and maintainability;
- Improve state and agency specific decision making by capturing a consistent and an expandable set of data;
- Improve the state's financial management capabilities to enable more accurate oversight of budget and cash demands today and in the future; and
- Improve productivity, reduce operational complexity and increase internal controls by enabling standardization and automation of business processes within and between DFS and agencies.

In Fiscal Year 2018-2019, Florida PALM accomplished the following:

- Conducted Executive Steering Committee meetings;
- Collaborated with the Agency for State Technology for project management oversight;
- Engaged Independent Verification and Validation (IV&V) services;
- Signed a contract for software and system integrator (SSI) services;
- Mobilized the Project Team for the implementation phase;
- Developed a strategy for completing the Solution analysis and design activities which included engagement with stakeholders through representative agency workgroups and all agency confirmation sessions;
- Created a plan to manage business requirements;
- Configured initial Oracle cloud infrastructure; and
- Established an approach to support organizational readiness, which included implementing the Change Champion Network across State agencies.

### **Florida Blockchain Task Force (FBTF)**

In accordance with Chapter 2019-140, Laws of Florida, the FBTF is established within the DFS to explore and develop a master plan for fostering the expansion of the blockchain industry in the state, to recommend policies and state investments to help make this state a leader in blockchain technology, and to issue a report to the Governor and the Legislature. The FBTF shall study if and how state, county, and municipal governments can benefit from a transition to a blockchain-based system for recordkeeping, data security, financial transactions, and service delivery and identify ways to improve government interaction with businesses and the public.

## **Promote a Customer-Focused Culture and Strengthen Efficiency**

### **Treasury Investment Council (TIC)**

The TIC exists within the Division of Treasury (DT) consisting of at least five members, at least three of whom are professionals from the private sector, who must possess special knowledge, experience, and familiarity in finance, investments, or accounting. The TIC shall review the investments as required by s. 17.57, F.S, meet with staff of the DT and provide recommendations to the DT and the CFO regarding investment policy, strategy, and procedures.

### **Deferred Compensation Advisory Council (DCAC)**

The DCAC exists under subsection 112.215(8)(a), F.S., and consists of seven appointed members, representing the eligible constituencies for the State of Florida Deferred Compensation Plan. The DCAC provides assistance and recommendations to the CFO relating to plan provisions, plan insurance or investment options, and any other pertinent contracts or appointments.

### **Interagency Advisory Council on Loss Prevention (IACLP)**

The IACLP is established under subsection 284.50(2), F.S., and is composed of the safety coordinators from each Florida agency as well as representatives designated by the Division of State Fire Marshal (DSFM) and the Division of Risk Management (DRM). The Chair of the IACLP is the director of DRM or his or her designee. The IACLP meets on a quarterly basis to discuss statewide loss prevention issues such as safety problems within state government, to attempt to find solutions for these problems, and, when possible, assist in the implementation of the solutions. These quarterly meetings also provide safety coordinators with a shared forum for the exchange of ideas and resources. The Division provides coordination and administrative support to the IACLP, including training presentations and discussions designed to educate and assist safety coordinators on their program responsibilities under Florida statutes.

### **Financial Literacy for Consumers**

The DFS provides several initiatives to help empower Floridians to make informed financial decisions. The DFS offers tailored resources and interactive tools on its website to help students, seniors, veterans, and families manage their finances and to plan for their futures. As part of these efforts during Fiscal Year 2018-19:

- Pursuant to Chapter 2019-119, Laws of Florida, all school districts must offer a financial literacy course consisting of at least one-half credit as an elective beginning in the 2019-2020 school year. Curricular content must be established within Social Studies standards. DFS maintains the only comprehensive financial literacy courses recognized by DOE.
- The DFS Supported the Finance Your Future App, an app equivalent to the online financial literacy course, that provides an interactive, engaging way for middle and high school students, parents, teachers and others to learn about finances. The program's app was released in January 2018 and is available in the Google Play Store and Apple App Store. The program's website is [FinanceYourFuture.MyFloridaCFO.com](http://FinanceYourFuture.MyFloridaCFO.com).
- Pursuant to Chapter 2018-102, Laws of Florida, foster care transition plans must include information for the financial literacy curriculum offered by the DFS.
- Children Learning the Importance of Money Basics (**CLIMB**) provides financial education for youth ages 10 and younger to learn about basic money management. CLIMB follows

Sammie, the Saving Scottie, through a series of animated videos and books as he learns and teaches children the basics of money management, such as saving, budgeting and decision-making.

## **Consumer Outreach Efforts**

### **Operation S.A.F.E. – Stop Adult Financial Exploitation**

As part of the DFS' ongoing "On Guard for Seniors" program, the DFS's Division of Consumer Services (DCS) hosts Operation S.A.F.E. Be Scam Smart workshops to educate Florida seniors about financial planning and protection. Since 2011, the Department has hosted 211 English and Spanish Operation S.A.F.E. workshops throughout Florida and provided information to seniors through its various senior outreach initiatives. The DCS:

- Hosted 29 Operation S.A.F.E. (Stop Adult Financial Exploitation) Be Scam Smart workshops throughout the state, educating nearly 1000 attendees;
- Educated nearly 19,003 Floridians on the DCS's programs and services through outreach activities;
- Established new partnerships with several organizations to promote and spread awareness of the DCS's programs and services.

### **Operation Return the Valor**

In honor of National Medal of Honor Day, CFO Jimmy Patronis announced, 'Operation Return the Valor,' a statewide initiative to further honor those who have served or currently serve in our armed forces. The initiative's first mission will be to find owners or heirs of nearly 40 veteran medals left in forgotten safety deposit boxes and sent to the state's unclaimed property program. The medals include decorations such as Purple Hearts, Bronze Stars, and Distinguished Flying Crosses. CFO Patronis needs help from local communities to find these veterans and their families, so they can be reunited with the honors they received during service.

## **[Equip First Responders with the Training and Tools Necessary to Protect Floridians](#)**

### **Firefighters Employment, Standards, and Training Council (FESTC)**

The FESTC exists within the DFS and consists of 14 members. Each member must have at least 4 years of experience in the firefighting profession. The FESTC shall have special powers in connection with the employment and training of firefighters to: recommend, for adoption by the DSFM, uniform minimum standards for the employment and training of firefighters and training of volunteer firefighters; recommend, for adoption by the DSFM, minimum curriculum requirements for schools operated by or for any fire service provider for the specific purpose of training firefighter trainees, firefighters, and volunteer firefighters; recommend, for adoption by the DSFM, on matters relating to the funding, general operation, and administration of the Bureau of Fire Standards and Training (Florida State Fire College), including, but not limited to, all standards, training, curriculum, and the issuance of any certificate of competency required by this chapter; make or support studies on any aspect of firefighting employment, education, and training or recruitment; and make recommendations concerning any matter within its purview pursuant to this section.

### **Florida Fire Code Advisory Council (FCAC)**

The FCAC is created within the DFS and composed of 11 members. The FCAC shall advise and recommend to the SFM changes to and interpretation of the uniform fire safety standards adopted under section 633.206, F.S., the Florida Fire Prevention Code, and those portions of the Florida Fire Prevention Code that have the effect of conflicting with building construction standards that are adopted pursuant to sections 633.202 and 633.206, F.S. The FCAC may review proposed changes to the Florida Fire Prevention Code and the uniform fire safety standards pursuant to subsection 633.202(4), F.S.

### **Fire Code Interpretations Committee (FCIC)**

Section 633.212, F.S., requires the SFM to establish by rule an informal process for rendering nonbinding interpretations of the Florida Fire Prevention Code. The FCIC consists of seven members and their alternates from seven separate state regions, issues nonbinding fire code interpretations for issues properly before the committee, allows petitioners to file declaratory statement requests if they disagree with the FCIC's interpretation and requires FCIC interpretations to be issued in 15 business days. Pursuant to subsection 633.312(1), F.S., the SFM contracts with a third party to facilitate the nonbinding interpretation process.

### **Fire and Emergency Incident Information System Technical Advisory Panel**

The Fire and Emergency Incident Information System Technical Advisory Panel "Advisory Panel" is created with the DSFM. The Advisory Panel shall advise, review and recommend to the State Fire Marshal (SFM) with respect to section requirements. The section relates to fire protection agency data transmission, the Fire and Emergency Incident Information Reporting System (FEIIRS), FEIIRS rulemaking and a fire protection agency database.

### **Operation Dispatch**

Operation Dispatch streamlines licensure for military firefighters by granting credit for qualifying military fire-service training; thereby, increasing opportunities for military firefighters to become Florida-certified firefighters. The process seeks to attract military service members and veterans to Florida and recognizes previous training.

To assist veterans with transitional training, essential firefighter text and workbooks are available to program candidates once they register for the courses. This availability enables candidates to study the material that they will be tested on for Firefighter I and II examination prior to attending the class.

In preparation for the practical examination, candidates may review a practical skills video. The video enables the candidates to review required skills for fire ground operations and essential verbal safety commands that are required when performing these tasks. With the delivery of the written text, the workbook and the video, students are better prepared and have a greater understanding of the requirements.

Through partnerships forged with the Florida Department of Veterans' and Military Affairs, Operation Dispatch reduces the costs associated with the Florida-specific training and testing for military firefighters. The program also allows participants to take the certification exam in a timelier fashion than the regularly-scheduled quarterly administrations, which upon successful completion helps newly-certified firefighters enter Florida's workforce faster.





# Department of Financial Services

## Performance Measures and Standards—LRPP Exhibit II

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43

Program: Office of Chief Financial Officer and Administration

Code: 43010000

Service/Budget Entity: Executive Direction and Support Services

Code: 43010100

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Administrative Costs as a Percentage of Total Agency Costs	5.00%	4.00%	5.00%	5.00%
Administrative Positions as a Percentage of Total Agency Positions	6.00%	6.00%	6.00%	6.00%

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43

Program: Office of Chief Financial Officer and Administration

Code: 43010000

Service/Budget Entity: Legal Services

Code: 43010200

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Percentage of closed files involving allegations of statutory violation that were successfully prosecuted	92%	98%	92%	92%

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Office of Chief Financial Officer and Administration	Code: 43010000
Service/Budget Entity: Information Technology	Code: 43010300

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Percent of Scheduled Hours Computer and Network is Available	99.95%	96.64%	99.95%	99.95%
Percent of Customers who Returned a Customer Service Satisfaction Rating of at Least Four (4) on a Scale of One (1) to Five (5) on Surveys	95%	96.6%	95%	95%
Establish a Comprehensive Functional Inventory of Department Software Applications	69	58	69	69

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Office of Chief Financial Officer and Administration	Code: 43010000
Service/Budget Entity: Consumer Advocate	Code: 43010400

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Percentage of Referred Cases Responded to and/or Transferred within Three (3) Days of Receipt	90%	99%	90%	90%
Percentage of Rate Filings Subject to Public Hearing Which Were Reviewed by our Office	95%	100%	95%	95%

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Office of Chief Financial Officer and Administration	Code: 43010000
Service/Budget Entity: Information Technology-FLAIR Infrastructure	Code: 43010500

Approved Performance Measure	Approved Prior Year Standard FY 2018-19	Prior Year Actual FY 2018-19	Approved Standards for FY 2019-20	Requested FY 2020-21 Standard
Percent of Scheduled Hours Computer and Network is Available	99%	99.90%	99%	99%

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43

Program: Treasury

Code: 43100000

Service/Budget Entity: Deposit Security

Code: 43100200

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Percentage of Analyses of the Qualified Public Depositories Completed within 90 Days of the Start of the Analysis Cycle	100%	100%	100%	100%
Percentage of Collateral Administrative Program Transactions Completed within Three Business Days	97%	99%	97%	97%

## LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Treasury	Code: 43100000
Service/Budget Entity: State Funds Management and Investment	Code: 43100300

Approved Performance Measures	Approved Prior Year Standard FY 2018-19	Prior Year Actual FY 2018-19	Approved Standards for FY 2019-20	Requested FY 2020-21 Standard
Percentage by which the Treasury's Investment Pool exceeded the blended benchmark for a rolling three year period.	0.2%	0.46%	0.2%	0.2%
Percentage of core accounting processes that meet established deadlines and standards for accuracy.	98%	97%	98%	98%



**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Treasury	Code: 43100000
Service/Budget Entity: Supplemental Retirement Plan	Code: 43100400

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Percentage of state employees participation in the State Deferred Compensation Plan	40.0%	41.5%	40.0%	40.0%

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43

Program: Financial Accountability for Public Funds

Code: 43200000

Service/Budget Entity: State Financial Information and State Agency Accounting

Code: 43200100

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Number of Agencies Audited for Contract/Grant Managers Performance	8	4	8	8
Percentage of Accounts Collected Annually from CFO's Contracted Collection Agents	1.50%	5.04%	N/A	N/A
Number of Contracts Reviewed	1,100	1,112	1,100	1,100

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Financial Accountability for Public Funds	Code: 43200000
Service/Budget Entity: Recovery and Return of Unclaimed Property	Code: 43200200

<b>Approved Performance Measures for FY 2019-20 (Words)</b>	<b>Approved Prior Year Standard FY 2018-19 (Numbers)</b>	<b>Prior Year Actual FY 2018-19 (Numbers)</b>	<b>Approved Standards for FY 2019-20 (Numbers)</b>	<b>Requested FY 2020-21 Standard (Numbers)</b>
Number of reported accounts uploaded into UPMIS and the reported dollar value	1.8 million / \$325 million	2.9 million / \$450 million	N/A	N/A
Number of reported accounts uploaded into UPMIS	N/A	N/A	2.2 million	2.2 million
Number of claims paid and total dollar amount of claim payments	370,000 / \$240 million	593,000 / \$322 million	400,000 / \$240 million	400,000 / \$240 million
Percentage of claims processed within 60 days from date received (cumulative total)	60%	99%	60%	60%
Number of new holders reporting unclaimed property in the fiscal year	2,000	2,272	2,300	2,300

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Financial Accountability for Public Funds	Code: 43200000
Service/Budget Entity: Florida Planning, Accounting and Ledger Management (PALM)	Code: 43200300

Approved Performance Measures	Approved Prior Year Standard FY 2018-19	Prior Year Actual FY 2018-19	Approved Standards for FY 2019-20	Requested FY 2020-21 Standard
N/A	N/A	N/A	N/A	N/A

This budget entity was created effective July 1, 2018. The department is working to develop performance measures and will request consideration of new performance for this entity in a future performance measure amendment.

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Fire Marshal	Code: 43300000
Service/Budget Entity: Compliance and Enforcement	Code: 43300200

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Percentage of Mandated Regulatory Inspections Completed	100%	100%	100%	100%
Number of Regulatory Inspections Completed	1,000	944	1,000	1,000
Percentage of Fire Code Inspections Completed within Statutory Defined Time Frames	100%	100%	100%	100%
Number of Entity Requests for Licenses, Permits and Certifications Processed within Statutorily Mandated Time Frames	8,000	7,065	8,000	8,000

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Fire Marshal	Code: 43300000
Service/Budget Entity: Professional Training and Standards	Code: 43300400

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Number of Students Trained and Classroom Contact Hours Provided by the Florida State Fire College	5,500/175,000	4,418/191,968	5,500/175,000	5,500/175,000
Percentage of Fire College Students Passing Certification Exam on First Attempt	75%	88%	75%	75%
Number of Florida State Fire College Certification Programs Submitted for National Accreditation or Re-Accreditation	3	3	3	3

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Fire Marshal	Code: 43300000
Service/Budget Entity: Fire Marshal Administrative and Support Services	Code: 43300500

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Administrative Costs as a Percentage of Program Agency Costs	5.70%	5.22%	5.70%	5.70%
Administrative Positions as a Percentage of Total Program Positions	3.40%	2.00%	3.40%	3.40%

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: State Property and Casualty Claims	Code: 43400000
Service/Budget Entity: Self-Insured Claims Adjustment	Code: 43400100

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Average loss adjustment expense per claim worked	\$1,850	\$1,754	\$1,850	\$1,850
Average cost of workers' compensation claims paid	\$7,150	\$7,411	\$7,150	\$7,150
Percentage of liability claims closed in relation to liability claims worked during the fiscal year	49%	63%	64%	64%
Percentage of indemnity and medical payments made in a timely manner in compliance with DFS Rule 69L-24.006, F.A.C.	95%	98%	95%	95%
Number of workers' compensation claims worked	22,000	20,986	22,000	22,000
Number of liability claims worked	4,250	6,134	6,000	6,000
Number of state property loss/damage claims worked	120	2,243	120	120
Percentage of tort liability claim files resolved within four (4) years without litigation	81%	83%	81%	81%
Number of agency loss prevention training and consultation events conducted during the fiscal year (top three (3) agencies)	80	720	80	80



**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Licensing and Consumer Protection	Code: 43500000
Service/Budget Entity: Insurance Company Rehabilitation and Liquidation	Code: 43500100

Approved Performance Measures	Approved Prior Year Standard FY 2018-19	Prior Year Actual FY 2018-19	Approved Standards for FY 2019-20	Requested FY 2020-21 Standard
<b>Request Revision:</b> Percentage of Service Requests Closed within 30 Days	90.0%	95.5%	90.0%	<b>90.0%</b>
Percentage of Non-Claimant Invoices Paid within 40 Days	96.0%	91.5%	96.0%	96.0%

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Licensing and Consumer Protection	Code: 43500000
Service/Budget Entity: Licensure, Sales Appointment and Oversight	Code: 43500200

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Cost of Licensing Operations per Active License	\$2.96	\$2.82	\$2.96	\$2.96
Average Direct Cost of Investigation Operations per Completed Investigation	\$935	\$1,102	\$935	\$935
Average Number of Investigations Completed per Investigator	88	107	88	88
Average Number of Applications Processed per Licensing FTE	3,450	3,877	3,450	3,450

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Licensing and Consumer Protection	Code: 43500000
Service/Budget Entity: Consumer Assistance	Code: 43500400

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Percentage of Helpline Call and Service Request Audits That Result in Quality Service	95%	92%	95%	95%
Percentage of Consumer Survey Responses That Rate the Division's Services as Very Good or Excellent	78%	79%	78%	78%
Percentage of Answered Phone Calls That are Answered within Four Minutes	80%	92%	80%	80%
Percentage of Monetary Eligible Service Requests That Resulted in a Recovery	85%	58%	85%	85%

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43

Program: Licensing and Consumer Protection

Code: 43500000

Service/Budget Entity: Funeral and Cemetery Services

Code: 43500500

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Percentage of Investigations Submitted by Legal to Probable Cause Panel in Which the Panel Agrees with the Division's Probable Cause Recommendation	98%	100%	98%	98%
Percentage of Funeral Establishment Inspections That Do Not Require Quality Control Follow-Up	98%	99%	98%	98%
Average Time (Days) to Close an Investigation	65	51	65	65
Percentage of Deficiency Letters Sent out within 5 Business Days of Receiving the Application	88%	90%	88%	88%

## LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Licensing and Consumer Protection	Code: 43500000
Service/Budget Entity: Public Assistance Fraud	Code: 43500700

Approved Performance Measures	Approved Prior Year Standard FY 2018-19	Prior Year Actual FY 2018-19	Approved Standards for FY 2019-20	Requested FY 2020-21 Standard
<b>Request Revision:</b> Dollar Amount of Benefits Withheld, Saved and Recouped as a Percentage of Public Assistance Fraud Annual Budget	300%	785%	500%	<b>650%</b>
Number of Completed Cases Resulting in Referral for Disqualification or Prosecution	3,000	2,757	3,000	3,000

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Workers' Compensation	Code: 43600000
Service/Budget Entity: Workers' Compensation	Code: 43600100

<b>Approved Performance Measures</b>	<b>Approved Prior Year Standard FY 2018-19</b>	<b>Prior Year Actual FY 2018-19</b>	<b>Approved Standards for FY 2019-20</b>	<b>Requested FY 2020-21 Standard</b>
Percentage of First Indemnity Payments Made Timely	95%	95.0%	95%	95%
Number of Employer Investigations Conducted	32,000	30,029	32,000	32,000
Percentage of Disputes Resolved for Injured Workers by the Employee Assistance Office	90%	96%	90%	90%
Number of Petitions for Reimbursement Dispute Resolution Resolved	3,000	2,607	4,000	4,000
Percentage of Overall Accepted Claims Electronic Data Interchange (EDI) Form Filings	79%	82%	82%	82%

## LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43	
Program: Investigative and Forensic Services	Code: 43700000
Service/Budget Entity: Fire and Arson Investigations	Code: 43700100

Approved Performance Measures	Approved Prior Year Standard FY 2018-19	Prior Year Actual FY 2018-19	Approved Standards for FY 2019-20	Requested FY 2020-21 Standard
<b>Request Deletion:</b> Percentage of Referrals Declined by State Attorney's Office for Prosecution	10%	7.7%	10%	<b>Request Deletion</b>
Percentage of Arson Cases Cleared	20%	30.3%	20%	20%
Percentage of Closed Fire Investigations Successfully Concluded, Including by Cause Determined, Suspect Identified and/or, Arrested or Other Reasons	80%	82.8%	80%	80%
<b>Request Deletion:</b> Percentage of Closed Arson Investigations for Which an Arrest Was Made in Florida	18%	22.7%	18%	<b>Request Deletion</b>

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Investigative and Forensic Services	Code: 43700000
Service/Budget Entity: Forensic Services	Code: 43700200

Approved Performance Measures	Approved Prior Year Standard FY 2018-19	Prior Year Actual FY 2018-19	Approved Standards for FY 2019-20	Requested FY 2020-21 Standard
<b>Request Deletion:</b> The Number of Items Analyzed Chemically Plus the Number of Imaging Items Processed	13,650	8,372	8,500	<b>Requested Deletion</b>
<b>New Measure:</b> Lab Case Turnaround Time	N/A	8.6 days	N/A	<b>10 days</b>



**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43	
Program: Investigative and Forensic Services	Code: 43700000
Service/Budget Entity: Insurance Fraud	Code: 43700300

Approved Performance Measures	Approved Prior Year Standard FY 2018-19	Prior Year Actual FY 2018-19	Approved Standards for FY 2019-20	Requested FY 2020-21 Standard
<b>Request Deletion:</b> Number of Presentations Submitted for Prosecution	1,320	926	1,320	<b>Request Deletion</b>
<b>Request Deletion:</b> Requested Restitution as a Percentage of the Annual Appropriated Budget	200%	294%	200%	<b>Request Deletion</b>
<b>Request Deletion:</b> Percentage of Opened Insurance Fraud Cases Presented for Prosecution by Law Enforcement Investigators	75%	58%	75%	<b>Request Deletion</b>
<b>New Measure:</b> Percentage of Referrals That Result in Opened Cases	N/A	9.42%	N/A	12%
<b>New Measure:</b> Percentage of Opened Cases That Result in Presentations	N/A	58%	N/A	56%
Court Ordered Restitution as a Percentage of Requested Restitution	70%	47.36%	N/A	N/A
<b>Request Deletion:</b> Number of Insurance Fraud Arrests (not Including Workers' Compensation Arrests)	795	446	795	<b>Request Deletion</b>
<b>Request Deletion:</b> Number of Worker's Compensation Insurance Fraud Arrests (not Including General Fraud Arrests)	429	429	429	<b>Request Deletion</b>

**LRPP Exhibit II - Performance Measures and Standards**

Department: Department of Financial Services

Department Number: 43

Program: Division of Investigative and Forensic Services

Code: 43700000

Service/Budget Entity: Office of Fiscal Integrity

Code: 43700400

Approved Performance Measures for FY 2019-20 (Words)	Approved Prior Year Standard FY 2018-19 (Numbers)	Prior Year Actual FY 2018-19 (Numbers)	Approved Standards for FY 2019-20 (Numbers)	Requested FY 2020-21 Standard (Numbers)
<b>Request Deletion:</b> Percentage of Office of Fiscal Integrity investigations that result in action	50%	34%	50%	<b>Request Deletion</b>
<b>New Measure:</b> Percentage of referrals that result in opened cases.	N/A	34%	N/A	34%
<b>New Measure:</b> Percentage of opened cases that result in presentations.	N/A	29%	N/A	24%



# Department of Financial Services

## Assessment of Performance for Approved Performance Measures—LRPP Exhibit III

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Office of Chief Financial Officer and Administration

**Service/Budget Entity:** Information Technology/43010300

**Measure:** Establish a Comprehensive Functional Inventory of Department Software Applications

**Action:**

- |   |  |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure           | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                    |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
69	58	11 (Under)	-15.94%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input checked="" type="checkbox"/> Staff Capacity   |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

The year three cumulative total of this measure for Fiscal Year 18/19 is 207 applications reviewed since Fiscal Year 16/17. A total of 235 applications have been reviewed through Fiscal Year 18/19, putting the five (5) year cyclical measure ahead of schedule. The number of applications to score during this fiscal year was reduced due to resource capacity constraints based on the organization's project work.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

N/A

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology                  |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

**Recommendations:**

Additional training opportunities will be forthcoming as this measure is further instilled within the operations of the divisions. Greater emphasis on the decommissioning of applications no longer used has given rise to the archiving and removal of applications no longer of service.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Financial Accountability for Public Funds

**Service/Budget Entity:** State Financial Information and State Agency

**Accounting/43200100**

**Measure:** Number of Agencies Audited for Contract/Grant Managers Performance

**Action:**

- |   |  |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure           | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                    |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
8	4	4 (Under)	-50%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

Five FTE are responsible for auditing agency contract monitoring processes to evaluate whether agency management established and implemented certain contract monitoring processes. These processes promote appropriate oversight and control, including accomplishment and receipt of significant deliverables and the authorization of payments for invoiced deliverables. Now that the team is fully staffed, the Division expects the team to meet its performance target.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

N/A

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology                  |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

**Recommendations:**

The Division expects the Contract Management Review Team to complete eight contract management reviews for Fiscal Year 2019-2020.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Financial Services

**Program:** Fire Marshal

**Service/Budget Entity:** Compliance and Enforcement/43300200

**Measure:** Number of Entity Requests for Licenses, Permits, and Certifications Processed within Statutorily Mandated Time Frames

**Action:**

- |   |  |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure           | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                    |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
8,000	7,065	-935 (Under)	-12%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

N/A

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster            |
| <input type="checkbox"/> Target Population Change                            | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |  |

**Explanation:**

This measure will fluctuate from fiscal year to fiscal year. Chapter 633, Florida Statutes, provides that the five classifications of fire protection system contractors shall be required to renew their licenses on a two-year cycle. Fire Equipment Dealers and Permit holders renew their authorities on a two-year cycle as well. Licensing demand and the biennial structure of certain licenses may lead to annual licensing figure fluctuations.

**Management Efforts to Address Differences/Problems** (check all that apply):

Training

Technology

Personnel

Other (Identify)

**Recommendations:**

The Division will monitor performance and will request revisions if appropriate.



## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Fire Marshal

**Service/Budget Entity:** Compliance and Enforcement/43300200

**Measure:** Number of Regulatory Inspections Completed

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
1000	944	56 (Under)	-5.6%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

N/A

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster            |
| <input type="checkbox"/> Target Population Change                            | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |  |

**Explanation:**

Mandated regulatory inspections are conducted on fire equipment dealers and at certain construction material mining facilities. Although inspections occur on regular intervals, certain changes in licensee status may require additional inspections. The Division is unable to project non-routine inspection demands, and therefore, the figure is susceptible to fluctuation.

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology                  |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

**Recommendations:**

The Division will monitor performance and will request revisions if appropriate.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Fire Marshal

**Service/Budget Entity:** Professional Training and Standards/43300400

**Measure:** Number of Students Trained and Classroom Contact Hours Provided by the Florida State Fire College

**Action:**

- |   |  |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure           | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                    |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
5,500/ 175,000	4,418/ 191,968	-1,082 (Under)/ +16,968 (Over)	-19.7%/ +9.7%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

N/A

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input checked="" type="checkbox"/> Target Population Change                 | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

In addition to Florida students seeking certification, the fire college typically receives a considerable amount of out of state military students. There was a notable decline in military students for FY 18-19. Frequently, these students are seeking special certifications. Ultimately, students drive enrollment figures, and some students select a third-party training company to fulfill portions of the certification requirements.

**Management Efforts to Address Differences/Problems** (check all that apply):

- Training
- Personnel

- Technology
- Other (Identify)

**Recommendations:**

The Division will be applying for additional certifications to allow it to offer new specialized courses. Additional certification offerings may attract additional students. The Division will assess the impact of certification changes and may request revisions.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Licensing and Consumer Protection

**Service/Budget Entity:** Insurance Company Rehabilitation and Liquidation /43500100

**Measure:** Percentage of Service Requests Closed within 30 Days

**Action:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input checked="" type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure            |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |   |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
90%	95.5%	5.5% (Over)	6.11%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

The Division has performed above our approved standard for this measure. The Division strives to consistently reach and exceed the standard for this performance measure.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

N/A

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology                  |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

**Recommendations:**

The Division is submitting a request to make a revision to this performance measure.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Licensing and Consumer Protection

**Service/Budget Entity:** Licensure, Sales Appointment and Oversight/43500200

**Measure:** Average Direct Cost of Investigation Operations per Completed Investigation

**Action:**

- |   |  |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure           | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                    |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
\$935	\$1,102	\$167 (Over)	-18%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

N/A

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input checked="" type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)            |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |  |

**Explanation:**

The Bureau of Investigation's FY 2018-2019 costs increased in part due to Hurricane Michael. After the storm, many investigators were deployed to assist the Florida Highway Patrol and National Guard with checkpoints to verify adjusters' licenses to enter restricted areas. Staff also went to damaged communities to provide information to residents and to curb unlicensed activities.

**Management Efforts to Address Differences/Problems** (check all that apply):

- Training
- Personnel

- Technology
- Other (Identify)

**Recommendations:**

Although the Department cannot control hurricanes, it remains committed to assisting residents, visitors and disaster response entities with Emergency Support Function 4 and post-storm insurance issues. The increased average direct of investigation operations per investigation for FY 18-19 represents a hurricane-related anomaly that is not reflective of historical averages for a typical fiscal year. Since the change was a storm-related anomaly, agency management does not anticipate requesting revisions based on FY 18-19 performance.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Licensing and Consumer Protection

**Service/Budget Entity:** Consumer Assistance/43500400

**Measure:** Percentage of Monetary Eligible Service Requests that Resulted in a Recovery

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
85%	58.14%	-26.86% (Under)	31.6%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

N/A

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input checked="" type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)            |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |  |

**Explanation:**

Due to Hurricane Michael, the Division spent more time assisting consumers with new claims. As communications were restored in disaster areas, consumers were able to communicate with their company directly, and the Division did not always know the outcome of those claims.

**Management Efforts to Address Differences/Problems** (check all that apply):

- Training
- Personnel

- Technology
- Other (Identify)

**Recommendations:**

Although the Department cannot control hurricanes, it remains committed to assisting residents, visitors and disaster response entities with Emergency Support Function 4 and post-storm insurance issues. The Percentage of Monetary Eligible Service Requests that Resulted in a Recovery for FY 18-19 represents a hurricane-related deviation. Since the change was a storm-related deviation, agency management does not anticipate requesting revisions based on FY 18-19 performance.



## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Licensing and Consumer Protection

**Service/Budget Entity:** Public Assistance Fraud/43500700

**Measure:** Dollar amount of Benefits Withheld, Saved and Recouped as a Percentage of Public Assistance Fraud Annual Budget

**Action:**

- |   |   |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input checked="" type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure  | <input type="checkbox"/> Deletion of Measure            |
| <input type="checkbox"/> Adjustment of GAA Performance Standards          |   |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
300%	785%	485% (Over)	162%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

The division has realigned staff to enable FTE investigators to focus on criminal investigations, while the OPS staff focus on administrative disqualification. This investigative strategy has increased dollars recovered, minimized budgetary impact and bolstered actual performance.

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster            |
| <input type="checkbox"/> Target Population Change                            | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |  |

**Explanation:**

The division collaborated with its partner agencies, the Department of Children and Families (DCF) and the Office of Early Learning (OEL) to refine the case referrals process, which has increased the number of actionable cases. These more actionable cases have enhanced investigatory results.

**Management Efforts to Address Differences/Problems** (check all that apply):

- Training
- Personnel

- Technology
- Other (Identify)

**Recommendations:**

Based on the cumulative effect of these operational changes, the Department will request a revision to this measure.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Licensing and Consumer Protection

**Service/Budget Entity:** Public Assistance Fraud/43500700

**Measure:** Number of Completed Cases Resulting in Referral for Disqualification or Prosecution

**Action:**

- |   |  |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure           | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                    |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
3,000	2,757	243 (Under)	-8.1%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities         | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect  | <input type="checkbox"/> Other (Identify)  |

**Explanation:** In FY 18-19, DPAF experienced high investigator turnover. A total of 41.7% of its investigative staff (20 investigators) we lost or promoted. Personnel and experience losses contributed to the 8.1% decline in cases completed.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

N/A

**Management Efforts to Address Differences/Problems** (check all that apply):

- |   |   |
|---|---|
| <input type="checkbox"/> Training             | <input type="checkbox"/> Technology       |
| <input checked="" type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:** In FY 18-19, the Legislature increased OPS authority for financial crime investigators. Once these investigators are fully trained and working, their focus will be on administrative hearing cases. FTE investigators will work on criminal cases. The division will continue to monitor actual performance and the impact of staffing revisions.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services  
**Program:** Workers' Compensation  
**Service/Budget Entity:** Workers' Compensation/43600100  
**Measure:** Number of Employer Investigations Conducted

**Action:**

- |   |  |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure           | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                    |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
32,000	30,029	1,971 (Under)	-6.16%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

N/A

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input checked="" type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)            |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |  |

**Explanation:**

Hurricane Michael impacted the overall number of employer investigations conducted in FY 18/19. In the immediate aftermath of Hurricane Michael, the investigators performed outreach duties in the impacted areas and provided information to employers regarding the coverage requirements in Chapter 440, Florida Statutes.

**Management Efforts to Address Differences/Problems** (check all that apply):

- Training
- Personnel

- Technology
- Other (Identify)

**Recommendations:**

Although the Department cannot control hurricanes, it remains committed to assisting residents, visitors and disaster response entities with Emergency Support Function 4 and post-storm insurance issues. The number of employer investigations conducted for FY 18-19 represents a hurricane-related anomaly. Since the change was a storm-related anomaly, agency management does not anticipate requesting revisions based on FY 18-19 performance.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Workers' Compensation

**Service/Budget Entity:** Workers' Compensation/43600100

**Measure:** Number of Petitions for Reimbursement Dispute Resolution Resolved

**Action:**

- |   |  |
|---|--|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure           | <input type="checkbox"/> Revision of Measure |
| <input checked="" type="checkbox"/> Performance Assessment of <u>Output</u> Measure | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                    |  |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
3,000	2,607	393 (Under)	-13.1%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Personnel Factors | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities         | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect  | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

The Medical Services Section had three open nurse case manager positions. Because of the competitive market, the Division was unable to successfully fill all three-nurse case manager position until March 2019. The reduction in staff available to review and process the reimbursement disputes contributed to the decrease in the issuance of the determinations/dismissals.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix The Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against The Agency Mission |   |

**Explanation:**

N/A

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology                  |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

**Recommendations:**

The Division will continue to monitor performance and will request changes if appropriate.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Investigative and Forensic Services

**Service/Budget Entity:** Fire and Arson Investigations/43700100

**Measure:** Percentage of Referrals Declined by State Attorney's Office for Prosecution.

**Action:**

- |   |   |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure            |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure  | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards          |   |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
10%	7.7%	2.3% (Over)	23%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

Division efforts increased the number of cases accepted for prosecution.

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input checked="" type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)            |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |  |

**Explanation:**

N/A

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology                  |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

**Recommendations:**

Division staff dedication and expertise contributed to a decline in the percentage of referrals declined.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Investigative and Forensic Services

**Service/Budget Entity:** Fire and Arson Investigations/43700100

**Measure:** Percentage of Closed Arson Investigations for which an Arrest was made in Florida

**Action:**

- |   |   |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure<br><input type="checkbox"/> Performance Assessment of <u>Output</u> Measure<br><input type="checkbox"/> Adjustment of GAA Performance Standards | <input type="checkbox"/> Revision of Measure<br><input checked="" type="checkbox"/> Deletion of Measure |
|---|---|

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
18%	22.7%	4.7% (Over)	26%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |   |   |
|---|---|
| <input type="checkbox"/> Personnel Factors<br><input type="checkbox"/> Competing Priorities<br><input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Staff Capacity<br><input type="checkbox"/> Level of Training<br><input checked="" type="checkbox"/> Other (Identify) |
|---|---|

**Explanation**

N/A

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable<br><input type="checkbox"/> Legal/Legislative Change<br><input type="checkbox"/> Target Population Change<br><input type="checkbox"/> This Program/Service Cannot Fix the Problem<br><input type="checkbox"/> Current Laws Are Working Against the Agency Mission | <input type="checkbox"/> Technological Problems<br><input type="checkbox"/> Natural Disaster<br><input type="checkbox"/> Other (Identify) |
|--|---|

**Explanation:**

N/A

**Management Efforts to Address Differences/Problems** (check all that apply):

- |   |   |
|---|---|
| <input type="checkbox"/> Training<br><input type="checkbox"/> Personnel | <input type="checkbox"/> Technology<br><input checked="" type="checkbox"/> Other (Identify) |
|---|---|

**Recommendations:**

The Division is requesting to delete this measure.



## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Investigative and Forensic Services

**Service/Budget Entity:** Forensic Services/43700200

**Measure:** The number of items analyzed chemically plus the number of imaging items processed

**Action:**

- |   |   |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure            |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure  | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards          |   |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
13,650	8,372	5278 (Under)	-38.67%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

N/A

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster            |
| <input type="checkbox"/> Target Population Change                            | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |  |

**Explanation:**

The Bureau has experienced a steady drop in submissions for clandestine laboratory chemical analyses due to the drop-in lab activity. The bureau has also see a drop in the number of submissions for fire debris analysis.

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology                  |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

**Recommendations:**

The Division will request to delete this measure.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Investigative and Forensic Services

**Service/Budget Entity:** Insurance Fraud/43700300

**Measure:** Percentage of Opened Insurance Fraud Cases Presented for Prosecution by Law Enforcement Investigators

**Action:**

- |   |   |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure            |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure  | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards          |   |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
75%	57.95%	17.05% (Under)	-23%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Personnel Factors | <input checked="" type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities         | <input type="checkbox"/> Level of Training         |
| <input type="checkbox"/> Previous Estimate Incorrect  | <input type="checkbox"/> Other (Identify)          |

**Explanation:**

The Division continues to experience high turnover and numerous vacancies.

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input checked="" type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)            |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |  |

**Explanation:**

The Bureau was activated for Hurricane duty in October, November and December. A considerable portion of staff over this period were assigned to hurricane response tasks. As a result, a smaller number of staff were available to perform routine operations.

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology                  |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

**Recommendations:**

Although the Department cannot control natural disasters, management will continue to diligently work to decrease vacancies.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services  
**Program:** Investigative and Forensic Services  
**Service/Budget Entity:** Insurance Fraud/43700300  
**Measure:** Number of insurance fraud arrests (not including workers' compensation arrests)

**Action:**

- |   |   |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure            |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure  | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards          |   |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
795	446	349 (Under)	44%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Personnel Factors | <input checked="" type="checkbox"/> Staff Capacity |
| <input type="checkbox"/> Competing Priorities         | <input type="checkbox"/> Level of Training         |
| <input type="checkbox"/> Previous Estimate Incorrect  | <input type="checkbox"/> Other (Identify)          |

**Explanation:**

The Division continues to experience high turnover and numerous vacancies.

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input checked="" type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)            |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |  |

**Explanation:**

The Bureau was activated for Hurricane duty in October, November and December. A considerable portion of staff over this period were assigned to hurricane response tasks. As a result, a smaller number of staff were available to perform routine operations.

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology                  |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

**Recommendations:**

Although the Department cannot control natural disasters, management will continue to diligently work to decrease vacancies.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Investigative and Forensic Services

**Service/Budget Entity:** Insurance Fraud/43700300

**Measure:** Number of workers' compensation insurance fraud arrests (not including general fraud arrests)

**Action:**

- |   |   |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure            |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure  | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards          |   |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
429	429	0	0

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

N/A

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

N/A

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

N/A

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services  
**Program:** Investigative and Forensic Services  
**Service/Budget Entity:** Insurance Fraud/43700300  
**Measure:** Number of presentations submitted for prosecution

**Action:**

- |   |   |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure            |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure  | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards          |   |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
1,320	926	-394 (Under)	-30%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

The Division continues to experience high turnover and numerous vacancies.

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input checked="" type="checkbox"/> Natural Disaster |
| <input type="checkbox"/> Target Population Change                            | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |  |

**Explanation:**

The Bureau was activated for Hurricane duty in October, November and December. A considerable portion of staff over this period were assigned to hurricane response tasks. As a result, a smaller number of staff were available to perform routine operations.

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology                  |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

**Recommendations:**

Although the Department cannot control natural disasters, management will continue to diligently work to decrease vacancies.

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services  
**Program:** Investigative and Forensic Services  
**Service/Budget Entity:** Insurance Fraud/43700300  
**Measure:** Requested Restitution as a Percentage of the Annual Appropriated Budget

**Action:**

- |   |   |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure            |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure  | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards          |   |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
200%	294%	94% (Over)	47%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity    |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training |
| <input type="checkbox"/> Previous Estimate Incorrect | <input type="checkbox"/> Other (Identify)  |

**Explanation:**

N/A

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

N/A

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology                  |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

**Recommendations:**

N/A

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Department of Financial Services

**Program:** Investigative and Forensic Services

**Service/Budget Entity:** Office of Fiscal Integrity/43700400

**Measure:** Percentage of Office of Fiscal Integrity Investigations That Result in Action

**Action:**

- |   |   |
|---|---|
| <input type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure            |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure  | <input checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards          |   |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
50%	34%	-16% (Under)	-32%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

The Division's efforts partially influence the outcome of this measure. Factors specific to the investigation exert a greater level of control on the measure.

**External Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems      |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster            |
| <input type="checkbox"/> Target Population Change                            | <input checked="" type="checkbox"/> Other (Identify) |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |  |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |  |

**Explanation:**

Action depends on the facts and circumstances of each investigation.

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |  |
|------------------------------------|--|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology                  |
| <input type="checkbox"/> Personnel | <input checked="" type="checkbox"/> Other (Identify) |

**Recommendations:**

The Division will request a deletion.



# Department of Financial Services

## Performance Measure Validity and Reliability–LRPP Exhibit IV



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Executive Direction and Support Services/43010100

Measure: Administrative Costs as a Percentage of Total Agency Costs

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Executive Direction and Support Services/43010100

Measure: Administrative Positions as a Percentage of Total Agency Positions

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Legal Services/43010200

Measure: Percentage of Closed Files Involving Allegations of Statutory Violation That Were Successfully Prosecuted

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology/43010300

Measure: Percentage of Scheduled Hours Computer and Network is Available

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## **LRPP EXHIBIT IV: Performance Measure Validity and Reliability**

**Department:** Department of Financial Services

**Program:** Office of Chief Financial Officer and Administration

**Service/Budget Entity:** Information Technology/43010300

**Measure:** Percentage of Customers Who Returned a Customer Service Satisfaction Rating of at Least Four (4) on a Scale of One (1) to Five (5) on Surveys

**Action** (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology/43010300

Measure: Establish a Comprehensive Functional Inventory of Department Software Applications

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Consumer Advocate/43010400

Measure: Percentage of Referred Cases Responded to and/or Transferred Within Three (3) Days of Receipt

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Consumer Advocate/43010400

Measure: Percentage of Rate Filings Subject to Public Hearing Which Were Reviewed by our Office

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Office of Chief Financial Officer and Administration

Service/Budget Entity: Information Technology-FLAIR Infrastructure/43010500

Measure: Percentage of Scheduled Hours Computer and Network is Available

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Treasury

Service/Budget Entity: Deposit Security/43100200

Measure: Percentage of analyses of the Qualified Public Depositories Completed within 90 Days of the Start of the Analysis Cycle

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Treasury

Service/Budget Entity: Deposit Security/43100200

Measure: Percentage of Collateral Administrative Program Transactions Completed Within Three Business Days

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

**LRPP EXHIBIT IV: Performance Measure Validity and Reliability**

**Department:** Department of Financial Services

**Program:** Treasury

**Service/Budget Entity:** State Funds Management and Investment/43100300

**Measure:** Percentage by which the Treasury's Investment Pool Exceeded the Blended Benchmark for a Rolling Three-Year Period

**Action** (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Treasury

Service/Budget Entity: State Funds Management and Investment/43100300

Measure: Percentage of Core Accounting Processes That Meet Established Deadlines and Standards for Accuracy

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Treasury

Service/Budget Entity: Supplemental Retirement Plan/43100400

Measure: Percentage of State Employees Participation in the State Deferred Compensation Plan

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

### Data Sources and Methodology

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: State Financial Information and State Agency Accounting/43200100

Measure: Percentage of Accounts Collected Annually from CFO's Contracted Collection Agents

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: State Financial Information and State Agency Accounting/43200100

Measure: Number of Agencies Audited for Contract/Grant Managers Performance

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: State Financial Information and State Agency Accounting/43200100

Measure: Number of Contracts Reviewed

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property/43200200

Measure: Number of Reported Accounts Uploaded into UPMIS

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property/43200200

Measure: Number of Claims Paid and Dollar Amount of Claim Payments

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property/43200200

Measure: Percentage of Claims Processed within 60 Days from Date Received (Cumulative Total)

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property/43200200

Measure: Number of New Holders Reporting Unclaimed Property in the Fiscal Year

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Recovery and Return of Unclaimed Property/43200200

Measure: Number of Reported Accounts Uploaded into UPMIS and the Reported Dollar Value

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Financial Accountability for Public Funds

Service/Budget Entity: Florida Planning, Accounting and Ledger Management /43200300

Measure:

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement/43300200

Measure: Number of Entity Requests for Licenses, Permits and Certifications Processed within Statutorily Mandated Time Frames

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement/43300200

Measure: Number of regulatory inspections completed

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement/43300200

Measure: Percentage of Mandated Regulatory Inspections Completed

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Compliance and Enforcement/43300200

Measure: Percentage of Fire Code Inspections Completed within Statutory Defined Timeframes

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Professional Training and Standards/43300400

Measure: Number of Florida Certification Programs Submitted for National Accreditation or Re-Accreditation.

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Professional Training and Standards/43300400

Measure: Number of Students Trained and Classroom Contact Hours Provided by the Florida State Fire College

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Professional Training and Standards/43300400

Measure: Percentage of Fire College Students Passing Certification Exam on First Attempt

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## **LRPP EXHIBIT IV: Performance Measure Validity and Reliability**

**Department:** Department of Financial Services

**Program:** Fire Marshal

**Service/Budget Entity:** Fire Marshal Administrative and Support Services/43300500

**Measure:** Administrative Positions as a Percentage of Total Program Positions

**Action** (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Fire Marshal

Service/Budget Entity: Fire Marshal Administrative and Support Services/43300500

Measure: Administrative Costs as a Percentage of Program Agency Costs

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self Insured Claims Adjustment/43400100

Measure: Average loss Adjustment Expense per Claim Worked

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self Insured Claims Adjustment/43400100

Measure: Average Cost of Workers' Compensation Claims Paid

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self Insured Claims Adjustment/43400100

Measure: Percentage of Liability Claims Closed in Relation to Liability Claims Worked During the Fiscal Year

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self Insured Claims Adjustment/43400100

Measure: Percentage of Indemnity and Medical Payments Made in a Timely Manner in Compliance with DFS Rule 69L-24.006, F.A.C.

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self Insured Claims Adjustment/43400100

Measure: Number of Workers' Compensation Claims Worked

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self Insured Claims Adjustment/43400100

Measure: Number of Liability Claims Worked

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self Insured Claims Adjustment/43400100

Measure: Number of State Property Loss/Damage Claims Worked

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self Insured Claims Adjustment/43400100

Measure: Percentage of Tort Liability Claim Files Resolved within Four (4) years Without Litigation

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: State Self Insured Claims Adjustment/43400100

Measure: Number of Agency Loss Prevention Training and Consultation Events Conducted during the Fiscal Year (Top Three (3) Agencies)

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Licensing and Consumer Protection

**Service/Budget Entity:** Insurance Company Rehabilitation and Liquidation/  
43500100

**Measure:** Percentage of Service Requests Closed within 30 Days

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

### **Data Sources and Methodology:**

Pursuant to Chapter 631, Florida Statutes, impaired or insolvent insurance companies are placed in receivership for conservation, rehabilitation, or liquidation by an order of the Second Judicial Circuit Court in Leon County, Florida (the "Court"). The Florida Department of Financial Services ("Department") is the court appointed receiver for certain insurance entities that are ordered into receivership. The Division of Rehabilitation and Liquidation ("Division") administers the receiverships on behalf of the Department coordinating and directing the receivership processes from the entry of the initial receivership order until a discharge order is entered by the Court.

Consumer inquiries are received by the means listed below.

1) Phone Inquiries Received by Department's Division of Consumer Services: Calls received via this toll-free phone number are initially handled by the Division of Consumer Services' customer service representatives. If a consumer inquiry requires further research or a receivership-specific response, the call is forwarded to the Division by a specialized, dedicated consumer service software. The inquiries are then processed by Division employees in accordance with approved policies and procedures.

2) Phone Inquiries Received Directly by Division: Infrequently, the Division directly receives phone inquiries. The Division employee enters call information into the consumer service database and processes the inquiry in accordance with approved policies and procedures.

3) Email Inquiries Received Directly by Division: Email inquiries are frequently received via the Division's "contact us" form but may also be sent directly to Division employees. Division employees review email inquiries daily, enter them into the dedicated consumer services database and process the inquiries in accordance with approved policies and procedures.

4) Fax Inquiries Received by Division: Fax inquiries are received via the Division fax machine. Division employees review the fax inquiries daily, enter them into the dedicated consumer services database and process the inquiries in accordance with approved policies and procedures.

Regardless of the original source of the consumer inquiry, all consumer inquiries entered into the consumer service database are known as “service requests.” When a service request assigned to a Division employee is resolved (e.g., through response to the inquiring consumer), the service request is marked “closed”. The performance measure is calculated using results obtained from the automated report. This report reflects the information related to the percentage of Division service requests closed within 30 days from the date they were entered into the database.

The performance measure is calculated using the automated results of query referenced above. The total number of service requests closed within 30 days is divided by the total number of service requests closed by the Division within the month. The resulting percentage is then recorded in monthly reports for the Division. The annual number is calculated by averaging the monthly percentage results. The Division standard for this performance measure is 90%.

**Validity:**

The measure is an essential aspect of performance because it directly relates to the mission, goals, and objectives of the Department and Division. Specifically, the measure helps to ensure that the Division delivers value to the public, including receivership claimants and Florida citizens, by monitoring accomplishments and promoting cost effectiveness. Since the Division calculates the figure monthly and annually, it can assess performance trends overtime. Although the Division’s operational efficiency significantly impacts the number of service requests closed within 30 days, an increase in receiverships is likely to increase the number of inquiries, which would increase the divisor.

**Reliability:**

The queries used to determine the receipt and aging of the individual service requests have been tested and have been routinely used throughout the Department. Division consumer inquiry controls require inquiry sources to be checked daily, prevent receipt date changes (unless the request is reopened), and create an audit trail for each request, which shows when the request was initially received and when it was resolved/closed. Further, all data maintained in the consumer service software is stored, backed-up and archived in accordance with the Department’s server and data management guidelines.

Based on the internal controls described above, the measure is correctly defined, verifiable, consistent with the definition and reliable. The measure and underlying data are unbiased and representative of the target population because they reflect only the length of time it takes to close Division service requests. However, the measure is subject to a degree of external influence because inquiries are driven by consumer needs.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Insurance Company Rehabilitation and Liquidation/  
43500100

Measure: Percentage of Non-Claimant Invoices Paid within 40 Days

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200

Measure: Cost of Licensing Operations per Active License

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200

Measure: Average Direct Cost of Investigation Operations per Completed Investigation

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200

Measure: Average Number of Investigations Completed per Investigator

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Licensure, Sales Appointment and Oversight/43500200

Measure: Average Number of Applications Processed per Licensing FTE

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Percentage of Helpline Call and Service Request Audits That Result in Quality Service

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Percentage of Consumer Survey Responses That Rate the Division's Services as Very Good or Excellent

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Percentage of Answered Phone Calls That are Answered within Four Minutes

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Percentage of Monetary Eligible Service Requests That Resulted in a Recovery

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral and Cemetery Services/43500500

Measure: Percentage of Investigations Submitted by Legal to Probable Cause

Panel in Which the Panel Agrees with the Division's Probable Cause

Recommendation

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral and Cemetery Services/43500500

Measure: Percentage of Funeral Establishment Inspections That do not Require Quality Control Follow-Up

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral and Cemetery Services/43500500

Measure: Average Time (days) to Close an Investigation

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Funeral and Cemetery Services/43500500

Measure: Percentage of Deficiency Letters Sent out within 5 Business Days of Receiving the Application

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Public Assistance Fraud/43500700

Measure: Dollar Amount of Benefits Withheld, Saved and Recouped as a Percentage of Public Assistance Fraud Annual Budget

Action (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

### Definitions:

**Benefits Withheld** are an approved recipient's benefits that would likely have been paid over a specific period without a DPAF investigation. Benefits Withheld figures are reported by Social Security Administration's Cooperative Disability Investigations program and the DCF. The DCF monetizes cost savings at an estimated average of \$200 per month times the number of disqualification months.

**Benefits Saved** are benefits that will not be furnished because of a fraud-related disqualification period. Disqualification periods and processes may be offense and program dependent.

**Benefits Recouped** are dollars recovered by the Department of Children and Families or the Office of Early Learning based on an adjudicated offense investigated by DPAF. These benefits were issued based on fraudulent applications or were fraudulently used. DCF or OEL reports Benefits Recouped based on DPAF investigations to DPAF.

### Data Sources:

The division uses the following six sources of data to determine the percentage return on investment.

1. Automated Investigation Management System (AIMS)—The Division's case management system contains public assistance investigatory information.
2. Department of Children and Families (DCF)—The DCF provides DPAF's investigatory outcome information to the DFS per s.414.411, F.S., including fraudulent benefits received, monthly restitution collections and disqualification months.
3. Office of Early Learning and (OEL)—The OEL provides total monthly restitution figures from recipients found guilty of fraud in the School Readiness and Voluntary Pre-Kindergarten programs. These individuals are required to pay restitution as part of a criminal sentence or plea agreement.

4. Early Learning Coalitions (ELC) – Early Learning Coalitions administer the School Readiness and Voluntary Pre-Kindergarten programs for the state. If fraud occurs, the ELC determines the amount of fraudulent benefits received based on DPAF investigative findings.

5. Social Security Administration (SSA) Cooperative Disability Investigation (CDI) units – SSA benefits are cash disability benefits. Non-SSA benefits include state issued Supplemental Nutrition Assistance Program (SNAP) benefits and Medicaid benefits. CDI units provide the amount of SSA and Non-SSA benefits Saved by CDI investigations each month. Benefits Withheld are cash payments, as well as Medicaid and food stamp benefits approved for up to five years based on a disability determination. Without these investigations, these benefits may be issued. Cost savings generated by DPAF investigations are included in the Division's Benefits Withheld total.

Overpaid benefits constitute federal debt collected through a variety of means until satisfied, including federal tax returns, lottery winning withholdings, and other monthly federal payment garnishment. Each agency tracks collections and payments against claims established in DPAF cases. These monthly totals serve as the basis of their monthly Benefits Recouped or restitution reported to DPAF. Cash assistance cases may have higher monthly benefit amounts; however, these cases reflect a small percentage of annual cases and are generally part of a larger case.

6. DFS Office of Budgeting – The Office of Budgeting provides the monthly cost data.

**Methodology:**

To determine the dollar amount of Benefits Withheld, Saved and Recouped as a percentage of Public Assistance Fraud annual budget, the division tabulates monthly public assistance ordered Withheld because of investigations, SSA and Non-SSA Benefits Withheld or Saved and restitution collections based on DPAF cases. DPAF operating costs are retrieved from the FLAIR system by budget office staff. Division staff divide the dollar amount of Benefits Withheld, Saved and Recouped by the annual cost to operate figure, which returns a figure that is multiplied by 100. The measure is correctly stated and computed based on the enumerated methodology.

**Validity:**

This measure aligns with the Department's goal to combat fraud, abusive business practices and excessive regulation and its objective to conduct successful investigations. The measure reflects the monetary savings associated with DPAF investigative activities that are an essential aspect of division performance. Investigative efforts drive cases statistics; however, the amount collected depends on many factors, including the case and the nature of the violation. Since the Division monitors the figure monthly, it can track performance throughout the year.

**Reliability:**

The data is an unbiased tabulation of quantifiable investigative outcomes, which estimates the Benefits Withheld, Saved and Recouped associated with DPAF investigative activities. Although the per unit figures for certain types of benefits are estimated, the measure captures the number of individuals or cases associated with these figures. Investigative outcomes are influenced by investigative efforts and fraudulent activities committed by certain individuals, and therefore, may be susceptible to a degree of external influence. A portion of the data used to calculate this measure is from external sources, which means that external entity internal controls impact this figure. Data provided by the DCF and the OEL is reconciled by their claims and collections staff. PAF staff compile submissions from external sources, store data in AIMS, and maintain records to justify the figure. The supporting information is verifiable in terms of how it is collected calculated and summarized.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Public Assistance Fraud/43500700

Measure: Number of Completed Cases Resulting in Referral for Disqualification or Prosecution

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Percentage of First Indemnity Payments Made Timely

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Number of Employer Investigations Conducted

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Percentage of Disputes Resolved for Injured Workers by the Employee Assistance Office

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## **LRPP EXHIBIT IV: Performance Measure Validity and Reliability**

**Department:** Department of Financial Services

**Program:** Workers' Compensation

**Service/Budget Entity:** Workers' Compensation/43600100

**Measure:** Number of Petitions for Reimbursement Dispute Resolution Resolved

**Action** (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Percentage of overall accepted claims Electronic Data Interchange (EDI) form filings

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Fire and Arson Investigations/43700100

Measure: Percentage of Referrals Declined by State Attorney's Office for Prosecution

Action (check one): N/A Requested Deletion

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Fire and Arson Investigations/43700100

Measure: Percentage of Arson Cases Cleared

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Fire and Arson Investigations/43700100

Measure: Percentage of Closed Fire Investigations Successfully Concluded, including by Cause Determined, Suspect Identified and/or Arrested or other Reasons

Action (check one): N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Fire and Arson Investigations/43700100

Measure: Percentage of Closed Arson Investigations for Which an Arrest was Made in Florida

Action (check one): N/A Requested Deletion

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Investigative and Forensic Services

**Service/Budget Entity:** Forensic Services/43700200

**Measure:** Lab Case Turnaround Time

**Action** (check one):

- Requesting revision to approved performance measure
- Change in data sources or measurement methodologies
- Requesting new measure
- Backup for performance measure

### **Data Sources and Methodology:**

The laboratory chemically analyzes samples in response to customer requests. Chemical analyses and their associated quality assurance samples constitute the majority of the work done by the Bureau (70% to 80% depending on the service requests submitted in a month). As part of the request, the lab receives the samples and creates the case files. A case must contain at least one sample, but could contain twenty samples or more. Case and sample information is input into the Laboratory Information Management System Database (SQL\*LIMS or LIMS). The tracking period begins the day the samples within a case are assigned (assignment date), which is typically the received date or the following business day. After sample extraction and chemical analysis, the analyst reviews and interprets the data and must enter their findings for the sample in the LIMS. Only after all the samples within a case are entered is the case considered complete. The Lab Case Turnaround Time for an individual sample is calculated as the difference between the sample assignment date and completion date established by the analyst's final finding submission. For example, a five-sample case where three findings are input within three days and two findings within five days of assignment would result in a 3.8-day lab case turnaround time. The case turnaround time would be calculated as  $(3 \text{ samples} * 3 \text{ days}) + (2 \text{ samples} * 5 \text{ days}) / 5 \text{ samples} = 3.8 \text{ days/sample (mean)}$ .

Although the division monitors monthly performance at the lab and analyst levels, the annual figure should be calculated based on an annual report run for the fiscal year. The annual figure provides the best overall performance snapshot. As described in further detail below, the measure is correctly computed and stated.

**Validity:**

Tracking this measure promotes a customer-focused culture and strengthens efficiency. These results support investigative efforts of state, county and local law enforcement agencies and ultimately protect Floridians. Analyzing evidence for ignitable liquids, explosives or hazardous chemical associated with suspected crime scenes is one of the budget entity's primary functions and the one which consumes the majority of resources, effort and time). Changes in operational efficiency may alter the turnaround time; however, submission timing, analyst time spent on leave, training time and testifying responsibilities will also impact performance and be reflected in the turnaround time.

**Reliability:**

The measure unbiasedly reflects the turnaround time for all accepted samples for chemical analyses received by the Budget Entity. A very small portion of samples may be returned to the requestor for not meeting established standards. All accepted chemical analysis samples are assigned in LIMS. The measure is susceptible to a degree of external influence it may be influenced by demand for analyses, the portion of time analyst spends on leave or testifying, case complexity and other considerations. However, operational factors enable the division to exert control over some of these figures. Technical and administrative reviews are conducted on all cases. Given the robust internal controls and verifiable queries, repeated trials should yield consistent results.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Forensic Services/43700200

Measure: The Number of Items Analyzed Chemically Plus the Number of Imaging Items Processed

Action (check one): N/A Requested Deletion

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Investigative and Forensic Services

**Service/Budget Entity:** Insurance Fraud/43700300

**Measure:** Percentage of Referrals That Result in Opened Cases

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

### **Data Sources and Methodology:**

Individuals submit insurance fraud referrals by web portal, email, mail and/or telephone. Supervisory staff evaluate referrals, open cases and assign investigators. ACISS, the fraud complaint database, contains the investigatory data, which is retrieved monthly by the COPSaver reports. The calculation is completed by dividing the number of insurance fraud cases opened by the number of insurance fraud referrals. The figure is reviewed monthly, and an annual number is calculated based on the respective referral and open dates for the entire fiscal year. The measure is correctly stated and reflects ACISS investigatory data.

### **Validity:**

The Insurance Fraud Budget Entity's (IFBE) process for reviewing referrals, assigning cases and investigating cases allows it to meet the Department's goal to combat fraud, abusive business practices and excessive regulation. Activities associated with the goal allow it to carry out the Department's objective to conduct successful investigations, which is an essential aspect of IFBE performance.

The IFBE's operational performance enables it to conduct its investigations and leads to favorable investigatory outcomes. The numerator, the insurance fraud referrals that result in opened cases, are determined by supervisory staff and influenced by the nature of referrals. The denominator of the percentage, the number of insurance fraud referrals, depends on fraud prevalence and reporting propensity. Since the IFBE directly controls a portion of the measure, efficiency may impact the measure. Referrals, open cases and other key statistics are continuously monitored at the IFBE and squad levels to track performance.

**Reliability:**

The proposed measure unbiasedly represents the total population or all insurance fraud referrals received through the enumerated means described in the Data Source Section. The ACISS system is the IFBE's controlled-access, third-party system that tracks referrals and cases. Since COPSaver reports only retrieve data from the database, all modifications to underlying data must be made by an approved ACISS user with case access. Although, the IFBE largely controls the numerator, the denominator is susceptible to a degree of external influence by the factors described above. The measuring procedure is reliable, verifiable, based on limited-access data and repeatable.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Investigative and Forensic Services

**Service/Budget Entity:** Insurance Fraud/43700300

**Measure:** Percentage of Opened Cases That Result in Presentations

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

### **Data Sources and Methodology:**

Individuals submit insurance fraud referrals by web portal, email, mail and/or telephone. Supervisory staff evaluate referrals, open cases and assign investigators. ACISS, the fraud complaint database, contains the investigatory data, which is retrieved monthly by the COPSaver reports. The calculation is completed by dividing the number of insurance fraud case presentations by the number of opened insurance fraud cases for the reporting period. The figure is reviewed monthly, and an annual number is calculated based on the respective dates for the entire fiscal year. The measure is correctly stated and reflects ACISS investigatory data.

### **Validity:**

The Insurance Fraud Budget Entity's (IFBE) process for reviewing referrals, assigning cases and investigating cases allows it to meet the Department's goal to combat fraud, abusive business practices and excessive regulation. Activities associated with the goal allow it to carry out the Department's objective to conduct successful investigations, which is an essential aspect of IFBE performance.

The IFBE's operational performance enables it to conduct its investigations and leads to favorable investigatory outcomes. The numerator, the number of insurance fraud case presentations, are determined by the post-investigation merits of a case and influenced by the nature of referrals. The denominator of the percentage, the number of opened insurance fraud cases, depends on fraud prevalence, reporting propensity and whether a complaint is actionable. Since the IFBE directly controls a portion of the measure, efficiency may impact the measure. Presentations, opened cases and other key statistics are continuously monitored at the IFBE and squad levels to track performance.

For open cases to meet the threshold of presentation enough evidence must be established to prove probable cause. In addition, internal reviews track the number of declination by prosecutor allowing oversight of quality of presentations being made. These procedures insure the validity of this measure.

**Reliability:**

The proposed measure unbiasedly represents the total number of opened insurance fraud cases and insurance fraud presentations for the period. The ACISS system is the IFBE's controlled-access, third-party system that tracks presentations and cases. Since Copsaver reports only retrieve data from the database, all modifications to underlying data must be made by an approved ACISS user with case access. Although, the IFBE controls the denominator to a degree, the numerator is susceptible to a degree of external influence by the factors described above. The measuring procedure is reliable, verifiable, based on limited-access data and repeatable.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Percentage of Opened Insurance Fraud Cases Presented for Prosecution by Law Enforcement Investigators

Action (check one): N/A Requested Deletion

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Number of Insurance Fraud Arrests (not Including Workers' Compensation Arrests)

Action (check one): N/A Requested Deletion

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Number of Workers' Compensation Insurance Fraud Arrests (not Including General Fraud Arrests)

Action (check one): N/A Requested Deletion

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Number of Presentations Submitted for Prosecution

Action (check one): N/A Requested Deletion

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Requested Restitution as a Percentage of the Annual Appropriated Budget

Action (check one): N/A Requested Deletion

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud/43700300

Measure: Court Ordered Restitution as a Percentage of Requested Restitution

Action (check one) N/A

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

Data Sources and Methodology:

Validity:

Reliability:

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Investigative and Forensic Services

**Service/Budget Entity:** Office of Fiscal Integrity/43700400

**Measure:** Percentage of Referrals That Result in Opened Cases

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

### **Data Sources and Methodology:**

Individuals submit fiscal integrity referrals by web portal, email, mail and/or telephone. Supervisory staff evaluate referrals, open cases and assign investigators. ACISS, the fraud complaint database, contains the investigatory data, which is retrieved monthly by the COPSaver reports. The calculation is completed by dividing the number of fiscal integrity cases opened by the number of fiscal integrity referrals. The figure is reviewed monthly, and an annual number is calculated based on the respective referral and open dates for the entire fiscal year. The measure is correctly stated and reflects ACISS investigatory data.

### **Validity:**

The Fiscal Integrity Budget Entity's (FIBE) process for reviewing referrals, assigning cases and investigating cases allows it to meet the Department's goal to combat fraud, abusive business practices and excessive regulation. Activities associated with the goal allow it to carry out the Department's objective to conduct successful investigations, which is an essential aspect of FIBE performance.

The FIBE's operational performance enables it to conduct its investigations and leads to favorable investigatory outcomes. The numerator, the fiscal integrity referrals that result in opened cases, are determined by supervisory staff and influenced by the nature of referrals. The denominator of the percentage, the number of fiscal integrity referrals, depends on fraud prevalence and reporting propensity. Since the FIBE directly controls a portion of the measure, efficiency may impact the measure. Referrals, open cases and other key statistics are continuously monitored at the FIBE level to track performance.

**Reliability:**

The proposed measure unbiasedly represents the total population or all fiscal integrity referrals received through the enumerated means described in the Data Source Section. The ACISS system is the FIBE's controlled-access, third-party system that tracks referrals and cases. Since COPSaver reports only retrieve data from the database, all modifications to underlying data must be made by an approved ACISS user with case access. Although, the FIBE largely controls the numerator, the denominator is susceptible to a degree of external influence by the factors described above. The measuring procedure is reliable, verifiable, based on limited-access data and repeatable.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Investigative and Forensic Services

**Service/Budget Entity:** Office of Fiscal Integrity/43700400

**Measure:** Percentage of Opened Cases That Result in Presentations

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

### **Data Sources and Methodology:**

Individuals submit fiscal integrity fraud referrals by web portal, email, mail and/or telephone. Supervisory staff evaluate referrals, open cases and assign investigators. ACISS, the fraud complaint database, contains the investigatory data, which is retrieved monthly by the COPSaver reports. The calculation is completed by dividing the number of fiscal integrity fraud case presentations by the number of opened fiscal integrity cases for the reporting period. The figure is reviewed monthly, and an annual number is calculated based on the respective dates for the entire fiscal year. The measure is correctly stated and reflects ACISS investigatory data.

### **Validity:**

The Fiscal Integrity Budget Entity's (FIBE) process for reviewing referrals, assigning cases and investigating cases allows it to meet the Department's goal to combat fraud, abusive business practices and excessive regulation. Activities associated with the goal allow it to carry out the Department's objective to conduct successful investigations, which is an essential aspect of FIBE performance.

The FIBE's operational performance enables it to conduct its investigations and leads to favorable investigatory outcomes. The numerator, the number of fiscal integrity case presentations, are determined by the post-investigation merits of a case and influenced by the nature of referrals. The denominator of the percentage, the number of opened fiscal integrity cases, depends on fraud prevalence, reporting propensity and whether a complaint is actionable. Since the FIBE directly controls a portion of the measure, efficiency may impact the measure. Presentations, opened cases and other key statistics are continuously monitored at the FIBE level to track performance.

For open case to meet the threshold of presentation enough evidence must be established to prove probable cause. In addition, internal reviews track the number of declination by prosecutor allowing oversight of quality of presentations being made. These procedures insure the validity of this measure.

**Reliability:**

The proposed measure unbiasedly represents the total number of opened fiscal integrity cases and fiscal integrity presentations for the period. The ACISS system is the FIBE's controlled-access, third-party system that tracks presentations and cases. Since COPsaver reports only retrieve data from the database, all modifications to underlying data must be made by an approved ACISS user with case access. Although, the FIBE controls the denominator to a degree, the numerator is susceptible to a degree of external influence by the factors described above. The measuring procedure is reliable, verifiable, based on limited-access data and repeatable.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Investigative and Forensic Services

Service/Budget Entity: Office of Fiscal Integrity/43700400

Measure: Percentage of Office of Fiscal Integrity Investigations That Result in Action

Action (check one): N/A Requested Deletion

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:**

**Validity:**

**Reliability:**



# Department of Financial Services

## Associated Activities Contributing to Performance Measure—LRPP Exhibit V



**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43010100 FY 2019-20</b>	<b>Associated Activities Title</b>
1	Administrative Costs as a Percentage of Total Agency Costs	ACT0010 Executive Direction
		ACT0030 Legislative Affairs
		ACT0040 External Affairs
		ACT0050 Cabinet Affairs
		ACT0060 Inspector General
		ACT0070 Communications/Public Information
		ACT0080 Director of Administration
		ACT0090 Planning and Budgeting
		ACT0100 Finance and Accounting
		ACT0110 Personnel Services/Human Resources
		ACT0120 Training
		ACT0130 Mail Room
		2
ACT0030 Legislative Affairs		
ACT0040 External Affairs		
ACT0050 Cabinet Affairs		
ACT0060 Inspector General		
ACT0070 Communications/Public Information		
ACT0080 Director of Administration		
ACT0090 Planning and Budgeting		
ACT0100 Finance and Accounting		
ACT0110 Personnel Services/Human Resources		
ACT0120 Training		
ACT0130 Mail Room		

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43010200 FY 2019-20</b>	<b>Associated Activities Title</b>
3	Percentage of Closed Files Involving Allegations of Statutory Violation That Were Successfully Prosecuted	ACT0020 General Counsel/Legal

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43010300 FY 2019-20</b>	<b>Associated Activities Title</b>
4	Percentage of Scheduled Hours Computer and Network is Available	ACT0330 Information Technology-Computer Operations ACT0340 Information Technology-Network Operations ACT0350 Information Technology-Desk Top Support
5	Percentage of Customers Who Returned a Customer Service Satisfaction Rating of at Least Four (4) on a Scale of One (1) to Five (5) on Surveys	ACT0320 Information Technology-Application Development/Support ACT0330 Information Technology-Computer Operations ACT0340 Information Technology-Network Operations ACT0350 Information Technology-Desk Top Support
6	Establish a Comprehensive Functional Inventory of Department Software Applications	ACT0320 Information Technology-Application Development/Support ACT0330 Information Technology-Computer Operations ACT0340 Information Technology-Network Operations ACT0350 Information Technology-Desk Top Support

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43010400 FY 2019-20</b>	<b>Associated Activities Title</b>
7	Percentage of Referred Cases Responded to and/or Transferred within Three (3) Days of Receipt	ACT1040 Insurance Consumer Advocate
8	Percentage of Rate Filings Subject to Public Hearing which Were Reviewed by Our Office	ACT1040 Insurance Consumer Advocate

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43010500 FY 2019-20</b>	<b>Associated Activities Title</b>
9	Percentage of Scheduled Hours Computer and Network is Available	ACT0300 Information Technology-Executive Direction

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43100200 FY 2019-20</b>	<b>Associated Activities Title</b>
10	Percentage of Analyses of the Qualified Public Depositories Completed within 90 Days of the Start of the Analysis Cycle	ACT1210 Provide Analysis on Securities Held for Deposit and Qualified Public Depositories
11	Percentage of Collateral Administrative Program Transactions Completed within Three Business Days	ACT0010 Executive Direction

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43100300 FY 2019-20</b>	<b>Associated Activities Title</b>
12	Percentage by Which the Treasury's Investment Pool Exceeded the Blended Benchmark for a Rolling Three-Year Period	ACT1310 Investment of Public Funds
13	Percentage of Core Accounting Processes that Meet Established Deadlines and Standards for Accuracy	ACT1330 Receive Funds, Process Payments of Warrants and Provide Account and Reconciliation Services

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43100400 FY 2019-20</b>	<b>Associated Activities Title</b>
14	Percentage of State Employees Participation in the State Deferred Compensation Plan	ACT1410 Administer the State Supplemental Deferred Compensation Plan



**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43200100 FY 2019-20</b>	<b>Associated Activities Title</b>
15	Number of Agencies Audited for Contract/Grant Manager Performance	ACT2140 Conduct Post-Audits of Major State Programs ACT2110 Accounting and Reporting of State Funds
16	Number of Contracts Reviewed	ACT2140 Conduct Post-Audits of Major State Programs ACT2110 Accounting and Reporting of State Funds

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43200200 FY 2019-20</b>	<b>Associated Activities Title</b>
17	Number of Reported Accounts Uploaded into UPMIS	ACT2220 Process and Payment of Unclaimed Property
18	Number of Claims Paid and the Total Dollar Amount of Claim Payments	ACT2220 Process and Payment of Unclaimed Property
19	Percentage of Claims Processed within 60 Days from Date Received (Cumulative Total)	ACT2220 Process and Payment of Unclaimed Property
20	Number of New Holders Reporting Unclaimed Property in the Fiscal Year	ACT2220 Process and Payment of Unclaimed Property ACT2210 Collect Unclaimed Property

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43200300 FY 2019-20</b>	<b>Associated Activities Title</b>
N/A	N/A	N/A

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43300200 FY 2019-20</b>	<b>Associated Activities Title</b>
21	Percentage of Mandated Regulatory Inspections Completed	ACT3220 Perform Fire Safety Inspections
22	Number of Regulatory Inspections Completed	ACT3220 Perform Fire Safety Inspections
23	Percentage of Fire Code Inspections Completed within Statutory Defined Timeframes	ACT3220 Perform Fire Safety Inspections
24	Number of Entity Requests for Licenses, Permits and Certifications Processed within Statutorily Mandated Time Frames	ACT3210 License the Fire Protection Industry

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43300400 FY 2019-20</b>	<b>Associated Activities Title</b>
25	Number of Students Trained and Classroom Contract Hours Provided by the Florida State Fire College	ACT3410 Provide State, Local, and Business Professional Training and Education
26	Percentage of Fire College Students Passing Certification Exam on First Attempt	ACT3410 Provide State, Local, and Business Professional Training and Education ACT3420 Provide State, Local, and Business Professional Standards, Testing and Statutory Compliance
27	Number of Florida Certification Programs Submitted for National Accreditation or Re-Accreditation	ACT3410 Provide State, Local, and Business Professional Training and Education

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43300500 FY 2019-20</b>	<b>Associated Activities Title</b>
28	Administrative Costs as a Percentage of Program Agency Costs	ACT0010 Executive Direction
29	Administrative Positions as a Percentage of Total Program Positions	ACT0010 Executive Direction

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43400100 FY 2019-20</b>	<b>Associated Activities Title</b>
30	Average Loss Adjustment Expense per Claim Worked	ACT4110 Provide Adjusting Services on State Workers' Compensation Claims ACT4120 Provide Adjusting Services on State Liability Claims ACT4130 Process Property Claims on State Owned Buildings (Structure & Contents)
31	Average Cost of Workers' Compensation Claims Paid	ACT4110 Provide Adjusting Services on State Workers' Compensation Claims
32	Percentage of Liability Claims Closed in Relation to Liability Claims Worked During the Fiscal Year	ACT4120 Provide Adjusting Services on State Liability Claims
33	Percentage of Indemnity and Medical Payments Made in a Timely Manner in Compliance with DFS Rule 69L-24.006, F.A.C.	ACT4110 Provide Adjusting Services on State Workers' Compensation Claims
34	Number of Workers' Compensation Claims Worked	ACT4110 Provide Adjusting Services on State Workers' Compensation Claims
35	Number of Liability Claims Worked	ACT4120 Provide Adjusting Services on State Liability Claims
36	Number of State Property Loss/Damage Claims Worked	ACT4130 Process Property Claims on State Owned Buildings (Structure & Contents)
37	Percentage of Tort Liability Claim Files Resolved within Four (4) Years Without Litigation	ACT4120 Provide Adjusting Services on State Liability Claims
38	Number of Agency Loss Prevention Training and Consultation Events Conducted during the Fiscal Year (Top Three (3) Agencies)	ACT4140 Provide Risk Services Training and Consultation

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43500100 FY 2019-20</b>	<b>Associated Activities Title</b>
39	Percentage of Service Requests Closed within 30 Days	ACT5110 Rehabilitate and/or Liquidate Financially Impaired Insurance Companies
40	Percentage of Non-Claimant Invoices Paid within 40 Days	ACT5110 Rehabilitate and/or Liquidate Financially Impaired Insurance Companies



**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43500200 FY 2019-20</b>	<b>Associated Activities Title</b>
41	Cost of Licensing Operations per Active License	ACT5210 Review Applications for Licensure (Qualifications) ACT5240 Administration of Education Requirements (Pre-Licensing and Continuing Education) ACT5220 Administer Examinations and Issue Licenses
42	Average Direct Cost of Investigation Operations per Completed Investigation	ACT5250 Investigate Agents & Agencies
43	Average number of Investigations Completed per Investigator	ACT5250 Investigate Agents & Agencies
44	Average Number of Applications Processed per Licensing FTE	ACT5210 Review Applications for Licensure (Qualifications)

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43500400 FY 2019-20</b>	<b>Associated Activities Title</b>
45	Percentage of Helpline Call and Service Audits That Result in Quality Service	ACT5410 Respond to Consumer Requests for Assistance ACT5420 Provide Consumer Education Activities ACT5430 Answer Consumer Telephone Calls
46	Percentage of Consumer Survey Responses That Rate the Division's Services as Very Good or Excellent	ACT5410 Respond to Consumer Requests for Assistance
47	Percentage of Answered Phone Calls That are Answered within Four Minutes	ACT5430 Answer Consumer Telephone Calls
48	Percentage of Monetary Eligible Service Requests That Resulted in a Recovery	ACT5410 Respond to Consumer Request for Assistance

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43500500 FY 2019-20</b>	<b>Associated Activities Title</b>
49	Percentage of Investigations Submitted by Legal to Probable Cause Panel in which the Panel Agrees with the Division's Probable Cause Recommendation	ACT5470 Examine and Regulate Licensees in the Funeral & Cemetery Business (Chapter 497) to Ensure Regulatory Compliance
50	Percentage of Funeral Establishment Inspections that do not Require Quality Control Follow-Up	ACT5470 Examine and Regulate Licensees in the Funeral & Cemetery Business (Chapter 497) to Ensure Regulatory Compliance
51	Average Time (Days) to Close an Investigation	ACT5470 Examine and Regulate Licensees in the Funeral & Cemetery Business (Chapter 497) to Ensure Regulatory Compliance
52	Percentage of Deficiency Letters Sent out within Five (5) Business Days of Receiving the Application	ACT5470 Examine and Regulate Licensees in the Funeral & Cemetery Business (Chapter 497) to Ensure Regulatory Compliance

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43500700 FY 2019-20</b>	<b>Associated Activities Title</b>
53	Dollar amount of Benefits Withheld, Saved, and Recouped as a Percentage of Public Assistance Fraud Annual Budget	ACT9070 Public Assistance Fraud Investigations
54	Number of Completed Cases Resulting in Referral for Disqualification or Prosecution	ACT9070 Public Assistance Fraud Investigations

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43600100 FY 2019-20</b>	<b>Associated Activities Title</b>
55	Percentage of First Indemnity Payments Made Timely	ACT6110 Monitor and Audit Workers' Compensation Insurers to Ensure Benefit Payments
56	Number of Employer Investigations Conducted	ACT6120 Verify That Employers Comply with Workers' Compensation Laws
57	Percentage of Disputes Resolved for Injured Workers by the Employee Assistance Office	ACT6130 Facilitate the Informal Resolution of Disputes with Injured Workers, Employers and Insurance Carriers
58	Number of Petitions for Reimbursement Disput Resolution Resolved	ACT6130 Facilitate the Informal Resolution of Disputes with Injured Workers, Employers and Insurance Carriers
		ACT6140 Provide Reimbursement for Workers' Compensation Claims Paid by Insurance Carriers on Employees Hired with Preexisting Conditions
		ACT6190 Reimbursement Disputes
59	Percentage of Overall Accepted Claims Electronic Data Interchange (EDI) Form Filings	ACT6110 Monitor and Audit Workers' Compensation Insurers to Ensure Benefit Payments

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43700100 FY 2019-20</b>	<b>Associated Activities Title</b>
60	Percentage of Referrals Declined by State Attorney's Office for Prosecution	ACT3310 Investigate Fires Accidental, Arson and Other
61	Percentage of Arson Cases Cleared	ACT3310 Investigate Fires Accidental, Arson and Other
62	Percentage of closed fire Investigations Successfully Concluded, Including by Cause Determined, Suspect Identified and/or Arrested or Other Reasons	ACT3310 Investigate Fires Accidental, Arson and Other
63	Percentage of Closed Arson Investigations for Which an Arrest was Made in Florida	ACT3310 Investigate Fires Accidental, Arson and Other

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43700200 FY 2019-20</b>	<b>Associated Activities Title</b>
64	The number of Items Analyzed Chemically Plus the Number of Imaging Items Processed	ACT3510 Provide Forensic Laboratory Services

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43700300 FY 2019-20</b>	<b>Associated Activities Title</b>
65	Percentage of Opened Insurance Fraud Cases Presented for Prosecution by Law Enforcement Investigators	ACT5310 Investigate Insurance Fraud (General) ACT5320 Investigate Workers' Compensation Insurance Fraud
66	Number of Insurance Fraud Arrests (Not Including Workers' Compensation Arrests)	ACT5310 Investigate Insurance Fraud (General)
67	Number of Worker's Compensation Insurance Fraud Arrests (Not Including General Fraud Investigations)	ACT5320 Investigate Workers' Compensation Insurance Fraud
68	Number of Presentations Submitted for Prosecution	ACT5310 Investigate Insurance Fraud (General) ACT5320 Investigate Workers' Compensation Insurance Fraud
69	Requested Restitution as a Percentage of the Annual Appropriated Budget	ACT5310 Investigate Insurance Fraud (General) ACT5320 Investigate Workers' Compensation Insurance Fraud



**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for 43700400 FY 2019-20</b>	<b>Associated Activities Title</b>
70	Percentage of Office of Fiscal Integrity Investigations That Result in Action	ACT 2170 Conduct Fiscal Integrity Investigations



# Department of Financial Services

## Agency-Level Unit Cost Summary – LRPP Exhibit VI

FINANCIAL SERVICES, DEPARTMENT OF		FISCAL YEAR 2018-19			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT		385,429,043		9,761,650	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)		67,377,649		-1,500,000	
FINAL BUDGET FOR AGENCY		452,806,692		8,261,650	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					308,262
Provide Analysis On Securities Held For Deposit And Qualified Public Depositories * Number of analyses performed on the financial condition of qualified public depositories and custodians, and securities held for regulatory collateral deposit.		3,586	110.34	395,693	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		60,601	17.14	1,038,468	
Investment Of Public Funds * Average Dollar Volume of Funds Invested		24,100,000,000	0.00	962,848	
Provide Cash Management Services * Number of cash management consultation services.		51	27,182.04	1,386,284	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		2,700,000	0.78	2,116,466	
Administer The State Supplemental Deferred Compensation Plan * Number of participant account actions processed by the state deferred compensation office.		2,065,215	0.75	1,559,098	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		35,642	118.50	4,223,606	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		9,464,223	0.08	781,406	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		382,280	20.51	7,839,121	
Conduct Post-audits Of Major State Programs * Post-audits completed of major state programs to determine compliance with statutes and contract requirements.		4	116,205.75	464,823	
Process State Employees Payroll * Payroll payments issued		3,184,639	0.63	1,996,924	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes		3	28,812.67	86,438	
Article V - Clerk Of The Courts * N/A		13	36,675.38	476,780	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		2,968,513	1.10	3,274,522	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		593,765	5.87	3,485,959	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		7,065	80.71	570,214	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		15,299	277.44	4,244,516	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		661	854.27	564,674	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		750	832.83	624,626	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		3,801	4,228.30	16,071,771	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		191,968	11.78	2,260,928	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		9,234	118.77	1,096,756	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		8,372	168.30	1,408,993	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		2,303,103	0.13	294,317	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		20,986	1,766.70	37,076,071	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		6,134	2,182.38	13,386,720	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		2,243	1,075.56	2,412,489	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.		720	2,975.23	2,142,163	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		20	33,438.60	668,772	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		125,626	21.99	2,762,692	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		49,137	27.64	1,358,175	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		1,897,032	0.41	782,087	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		285,692	1.42	406,128	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		3,952	1,463.81	5,784,988	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).		1,784	11,664.93	20,810,227	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.		405	8,574.16	3,472,533	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		54,892	76.85	4,218,721	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		513,239	1.26	645,599	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		289,085	16.55	4,784,604	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		1,630	1,712.85	2,791,939	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		95,089	46.35	4,407,138	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		30,029	476.84	14,319,156	
Facilitate The Informal Resolution Of Disputes With Injured Workers, Employers And Insurance Carriers * Number of injured workers that obtained one or more benefits due to intervention by the Employee Assistance Office.		762	6,605.13	5,033,111	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		1,465	952.78	1,395,824	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		93,944,831	0.01	703,537	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		6,649,549	0.57	3,782,852	
Reimbursement Disputes * Number of petitions resolved annually		2,607	621.77	1,620,954	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		4,792	1,454.75	6,971,182	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		139	6,764.47	940,262	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		325	9,893.30	3,215,322	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		8,701	1,897.43	16,509,580	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		12,268	702.54	8,618,701	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		424	10,989.05	4,659,357	
Evaluate And Process Applications For Licensure As A Financial Services Entity. * Applications processed or evaluated for licensure or registration as a non-depository financial services entity.		25,656	79.50	2,039,534	
Examine And Enforce Laws Regarding Banks, Trusts, And Credit Unions To Ensure Safety And Soundness. * Number of domestic financial institutions examined to ensure safety and soundness.		91	113,896.41	10,364,573	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.		9	79,221.11	712,990	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		221	16,795.47	3,711,799	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		205	27,511.00	5,639,755	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		196	31,862.72	6,245,093	
Evaluate And Process Applications For Registration As A Securities Firm, Branch, And/Or Individual. * Securities applications processed for registration of firms, branches, and/or individuals.		57,122	48.11	2,747,904	
TOTAL				264,367,763	308,262
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS					
OTHER				134,132,538	7,876,650
REVERSIONS				54,306,394	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				452,806,695	8,184,912

### SCHEDULE XI/EXHIBIT VI: AGENCY-LEVEL UNIT COST SUMMARY

- (1) Some activity unit costs may be overstated due to the allocation of double budgeted items.
- (2) Expenditures associated with Executive Direction, Administrative Support and Information Technology have been allocated based on FTE. Other allocation methodologies could result in significantly different unit costs per activity.
- (3) Information for FCO depicts amounts for current year appropriations only. Additional information and systems are needed to develop meaningful FCO unit costs.
- (4) Final Budget for Agency and Total Budget for Agency may not equal due to rounding.

SECTION III - PASS THROUGH ACTIVITY ISSUE CODES SELECTED:

TRANSFER-STATE AGENCIES ACTIVITY ISSUE CODES SELECTED:

1-8:

AID TO LOCAL GOVERNMENTS ACTIVITY ISSUE CODES SELECTED:

1-8:

AUDIT #1: THE FOLLOWING STATEWIDE ACTIVITIES (ACT0010 THROUGH ACT0490) HAVE AN OUTPUT STANDARD (RECORD TYPE 5) AND SHOULD NOT:

\*\*\* NO ACTIVITIES FOUND \*\*\*

AUDIT #2: THE FCO ACTIVITY (ACT0210) CONTAINS EXPENDITURES IN AN OPERATING CATEGORY AND SHOULD NOT: (NOTE: THIS ACTIVITY IS ROLLED INTO EXECUTIVE DIRECTION, ADMINISTRATIVE SUPPORT AND INFORMATION TECHNOLOGY)

\*\*\* NO OPERATING CATEGORIES FOUND \*\*\*

AUDIT #3: THE ACTIVITIES LISTED IN AUDIT #3 DO NOT HAVE AN ASSOCIATED OUTPUT STANDARD. IN ADDITION, THE ACTIVITIES WERE NOT IDENTIFIED AS A TRANSFER-STATE AGENCIES, AS AID TO LOCAL GOVERNMENTS, OR A PAYMENT OF PENSIONS, BENEFITS AND CLAIMS (ACT0430). ACTIVITIES LISTED HERE SHOULD REPRESENT TRANSFERS/PASS THROUGH THAT ARE NOT REPRESENTED BY THOSE ABOVE OR ADMINISTRATIVE COSTS THAT ARE UNIQUE TO THE AGENCY AND ARE NOT APPROPRIATE TO BE ALLOCATED TO ALL OTHER ACTIVITIES.

BE	PC	CODE	TITLE	EXPENDITURES	FCO
43500400	1205000000	ACT1020	HOLOCAUST VICTIMS ASSISTANCE	288,502	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	578,129	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	13,020,813	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	490,659	
43200100	1601000000	ACT2020	PASS THROUGH - TRANSFER TO STATE	54,561,375	
43700400	1205000000	ACT2170	CONDUCT FISCAL INTEGRITY	471,312	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	27,175,344	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,800,000	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	958,177	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	9,486,339	7,876,650
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	2,000,000	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,153,928	
43700400	1205000000	ACT5510	HURRICANES AND OTHER NATURAL	6,850,933	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	1,904,211	
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,065,589	
43900110	1204000000	ACT9160	GRANTS AND AIDS - INSURANCE AND	1,077,227	
43600100	1102020000	ACT9940	TRANSFER TO THE UNIVERSITY OF	250,000	

AUDIT #4: TOTALS FROM SECTION I AND SECTIONS II + III:

DEPARTMENT: 43	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	452,806,692	8,261,650
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	452,806,695	8,184,912
DIFFERENCE:	3-	76,738*
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

\* FCO Difference is due to the 76,738 held in unbudget reserve from FY 18/19 appropriations in category 080990 BE 43300400

## GLOSSARY OF TERMS AND ACRONYMS

Actual Expenditures: Includes prior year actual disbursements, payables and encumbrances. Payables and encumbrances are certified forward at the end of the fiscal year. They may be disbursed between July 1 and September 30 of the subsequent fiscal year. Certified forward amounts are included in the year in which the funds are committed and not shown in the year the funds are disbursed.

Appropriation Category: The lowest level line item of funding in the General Appropriations Act which represents a major expenditure classification of the budget entity. Within budget entities, these categories may include: salaries and benefits, other personal services (OPS), expenses, operating capital outlay, data processing services, fixed capital outlay, etc. These categories are defined within this glossary under individual listings. For a complete listing of all appropriation categories, please refer to the ACTR section in the LAS/PBS User's Manual for instructions on ordering a report.

Baseline Data: Indicators of a state agency's current performance level, pursuant to guidelines established by the Executive Office of the Governor in consultation with legislative appropriations and appropriate substantive committees.

BFFEA: Bureau of Forensic Fire and Explosives Analysis

CAFR: Comprehensive Annual Financial Report

CFO: Chief Financial Officer

CIO: Chief Information Officer

CIP: Capital Improvements Program Plan

D3-A: A legislative budget request (LBR) exhibit which presents a narrative explanation and justification for each issue for the requested years.

DFS: Department of Financial Services

DIFS: Division of Investigative and Forensic Services

FACTS: Florida Accountability Contract Tracking System

FLAIR: Florida Accounting Information Resource Subsystem

Florida Advisory Committee on Arson Prevention (FACAP): A non-profit corporation, founded in 1975, made up of personnel from the Bureau of Fire and Arson Investigations, Division of State Fire Marshal; federal, county and city law enforcement officers throughout the state, fire service personnel, insurance representatives, private arson investigators, attorneys and others engaged, on a continuing basis, in eradicating arson in Florida.

F.S.: Florida Statutes

GR: General Revenue Fund

High Hazard (building inspections): Any building or structure, containing combustible or explosive matter; where persons receive educational instruction; that is a non-private dwelling residence; or contains three or more floor levels.

Information Technology Resources: Includes data processing-related hardware, software, services, telecommunications, supplies, personnel, facility resources, maintenance, and training.

Interagency Advisory Council on Loss Prevention: Representatives from state agencies meet quarterly to discuss safety problems within Florida state government, to attempt to find solutions for these problems, and, when possible, to assist in the implementation of the solutions.

IT: Information Technology

LAN: Local Area Network

LBC: Legislative Budget Commission: A standing joint committee of the Legislature. The Commission was created to: review and approve/disapprove agency requests to amend original approved budgets; review agency spending plans; and take other actions related to the fiscal matters of the state, as authorized in statute. It is composed of 14 members appointed by the President of the Senate and by the Speaker of the House of Representatives to two-year terms, running from the organization of one Legislature to the organization of the next Legislature.

Life Safety Code: Also known as NFPA 101, it is a publication of the National Fire Protection Association (NFPA). In 1998, the Florida Legislature mandated that NFPA 101 and NFPA 1, the Uniform Fire Code, be adopted by the Florida State Fire Marshal as the base codes for the Florida Fire Prevention Code. With the adoption of the 2006 edition of the Life Safety Code along with the State Fire Marshal's adaptations for Florida, it will be entitled NFPA 101—2006 Florida Edition. The entire Florida Fire Prevention Code is scheduled to become effective on October 1, 2008, to match the planned effective date for the Florida Building Code.

L.O.F.: Laws of Florida

Loss Payment Revolving Fund: A fund maintained in a controlled disbursement/positive payment bank account for claim-related payments to claimants and vendors for casualty and property lines of coverage.

National Fire Incident Reporting System: A national database that collects data nationwide on all fire incidences and provides reports to interested parties for development of local and national fire prevention policies.

National Fire Protection Association (NFPA): A private, non-profit corporation whose mission is "to reduce the worldwide burden of fire and other hazards on the quality of life by providing and advocating consensus, codes and standards, research, training, and education." It has more than 81,000 U.S. and international members representing more than 80 national trade and professional organizations. NFPA drafts and publishes over 300 fire prevention codes and standards, and is an authoritative source on fire safety and public safety. Its codes and standards have been adopted by state and local governments, including the State of Florida.

Nonrecurring: Expenditure or revenue which is not expected to be needed or available after the current fiscal year.

PAF: Division of Public Assistance Fraud

Policy Area: A grouping of related activities to meet the needs of customers or clients which reflects major statewide priorities. Policy areas summarize data at a statewide level by using the first two digits of the ten-digit LAS/PBS program component code. Data collection will sum across state agencies when using this statewide code.

Program Purpose Statement: A brief description of approved program responsibility and policy goals. The purpose statement relates directly to the agency mission and reflects essential services of the program needed to accomplish the agency's mission.

Qualified public depositories: Banks, savings banks, or savings associations that are organized and exist under the laws of the United States, the laws of this state or any other state or territory of the United States. They have their principal place of business or a branch office in this state which is authorized under the laws of this state or of the United States to receive deposits in Florida. Qualified public depositories have deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss. 1811 et seq. and have procedures and practices for accurate identification, classification, reporting, and collateralization of public deposits. They meet all the requirements of Chapter 280, Florida Statutes. and have been designated by the Chief Financial Officer as a qualified public depository.

Records Retention Schedules: Retention schedules identify agency records and establish minimum periods of time for which the records must be retained based on the records' administrative, fiscal, legal, and historical values. The Department of State administers Florida's Records Management Program which requires an inventory of records maintained by an agency and the identification of existing retention schedules or the establishment of new retention schedules.

Recurring (building inspections): Any building or structure not under the High Hazard definition.

Service of Process: All authorized insurers (insurance companies) registered to do business in the State of Florida are required to designate the Chief Financial Officer of Florida as their Registered Agent for Service of Process.

Special Purpose Investment Account (SPIA): An optional investment program open to any entities established by the Florida Constitution or Florida Statutes. The Division of Treasury manages a fixed income investment operation for both general revenue and trust funds in the Treasury and funds of organizations participating in the Treasury SPIA.

Statement on Auditing Standards (SAS) No.70, Service Organizations: A service auditor's examination performed in accordance with SAS No. 70 (a recognized auditing standard developed by the American Institute of Certified Public Accountants (AICPA)) is widely recognized, because it represents that a service organization has been through an in-depth audit of its control objectives and control activities, which often include controls over information technology and related processes.

State Wide Cost Allocation Plan (SWCAP): The methodology used to allocate general and administrative costs to various programs, grants, contracts and agreements. The plan identifies costs associated with programs; describes the programs for which cost data is needed; includes the methodology for identifying program-specific costs; and displays the techniques used to accumulate cost data. Florida's SWCAP requires that each state agency and the judicial branch

include a prorated share of general and administrative costs, such as accounting, provided by central service agencies. For federal grants or contracts, these costs are reimbursable to the state pursuant to the provisions of U.S. Office of Management and Budget Circular A-87. DFS ensures that the SWCAP presents the most favorable allocation of central services costs allowable to the state by the federal government.

TF: Trust Fund

TRW: Technology Review Workgroup

United States Fires Administration: Federal sub-agency that provides a clearing house for national fire issues and is the repository of the National Fire Incident Reporting System

WAN: Wide Area Network (Information Technology)





## OFFICE OF INSURANCE REGULATION

**DAVID ALTMAIER**  
COMMISSIONER

**FINANCIAL SERVICES  
COMMISSION**

**RON DESANTIS**  
GOVERNOR

**JIMMY PATRONIS**  
CHIEF FINANCIAL OFFICER

**ASHLEY MOODY**  
ATTORNEY GENERAL

**NICOLE "NIKKI" FRIED**  
COMMISSIONER OF  
AGRICULTURE

September 30, 2019

Chris Spencer, Policy Director  
Office of Policy and Budget  
Executive Office of the Governor  
1701 Capitol  
Tallahassee, Florida 32399-0001

Eric Pridgeon, Staff Director  
House Appropriations Committee  
221 Capitol  
Tallahassee, Florida 32399-1300

Cindy Kynoch, Staff Director  
Senate Committee on Appropriations  
201 Capitol  
Tallahassee, Florida 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, our Long Range Program Plan (LRPP) for the Office of Insurance Regulation is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our mission, goals, objectives and measures for the Fiscal Year 2020-21 through Fiscal Year 2024-25. The internet website address that provides the link to the LRPP located on the Florida Fiscal Portal is [www.floir.com](http://www.floir.com). This submission of our LRPP has been approved by me.

Sincerely,

  
David Altmaier

• • •  
DAVID ALTMAIER • COMMISSIONER  
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0305 • (850) 413-5914 • FAX (850) 488-3334  
WEBSITE: [WWW.FLOIR.COM](http://WWW.FLOIR.COM) • EMAIL: [DAVID.ALTMAIER@FLOIR.COM](mailto:DAVID.ALTMAIER@FLOIR.COM)

Affirmative Action / Equal Opportunity Employer



**Florida Office of Insurance Regulation**

**David Altmaier**  
**Insurance Commissioner**

# **Long Range Program Plan**

Fiscal Years 2020-2021 through 2024-2025





## **David Altmaier**

### **Florida's Insurance Commissioner**

David Altmaier was appointed as the Florida Insurance Commissioner in April 2016 by the Financial Services Commission. He leads the Office of Insurance Regulation (OIR) and has oversight of one of the largest insurance markets in the world. Under Altmaier's leadership, OIR has worked to cultivate a market in Florida in which insurance products are reliable, available, and affordable.

Altmaier began his public service at OIR in 2008, serving in a number of roles including Chief Analyst of the Property and Casualty Financial Oversight unit and Deputy Commissioner of Property and Casualty Insurance.

In 2019, Altmaier was elected Vice President of the National Association of Insurance Commissioners (NAIC). He also chairs the NAIC's Financial Condition (E) Committee, Group Capital Calculation Working Group and the Capital Adequacy Task Force.

Prior to joining OIR, Altmaier worked as a Florida licensed 2-20 and 2-14 insurance agent and as a high school math teacher. Altmaier graduated from Western Kentucky University in 2004 with a bachelor's degree in mathematics.

# **OIR Mission, Vision, and Goals**

## **Mission**

To promote a stable and competitive insurance market for consumers.

## **Vision**

OIR envisions a robust and competitive insurance market while maintaining protections for the insurance-buying public.

## **Goals**

- 1.** Promote insurance markets that offer products to meet the needs of Floridians with fair, understandable coverage that is priced in a manner that is adequate, but not excessive or unfairly discriminatory.
- 2.** Protect the public from illegal, unethical insurance products and practices.
- 3.** Monitor the financial condition of licensed insurance companies and take action to address financial issues as early as reasonably possible to prevent unnecessary harm to consumers.
- 4.** Operate in an efficient, effective, and transparent manner.

# Goals, Objectives, Service Outcomes and Performance Projection Tables

**Program: Office of Insurance Regulation  
43900110 Compliance and Enforcement**

**GOAL #1:**

**Promote insurance markets that offer products to meet the needs of Floridians with fair, understandable coverage that is priced in a manner that is adequate, but not excessive or unfairly discriminatory.**

**OBJECTIVE 1.A.:** Process product filings expeditiously.

- 1) **OUTCOME 1.A.1.:** Percentage of life and health form and rate filing reviews completed within 45 days.

Baseline FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
90%	90%	90%	90%	90%	90%

- 2) **OUTCOME 1.A.2.:** Percentage of property and casualty form filing reviews completed within 45 days, and rate filing reviews completed within 90 days.

Baseline FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
90%	90%	90%	90%	90%	90%

**OBJECTIVE 1.B.:** Enable new companies to enter the market expeditiously.

- 3) **OUTCOME 1.B.1:** Percentage of complete applications for a new certificate of authority processed within statutorily required timeframes.

Baseline FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
98%	98%	98%	98%	98%	98%

- 4) **OUTCOME 1.B.2:** Applications for a new certificate of authority for Life & Health and Property & Casualty processed within 90 days.

Baseline FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
98%	98%	98%	98%	98%	98%

**GOAL #2:**

**Protect the public from illegal, unethical insurance products and practices.**

**OBJECTIVE 2.A.:** To act upon allegations of unethical or illegal products or practices.

- 5) **OUTCOME 2.A.1.:** Percentage of market conduct examinations with violations in which the OIR takes enforcement action.

Baseline FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
85%	85%	85%	85%	85%	85%

**GOAL #3:**

**Monitor the financial condition of licensed insurance companies and take action to address financial issues as early as reasonably possible to prevent unnecessary harm to consumers.**

**OBJECTIVE 3.A.:** Conduct financial examinations of domestic companies in a timely manner.

- 6) **OUTCOME 3.A.1.:** Percentage of Financial Examinations of domestic insurers completed within 18 months of the "as of" exam date.

Baseline FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
98%	98%	98%	98%	98%	98%

**OBJECTIVE 3.B.:** Conduct financial analyses of companies in a timely manner.

- 7) **OUTCOME 3.B.1.:** Percentage of priority Financial Analyses completed within 60 days.

Baseline FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
98%	98%	98%	98%	98%	98%

- 8) **OUTCOME 3.B.2.:** Percentage of non-priority Financial Analyses completed within 90 days.

Baseline FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
95%	95%	95%	95%	95%	95%

**Program: Office of Insurance Regulation  
43900120 Executive Direction and Support Services**

**GOAL #4:**

**Operate in an efficient, effective, and transparent manner.**

**OBJECTIVE 4.A.:** Maximize administrative efficiency and productivity for the benefit of insurance consumers and companies.

9) OUTCOME 4.A.1.: Administrative costs as a percentage of total agency costs.

Baseline FY 2020-21	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
10%	10%	10%	10%	10%	10%

10) OUTCOME 4.A.2.: Administrative positions as a percentage of total agency positions.

Baseline FY 2020-21	FY 2020-21	FY 2021- 22	FY 2022-23	FY 2023-24	FY 2024-25
10%	10%	10%	10%	10%	10%

# OIR Budget FY 2019-20

<b>Table 1. Appropriations Overview - Fiscal Year 2018-19: Office of Insurance Regulation</b>			
<b>Positions</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>Change</b>
Full-time equivalent (FTE) positions	287	283	-4
<b>Funding (By Budget Category)</b>	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>Change</b>
Salaries and Benefits	\$20,720,316	\$20,847,350	\$127,034
Other Personal Services (OPS)	\$290,169	\$290,169	\$0
Expenses	\$2,479,173	2,479,173	\$0
Operating Capital Outlay	\$98,000	\$98,000	\$0
Contracted Services	\$1,430,726	\$1,430,726	\$0
Financial Examination Contracts*	\$4,926,763	\$4,626,763	(\$300,000)
Florida Public Hurricane Loss Model (Maintenance)	\$969,689	\$969,689	\$0
Florida International University (FIU) Grant Projects **	\$1,077,227	\$0	(\$1,077,227)
Lease or Lease-Purchase of Equipment	\$27,403	\$27,403	\$0
Risk Management Insurance	\$227,229	\$156,143	(\$71,086)
DMS Human Resources Contract	\$91,939	\$91,002	(\$937)
<b>TOTAL</b>	<b>\$32,338,634</b>	<b>\$31,016,418</b>	<b>(\$1,322,216)</b>
<p>*Budget authority for financial examinations of Property and Casualty, and Life and Health insurance companies. Insurance companies reimburse the Insurance Regulatory Trust Fund for the examination costs. The Trust Fund acts as a pass through.</p> <p>**Funds are nonrecurring and have been disbursed directly to Florida International University (FIU).</p>			



# Linkage to Governor's Priorities

## Economic Development and Job Creation

**1. Focus on Florida's Job Growth and Retention.** Through consistent leadership, regulatory innovation and stakeholder outreach, the OIR fosters an insurance environment conducive to business expansion and job growth. More than 185,000 Floridians are employed in the insurance sector.<sup>1</sup>

**2. Reduce Taxes.** OIR does not have taxing authority but has helped reduce both the likelihood and amount of any future assessments levied against Floridians to pay the claims of Citizens Property Insurance Corporation (Citizens) policyholders. It has done so through the rate and take-out approval process. During FY 2018-19, OIR approved an additional 151,163 policies for take-out. Private insurers assumed 16,564 policies.<sup>2</sup> As of June 30, 2019, Citizens' policy count dropped to 421,231.

**3. Regulatory Reform.** In FY 2018-19, the Financial Services Commission (FSC) updated 18 rules proposed for repeal by OIR. OIR also updated 86 rules through the FSC. OIR implemented many other innovations such as allowing insurers to consolidate certain filings and focusing OIR review of amended forms on the specific change proposed rather than re-reviewing an entire form.

## Public Integrity

**1. Accountability Budgeting.** OIR does not receive any state General Revenue dollars and is exclusively funded by the Insurance Regulatory Trust Fund.

Through performance-based budgeting, OIR carefully monitors both expenditures and outcomes, and appropriately adjusts to accomplish its mission as efficiently as possible. OIR maintains low administrative expenses and closely monitors staff productivity by tracking workload and processing times.

**2. Reduce Government Spending.** During FY 2018-2019, OIR leveraged automation and technology efficiencies resulting in the reduction of approximately 2,731 hours in staff time, a value of \$78,172. Examples of those efforts include but are not limited to:

- Eliminating 400 hours of staff time by automating Foreign Entity filings, a cost-savings of \$10,000.
- Leveraging technology in the rate-making process and reducing 780 hours of staff time, producing \$23,400 in cost-savings.
- Leveraging technology in the form approval process, particularly for ACA, and reducing 200 hours of staff time, producing \$6,000 in cost savings.

**3. Reduce Taxes.** See "Reduce Taxes under Economic Development and Job Creation, Section A.2.," above.

# Trends and Conditions

## Primary Statutory Responsibilities of OIR

The Florida Legislature created the Office of Insurance Regulation (Office) in 2003. Section 20.121,(3)(a)1, Florida Statutes states “The Office of Insurance Regulation, which shall be responsible for all activities concerning insurers and other risk bearing entities, including licensing, rates, policy forms, market conduct, claims, issuance of certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision, as provided under the insurance code or chapter 636. The head of the Office of Insurance Regulation is the Director of the Office of Insurance Regulation, who may also be known as the Commissioner of Insurance Regulation.”

The Insurance Commissioner is appointed by the Financial Services Commission. The Commission is comprised of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture. The Commission serves as agency head for purposes of rulemaking pursuant to Sections 120.536-120.565, Florida Statutes. The Director (Insurance Commissioner) of Insurance Regulation is considered the agency head for purposes of final agency action for all areas within the regulatory authority delegated to the Office.

The following are the primary statutory responsibilities of OIR:

- Attract companies and capital to the Florida insurance market.
- License insurance companies and insurance-related entities.
- Monitor the financial condition of insurers and require corrective actions when necessary.
- Enforce insurer and insurance-related entity compliance with statutory market conduct requirements.
- Collect and analyze insurance market data for use by OIR, policymakers, companies, the general public, and issue reports.

### 1. Status of Key Statutory Responsibilities

OIR’s budget for FY 2019-20 is \$31 million, with 283 full-time equivalent positions. It is funded entirely through the Insurance Regulatory Trust Fund and receives no state general revenue funds. In FY 2018-19, OIR spent over 94 percent of every dollar received on regulatory responsibilities. Administrative costs accounted for less than 6 percent of the funds spent.

#### a. Certificates of authority (COA)

OIR is actively engaged in licensing insurance companies and certain other insurance related entities through the certificate of authority application process. Florida law requires OIR to approve or deny a complete application for a new certificate of authority for an insurance company within 180 days of receipt. With other entities receiving a new certificate of authority, OIR must approve or deny the new certificate of authority within 90 days, except continuing care retirement communities, which are approved or denied within 45 days. Amendments to existing certificates of authority for insurance companies must be approved or denied within 90 days.<sup>3</sup>

In FY 2018-19, OIR approved 129 new COAs and processed 97.1 percent of new COA applications within 90 Days.

#### **b. Form and rate review**

OIR reviews form and rate filings for compliance with Florida law. The statutorily required timeframes for OIR review of forms and rates vary by line and product type. The speed at which new products move to market depends in large part on the complexity of the filing and the quality and completeness of the company submission. As with applications, rate and form filings are filed electronically. Because of OIR innovations, insurers now have additional options for getting products to market more expeditiously. Insurers submitting forms for property and casualty commercial products, excluding workers' compensation, may take products to market immediately upon certifying that submitted forms comply with current law, rather than having to first obtain OIR approval. Companies may also choose to combine multiple sub-types of insurance into a single filing, rather than having to file each sub-type of insurance separately. In FY 2018-19, OIR processed 12,264 Life & Health and Property & Casualty rate and form filings.

#### **c. Financial oversight**

OIR monitors the financial condition of regulated insurance entities through financial examinations and financial analyses. By examining the financial books and records of insurance companies and related entities, OIR evaluates the quality of assets, adequacy of stated liabilities, and general operating results.

OIR is statutorily required to conduct a financial examination of each domestic insurer at least once every five years. Law requires all new domestic insurers to be examined each of the first three years. Finalized examination reports must be published within 18 months of the "as of" examination date pursuant to the National Association of Insurance Commissioners' (NAIC) accreditation standards. When circumstances warrant heightened scrutiny, OIR performs targeted reviews of specific companies. OIR also participates in multi-state financial examinations coordinated by the NAIC. In FY 2018-19, OIR completed 32 financial examinations.

Financial analyses are conducted on either a monthly, quarterly, and/or annual basis. Under NAIC accreditation standards, OIR must complete the review of a priority company (those with a major or serious violation or problem) within 60 days, and a non-priority company (those with minor or no violations) within 90 days. In FY 2018-19, OIR completed 8,408 financial analyses.

#### **d. Market conduct examinations and investigations**

OIR monitors insurance company products and practices for compliance with the Florida Insurance Code through market conduct examinations and investigations. Consistent with the trend nationally, OIR emphasizes issue-specific, complaint-driven ("target") examinations and collaborative multi-state examinations, rather than routine examinations performed at regular intervals. Issues identified include policy form deficiencies; claims communication response times; proper claims investigation; cancellation and nonrenewal notices; failure to pay interest on overdue claims and monitor a third-party administrator; unfavorable claims settlements; and internal coding errors. A total of 37 examinations and 288 investigations were performed during Fiscal Year 2018-19.

Florida is also one of five managing lead states engaged in the nationwide examinations of the claims settlement practices of life insurance and annuity companies. In Fiscal Year 2018-19, OIR recovered \$66.5 million on behalf of Florida consumers and helped reform claims settlement practices used by life insurance companies.

OIR also uses market analyses to identify significant issues adversely affecting consumers. These consist of a review and analysis of information reported in financial statements, in complaint data, lawsuit activity and other available data sources. This monitoring role also includes identifying unlicensed entities transacting insurance illegally.

#### **e. Attract companies and capital to the Florida insurance market**

In FY 2018-19, an additional 129 insurance and insurance-related entities entered the Florida market and 230 new lines of business were added to existing COAs.<sup>4</sup> While some, such as donor annuities, are largely unregulated entities with little economic or regulatory impact, there were newly licensed Property & Casualty and Life & Health insurers.

#### **f. Data collection and analyses**

OIR engaged in extensive data collection and analyses in FY 2018-19 related to:

- Access Control List Review (Twice per year for network security)
- Annual Reinsurance Data Collection (3 individual data calls)
- Catastrophe Stress Test (annually)
- Catastrophe Reporting Form for Hurricane Michael (40 individual data calls)
- Catastrophe Reporting Form for Hurricane Irma (3 individual data calls)
- Donor Annuity Agreements (ongoing)
- Department of Revenue /Legislature Tax Premium Report (annually)
- HMO Provider Contract Terminations (ongoing)
- Long-Term Care Claims Denial Reporting (ongoing)
- Long-Term Care Replacement/Lapse (annually)
- Long-Term Care Rescission (annually)
- Long-Term Care Suitability (annually)
- Major medical and other accident and health enrollment and premium reporting with life and annuity policy breakdowns added (annually)
- Market Conduct Rescinded Policy reporting (ongoing)
- Motor Vehicle In Force Policy Count Report (4 individual data calls)
- Motor Vehicle excess profits and policy count reporting (annually)
- Multiple Medicare Supplement Report (annually)
- Professional liability claims reporting (ongoing)
- Property and casualty annual calendar year experience (annual financial reporting)
- Property and casualty insurance (4 individual data calls - residential and commercial residential policy data)
- Quarterly Comprehensive Health Reporting (4 individual data calls)
- Regulatory Life Settlement Agreements reporting to the states (4 individual data calls)
- Title agency data call (annually)

- Title underwriter Florida-only financial data calls (3 individual data calls)
- Unfair discrimination based on travel annual life insurance survey (annually)
- Update Disaster Contacts and Claims Number (annually)

OIR completed numerous statutorily required reports in FY 2018-19.

## **2. Technology in Carrying Out Statutory Responsibilities**

OIR has one of the most sophisticated regulatory technology systems in the country, featuring applications that electronically receive and process insurance company form, rate, data, and financial filings. Highlights from FY 2018-19 include the following:

- Work on the new Insurance Regulation Filing System (IRFS) (previously known as the “Umbrella Project”) continues. IRFS is a rewrite of existing computer applications into a consolidated filing submission and review tool. In the past year, Product Review for Property and Casualty (November 2018), Product Review for Life and Health (May 2019), Invoicing (April 2019), and Legislative Tracking have been added.
- IRFS Product Review for Life and Health and Property and Casualty has been deployed to production. External users and analysts were provided the same functionality that exists in I-File system and the Electronic Data Management System (EDMS) with additional functionality and efficiencies.
  - Existing functionality from I-File was transferred to IRFS External includes but is not limited to the following: log in with filing ID; replicate filing; copy filing; and account management.
  - Entity management feature was created to require filers to subscribe to entities prior to filing on their behalf. This subscription feature includes notifications that are sent to all subscribers of an entity when additional users sign up to represent that entity. Should a valid subscriber notice that an invalid subscriber is attempting to associate with the entity, the notification prompts them to contact OIR to revoke the access of the user in question.
  - The filing creation process was streamlined; less pages/clicks to complete from start to finish.
  - An administrative tool was created for to allow staff to develop and post guides and frequently asked question to help centers of specific IRFS applications (currently administrative tools, external, external search, internal review, and internal search). In addition to guides and frequently asked questions, the external help center contains a link to the FLOIR website, an option to contact OIR, and a templates section that allows the user to access all OIR-created templates that are active.
  - To assist analysts in properly completing their assigned filings, final action validations can be applied to filing/review workflows. These validations will prevent the user from taking a final action on and/or closing a filing until certain criteria is met. Examples include stamping one or more documents, creating and attaching a specific letter type to the review, and sending an email to the filer.

- Sub workflows have been created for internal review. This feature allows analysts to create additional reviews and gain insight from co-workers to assist them in completing the filing. Reasons include new employee training, rate analyst feedback, and form analyst feedback.
- Restructured the internal search that provides users with the ability to save and share search criteria with other members of their business unit.
- IRFS Invoicing has been deployed to production. It allows staff to create and manage invoices in IRFS. It includes:
  - Integration with the Cashiers Office Deposit Automation (CODA), a system within the Department of Financial Services
  - Ability to track funds by resource codes, org codes, and other identifiers
  - Invoice templates for recurring scenarios (i.e., COA renewals)
  - Management of specific expense types, void reasons, and uncollectable codes
- The team is currently working on a Bill Analysis Tracking system, adding the ability to Trade Secret QUASR filings, Entity Management Access Administration, replacing FAME LiveCycle Forms with Excel templates, and Company Dashboard enhancements.
- The next priority will be establishing a filing and review protocol for all financial analysis forms to be submitted through the Umbrella system.

### 3. Market Conditions in Florida

As of June 30, 2019, OIR had oversight of 4,497 entities in Florida.<sup>5</sup> The Florida homeowners’ insurance market is the largest in the nation based on premium volume. Market conditions in Florida can be assessed against a variety of criteria, including market entry (new entities), market concentration/competition, premium volume, premium rates, company financial condition, and size of residual markets.

#### a. Market entry (new entities and new lines of business for existing entities)

See section A.1.e., above.

#### b. Market concentration

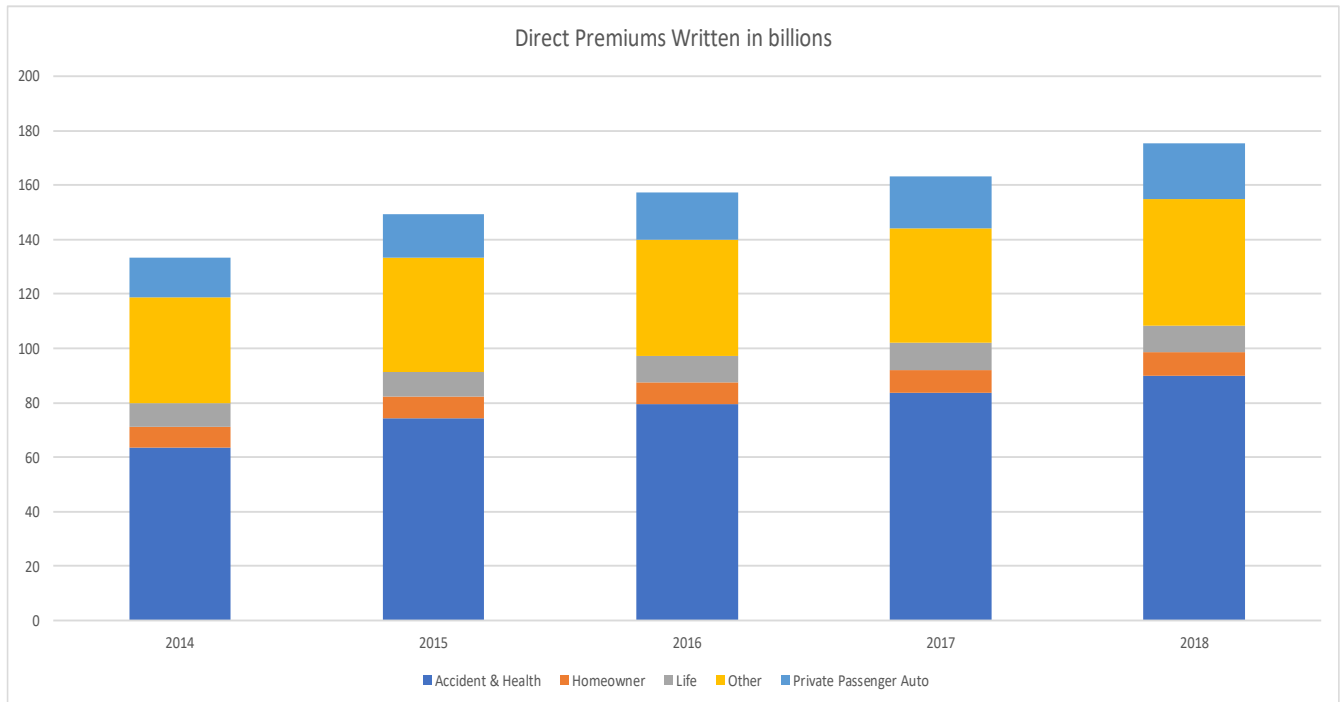
Florida insurance markets are generally competitive, although market concentration varies considerably from one line to another, as shown in Table 2.

<b>Line of Business</b>	<b>Top Writer</b>	<b>Top 5 Writers</b>	<b>Top 10 Writers</b>
Accident and Health	14.5	46.2	64.2
Commercial Multi-Peril	11.6	30.6	41.9
Homeowners Multi-Peril	9.7	29.8	44.7
Life	7.0	24.4	39.9
Medical Malpractice	18.8	49.2	63.2
Private Passenger Auto	14.4	54.1	69.7
Title	31.4	81.9	96.6
Workers Compensation	6.8	25.8	39.9

### c. Premium volume<sup>7</sup>

As shown in Figure 2, Florida is continuing to experience steady premium growth. Among all writers, total written premium expanded from \$133.5 billion at year-end 2014 to \$175.5 billion in year-end 2018. This increase primarily resulted from a surge in premium written by accident and health providers. During this period, Florida ranked tenth globally in total direct written premium.<sup>8</sup>

**Figure 2**



### d. Premium rates

Rate trends vary across insurance lines. Health insurance rates continue to increase as a result of the Patient Protection and Affordable Care Act (PPACA). Rates in the individual market for the 2018 plan year were 44.7 percent higher than rates for the 2017 plan year, largely due to a 31 percent increase to account for the elimination of cost-share reduction (CSR) payments to health insurers.<sup>9</sup> Approved rates for individual major medical plans for the 2019 plan year represent an average increase of 5.2 percent. Some of this cost may be offset for individuals eligible for a premium subsidy and purchasing coverage through the federally facilitated marketplace.

Property insurance rates are trending upwards due to a combination of higher reinsurance costs for 2019-2020 and the impact of higher non-catastrophe claim costs due principally to water claims containing litigation and Assignment of Benefits (AOB) costs. The AOB issue has been highlighted by Citizens Property Insurance Corporation (Citizens) through its annual rate filings as a pervasive issue in the tri-county area of South Florida (Broward, Palm Beach, and Miami Dade) and other areas of the state. For the benefit of gathering more information to provide to

the Financial Services Commission, legislators, and other stakeholder, OIR conducted two data calls to collect claims information from the top 25 property and casualty insurers operating in the state which were released in February 2016, and January 2018, respectively. The results of the data calls showed an initial increase in the frequency and severity of water loss claims and annualized loss trends for frequency and severity of water loss claims that more than doubled those shown in the first data call report. During the 2019 Legislative Session, HB 7065, AOB Reform, was signed into law to reduce AOB abuse. The water loss experience should improve because of HB 7065 and as shown in the more moderate rate changes in the most recently approved rate filings for Citizens.

Reinsurance costs are expected to increase due to recent storms, Hurricane Irma in 2017 and Michael in 2018.

Workers' compensation rates are down an average of approximately 64 percent since an apex in 2003 despite the 14.5 percent overall average rate increase that was approved effective December 1, 2016. The December 2016 rate increase addressed two major Florida Supreme Court decisions and Senate Bill 1402 that ratified the Florida Workers' Compensation Health Care Provider Reimbursement Manual, 2015 Edition. On April 28, 2016, in *Marvin Castellanos v. Next Door Company, et al.*, Case No. SC13-2082, the Florida Supreme Court found the statutory mandatory attorney fee schedule in Section 440.34, Florida Statutes, unconstitutional as a violation of due process under both the Florida and United States Constitutions. On June 9, 2016, in *Bradley Westphal v. City of St. Petersburg, etc., et al.*, Case No. SC13-1930, the Florida Supreme Court found the 104-week statutory limitation on temporary total disability benefits in Section 440.15(2)(a), Florida Statutes, unconstitutional because it causes a statutory gap in benefits in violation of an injured worker's constitutional right of access to courts. The Castellanos decision continues to create uncertainty in the marketplace as stakeholders adjust and adapt to the new legal environment. Even after considering the impact of the Castellanos decision, other factors at work in the marketplace combined to contribute to two rate decreases in 2018 and one rate decrease in 2019. The contributing factors to the recent rate decreases include, but are not limited to, increases in investment income, declines in claim frequency, lower assessments, and the Tax Cuts and Jobs Act of 2017.

Private passenger automobile insurance premiums benefited from lower Personal Injury Protection (PIP) rates following the implementation of HB 119, the 2012 PIP reform law. Overall, all auto insurance rates decreased 0.1 percent in the two-year period post-HB 119. This trend started reversing in 2016, and auto insurance coverages continue to see incremental rate increases due to increasing medical costs, and higher repair costs.

#### **e. Financial condition**

Health insurers and HMOs, as well as some life insurers, face a more challenging financial environment than their counterparts in the property and casualty sector. Much of this is due to a combination of changes to the Medicare and Medicaid programs and large enrollment volume as a result of the PPACA. Particularly concerning to OIR is the financial condition of long term care insurers and the impact of potential insolvencies on the health insurance market.



In the property insurance sector, Florida domestics are stable and competitive. Comparing the results from year-end 2017 to year-end 2018, gross written premium increased 5 percent and policyholder surplus increased 2 percent.<sup>10</sup> Surplus is up 10.7 percent since 2014.<sup>11</sup>

#### **f. Residual markets<sup>12</sup>**

Small residual markets are generally associated with healthy voluntary markets. Private insurers write the overwhelming majority of premium in Florida in the voluntary market. Except for the property insurance market, residual markets remain small in Florida. However, Citizens Property Insurance Corporation, the largest residual insurer, decreased its policy count 34.1 percent since 2014.

### **4. New Laws**

#### **a. Federal**

While the PPACA became law in 2010 and, therefore, is not a new law, the regulations spawned by the Patient Protection and Affordable Care Act<sup>13</sup> continue to evolve and shape the requirements of the Act through annual agency rulemaking, guidance, and frequently asked questions.

#### **b. Florida**

For a comprehensive list of legislation that passed during the 2019 Session affecting various types of insurance products and lines, see OIR's [2019 Legislative Summary](#).

## **What Led OIR to Select its Priorities?**

The priorities of OIR are a result of market conditions and are selected from the statutory responsibilities assigned by the Legislature and consistent with the performance measures adopted by the FSC.

## **How Does OIR Plan to Address the Priorities over the Next Five-Year Period?**

OIR will address stated priorities and pursue its mission by:

- Evaluating approaches to help stabilize the individual and group health insurance markets so that carriers return to our market and alleviate consumer rate uncertainty;
- Advocating for policies that encourage more vibrant private flood insurance market so that more homeowners receive private flood coverage;
- Examining ways to mitigate rising automobile insurance premiums so that Florida consumers receive lower prices and better coverage;
- Judiciously enforcing insurer and insurance-related entity compliance with statutory market conduct requirements;
- Assessing strategies to address challenges in the workers' compensation market to remove the burden on Florida's small businesses and help them thrive; and
- Monitoring use of big data and developing tools to better understand its impact on consumers.

## **Justification of Revised or Proposed New Programs and/or Services**

OIR is not recommending any new programs or services.

## **Justification of the Final Projection for each Outcome (Include an Impact Statement Relating to Demand and Fiscal Implications)**

The final projection for each outcome is based on historical experience, trend, and resources, and reflects the relative priorities of OIR as established by the Legislature, the FSC, and the Insurance Commissioner. Demand is expressed through workload, which is described under each goal contained in this Long-Range Program Plan. OIR continues to focus on productivity enhancements in an effort to achieve goals consistent with the stated mission.

## **List of Potential Policy Changes Affecting OIR's Budget Request or Governor's Recommended Budget**

None anticipated

## **List of Changes Requiring Legislative Action, including the Elimination of Programs, Services and/or Activities**

None

## **List of all Task Forces and Studies in Progress**

**1. Commissions, Boards, and Task Forces** - OIR is involved with numerous insurance–related commissions, boards and task forces, including the following:

### **a. Life and health**

- Birth-Related Neurological Injury Compensation Association (NICA)
- Continuing Care Advisory Council
- Cover Florida Health Care
- Florida Employee Long-Term Care Plan
- Florida Health Choices Board
- Florida Health Maintenance Organization Consumer Assistance Plan
- Florida Health Insurance Advisory Board
- Florida KidCare Coordinating Council
- State Consumer Health Information and Policy Advisory Council

### **b. Property and casualty**

- Citizens Market Accountability Advisory Committee
- Citizens Property Insurance Corporation
- Florida Automobile Joint Underwriting Association
- Florida Commission on Hurricane Loss Projection Methodology
- Florida Workers' Compensation Joint Underwriting Association
- Florida Hurricane Catastrophe Fund
- Florida Medical Malpractice Joint Underwriting Association
- Florida Patient's Compensation Fund
- Florida Surplus Lines Service Office
- National Council on Compensation Insurance (NCCI) Appeal Board

## **2. Studies and reports**

### **a. Annual reports**

- Accident and Health Gross Annual Premium Report
- Cover Florida Health Access Program Report (Joint Report with Agency for Health Care Administration)
- “Freedom to Travel”/Life Insurance Travel Underwriting Company Report
- Health Flex Program Evaluation (Joint Report with Agency for Health Care Administration)
- Regulatory Plan
- Legislative Budget Request
- Long-Range Program Plan
- Medical Malpractice Liability Claims—Annual Summary
- Office of Insurance Regulation Annual Report
- Officers and Directors Liability Claims—Annual Summary (within the Annual Report)
- Workers’ Compensation—Marketplace Availability and Affordability
- Continuing Care Retirement Communities (CCRC) Annual Industry Report

**b. Biennial – triennial – quadrennial reports**

- Citizens Market Conduct Examination–Plan of Operation and Internal Operations Compliance
- Financial Services Commission—Independent Actuarial Peer Review of Workers’ Compensation Rating Organization
- Neurological Injury Compensation Association Actuarial Investigation
- Restrictions on the Employment of Ex-offenders
- Title Insurance – Premium Review
- Workers’ Compensation Three Member Panel—Methods to Improve the Workers’ Compensation Health Care Delivery System (OIR provides data and support to the Department of Financial Services to complete recommendations)

**c. Other reports**

- Managed Care Summary Report (quarterly)

In addition, reports detailing OIR activities and achievements are submitted to the FSC.

# Glossary

- 1. Actual Expenditures:** Includes prior year actual disbursements, payables, and encumbrances. The payables and encumbrances are certified forward at the end of the fiscal year and may be disbursed between July 1 and September 30 of the subsequent fiscal year. Certified forward amounts are included in the year in which the funds are committed and not in the year funds are disbursed.
- 2. Appropriation Category:** The lowest level line item of funding in the General Appropriations Act, representing a major expenditure classification of the budget entity. Within budget entities, categories may include salaries and benefits, other personal services, expenses, operating capital outlay, data processing services, fixed capital outlay, and others.
- 3. Budget Entity:** A unit or function at the lowest level to which funds are specifically appropriated. “Budget entity” and “service” have the same meaning.
- 4. Fixed Capital Outlay:** Real property, including additions, replacements, major repairs, and renovations to real property which materially extend its useful life or materially improve or change its functional use. Includes furniture and equipment necessary to furnish and operate a new or improved facility.
- 5. Financial Services Commission (FSC):** Pursuant to Section 20.121(3), Florida Statutes, the FSC is composed of the Governor and Cabinet and appoints the Directors of the Office of Insurance Regulation and Office of Financial Regulation and makes rules.
- 6. Legislative Budget Request:** A request to the Legislature, filed pursuant to s. 216.023, Florida Statutes, or supplemental detailed requests filed with the Legislature, for the amounts of money an agency or branch of government believes will be needed to perform the functions that it is authorized, or which it is requesting authorization by law, to perform.
- 7. Long-Range Program Plan:** A plan developed on an annual basis by each state agency that is policy-based, priority-driven, accountable, and developed through careful examination and justification of all programs and their associated costs. Each plan is developed by examining the needs of agency customers and clients and proposing programs and associated costs to address those needs based on state priorities as established by law, the agency mission, and legislative authorization. The plan provides the framework and context for preparing the legislative budget request and includes performance indicators for evaluating the impact of programs and agency performance.
- 8. Performance Measure:** A quantitative or qualitative indicator used to assess state agency performance. “Input” means the quantities of resources used to produce goods or services and the demand for those goods and services. “Outcome” means an indicator of the actual impact or public benefit of a service. “Output” means the actual service or product delivered by a state agency.

**9. Program:** A set of activities undertaken in accordance with a plan of action organized to realize identifiable goals based on legislative authorization (a program can consist of single or multiple services). Programs are identified in the General Appropriations Act.

**10. Standard:** The level of performance of an outcome or output.

## Footnotes

<sup>1</sup> The cited jobs number is from regional data published by the U.S. Department of Commerce, Bureau of Economic Analysis, under “Private nonfarm employment: insurance carriers and related activities” for Florida in 2017.

<https://www.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdn=6#reqid=70&step=1&isuri=1>

<sup>2</sup> Florida Office of Insurance Regulation, Citizens Take-Out Spreadsheet, Total Policies Approved and Assumed 2018 and Total Policies Approved and Assumed 2019.

<sup>3</sup> Section 120.60(1), F.S.

<sup>4</sup> Compiled by the Florida Office of Insurance Regulation from the COREN database. Entity counts are based on July 12, 2019 retrieval.

<sup>5</sup> Compiled by the Florida Office of Insurance Regulation from the COREN database. Entity counts are based on July 12, 2019 retrieval.

<sup>6</sup> Compiled by the Florida Office of Insurance Regulation from NAIC Calendar Year 2018 company-reported premium data.

<sup>7</sup> Premium data based on 2018 retrievals from NAIC and OIR FAME data reported for Calendar Year 2018.

<sup>8</sup> National Association of Insurance Commissioners, 2018 Premium Volume -- Worldwide (An Alternative Look), 2017.

<sup>9</sup> The average rate change is based upon rate filings submitted to the Florida Office of Insurance Regulation.

<sup>10</sup> Information contained in the NAIC Financial Data Repository.

<sup>11</sup> Calculated from information contained in the NAIC Financial Data Repository.

<sup>12</sup> For purposes of this report, “Residual market premium” means insurance premium written by the insurer of last resort. In Florida, this would include, among others, Citizens, the Florida Life and Health Insurance Guaranty Association, and the Florida Workers’ Compensation Joint Underwriting Association.

<sup>13</sup> Public Law 111–148; 124 STAT. 119 (March 23, 2010).



## **Florida Office of Insurance Regulation**

**David Altmaier, Insurance Commissioner**

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## LRPP Exhibit II - Performance Measures and Standards

<b>43900000 Financial Services Commission</b>
<b>Office of Insurance Regulation</b>

<b>Approved Performance Measures for Fiscal Year 2019-20</b>	<b>Approved Prior Year Standard FY 2018-19 (Number)</b>	<b>Prior Year Actual FY 2018-19 (Number)</b>	<b>Proposed Revised Standards for FY 2019-20 (Number)</b>	<b>Requested FY 2020-21 Standard (Number)</b>
<b>43900110 Compliance and Enforcement</b>				
Percentage of life and health form and rate filing reviews completed within 45 days.	90%	99.8%	90%	90%
Percentage of property and casualty form filing reviews completed within 45 days and rate filing reviews completed within 90 days.	90%	99.3%	90%	90%
Percentage of complete applications for a new certificate of authority processed within statutorily required timeframes.	98%	97.9%	98%	98%
Percentage of applications for a new certificate of authority for Life & Health and Property & Casualty processed within 90 days.	98%	97.1%	98%	98%
Percentage of market conduct examinations with violations in which the Office takes enforcement action.	85%	100%	85%	85%
Percentage of Financial Examinations of domestic insurers completed within 18 months of the "as of" exam date.	98%	100%	98%	98%
Percentage of priority Financial Analyses completed within 60 days.	98%	99.1%	98%	98%
Percentage of non-priority Financial Analyses completed within 90 days.	95%	98.4%	95%	95%
<b>43900120 Executive Direction and Support Services</b>				
Administrative costs as a percentage of total agency costs.	10%	5.3%	10%	10%
Administrative positions as a percentage of total agency positions.	10%	6.1%	10%	10%

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Office of Insurance Regulation

**Program:** Financial Services Commission

**Service/Budget Entity:** Compliance and Enforcement

**Measure:** Percentage of life and health form and rate filing reviews completed within 45 days.

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
90%	99.8%	N/A	9.8%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

This measure reflects a 45-day timeframe for Office completion of life and health form and rate filings. The superior performance reflects Office innovations and staff productivity. Several review teams from within the Office received state productivity awards.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Office of Insurance Regulation

**Program:** Financial Services Commission

**Service/Budget Entity:** Compliance and Enforcement

**Measure:** Percentage of property and casualty form filing reviews completed within 45 days and rate filing reviews completed within 90 days.

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
90%	99.3%	N/A	9.3%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

This measure reflects a 45-day timeframe for Office completion of property and casualty form filings and 90 days for property and casualty rate filings. The superior performance reflects Office innovations and staff productivity.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Office of Insurance Regulation

**Program:** Financial Services Commission

**Service/Budget Entity:** Compliance and Enforcement

**Measure:** Percentage of complete applications for a new certificate of authority processed within statutorily required timeframes.

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
98%	97.9%	N/A	(0.1)%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

This measure sets forth the statutory timeframe as the standard for the Office when processing complete certificates of authority.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Office of Insurance Regulation

**Program:** Financial Services Commission

**Service/Budget Entity:** Compliance and Enforcement

**Measure:** Applications for a new certificate of authority for Life & Health and Property & Casualty processed within 90 Days.

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
98%	97.1%	N/A	(0.9)%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

This measure accelerates the timeframe for the Office to process a new certificate of authority from the statutorily required 180 days to 90 days.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Office of Insurance Regulation

**Program:** Financial Services Commission

**Service/Budget Entity:** Compliance and Enforcement

**Measure:** Percentage of market conduct examinations with violations in which the Office takes enforcement action.

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
85%	100%	N/A	15%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

This measure gauges the extent to which the Office requires company remediation of violations identified in a market conduct examination.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Office of Insurance Regulation

**Program:** Financial Services Commission

**Service/Budget Entity:** Compliance and Enforcement

**Measure:** Percentage of Financial Examinations of domestic insurers completed within 18 months of the “as of” exam date.

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
98%	100%	N/A	2%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

This measure sets forth the timeframe for the Office to complete financial examinations. This timeframe is consistent with NAIC accreditation standards.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Office of Insurance Regulation

**Program:** Financial Services Commission

**Service/Budget Entity:** Compliance and Enforcement

**Measure:** Percentage of priority Financial Analyses completed within 60 days.

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
98%	99.1%	N/A	1.1%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

This measure sets forth the timeframe for the Office to complete priority financial analyses. The shorter timeframe reflects the priority status and is consistent with NAIC accreditation standards.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**



## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Office of Insurance Regulation

**Program:** Financial Services Commission

**Service/Budget Entity:** Compliance and Enforcement

**Measure:** Percentage of non-priority Financial Analyses completed within 90 days.

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
95%	98.4%	N/A	3.4%

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input type="checkbox"/> Staff Capacity              |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

This measure sets forth the timeframe for the Office to complete nonpriority financial analyses. It assigns a lower priority to analyses where there are minor or no violations. The longer timeframe reflects the lower priority status and is consistent with NAIC accreditation standards.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Office of Insurance Regulation

**Program:** Financial Services Commission

**Service/Budget Entity:** Executive Direction and Support Services

**Measure:** Administrative costs as a percentage of total agency costs.

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
10%	5.3%	N/A	(4.7%)

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |  |  |
|--|--|
| <input type="checkbox"/> Personnel Factors           | <input checked="" type="checkbox"/> Staff Capacity   |
| <input type="checkbox"/> Competing Priorities        | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

Increased Office efficiencies and legislative budget reductions in administrative positions have contributed to lower administrative costs.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

## LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

**Department:** Office of Insurance Regulation

**Program:** Financial Services Commission

**Service/Budget Entity:** Executive Direction and Support Services

**Measure:** Administrative positions as a percentage of total agency positions.

**Action:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Performance Assessment of <u>Outcome</u> Measure | <input type="checkbox"/> Revision of Measure |
| <input type="checkbox"/> Performance Assessment of <u>Output</u> Measure             | <input type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards                     |  |

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
10%	6.1%	N/A	(3.9%)

**Factors Accounting for the Difference:**

**Internal Factors** (check all that apply):

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Personnel Factors | <input checked="" type="checkbox"/> Staff Capacity   |
| <input type="checkbox"/> Competing Priorities         | <input type="checkbox"/> Level of Training           |
| <input type="checkbox"/> Previous Estimate Incorrect  | <input checked="" type="checkbox"/> Other (Identify) |

**Explanation:**

Increased Office efficiencies and legislative budget reductions in administrative positions have contributed to lower administrative costs.

**External Factors** (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Resources Unavailable                               | <input type="checkbox"/> Technological Problems |
| <input type="checkbox"/> Legal/Legislative Change                            | <input type="checkbox"/> Natural Disaster       |
| <input type="checkbox"/> Target Population Change                            | <input type="checkbox"/> Other (Identify)       |
| <input type="checkbox"/> This Program/Service Cannot Fix the Problem         |   |
| <input type="checkbox"/> Current Laws Are Working Against the Agency Mission |   |

**Explanation:**

**Management Efforts to Address Differences/Problems** (check all that apply):

- |                                    |   |
|------------------------------------|---|
| <input type="checkbox"/> Training  | <input type="checkbox"/> Technology       |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Other (Identify) |

**Recommendations:**

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

<b>Measure Number</b>	<b>Approved Performance Measures for Fiscal Year 2019-2020</b>	<b>Associated Activities Title</b>
1	Percentage of life and health form and rate filing reviews completed within 45 days.	Review and approve rate and form filings.
2	Percentage of property and casualty form filing reviews completed within 45 days, and rate filing reviews completed within 90 days.	Review and approve rate and form filings.
3	Percentage of complete applications for a new certificate of authority processed within statutorily required timeframes.	Approve and license entities to conduct insurance business.
4	Percentage of applications for a new certificate of authority for Life & Health and Property & Casualty processed within 90 days.	Approve and license entities to conduct insurance business.
5	Percentage of market conduct examinations with violations in which the Office takes enforcement action.	Conduct and direct market conduct examinations.
6	Percentage of Financial Examinations of domestic insurers completed within 18 months of the "as of" exam date.	Conduct financial reviews and examinations.
7	Percentage of priority Financial Analyses completed within 60 days.	Conduct financial reviews and examinations.
8	Percentage of non-priority Financial Analyses completed within 90 days.	Conduct financial reviews and examinations.
9	Administrative costs as a percentage of total agency costs.	Operate agency in an efficient manner.
10	Administrative positions as a percentage of total agency positions.	Operate agency in an efficient manner.

Office of Policy and Budget – July 2019

FINANCIAL SERVICES, DEPARTMENT OF		FISCAL YEAR 2018-19			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT		385,429,043		9,761,650	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)		67,377,649		-1,500,000	
FINAL BUDGET FOR AGENCY		452,806,692		8,261,650	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					308,262
Provide Analysis On Securities Held For Deposit And Qualified Public Depositories * Number of analyses performed on the financial condition of qualified public depositories and custodians, and securities held for regulatory collateral deposit.		3,586	110.34	395,693	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		60,601	17.14	1,038,468	
Investment Of Public Funds * Average Dollar Volume of Funds Invested		24,100,000,000	0.00	962,848	
Provide Cash Management Services * Number of cash management consultation services.		51	27,182.04	1,386,284	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		2,700,000	0.78	2,116,466	
Administer The State Supplemental Deferred Compensation Plan * Number of participant account actions processed by the state deferred compensation office.		2,065,215	0.75	1,559,098	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		35,642	118.50	4,223,606	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		9,464,223	0.08	781,406	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		382,280	20.51	7,839,121	
Conduct Post-audits Of Major State Programs * Post-audits completed of major state programs to determine compliance with statutes and contract requirements.		4	116,205.75	464,823	
Process State Employees Payroll * Payroll payments issued		3,184,639	0.63	1,996,924	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes		3	28,812.67	86,438	
Article V - Clerk Of The Courts * N/A		13	36,675.38	476,780	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		2,968,513	1.10	3,274,522	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		593,765	5.87	3,485,959	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		7,065	80.71	570,214	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		15,299	277.44	4,244,516	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		661	854.27	564,674	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		750	832.83	624,626	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		3,801	4,228.30	16,071,771	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		191,968	11.78	2,260,928	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		9,234	118.77	1,096,756	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		8,372	168.30	1,408,993	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		2,303,103	0.13	294,317	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		20,986	1,766.70	37,076,071	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		6,134	2,182.38	13,386,720	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		2,243	1,075.56	2,412,489	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.		720	2,975.23	2,142,163	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		20	33,438.60	668,772	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		125,626	21.99	2,762,692	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		49,137	27.64	1,358,175	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		1,897,032	0.41	782,087	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		285,692	1.42	406,128	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		3,952	1,463.81	5,784,988	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).		1,784	11,664.93	20,810,227	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.		405	8,574.16	3,472,533	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		54,892	76.85	4,218,721	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		513,239	1.26	645,599	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		289,085	16.55	4,784,604	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		1,630	1,712.85	2,791,939	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		95,089	46.35	4,407,138	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		30,029	476.84	14,319,156	
Facilitate The Informal Resolution Of Disputes With Injured Workers, Employers And Insurance Carriers * Number of injured workers that obtained one or more benefits due to intervention by the Employee Assistance Office.		762	6,605.13	5,033,111	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		1,465	952.78	1,395,824	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		93,944,831	0.01	703,537	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		6,649,549	0.57	3,782,852	
Reimbursement Disputes * Number of petitions resolved annually		2,607	621.77	1,620,954	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		4,792	1,454.75	6,971,182	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		139	6,764.47	940,262	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		325	9,893.30	3,215,322	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		8,701	1,897.43	16,509,580	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		12,268	702.54	8,618,701	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		424	10,989.05	4,659,357	
Evaluate And Process Applications For Licensure As A Financial Services Entity. * Applications processed or evaluated for licensure or registration as a non-depository financial services entity.		25,656	79.50	2,039,534	
Examine And Enforce Laws Regarding Banks, Trusts, And Credit Unions To Ensure Safety And Soundness. * Number of domestic financial institutions examined to ensure safety and soundness.		91	113,896.41	10,364,573	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.		9	79,221.11	712,990	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		221	16,795.47	3,711,799	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		205	27,511.00	5,639,755	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		196	31,862.72	6,245,093	
Evaluate And Process Applications For Registration As A Securities Firm, Branch, And/Or Individual. * Securities applications processed for registration of firms, branches, and/or individuals.		57,122	48.11	2,747,904	
TOTAL				264,367,763	308,262
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS					
OTHER				134,132,538	7,876,650
REVERSIONS				54,306,394	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				452,806,695	8,184,912

### SCHEDULE XI/EXHIBIT VI: AGENCY-LEVEL UNIT COST SUMMARY

- (1) Some activity unit costs may be overstated due to the allocation of double budgeted items.
- (2) Expenditures associated with Executive Direction, Administrative Support and Information Technology have been allocated based on FTE. Other allocation methodologies could result in significantly different unit costs per activity.
- (3) Information for FCO depicts amounts for current year appropriations only. Additional information and systems are needed to develop meaningful FCO unit costs.
- (4) Final Budget for Agency and Total Budget for Agency may not equal due to rounding.

SECTION III - PASS THROUGH ACTIVITY ISSUE CODES SELECTED:

TRANSFER-STATE AGENCIES ACTIVITY ISSUE CODES SELECTED:

1-8:

AID TO LOCAL GOVERNMENTS ACTIVITY ISSUE CODES SELECTED:

1-8:

AUDIT #1: THE FOLLOWING STATEWIDE ACTIVITIES (ACT0010 THROUGH ACT0490) HAVE AN OUTPUT STANDARD (RECORD TYPE 5) AND SHOULD NOT:

\*\*\* NO ACTIVITIES FOUND \*\*\*

AUDIT #2: THE FCO ACTIVITY (ACT0210) CONTAINS EXPENDITURES IN AN OPERATING CATEGORY AND SHOULD NOT: (NOTE: THIS ACTIVITY IS ROLLED INTO EXECUTIVE DIRECTION, ADMINISTRATIVE SUPPORT AND INFORMATION TECHNOLOGY)

\*\*\* NO OPERATING CATEGORIES FOUND \*\*\*

AUDIT #3: THE ACTIVITIES LISTED IN AUDIT #3 DO NOT HAVE AN ASSOCIATED OUTPUT STANDARD. IN ADDITION, THE ACTIVITIES WERE NOT IDENTIFIED AS A TRANSFER-STATE AGENCIES, AS AID TO LOCAL GOVERNMENTS, OR A PAYMENT OF PENSIONS, BENEFITS AND CLAIMS (ACT0430). ACTIVITIES LISTED HERE SHOULD REPRESENT TRANSFERS/PASS THROUGH THAT ARE NOT REPRESENTED BY THOSE ABOVE OR ADMINISTRATIVE COSTS THAT ARE UNIQUE TO THE AGENCY AND ARE NOT APPROPRIATE TO BE ALLOCATED TO ALL OTHER ACTIVITIES.

BE	PC	CODE	TITLE	EXPENDITURES	FCO
43500400	1205000000	ACT1020	HOLOCAUST VICTIMS ASSISTANCE	288,502	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	578,129	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	13,020,813	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	490,659	
43200100	1601000000	ACT2020	PASS THROUGH - TRANSFER TO STATE	54,561,375	
43700400	1205000000	ACT2170	CONDUCT FISCAL INTEGRITY	471,312	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	27,175,344	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,800,000	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	958,177	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	9,486,339	7,876,650
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	2,000,000	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,153,928	
43700400	1205000000	ACT5510	HURRICANES AND OTHER NATURAL	6,850,933	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	1,904,211	
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,065,589	
43900110	1204000000	ACT9160	GRANTS AND AIDS - INSURANCE AND	1,077,227	
43600100	1102020000	ACT9940	TRANSFER TO THE UNIVERSITY OF	250,000	

AUDIT #4: TOTALS FROM SECTION I AND SECTIONS II + III:

DEPARTMENT: 43	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	452,806,692	8,261,650
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	452,806,695	8,184,912
DIFFERENCE:	3-	76,738*
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

\* FCO Difference is due to the 76,738 held in unbudget reserve from FY 18/19 appropriations in category 080990 BE 43300400

FLORIDA OFFICE OF  
FINANCIAL  REGULATION

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Long Range Program Plan

September 30, 2019

Chris Spencer, Policy Director  
Office of Policy and Budget  
Executive Office of the Governor  
1701 Capitol  
Tallahassee, Florida 32399-0001

Eric Pridgeon, Staff Director  
House Appropriations Committee  
221 Capitol  
Tallahassee, Florida 32399-1300

Cynthia Kynoch, Staff Director  
Senate Committee on Appropriations  
201 Capitol  
Tallahassee, FL 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, our Long Range Program Plan (LRPP) for the Office of Financial Regulation is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our mission, goals, objectives and measures for the Fiscal Year 2020-21 through Fiscal Year 2024-25. The internet website address that provides the link to the LRPP located on the Florida Fiscal Portal is <http://floridafiscalportal.state.fl.us/Home.aspx>. This submission has been approved by Abigail L. Vail, Chief of Staff of the Florida Office of Financial Regulation.

Sincerely,



Abigail L. Vail  
Chief of Staff  
Office of Financial Regulation



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# Office of Financial Regulation Long Range Program Plan

Fiscal Years 2020-21 to 2024-25

September 30, 2019



# OFFICE OF FINANCIAL REGULATION LONG RANGE PROGRAM PLAN

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# **OFR Mission**

**To protect the citizens of Florida, promote a safe and sound financial marketplace, and contribute to the growth of Florida's economy with smart, efficient and effective regulation of the financial services industry.**

## **OFR Goals and Objectives**

**GOAL #1: Improving taxpayer value**

**GOAL #2: Delivering value to businesses**

**GOAL #3: Promoting a safe and sound financial marketplace**

**GOAL #4: Improving customer service**

# AGENCY SERVICE OUTCOMES

**PRIORITY #1: Improving taxpayer value**

**OBJECTIVE 1A:** Improve metrics to measure agency results to foster an atmosphere of continuous improvement

**OUTCOME 1A-1:** Review all existing performance measures annually to ensure they are meaningful and “results” oriented rather than process driven

Baseline Year 2012-13	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
100%	100%	100%	100%	100%	100%

**PRIORITY #2: Delivering value to businesses**

**OBJECTIVE 2A:** Improve service to Securities applicants and registrants by processing submissions in a timely manner

**OUTCOME 2A-1:** Percentage of Securities registration applications processed within the Administrative Procedures Act

Baseline Year 2007-08	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
100%	100%	100%	100%	100%	100%

**OBJECTIVE 2B:** Improve service to Finance applicants and registrants by processing submissions in a timely manner

**OUTCOME 2B-1:** Percentage of Finance license applications processed within the Administrative Procedures Act

Baseline Year 2008-09	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
100%	100%	100%	100%	100%	100%

**OBJECTIVE 2C:** Provide fair, balanced and responsive service to Division of Financial Institutions' customers, the state chartered or licensed financial institution.

**OUTCOME 2C-1:** Percentage of financial institutions rating OFR high-performing.

Baseline Year 2002-03	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
77%	97%	97%	97%	97%	97%

**PRIORITY #3: Promoting a safe and sound financial marketplace**

**OBJECTIVE 3A:** Examine all state financial institutions within statutory timeframes

**OUTCOME 3A-1:** Percentage of state financial institutions examined within the last 18 and 36 months as required by S. 655.045, F.S.

Baseline Year 2002-03	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
50%/100%	100%/100%	100%/100%	100%/100%	100%/100%	100%/100%

**OBJECTIVE 3B:** Examine all money services businesses within statutory timeframes

**OUTCOME 3B-1:** Percentage of money services businesses examined as required by S. 560.109, F.S.

Baseline Year 2015-16	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
100%	100%	100%	100%	100%	100%

**OBJECTIVE 3C:** Examine companies and individuals regulated under the Florida Securities & Investor Protection Act to more effectively protect Florida investors

**OUTCOME 3C-1:** The number of complex Securities examinations completed

Baseline Year 2009-10	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
41	110	115	120	130	130

**OBJECTIVE 3D:** Ensure effectiveness of financial investigations through consistent application of administrative, civil and/or criminal enforcement action against individuals or entities that conduct fraudulent or illegal financial services activities

**OUTCOME 3D-1:** Percentage of investigations accepted by prosecutors or OFR legal counsel for enforcement action that result in action being taken

Baseline Year 2007-08	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
80%	85%	85%	85%	85%	85%

**OBJECTIVE 3E:** Improve investigative efficiency by reducing the time required to prepare a legally sufficient case for potential enforcement action

**OUTCOME 3E-1:** Percentage of priority investigations accepted by prosecutors or OFR legal counsel for enforcement action with 12 months of case opening

Baseline Year 2009-10	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
60%	70%	72%	73%	75%	75%

**PRIORITY #4: Improving Customer Service**

**OBJECTIVE 4A:** Improve customer service provided by the Division of Securities by reducing the overall call wait time

**OUTCOME 4A-1:** Reduce the average time it takes from receipt of an incoming call until the call is answered

Baseline Year 2014-15	FY 2020-21 Projected	FY 2021-22 Projected	FY 2022-23 Projected	FY 2023-24 Projected	FY 2024-25 Projected
2.33 minutes	1:35 minutes	1:30 minutes	1:30 minutes	1:20 minutes	1:10 minutes

## LINKAGE TO GOVERNOR'S PRIORITIES

The Office of Financial Regulation aligns its goals and objectives to two of the six priorities identified by Governor DeSantis:

- **Economic Development and Job Creation**
  - *Focus on diversifying Florida's job market, including a focus on an expansion of the financial services and technology sectors.*
  - *Maintain Florida's status as a low-tax state and continue to find opportunities to reduce taxes and fees.*
  - *Reduce existing regulations, and stop any new regulations that do not serve the public health, safety and welfare.*
- **Public Integrity**
  - *Protect taxpayer resources by ensuring the faithful expenditure of public funds.*
  - *Promote greater transparency at all levels of government.*
  - *Hold public officials and government employees accountable for failure to serve the public interest at all times.*

This will be accomplished through promotion of a safe and sound marketplace and growth of Florida's economy with smart, efficient and effective regulation of the financial services industry.

## **TRENDS AND CONDITIONS**

### **Agency Statutory Responsibilities**

The OFR is responsible for licensing, chartering, examining, and regulating depository and non-depository financial institutions and financial service companies, including state-chartered banks, credit unions, trust companies, loan originators, mortgage lenders, securities dealers, investment advisers, consumer collection agencies and money transmitters throughout Florida and, as of June 30, 2019, has more than 460,553 licensees.

### **Executive Direction**

Executive Direction for the OFR includes the Commissioner, Chief of Staff, the Office of General Counsel, the Office of the Inspector General, and other executive-level team members. It provides direction, executive guidance, legal and administrative support to carry out the OFR's statutory and administrative responsibilities. Executive Direction is currently engaged in several initiatives to improve the overall effectiveness and efficiency of the OFR's operations.

### **Regulatory, Enforcement and Licensing (REAL) System**

In 2008, the OFR consolidated more than 20 legacy information technology systems and paper-based business processes within the Division of Securities and Division of Consumer Finance into its Regulatory Enforcement and Licensing (REAL) System, an integrated financial regulatory management system. The Division of Financial Institutions was not integrated into REAL at that time.

The REAL System is critical to OFR-wide operations, and combines core processes for licensing, investigation, examination, legal and complaint functions. In addition, it provides imaging, workflow and document management components to ensure more efficient and effective OFR-wide business operations. Citizens benefit from the system by obtaining complete and accurate information about licensed entities.

The REAL System was implemented through a system integration and maintenance contract with Accenture, LLP, and was built using Versa Regulation (VR) software, a configurable, Commercial Off-the-Shelf (COTS) product owned and licensed by MicroPact Global, Inc. (formerly Iron Data Solutions, LLC). Under the implementation contract with Accenture, LLP, the OFR's custom web services portal was also developed, which provides self-service processing to the general public and to licensees.

The OFR submitted a legislative budget request in September 2015 for the 2016 Legislative Session requesting funding for the re-procurement of the REAL System operations and maintenance support services contract. In addition, the OFR requested funding to leverage the re-procurement by also migrating the Division of Financial

Institutions into REAL and facilitating the replacement of the custom web services portal with a COTS package that will seamlessly integrate into REAL.

The legislature and Governor granted the OFR's requested funding for the three REAL initiatives in the 2016 General Appropriations Act, effective July 1, 2016. Thereafter, the OFR began its competitive re-procurement of the operations and maintenance support services contract, to be effective on July 1, 2017, and procurement of system integration vendor services for Division of Financial Institutions migration into REAL and portal replacement. Following a competitive solicitation, a contract was awarded to Accenture, LLC.

Seamless continuation of REAL System operation and maintenance began on July 1, 2017, and successful migration of the Division of Financial Institutions was completed as scheduled. The portal replacement initiative was completed on May 21, 2018.

### **Employee Turnover and Retention Efforts**

Over the last several years, the OFR has experienced staff vacancy and spikes of employee turnover. OFR employees work in highly-specialized areas, which require certain technical skillsets, industry knowledge and significant training. Discussions with senior management and agency vacancy report data reflect an ongoing challenge to hire, train, and retain highly-qualified staff. Additionally, under the OFR administration in place during early 2019, a hiring freeze was put into effect pending a proposed reorganization of the agency. While the hiring freeze was lifted at the end of July 2019, it has resulted in an approximate twenty percent vacancy rate for the agency as of September 2019, which equates to over seventy vacancies. Additionally, several senior and highly-experienced members of OFR staff retired during the first half of the year.

While turnover is not unique in state government, it threatens OFR's institutional knowledge, work production and job satisfaction of the remaining employees. Likewise, long-term employees that leave the agency deplete institutional knowledge and contribute to higher demands being placed on newer employees.

In response to these issues, the OFR initiated steps to explore staff turnover and retention through data collection and analysis. Rather than relying on anecdotal information, the OFR is engaging several approaches to compile and collect information.

- (1) Salary Realignment Project. The OFR is conducting a holistic review of salaries of existing employees and new hires in the agency to better align employee compensation with experience, geography, and performance. One driver of the OFR's employee retention challenges is the attractiveness of lateral positions with our federal counterparts at significantly higher compensation levels. In addition to analyzing our own salary data, we are comparing that data to that of financial regulatory agencies in other states and the federal government. While OFR does not expect to fully equalize our salaries with the federal counterparts, we are using this project to make



incremental changes to our compensation structure to incentivize high performance and retain employees.

- (2) Employee Exit Interviews. The OFR developed and formalized an employee exit interview program. This program was designed to conduct interviews with outgoing staff members. An interview is conducted in the form of a voluntary questionnaire and a one-on-one interview, at the request of the outgoing employee. This process was temporarily suspended during 2019 with the transition of a new administration but will resume in late 2019.
- (3) Management/leadership training program. The OFR hosted its first statewide managers meeting in September 2018 to bring supervisors together to participate in a manager training and development program. Items discussed include communications, ethics, harassment and discrimination and retention and engagement. This symposium received widespread support and approval from managers. We will evaluate the benefits of a follow up training in 2020.
- (4) Employee On-Boarding Activities. The OFR receives its administrative services support from the Department of Financial Services (“DFS”). A new employee orientation program was initiated by OFR in early 2017 and is facilitated both in-person and via Skype link to new employees in the OFR headquarters and regional offices. This program is hosted by the agency’s human resources administrator and the leadership team. The new employee orientation continues to evolve to meet the needs of new OFR employees and promote their engagement and satisfaction in their new roles.

## **Training and Surveillance**

Training is vital to the success of the OFR because our most important resource is our staff. As mentioned in the previous section, OFR employees work in highly-specialized areas, which require certain technical skillsets, industry knowledge and significant training. Training is also essential to keep our employees informed about the latest trends and risks in their field. For example, our Division of Financial Institutions will receive training on cybersecurity & IT risk management in late 2019 to learn how to combat growing threats to the financial system. Without the appropriate training, we jeopardize our ability to perform our regulatory functions and create reputational risk for the agency. Training and development is equally important to workplace productivity and satisfaction. Investment in training conveys to staff that they are valued, as training creates a supportive workplace. Employees who feel appreciated and challenged through training opportunities are likely to feel more satisfaction toward their jobs.

## **Emerging Products and Technologies**

Financial technology (Fintech) platforms and virtual currencies are an area of focus for the OFR. This year, OFR committed to participate in a coalition, the American Consumer Financial Innovation Network (ACFIN), to enhance coordination among federal and state regulators to facilitate financial innovation, primarily involving Fintech companies. Fintech is becoming an increasingly large component of the financial services marketplace. Fintech is technology used to support or enable banking and financial services. Google Pay, Apple Pay, and Rocket Mortgage are just a few examples of fintech platforms that deliver financial products and services to consumers.

Cryptocurrencies are a medium of exchange that are created and stored electronically in the blockchain, a distributed public database that keeps a permanent record of digital transactions. Common cryptocurrencies include Bitcoin, Ethereum and Litecoin. Unlike traditional currency, these alternatives have no physical form and typically are not backed by tangible assets. They are not insured or controlled by a central bank or other governmental authority, cannot always be exchanged for other commodities, and are subject to little or no regulation. Initial Coin Offerings (ICOs) and cryptocurrency-related investment products have been identified as an emerging threat to investors in 2019.

## **Division of Financial Institutions**

### **Financial Institution Regulation in the United States**

The Division of Financial Institutions has regulatory oversight of 202 financial institutions with total assets of \$101.7 Billion as of March 31, 2019. This includes state chartered banks, credit unions, trust companies and licensed offices of international banking corporations operating in Florida. Florida chartered trust companies had total assets under administration of \$53.7 Billion as March 31, 2019. The number of regulated financial institutions has decreased 28 percent since 2013 when there were 249 state chartered financial institutions. Despite the decrease in the number of state-chartered financial institutions, the total assets of these institutions have increased approximately 4 percent during the same period.

Florida's strengthening economy, favorable U.S. tax law changes and a decreasing federal regulatory burden have had positive impacts on Florida's banking industry. We have continued to see merger and acquisition activity in Florida and throughout the United States, though at a slower pace than in previous years. Merger and acquisition activity is being driven by the continued opportunity for the return on investment for shareholders, strong economic performance, and an increase in the retirement of financial institution leadership. The number of Florida state chartered banks has declined nearly 44% since 2013, from 138 to 77 as of March 31, 2019. Assets of these banks have declined as well, from \$55.9 Billion to \$39.1 Billion during the same time period, or approximately 30%. With merger and acquisition activity, and strong economic performance and indicators, comes the opportunity for the formation of new banks in the marketplace.

From 1996 through 2009, Florida led the nation in the number of new banks opened; Until recently, the Florida Office of Financial Regulation had not issued a new bank charter since 2009. The changing economic landscape is now giving rise to a resurgence of De Novo bank activity across the country and in Florida. The OFR issued its first De Novo charter since 2009 in November 2018. Florida's economic growth and opportunities presented due to mergers and acquisitions, has spurred interest from investors looking to start up new banks and opportunities for new institutions in the marketplace. Increased efficiencies and the ability to develop returns on investment in reasonable time frames, have led to an increase in new financial institution charters being sought. The OFR currently has two active De Novo bank applications, and more are anticipated.

Credit unions have experienced increased growth over the last few years. The credit union assets under the Division's supervision have more than doubled since 2013. At the end of 2013, total assets were approximately \$28.8 billion and grew to just over \$47 billion in early 2019. During the same period, the number of credit unions has decreased from 73 to 66 total state charters. There are currently ten credit unions with assets over \$1 billion compared to eight over \$1 billion at year end 2013.

The growth in assets is coming primarily from our larger credit unions, those over \$250 million in assets. Since 2018, there have been three conversions of federal charters to

state charters with another federal charter expecting to convert in the 3<sup>rd</sup> quarter of 2019. A positive contribution to the conversion activity is the flexibility permitted within the State of Florida's field of membership parameters in comparison to the more restrictive parameters of the National Credit Union Administration. The Division continues to see the merger of state-chartered banks into state-chartered credit unions. The Division has approved three such transactions in 2019 with one more currently in the application process. There have been a few credit union mergers and the industry may continue to experience some consolidation through mergers, with smaller credit unions merging into larger credit unions. However, many of the smaller credit unions have closed field of memberships and some are also located in areas without a great deal of competition, so they remain viable operations.

The healthy financial performance of the credit union industry is attributed mainly to the growth in vehicle lending (both direct & indirect), and to a lesser extent other consumer loans, such as residential first mortgages, along with member business lending. The credit unions have also benefited from their loan portfolios having generally lower delinquency and charge off ratios than 5 to 10 years ago. Only 9% of all state charters experienced negative earnings during the first quarter 2019.

Unless the current economic conditions deteriorate and adversely affect consumers, particularly those with outstanding consumer loans, the financial performance of the credit union industry should remain healthy with continued growth in assets. Most of our state credit unions have loan portfolios consisting of vehicle loans, residential first mortgage loans and other consumer type loans.

To date, Florida's state chartered financial institutions are benefiting from improved economic conditions and increased real estate values, including commercial real estate. This has led to strengthened loan portfolios and improved earnings. Even though economic conditions have resulted in improving financial conditions of financial institutions overall, new risks continue to emerge as the markets in which financial institutions do business evolve. Financial institutions continue to operate in a very competitive deposit environment. With the continued pressure for deposits, financial institutions are increasing reliance on non-core funding sources to fund growth. Consequently, liquidity risk is of heightened regulatory concern. Information technology and cyber security continue to pose a growing risk to all financial institutions, regardless of size or complexity. We are also monitoring the progress in the cannabis industry and the potential growth in providing financial services for this business segment for financial institutions in Florida.

### **Improving Taxpayer Value**

The Division of Financial Institutions receives and processes complaints in a timely and responsive manner. The primary responsibility of the Division in the complaint process is to facilitate the resolution of complaints by referring them to the appropriate agency and ensuring that consumers receive the best service from decision makers which have

jurisdictional power over a particular financial institution. Complaints have decreased from 451 in fiscal year 2017-2018 to 341 for fiscal year 2018-2019, representing a decline of approximately 24%. Of the 341 complaints, 211, or approximately 62% of the 341 processed, were referred to other agencies as the matter did not fall under the jurisdiction of the Division of Financial Institutions. Complaints that were referred to other agencies for fiscal year 2018-2019 were processed in approximately 1.3 days and complaints against state-chartered financial institutions were processed in approximately 21.7 days. The processing of complaints against state-chartered institutions improved from 33 days for fiscal year 2017-2018 to 21.7 day for fiscal year 2018-2019.

In order to reduce costs and increase taxpayer value, the Division of Financial Institutions has implemented procedures to conduct portions of safety and soundness examinations off-site, through the use of technology. This allows the Division to reduce travel expenses and benefits the financial institution by reducing the number of examiners on-site, inside the institution.

### **Deliver Value to Business**

The Division's transition to more off-site safety and soundness exams also delivers value to the entities it regulates. Additionally, the Division's continued coordination with its federal regulatory counterparts minimizes the disruption of business activities within our financial institutions. Finally, the Division continues to seek initiatives and solutions to make Florida the state of choice for financial institutions to establish their charters.

### **Promote a Safe and Sound Financial Marketplace**

The Division of Financial Institutions remains focused on both periodic and forward-looking risk assessments, in order to ensure the safety and soundness of all state chartered financial institutions. Risk focused examinations are performed regularly, as set forth by Florida Statutes. Examinations are conducted in an alternating manner between State and Federal counterparts. When necessary, examinations may be conducted in conjunction with federal regulatory counterparts. The goal is to minimize the impact and disruption to financial institutions being examined. These examinations assess not only the financial condition of the institution, but the ability of its board of directors and management to manage risk and operate the financial institution in a safe and sound manner. Information technology and cyber security risks continues to be prominent risks for financial institutions, regardless of size and complexity. Training, for both regulators and financial institutions, in preventing, identifying and addressing cybersecurity and information technology risks, is of high importance.

Emerging technology, such as financial technology (FinTech) platforms, pose both opportunities and risks to institutions. The Division of Financial Institutions is dedicated to maintaining a team of experienced and well-trained examiners to perform safety and soundness examinations and assess the risks faced by the institutions we regulate. As such, training continues to be a top priority of the Division. Our goal remains to be

supportive of innovation in the financial institutions industry, while keeping the financial institution marketplace safe and sound.

## **Legislation**

During the 2019 Legislative Session, the Division worked with the Legislature to provide bill analyses and other requested information, when necessary. Three public records exemptions in place under the Financial Institutions Codes were reviewed by the Legislature during the 2019 session. The Open Government Sunset Review (“OGSR”) Act prescribes a legislative review process for substantially amended public records or open meetings exemptions. An OGSR review was conducted for the following public records exemptions:

1. Section 655.057(3), Florida Statutes (F.S.), specifically makes exempt and confidential all documents related to informal enforcement actions conducted by the Office. Informal agency actions include board resolutions, documents of resolution, and agreements in writing between the Office and a financial institution that the Office regulates.
2. Section 655.057(4), F.S., makes exempt and confidential trade secrets as defined in s. 688.002, which comply with s. 655.0591, and are held by the Office.
3. Section 662.148, F.S., provides exemptions for information related to Family Trust Companies regulated by the Office.

All three exemptions were reviewed and made permanent by the Legislature.

During the 2020 Legislative Session, the Division will monitor any legislation affecting the financial services industry. The Division intends to pursue a substantial rewrite of section 655.057, F.S., and other statutes under the Financial Institutions Codes, that govern supervisory records held by the Division and the limitations and restrictions placed upon public access to such records. The rewrite is intended to create a more competitive and welcoming atmosphere in which potential and current financial institutions can comfortably engage with the Florida Office of Financial Regulation as its chosen regulator. In addition, the Division intends to pursue other changes to the Financial Institutions Codes, and the rules promulgated thereunder, to improve the agency’s processes and ensure that Florida maintains its position as a viable and business friendly state for financial institutions to conduct business.

## **Division of Consumer Finance**

The Division of Consumer Finance administers and enforces Chapters 494, 516, 520, 537, 559 (Parts V & VI), and 560, Florida Statutes, which cover mortgage loan origination, brokering, and servicing; consumer finance lending; retail and installment financing; title loan lending; collection agencies; and, money services businesses, including payday lending. These statutes are designed to help protect the public from unlawful activities while promoting the sound growth and development of Florida's economy.

The division is organized into the following units:

- Bureau of Enforcement
- Bureau of Registration
- Legal
- Director's Office

### **Bureau of Enforcement**

The Bureau of Enforcement is charged with the following responsibilities:

- Conducting examinations of consumer finance industries to ensure compliance with Florida statutes and administrative rules.
- Processing consumer complaints and where appropriate utilizing consumer complaints as a tool to identify entities that warrant an examination.

The Bureau consists of employees located in Tallahassee Headquarters and each regional office (Tampa, Orlando, West Palm Beach, and Miami). Enforcement staff conduct field examinations primarily within the state, but may also travel to another state when required by law or otherwise deemed mission critical.

Enforcement is responsible for the examination of 15 different types of licensed entities and the continuous monitoring of the activities of existing licensees and registrants. Enforcement conducts examinations of money services businesses pursuant to a statutorily mandated five (5) year examination cycle. In addition, Enforcement is required to investigate all complaints filed with the OFR regarding Consumer Collection Agencies. For all other finance laws, Enforcement does not require "cause" or grounds for legal action to examine a business, so businesses licensed or registered with the division may be subject to an unannounced examination. These examinations typically target businesses whose history shows a pattern of conduct warranting further examination.

Some examinations involve more complex issues and are commenced when there appears to be significant violation of law (i.e., fraud or money laundering) or significant risk of consumer harm. These examinations require substantial time and resources and may require complex and lengthy litigation.

Through cases developed by the Bureau, the Office may seek administrative remedies such as revoking or suspending a license, denying a license application, assessing an administrative fine, or restricting a license. Persons subject to the Office' administrative

actions are afforded due process pursuant to Chapter 120, Florida Statutes (Administrative Procedures Act) and can request either a formal or informal administrative hearing to challenge the Office's intended action. The Office may also seek civil remedies in circuit court, including cease and desist orders, civil penalties, fines, freezing of assets or appointment of a receiver. The Bureau also works with the Office's Bureau of Financial Investigations in cases involving possible criminal activity.

The Bureau works closely with other state and federal regulatory agencies, including the Internal Revenue Services, the Financial Crimes Enforcement Network, and the Consumer Financial Protection Bureau. These relationships result in case referrals, joint or concurrent examinations, which allow for leveraging of resources, taking advantage of the experience and expertise of each entity, and the ability to prosecute larger, multi-jurisdictional cases. Referrals of matters to the Office affecting Florida consumers also result from these close relationships

### Bureau of Registration

The Bureau of Registration is charged with the following responsibilities:

- Reviewing applications for license or registration of individuals, business, and branch offices/authorized vendors.
- Reviewing applications for license renewal and amendments to existing licenses or registrations.

As of June 30, 2019, there were 12,649 businesses, 65,213 branches/vendors and 34,760 individuals licensed in Consumer Finance. Florida ranks in the top three in the nation in the number of consumer finance industries. Registration is responsible for the review of 25 different types of applications and with monitoring the activities of existing licensees and registrants through renewal applications and amendments.

Licensing and registering individuals, businesses, and branch offices/authorized vendors ensures that only those applicants that meet the standards set by laws and rules are allowed to conduct business in Florida. In instances where the qualifications are not met, denial of the application may be required, thus helping protect consumers.

Applications are reviewed based on the specific laws and regulations depicting the minimum standards by which an individual or business is qualified to act in the capacity of the license. Many of the applications involve a detailed review of criminal backgrounds of the controlling individuals and for mortgage applicants a determination of financial responsibility. Registration analysts are required to conduct a thorough review of each application and communicate with the applicant if there are any deficiencies found in the application. The OFR, as an agency that processes licensing and registration applications, must comply with Chapter 120, Florida Statutes (Administrative Procedures Act or APA) in its review of applications. Failure to adhere to the timelines mandated by the APA could result in the OFR being required to approve an application for a license where the applicant or controlling individuals do not meet the minimum licensing standards thereby placing Florida consumers at risk for financial harm. In addition, review



of criminal backgrounds and determination of financial responsibility are also reviewed on a yearly basis when mortgage licensees renew their license.

Registration utilizes OFR's Regulatory Enforcement and Licensing (REAL) System to perform the majority of its licensing activities. In addition to REAL, Registration also participates in the Nationwide Mortgage Licensing System (NMLS) as mandated by the federal S.A.F.E. Act, which was enacted in 2008. The S.A.F.E. Act requires all states to utilize the NMLS for licensure filings related to the regulation of the mortgage industry. The NMLS acts as the portal by which all filings are received and then, through programs established within REAL, the NMLS data is programmatically entered in REAL where staff completes their review, tracks their progress, and maintain pertinent information regarding the final decision. NMLS is also the system of record for states for information provided in conjunction with their NMLS filings. The OFR retains all other records within REAL that are provided outside of NMLS.

### **Improving Taxpayer Value**

The OFR continues to focus on enhancing taxpayer value. With expanded data collection and analysis, Consumer Finance has been able to make data-driven decisions and create performance measures to improve productivity with its current complement of staff. Consumer Finance uses technology to better analyze data and more efficiently allocate limited resources to target areas of highest risk of harm to consumers.

### **Delivering Value to Businesses**

Consumer Finance strives to improve service to its applicants and licensees by processing submissions in a timely manner. During Fiscal Year 2018-19, the Division approved licenses in less than 8 days.

Providing quick, responsive service to applicants is a current measure for Consumer Finance on the agency Long Range Program Plan. The Administrative Procedures Act requires that all applicants for licensure be notified of application deficiencies or outstanding concerns within 30 days of receipt of the application. Consumer Finance has, on average, notified applicants of deficiencies within four days. This is substantially faster than required by the statutory timeframe.

### **Legislation**

There were no substantive legislative changes during the 2019 Legislative Session impacting the Division of Consumer Finance.

## **Division of Securities**

The mission of the Florida Office of Financial Regulation (OFR), Division of Securities (Securities) is investor protection. Securities administers and enforces compliance with Chapter 517, Florida Statutes, the Florida Securities and Investor Protection Act (Act). The Act is designed to help protect the investing public from unlawful securities activity while promoting the sound growth and development of Florida's economy.

Securities accomplishes its mission through its Bureau of Registration (Registration) by registering securities firms and their employees to do business in, to or from the state of Florida. The Bureau of Enforcement (Enforcement) receives and processes consumer complaints regarding securities industry activities and participants. Enforcement conducts examinations of securities firms and their employees and develops enforcement actions brought by OFR for violations of the securities laws.

The Commissioner of OFR has broad authority to enforce the Act. Registration recommends to the Commissioner whether to deny, suspend, revoke or restrict the registrations of firms and persons that apply for registration, or are currently registered under the Act. Through cases developed by Enforcement, the Commissioner may seek administrative remedies in the Division of Administrative Hearings or civil remedies in court including cease and desist orders, civil penalties, fines, suspension, revocation, bar, freezing of assets or appointment of a receiver.

Registration and Enforcement maintain close relationships with other states and Canadian securities regulators through the North American Securities Administrators Association (NASAA), the organization of U.S. state and Canadian provincial and territorial securities regulators; the U.S. Securities and Exchange Commission (SEC); self-regulatory organizations (SROs), e.g., the Financial Industry Regulatory Authority (FINRA), which regulates its securities broker dealer industry members; and state and local prosecutors and law enforcement. These relationships result in case referrals, joint investigations and enforcement cases, which allow for leveraging of resources, taking advantage of the experience and expertise of each entity, and the ability to prosecute larger, multi-jurisdictional cases. Referrals of matters to OFR affecting Florida investors also result from these close relationships.

Both bureaus engage in outreach to consumers and selected groups, such as seniors, the securities industry and the Florida Bar.

### **Enforcement**

Enforcement conducts examinations of dealers, investment advisers and their associated persons located in Florida, to determine whether any person has violated or is about to violate the securities Act, or to aid in the enforcement of the securities law and rules. Enforcement does not require "cause" or grounds for legal action to examine a dealer or investment adviser, so firms registered with the division may be subject to an

unannounced examination. These examinations typically target registered firms and individuals whose history shows a pattern of conduct warranting further examination.

Some examinations involve more complex issues and are commenced when there appear to be significant securities law violations (i.e., fraud or abusive sales practices) or significant investor losses. These examinations require significant time and resources and may be resource intensive. It is possible they will lead to enforcement action.

Enforcement works with OFR's Bureau of Financial Investigations regarding matters warranting criminal prosecution.

Civil, administrative or criminal violations of the Act can take many forms, but the most serious violations involve fraudulent conduct. Fraudulent conduct involves material misrepresentations or omissions by the perpetrator to prospective or actual investors which frequently result in substantial losses of money or property by the victims. In the securities realm, this often involves one or more sales practice abuses.

Securities staff also has the ability to jointly investigate cases with the Office of the Attorney General pursuant to section 517.191, Florida Statutes, which provides the Attorney General with the authority to investigate and bring actions under the anti-fraud provisions of the Act.

### Registration

As of June 30, 2019, there were 9,098 dealer and investment adviser firms, 10,683 branches and 332,702 individual associated persons actively registered with OFR. Florida ranks third in the nation in the number of registered dealers, investment advisers and their registered associated persons, and fourth in the number of registered branch offices. Registration is responsible for the review of 15 different application types including dealers, investment advisers, branches and their employees, and with monitoring the activities of existing registrants.

By registering dealers (firms that buy and sell securities) and their sales persons (commonly known as stockbrokers, agents or associated persons), and by registering investment advisers (firms that manage money for a flat fee or a fee based on a percentage of the assets under management) and their employees (commonly known as investment adviser representatives, agents or associated persons) who conduct business in Florida, Registration ensures that only applicants that meet the registration requirements set by the Act and the rules are allowed to conduct business in Florida. In instances where the qualifications are not met, denial of the application for registration, or restriction of the applicants' business activities upon registration, may be required, thus helping protect consumers.

Applicants for registration are reviewed for any prior securities law violations and, once registered, are continually monitored for any actions in violation of the Act. Registration analysts check the disciplinary history (including any criminal history) for the firms and

individual applicants, and the educational and employment background for the individual applicants employed by the dealers and investment advisers.

Once firms and individuals become registered, Registration identifies problems that require remedial or regulatory action. Regulatory action can include revocation, suspension or restriction of the right to do business in, to, or from Florida, which also protects consumers.

Applicants must disclose disciplinary events at the time of the initial application and registrants have a duty to report any updated disciplinary matters in a timely fashion. Registration received more than 20,224 disciplinary updates on registrants in Fiscal Year 2018-19. Updated disciplinary and background information is carefully reviewed to determine if there are legal grounds to take regulatory action.

Registration participates in the Central Registration Depository (CRD) and Investment Adviser Registration Depository (IARD) systems, which are national databases of dealers and investment advisers and their associated persons. CRD and IARD are jointly administered by NASAA and FINRA on behalf of OFR and the other state securities regulators. OFR registers securities dealers and associated persons conducting business in, to or from Florida, and FINRA registers its member dealers through the CRD. OFR registers investment advisers with up to \$100 million in assets under management and associated persons of all investment advisers conducting business in Florida and the SEC registers the investment adviser firms over the \$100 million threshold through the IARD.

### **Improving Taxpayer Value**

The OFR continues to focus on enhancing taxpayer value. With expanded data collection and analysis, Securities has been able to make data-driven decisions and create performance measures to improve productivity without increasing staffing.

### **Delivering Value to Businesses**

Securities strives to improve service to its applicants and registrants by processing submissions timely. During fiscal year 2018-19 and currently, an applicant's registration request is approved, on average, in 3 days.

Providing quick, responsive service to applicants is a current measure for Securities on the agency Long Range Program Plan. Overall, Securities sends notices of deficiency to an applicant within 5 calendar days from receipt of their application, well within the Florida Administrative Procedures Act requirement that applicants be notified of deficiencies or outstanding concerns within 30 days from receipt of the application.

Securities holds a pre-registration conference with investment advisers to discuss registration maintenance, record keeping and compliance requirements after registration.

Securities also sends a user-friendly guide to newly registered investment advisers to assist them in understanding their compliance obligations. This guide is available for all investment advisers via the agency website.

These efforts provide state registered investment advisers with helpful and useful information regarding Securities' rules and regulations, including common violations detected during examinations, and promote a stronger and safer investment advisory industry.

### **Promoting a Safe and Sound Marketplace**

As part of the agency's measure to foster a safe and sound marketplace, Securities evaluated its regulatory responsibilities following the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 relating to the regulation of Investment Advisers.

As the sole regulator of investment advisers with up to \$100 million in assets under management, Securities determined it would be more prudent to examine all investment advisers domiciled in Florida on a five-year cycle. At present, Securities has approximately 1,788 investment advisory firms registered in Florida, with approximately 1,109 domiciled within the state. Since the implementation of the cycle examination program, the percentage of investment adviser examinations resulting in action has been approximately 17%. It is the belief that with a cycle examination program the culture of compliance within the population of investment advisory firms will increase while the number of formal actions brought for violations will decrease following the first full 5-year cycle.

Now that the first five-year cycle has been completed the division has assessed the timeline for future investment adviser examinations. The division has determined that a seven-year cycle is appropriate which will continue to support the initiative of all investment adviser firms being examined on a cyclical basis. This change to a seven-year cycle will allow for adequate staff resources to conduct broker dealer, branch, associated person, and special initiative examinations when there is a determination of heightened risk or need.

The Division uses data analytics software to assist in the identification of high risk activity, firms, and individuals; this software improves the effectiveness and efficiency of our examination program. That improvement translates into less time spent and disruption in a securities industry business, allowing the business to provide more of its services to the Florida investor.

## **Bureau of Financial Investigations**

The Bureau of Financial Investigations (BFI) is a criminal justice agency with investigative teams located in Tallahassee, Orlando, Tampa, West Palm Beach and Miami. The bureau generally conducts financial crimes investigations involving securities and lending fraud. Cases are prioritized and resources are typically devoted to matters that significantly impact the citizens of Florida. The bureau also participates in joint investigations with local, state and federal law enforcement agencies.

Cases are presented to OFR attorneys and/or criminal prosecutors for appropriate enforcement action. Once an investigation is accepted for administrative, civil, or criminal prosecution, the bureau continues to lend support and expertise until the final disposition of the case.

Most investigations originate from consumer complaints, referrals from other agencies, confidential sources and coordination with law enforcement. The BFI also works with staff from the Divisions of Securities, Consumer Finance and Financial Institutions to enforce the securities, consumer finance and banking laws of the state.

## **Investment Fraud**

As has been the historical norm, the BFI continues to deploy a majority of its resources to investigate investment fraud. Common schemes include those that target retirees and others seeking low risk, fixed return investments that generate income, Ponzi schemes in which new investor funds are used to pay returns to earlier investors, boiler room scams and affinity frauds.

The stock market has performed well from 2009 through the first half of 2019 and a strong market usually helps to mask illegal activity. The BFI traditionally sees a spike in customer complaints and investigations in the time periods subsequent to a meaningful downward movement in the financial markets.

After a brief period of modest increases, interest rates have fallen in 2019 and are approaching historic lows. This low interest rate environment can tempt investors to chase higher yields by investing in unregistered, non-traditional investment opportunities that are often fraudulent. The BFI continues to investigate schemes that target retirees by offering them low or no risk investments coupled with a promise to pay them above market rate returns.

In one such case, On April 24, 2019, a jury in Miami-Dade County found Lawyer Stanley guilty of organized fraud for his role in a \$2.1 million investment fraud scheme.

Stanley was initially arrested on November 23, 2015 based on the findings of an OFR investigation which revealed that he orchestrated an investment scheme through which he defrauded investors out of at least \$2.1 million dollars. Stanley was charged with one count of organized scheme to defraud, one count of first degree grand theft and one count of third degree grand theft for his role in the scheme.

The OFR's investigation revealed that from approximately September 2006 through September 2015, while employed as a letter carrier for the United States Postal Service, Stanley solicited potential investors for a gold and diamonds investment opportunity in Africa. Stanley is alleged to have solicited investments primarily from residents of his mail route but also from co-workers and acquaintances. According to investor victims, Stanley represented that he traveled to Africa to personally visit gold and diamond mines as part of the process of selecting the "best stones" for import to the United States and subsequent sale in New York City. Stanley allegedly promised some investors that he would double their investments and guaranteed certain investors millions of dollars in returns.

In addition to the gold and diamond ventures, Stanley also persuaded investors to invest in large scale infrastructure projects for which he claimed to have exclusive contracts with governments in Africa. These included port construction projects in Cameroon and power grid development projects in Equatorial Guinea. To secure the investments, Stanley allegedly flaunted bank records to his potential investors showing that he had approximately \$17 million dollars on deposit in a bank in Ghana. Investigation, however, could not confirm the existence of any government contracts, infrastructure development projects, or bank accounts in Africa. Instead the majority of investor funds were spent by Stanley on personal living expenses or taken as cash withdrawals.

Stanley faces up to 30 years in state prison at sentencing which is expected in late August 2019. The case is being prosecuted by the Miami-Dade County State Attorney's Office.

## **Ponzi Schemes**

The BFI continues to see Ponzi schemes being perpetrated against the investing public. A Ponzi scheme is a fraudulent investment operation where the conman pays returns to existing investors from capital raised from new investors. Ponzi schemes can be difficult to detect as investors do not complain when they are getting paid their promised returns. Ponzi schemes generally collapse when the money needed to pay the existing investors outstrips the amount of money being raised from the newer investors, causing a default.

On May 20, 2019, following a joint OFR-SEC investigation, the United States District Court for the Southern District of Florida unsealed a civil complaint for injunctive relief against Argyle Coin, LLC (Argyle) and its executive, Jose A. Aman (Aman) of Miami, FL, Natural Diamond Investment Co (NDIC) and its executives, Harold E. Seigel (H. Seigel) and Jonathan H. Seigel (J. Seigel), both of Parkland, FL, and Eagle Financial Diamond Group (EFDG). The complaint, which was filed by SEC attorneys, alleged that Argyle, NDIC, and EFDG defrauded more than 330 investors out of approximately \$34 million USD in a fraudulent investment scheme. Approximately 49 investors are located in Florida and 121 are located in Canada. Investors, including several elderly unaccredited investors, claim that they were defrauded through radio, podcasts and TV spots hosted by Harold Seigel, who is originally from Canada. According to his followers, Seigel started broadcasting in 2011. Investors believed their money would be

used to buy rare colored diamonds which would be cut, graded, polished and then placed for sale through online auctions. Profits would then be used to pay the monthly interest owed to the investors. The investigation revealed, however, that approximately 29% of the investors' money or \$10 million, was instead diverted to pay previous investors' interest payments. In the complaint, the SEC sought -and a federal judge granted- the appointment of a receiver to preserve assets for the benefit of investors.

Investigation revealed that approximately \$3.7 million of investor monies went to benefit NDIC's principals. Approximately \$7 million was used to fund Aman's personal expenditures related to his aviation and equestrian hobbies and shopping expenses incurred by his now ex-wife.

In addition to the injunctive action, the SEC initiated an asset freeze against Aman and the Seigels.

The OFR worked closely with the SEC to collect and present the evidence upon which this enforcement action was based. The OFR and SEC were also assisted by the Securities Commissions of Alberta, British Columbia, Ontario, and Quebec.

## **Boiler Rooms**

The BFI continues to investigate unregistered "boiler rooms" operating primarily in South Florida. Boiler rooms selling precious metals and other fraudulent investments are easy to set up and equally easy to move once identified. As these fraudulent schemes often victimize out-of-state or international investors, some local prosecutors may be less inclined to accept these cases. The BFI continues to work closely with other regulators and state and federal law enforcement in an attempt to rein in this illegal activity.

On February 26, 2019, defendant Thomas Michael White was sentenced to fourteen years in federal prison for his involvement in an investment fraud scheme which victimized thirteen investors (five of whom are elderly) and caused losses totaling approximately \$1,900,000. The investments were purportedly solicited for a company that generated sales leads for businesses in the moving and transportation industry. Investors claimed that White represented they could expect a 100% return on their investment and that he expected the company, First Call Ventures, to generate over \$15 million in annual sales. Contrary to representations, investigation revealed that White conspired instead to enrich himself by misappropriating investor money for his personal use, including \$134,000 spent at a casino. Moreover, a review of financial records found that far from being a thriving business, First Call was actually on the verge of failure at the time that White solicited the investments. Investigation also revealed that investors had no knowledge of the fact that over 80% of their money had been paid out as "salaries" to First Call principals.

In addition to the fourteen year prison sentence, White was also ordered to pay full restitution to his victims. To date, three of five defendants have been convicted and sentenced in relation to this scheme.



This OFR case was developed simultaneously with an investigation being conducted by the Federal Bureau of Investigation. Information from the OFR's investigation was shared with the FBI and used in securing the federal indictment against the defendants. OFR investigators committed more than 394 investigative hours to the development of the case and testified in federal court on the results of the analysis of financial records. This case was prosecuted by the United States Attorney's Office for the Southern District of Florida.

## **Affinity Fraud**

Affinity fraud is a type of investment fraud in which conmen prey upon members of self-identifying groups, such as religious or ethnic communities, the elderly, or professional groups. The conmen who perpetrate affinity scams frequently are also members of the group or have established relationships with them.

On July 3, 2019 United States Southern District Court Judge Paul Huck sentenced licensed real estate broker and unsuccessful Florida state senate candidate (2014 & 2016 elections) Anis Blemur ("Blemur") of Supertree Real Estate and Investment Services, Inc. and AB Consulting and Accounting to 92-months in federal prison and 5-years of supervised release for bilking investors from the South Florida Haitian community out of more than \$1.6M. The sentence follows Blemur's guilty plea on April 17, 2019 to 1 count of wire fraud, 1 count of money laundering, and 1 count of aggravated identity theft.

The indictment stemmed from a 2-year joint investigation by the OFR and FBI into Blemur's real estate investment opportunities offerings. The investigation revealed that from at least 2004 Blemur was involved in at least 3 separate fraudulent schemes through which he collected funds from investors.

Blemur solicited potential homebuyers to give him down payment monies to hold in an escrow account for the purchase of residential properties. Contrary to Blemur's representations, however, investigation revealed that Blemur did not have an escrow account and instead of buying properties, he kept investors' funds and used the funds for his personal benefit and to repay other investors. When homebuyers inquired about the properties, Blemur made excuses as to why he could not close on the properties. After multiple delays, buyers requested refunds of their down payments.

In response, Blemur lied and used stall tactics with buyers, convincing them to "invest" their funds into his other businesses. Blemur would issue investment contracts to buyers, make sporadic interest payments, and then stop. Several buyers have sued, obtained civil judgments against Blemur, and have been able to collect a portion of their money.

This investigation was opened based on a complaint from a Florida resident alleging that her family invested nearly \$250,000.00 with Blemur, including \$66,000.00 from the complainant's mother's retirement funds.

The OFR committed approximately 1,150 investigative hours to the development of the case, which included conducting bank records analysis, conducting interviews, and testifying before the grand jury.

### **Advance Fee for Loan Fraud**

Stricter lending criteria on the part of financial institutions, while providing a benefit to the real economy, also create an environment where opportunities for advance fee for loan frauds flourish. These cases are challenging for the BFI as the crime usually occurs over the internet. The perpetrators taking the advance fees typically conceal their true identities and physical whereabouts. The BFI has also noted that many of the victims pay the upfront fees in cash, transmitted by pre-paid stored value cards or via a money transfer service. These payment methods make it difficult to follow the money and identify the perpetrators of the crimes.

The BFI has successfully investigated other advance fee cases in which large dollar amounts are collected as fees to purportedly fund commercial ventures. These funds are typically transmitted by wire or by check to someone operating in Florida.

On May 7, 2019, Vicente Jesus Zubero, pled guilty to Conspiracy to Commit Wire Fraud, in violation of Title 18 U.S.C 1349.

Zubero and defendant Oyeyemi Olatunji Owagboriaye were indicted by a grand jury in the Southern District of Florida on May 3, 2018 on one count of conspiracy to commit wire fraud and three counts of wire fraud for allegedly defrauding a Nigerian based oil company out of \$2.1 million in an advance fee for loan fraud. The pair were arrested by federal agents in Miami-Dade County, Florida and Chicago, Illinois, on May 4, 2018.

Zubero, president of Consortium for International Development ("CID"), and Owagboriaye, president of Selective Royal Corporation, d/b/a Royal BNAI Air, are alleged to have met in Miami with representatives of "Zone 4," of Nigeria, to discuss helping the company obtain funds from lenders. Zubero told Zone 4's representatives that he could raise money faster than a traditional financial institution.

Zubero is alleged to have rented a virtual office space fully equipped with staff to make a presentation to Zone 4's representatives during which he presented his girlfriend as the marketing director for CID in order to make CID seem legitimate. During the meeting, Zubero made a presentation which included representations that there were individuals in the company's management staff with industry experience and qualifying

credentials. Investigation revealed, however, that these individuals never worked for CID. After the presentation, Zubero told his victims that he required an “equity contribution/security deposit” in order to begin the process of obtaining funds from lenders.

On September 2, 2014, Zone 4 wired \$2.1 million to Zubero in payment of the “equity contribution/security deposit” with the understanding that the funds would be held in escrow while Zubero secured the funding for their business endeavors in Nigeria. Shortly thereafter, Zubero met with Owagboriaye in Miami and conspired to move Zone 4’s funds to numerous accounts controlled by them. Contrary to the representations made to the victims, Zone 4’s “equity contribution/security deposit” was not held in an escrow account but was used by Zubero and Owagboriaye for their personal benefit.

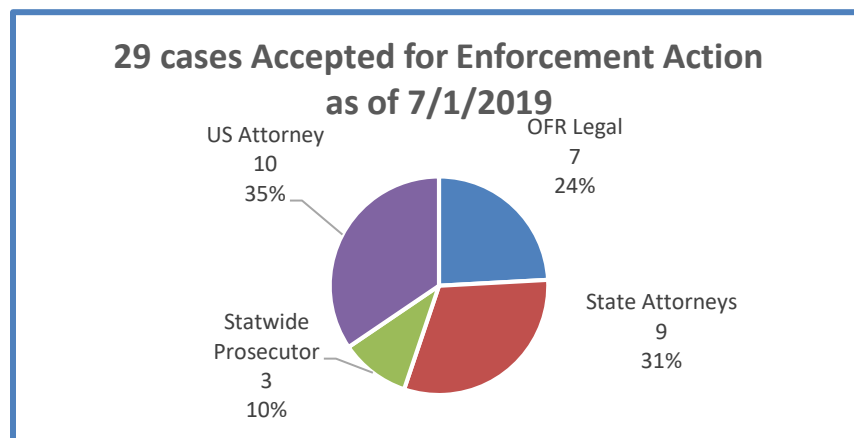
Zubero will be sentenced in September 2019. Owagboriaye is scheduled to go on trial in late August 2019.

The OFR developed this case jointly with the Federal Bureau of Investigation.

### Caseload

As of July 1, 2019, BFI had 189 open cases. These investigations involve approximately 2,576 consumers and more than 1.13 billion dollars in alleged losses. The average investigator’s caseload is approximately eleven cases.

When an investigation substantiates a violation(s), the case is presented for criminal prosecution and/or to OFR attorneys for administrative or civil enforcement action. Historically, approximately 80% of investigations accepted for enforcement result in criminal, civil and/or administrative action. For the 2018-19 fiscal year, 85% of these types of cases resulted in enforcement action.



During FY 2018-19, BFI closed 221 cases. 92 of those cases were formal investigations, including 18 investigations where enforcement action was taken. These cases resulted in 6 administrative actions, 2 civil actions and 9 criminal actions. As a result of investigative work performed in these cases by the bureau, 11 criminal defendants were sentenced to a total of 63 years imprisonment and 52 years of probation.

## **Initiatives**

The BFI believes that the more judicious and efficient it remains in deploying scarce resources, the greater the value it will return to the victims of financial crime and to the citizens of Florida. To that end, all new complaint cases are assessed for potential enforcement action and where appropriate, assigned to investigators as preliminary investigations until such time as a determination to escalate the case to a formal investigation can be made (usually within 90 days). Cases will not be escalated from the preliminary stage unless there is a firm belief by both the investigator and the Investigations Manager that the case is viable and can result in criminal, administrative or civil enforcement action. Ideally every case that the BFI determines to pursue will result in action. However, early assessments, even if well founded, will need to be revisited and sometimes revised based on the evidence obtained in the case. Because of this fact and the BFI's reluctance to upgrade cases in only the most clearly prosecutable instances (as this could lead to potentially overlooking cases that pose serious threat of financial harm to the public), the BFI's goal remains to have at least 80% of the cases it refers for action actually result in enforcement action.

## **What led OFR to select its priorities?**

The priorities of OFR are driven by our statutory responsibilities and the needs of the agency to effectively and efficiently carry out those responsibilities.

## **How does OFR plan to address the priorities over the next five-year period?**

OFR will address priorities and carry out its mission by:

- Engaging in collaboration on Fintech-related policies and initiatives
- Supporting legislation that promotes an innovative environment for financial services companies while ensuring the protection of consumers
- Seeking solutions to support employee retention and satisfaction through salary realignment and meaningful engagement
- Identifying training opportunities for employees and managers to keep up with emerging trends and risks
- Leveraging partnerships with other agencies and interest groups to identify new avenues to educate consumers on financial fraud

## **Justification for revised or proposed new programs or services.**

At this time, OFR is not requesting new programs or services.

## **Justification of the final projection for each outcome and impact statement relating to demand and fiscal implications.**

The final projection for each outcome is based on OFR's historical performance and trends and takes into account future efficiencies or trends in the market conditions that may affect the measures. Upward or downward demand on the agency is largely determined by economic conditions which will impact each of our divisions uniquely. Historically, OFR has successfully met demand without a significant fiscal implication in either direction.

However, OFR would note that any increase in demand on the agency for the remainder of the 2019-20 fiscal year would likely negatively impact the agency's performance due to the current level of vacancies.

## **Potential policy changes affecting the agency's budget request or Governor's Recommended Budget.**

At this time, OFR is requesting an increase in budget authority for approximately \$400,000 for the 2020-21 fiscal year to implement a new program created by legislation

passed during the 2018 legislative session. OFR does not anticipate any other policy changes that would affect the agency's budget request or Governor's Recommended Budget.

**List of changes that would require legislative action, including the elimination or programs, services, and/or activities.**

None at this time.

**List of all task forces and studies in progress.**

None.

# **Performance Measures and Standards – LRPP Exhibit II**

**LRPP Exhibit II – Performance Measures and Standards**

**Department of Financial Services**

**Department No.: 43**

**Financial Services Commission – Office of Financial Regulation**

**Code: 43900500**

**Approved Performance Measures for  
FY 2019-20**

**Approved  
Prior Year  
Standard  
FY 2018-19**

**Prior Year  
Actual  
FY 2018-19**

**Approved  
Standards  
for  
FY 2019-20**

**Requested  
FY 2020-21  
Standard**

**Safety and Soundness of State Banking System**

**Code: 43900530**

Percentage of state financial institutions examined within the last 18 and 36 months, as required by S. 655.045, F.S.

100%

100%

100%

100%

Percentage of state financial institutions rating OFR high-performing.

97%

99%

97%

97%

**Financial Investigations**

**Code: 43900540**

**Primary Service Outcome:**  
Percentage of investigations accepted by prosecutors or OFR Legal Counsel for enforcement that result in action being taken.

80%

85%

80%

80%

**Primary Service Outcome:**  
Percentage of priority investigations accepted by prosecutors or OFR Legal Counsel for enforcement action within 12 months of case opening

60%

83%

60%

60%



Approved Performance Measures for FY 2019-20	Approved Prior Year Standard FY 2018-19	Prior Year Actual FY 2018-19	Approved Standards for FY 2019-20	Requested FY 2020-21 Standard
<b>Executive Direction and Support Services</b>			<b>Code: 43900550</b>	
Program administration costs (including Office of Legal Services) as a percentage of total program costs	Less than 10%	6.9%	Less than 10%	Less than 10%
Program administration positions (including Office of Legal Services) as a percentage of total program positions.	Less than 10%	4.5%	Less than 10%	Less than 10%
<b>Finance Regulation</b>			<b>Code: 43900560</b>	
<b>Primary Service Outcome:</b> Percentage of license applications processed within Administrative Procedure Act requirements	100%	100%	100%	100%
Percentage of money service businesses examined within statutory timeframes per S.560.109, F.S.	100%	100%	100%	100%
<b>Securities Regulation</b>			<b>Code: 43900570</b>	
<b>Primary Service Outcome:</b> Number of complex securities examinations completed	100	114	100	100
<b>Primary Service Outcome:</b> Percentage of license applications processed within Administrative Procedure Act requirements	100%	100%	100%	100%

**Assessment of Performance for  
Approved Performance Measures –  
LRPP Exhibit III**











# **Performance Measure Validity and Reliability – LRPP Exhibit IV**



## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Financial Services Commission – Office of Financial Regulation

**Service/Budget Entity:** 43900530 Safety & Soundness of State Banking System

**Measure:** Percentage of state financial institutions examined within the last 18 and 36 months, as required by S. 655.045. F.S.

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:** Examination scheduling sources of data are created by OFR DFI Area Financial Managers (AFM) as a result of periodic (monthly/quarterly) meetings with their counterparts at the Federal Deposit Insurance Corporation (FDIC), Federal Reserve Bank (FRB), and the National Credit Union Association (NCUA).

At these periodic (monthly/quarterly) meetings the following is performed to assure that examination scheduling conforms to statutory/regulatory cycles:

- a. OFR DFI AFM's and FDIC/FRB/NCUA managerial counterparts compare mandated schedules of exams to determine statutory/regulatory examination start dates which reflect examination cycles for financial institutions.
- b. Utilizing the established examination cycle and coordinated with examination team availability, an Examination Schedule is created.
- c. Examination Schedules are forwarded to OFR DFI Bureau Chiefs for analysis and review.
- d. Bureau Chiefs coordinate and confirm compliance with the Examination Schedule on a bi-monthly basis.
- e. Upon completion of the examination, Bureau Chiefs receive Examination Report Completion Requirement memorandum included with the Report of Examination to confirm examinations have been conducted and completed as scheduled on the Examination Schedule and according to Florida Statute.

**Validity:** The Examination Schedule is jointly prepared by OFR DFI, FDIC, FRB, and NCUA management which provides checks and balances that each regulatory agency is scheduled to perform the required examinations and fulfill their respective statutory/regulatory mandates. The preparation and review of the Examination Report Completion Requirement memorandum along with the Report of Examination by OFR DFI Bureau Chiefs assures that DFI is fulfilling its statutory mandate. These types of processes and measures are broadly used throughout the regulatory industry to confirm statutory/regulatory compliance.

**Reliability:** All examination and calendar information needed to calculate this measure is maintained in Excel spreadsheets in a centralized network repository to be migrated into REAL.

**Recommendations:** Due to an agency realignment in priorities, this measure best represents the direction of the Bureaus and should be continued.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Financial Services Commission – Office of Financial Regulation

**Service/Budget Entity:** 43900530 Safety & Soundness of State Banking System

**Measure:** Percentage of state financial institutions rating OFR high-performing.

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:** State financial institutions serve as the sources of data. OFR DFI has developed an examination survey that is sent to all state financial institutions annually. The survey solicits a variety of comments on the safety and soundness examination process, the examination team, the examination report, and various other meaningful examination related matters.

The survey also elicits a response from financial institutions regarding the contribution of the State examination process in promoting safe and sound institutions.

The measure will be calculated as follows:

- a. Determine the total number of responses to the four (4) sections of the survey.
- b. Sort all responses in ascending order.
- c. Determine the number of responses that rated OFR as 1, 2, or 3.
- d.  $\% = (\text{Number of responses that rated OFR as 1 or 2}) / (\text{Total number of responses})$ .

**Validity:** The survey results provide OFR DFI with an objective evaluation of the quality and performance of the safety and soundness examination process, the examination team, the examination report, and various other meaningful examination related matters. This type of measure is broadly used throughout the business industry as a form of quality control.

The measure provides OFR DFI with direct feedback from its customer base, the state financial institutions, and is used to evaluate the product provided. Survey results provide OFR DFI with a perspective from the “outside” which can be used to improve the processes.

**Reliability:** All survey information needed to calculate this measure is maintained in Excel spreadsheets within a network repository. OFR DFI maintains back-up documents to validate entries in the spreadsheets. Efforts have been made to assure data is promptly and correctly entered into an Excel spreadsheet and tabulated.

**Recommendations:** By removing the neutral answer, this measure now best represents the direction of the Division and should be revised accordingly.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department: Department of Financial Services**

**Program: Financial Services Commission – Office of Financial Regulation**

**Service/Budget Entity: 43900540 Financial Investigations**

**Measure: Percentage of investigations accepted by prosecutors or OFR Legal Counsel for enforcement that result in action being taken.**

**Action** (check one):

- Requesting revision to approved performance measure
- Change in data sources or measurement methodologies
- Requesting new measure
- Backup for performance measure

### **Data Sources and Methodology:**

The Bureau of Financial Investigations (Bureau) tracks all investigative case activity in the Office of Financial Regulation's (Office) Regulatory Enforcement and Licensing (REAL) System.

When violations of law and/or administrative rules have been documented by evidence, the Bureau seeks legal assistance in taking enforcement action. Administrative cases are presented to OFR Legal Counsel. Criminal cases are frequently presented to the State Attorney's Office, the Office of Statewide Prosecution, and the United States Attorney's Office. Below are the REAL activity codes used to track cases accepted for prosecution:

- Case Accepted for Civil Action
- Case Accepted by Legal
- Case Accepted by OSWP
- Case Accepted by SAO
- Case Accepted by USAO

When an action is taken on cases accepted for enforcement, the investigator assigned will record the action in REAL.

Below are the REAL disposition codes used to track actions:

- Administrative Action Taken
- Civil Action
- Civil and Administrative Action
- Criminal Action
- Criminal and Civil Action
- Criminal, Civil & Administrative Action
- Criminal and Administrative Action

## Criminal Action – Fugitive

An investigation is closed when the investigator assigned, and the reviewing authority, deem all matters complete. The investigation is not closed until the final disposition of the administrative, civil or criminal case. REAL is updated and reviewed for completeness. With proper documentation made to the file, the matter is closed.

There are occasions where, due to circumstances outside the control of the Bureau and no matter how strong the investigative case is, the prosecutor is unable to file an enforcement action. Examples include:

- 1) Death of the offender or sole victim/key witness
- 2) Victim(s) refused to cooperate in the prosecution
- 3) Extradition of an offender was denied
- 4) Prosecution was declined for a reason other than lack of evidence, e.g., does not meet prosecutorial guidelines or priorities.

These cases will be closed with a disposition of “Exceptional Clearance” and will not be used when calculating this

**Calculation of Outcome Measure:** Cases closed as Exceptional Clearance are eliminated from the data pool for both the numerator and denominator. The percentage of investigative cases accepted for prosecution that result in enforcement action will be determined by: dividing 1) the total number of closed cases that result in action, by 2) the number of closed investigative cases that were accepted for prosecution during the review period.

**Data Source:** The data is obtained from the REAL System Enforcement Investigative Module. Data entry into this module is restricted to the Bureau of Financial Investigations. Investigators are required to enter data into this database as per Bureau Operational Memorandum on Investigative Standards. There are specific fields in REAL to adequately capture Performance Based Budgeting data. Cases closed as Exceptional Clearance are removed from the data set prior to calculating the result.

**Validity:** The Office strives to protect consumers from financial fraud while preserving the integrity of Florida's markets and financial service industries. Investigations are conducted into alleged or suspected violations that fall under the jurisdiction of the Office.

The acceptance of an investigation for prosecution measures OFR's ability to conduct quality financial investigations which identify and sufficiently documents fraudulent activity under OFR jurisdiction and the Bureau's support to the prosecution.

Due to the circumstances surrounding cases that are closed with a disposition of Exceptional Clearance, the Bureau believes it is not appropriate to include these cases when calculating this outcome.

This Outcome measures ability to efficiently conduct quality financial investigations that are accepted by prosecutors for enforcement action and the Bureau's commitment to assist the prosecutors obtain a successful action.

**Reliability:** Data inconsistencies can occur from input errors. To enhance database accuracy and integrity, Bureau Quality Assurance Guidelines have been established for investigators and managers. Additionally, managers conduct a complete review of active and recently closed investigations on a quarterly and annual basis to validate REAL data and ensure compliance with operational memoranda and established procedures.

Ultimately, the decision to file administrative, civil or criminal action is outside the control of the Bureau and is impacted by the priorities and resources of the prosecutor. Many enforcement actions resulting from investigations conducted by the Bureau are complex and resource intensive. When presenting investigations for potential prosecution, the Bureau is committed to provide continued investigative resources or litigation support as needed.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department: Department of Financial Services**

**Program: Financial Services Commission – Office of Financial Regulation**

**Service/Budget Entity: 43900540 Financial Investigations**

**Measure: Percentage of priority investigations accepted by prosecutors or OFR Legal Counsel for enforcement action within 12 months of case opening**

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

### **Data Sources and Methodology:**

The Bureau of Financial Investigations (Bureau) tracks all investigative case activity in the Office of Financial Regulation's (Office) Regulatory Enforcement and Licensing (REAL) System.

An investigation is the gathering of pertinent evidence to identify noncompliance or prove/disprove allegations and violations of the law and regulations within the jurisdiction of the Office of Financial Regulation.

**Investigation Start Date** – An investigation is commenced when there is information/evidence of possible violations of Florida Statutes or Rules. When it is determined that an investigation is warranted, the case is entered into REAL and assigned to an Investigator. At this point, a case priority is assigned. Factors used in making the priority determination include:

- 1) The egregiousness of conduct, including the length of time conduct occurred and whether recidivists were involved.
- 2) Whether the impact or potential impact to Florida Citizens is significant (i.e. due to the large number of victims, high dollar losses, or vulnerability of victims.
- 3) Whether the persons involved in the conduct are licensees or registrants
- 4) Whether the alleged illegal conduct is on-going
- 5) Whether the subject matter is an OFR/Division priority.

The codes established in REAL to track case priority are 1, 2 or 3 (1 being the highest). An Investigation will be deemed a "Priority" if the code is a 1 or 2.

When violations of law and/or administrative rules have been documented with evidence, the Bureau seeks legal assistance in taking enforcement action. Administrative cases are presented to OFR Legal Counsel. Criminal cases are frequently presented to the State Attorney's Offices, the Office of Statewide Prosecution, and the United States Attorney's Office. Once an investigative case is accepted for enforcement, our investigators provide full investigative support as needed. Below are the REAL activity codes used to track cases accepted for prosecution:

- Case Accepted for Civil Action
- Case Accepted by Legal
- Case Accepted by OSWP
- Case Accepted by SAO
- Case Accepted by USAO

The Bureau uses the REAL codes 1) Entered Date and 2) Activity Date to determine the number of months from case opening to case acceptance for prosecution.

**Calculation of Outcome Measure:** The percentage of priority investigations accepted by prosecutor or OFR Legal Counsel for enforcement action within 12 months of case opening will be calculated by: 1) The number of priority investigations accepted by prosecutors or OFR Legal Counsel for enforcement within 12 months divided by 2) The total number of priority investigations accepted by prosecutors or OFR Legal Counsel for enforcement during the review period.

**Data Source:** The data is obtained from the REAL System Enforcement Investigative Module. Data entry into this module is restricted to the Bureau of Financial Investigations. Investigators are required to enter data into these databases as per Bureau Operational Memorandum on Investigative Standards. There are specific fields in REAL to adequately capture Performance Based Budgeting data.

**Validity:** The Office strives to protect consumers from financial fraud while preserving the integrity of Florida's markets and financial service industries. Investigations are conducted of alleged or suspected violations that fall under the jurisdiction of the Office.

The acceptance of an investigation for prosecution measures our ability to conduct quality investigations which identifies and sufficiently documents fraudulent activity under OFR jurisdiction. Once an investigative case is accepted for enforcement, our investigators provide full investigative support as needed, to facilitate a successful prosecution and enforcement result.

This Outcome measures our ability to conduct quality financial investigations, and have the investigation accepted for enforcement in a timely manner.



**Reliability:** Data inconsistencies can occur from input errors. To enhance database accuracy and integrity, Bureau Quality Assurance Guidelines have been established for investigators and managers. Additionally, managers conduct a complete review of active and recently closed investigations on a quarterly and annual basis to validate REAL data and ensure compliance with operational memoranda and established procedures.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Financial Services Commission – Office of Financial Regulation

**Service/Budget Entity:** 43900550 Executive Direction

**Measure:** Program administration costs (including Office of Legal Services) as a percentage of total program costs

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

### **Data Sources and Methodology:**

Data is maintained in FLAIR, the statewide financial accounting system, reflecting the expenditures of Office of Financial Regulation as a whole and of the budget entity for Executive Direction. Executive Direction includes the Office of Commissioner, Office of Inspector General and the Office of Legal Services. The total expenditures for Executive Direction (less expenditures for the REAL System) are divided by the expenditures for OFR as a whole.

### **Validity:**

The measure assesses the percentage of the OFR budget that is expended for program administration to demonstrate effective use of the state dollars used to operate the regulatory program. This measure was established on a statewide basis to allow comparison between agencies of cost of administrative programs.

### **Reliability:**

FLAIR is the statewide accounting system used by all agencies to capture information on receipts and expenditures.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Financial Services Commission – Office of Financial Regulation

**Service/Budget Entity:** 43900550 Executive Direction

**Measure:** Program administration positions (including Office of Legal Services) as a percent of total program positions

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

### **Data Sources and Methodology:**

Executive Direction includes the Office of Commissioner, Office of Inspector General and the Office of Legal Services. The total number of Full Time Equivalentents (FTEs) for Executive Direction is divided by the number of FTEs for OFR as a whole.

### **Validity:**

The measure assesses the percentage of the OFR staffing that is dedicated to program administration to demonstrate effective use of the state resources used to operate the regulatory program. This measure was established on a statewide basis to allow comparison between agencies of size of administrative programs.

### **Reliability:**

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Financial Services Commission – Office of Financial Regulation

**Service/Budget Entity:** 43900560 Finance Regulation

**Measure:** Percentage of license applications processed within Administrative Procedures Act requirements

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:** This measure reflects the percentage of applications where the Office processed applications for licensure within the timeframes required by the Administrative Procedures Act (APA, Section 120.60, Florida Statutes). The APA requires state agencies that process applications for licensure to notify applicants of any deficiencies in the application within 30 days of receipt of the application. If the agency has complied with this requirement and the applicant does not complete the application within the time frame prescribed in the deficiency letter, the agency may technically deny the application for failure to complete the application. In the event the agency does not issue a deficiency letter within the 30 days, the agency cannot technically deny the application and must consider the application complete upon receipt. Furthermore, the APA requires that the agency approve or deny any application within 90 days of completion of the application. The percentage will be computed by dividing the total number of applications processed within the APA guidelines during the year by the total number of applications processed during the year.

**Validity:** This measure helps to ensure the timely processing of all applications and compliance with state law. This furthers the agency's mission to support the industries regulated and consumers by providing a timely service to these entities and individuals.

**Reliability:** Data will be captured and reported quarterly. The Division tracks applications in the REAL System.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Financial Services Commission – Office of Financial Regulation

**Service/Budget Entity:** 43900560 Finance Regulation

**Measure:** Percentage of money service businesses examined within statutory timeframes per S.560.109, F.S.

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:** To ensure we meet this requirement we produce an examination scheduling report. The report uses licensing and prior examination information from the REAL database to compute a date the next examination is due for each license. The “due date” is set to be the later of 5 years after the date the licensee was first licensed and the status date of the last closed examination of the licensee (if any). This metric will indicate the percentage of the examinations due within the measurement period that were conducted prior to their due date.

**Validity:** This measure helps to ensure money business service exams are in compliance with state law. This supports the agency’s mission of promoting a safe and sound financial marketplace.

**Reliability:** Data will be exported, computed and reviewed quarterly. The Division tracks licensees and examinations using the REAL database.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Financial Services Commission – Office of Financial Regulation

**Service/Budget Entity:** 43900570 – Securities Regulation

**Measure:** The number of complex securities examinations completed

**Action** (check one):

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

### **Data Sources and Methodology:**

This number will report the number of complex examinations completed. Complex examinations involve potential violations of the securities laws and regulations relating to supervision, fraud, sales practices or sales of unregistered, non-exempt securities.

Sales practices for dealers include, but are not limited to, selling away, unapproved outside business activity, unauthorized trading, improper advertising, excessive trading, and unsuitable recommendations.

Sales practices for investment advisers include, but are not limited to, improper performance reporting, excessive fee deductions, custody violations, unsuitable recommendations, and improper advertising.

Complex examinations are risk-based and enforcement examinations in which at least 60 hours have been logged and involve the following issue codes in the agency's REAL system: 1035 – 1035 Exchange, AML – Anti Money Laundering, BRKP – Breakpoints, CCMP – Customer Complaints, CPUB – Communications with the Public, CONF – Conflicts of Interest, CUST – Investment Advisory Custody, EXTR – Excessive Trading, FMAN – Fraud Manipulation, FMAP – Fraud Misappropriation, FMAR – Fraud Markups, FMRP – Fraud Misrepresentation, FOMS – Fraud Omission, IARS – IA/IA Agent Risk Score, OBA – Outside Business Activity, RBEX – Risk Based Targeting Exam, SAWY – Selling Away, SUIT - Suitability, SUPR - Supervision, SWTC – Improper Switching, UNAT – Unauthorized Trades, USEC – Unregistered Security.

**Validity:** Complex examinations and investigations typically involve fraud or sales practice abuses. The division believes resources should be focused on these types of cases.

**Reliability:** Information will be retrieved from the agency's Registration Enforcement and Licensing (REAL) system using the Standard Query Language (SQL) Server Reporting Services (Report Manager). The agency will utilize the Report Manager to extract the data for each quarter and fiscal year end. These reports will be updated each quarter to reflect any entries made into REAL for prior periods. At the end of the fiscal year, all affected areas of the agency will make final entries to REAL. REAL is the primary source for the capturing, computing and reporting of the performance measures.

## LRPP EXHIBIT IV: Performance Measure Validity and Reliability

**Department:** Department of Financial Services

**Program:** Financial Services Commission – Office of Financial Regulation

**Service/Budget Entity:** 43900570 Securities Regulation

**Measure:** Percentage of license applications processed within Administrative Procedures Act requirements

### Action:

- Requesting revision to approved performance measure.
- Change in data sources or measurement methodologies.
- Requesting new measure.
- Backup for performance measure.

**Data Sources and Methodology:** This measure reflects the percentage of applications where the Office processed applications for licensure within the timeframes required by the Administrative Procedures Act (APA, Section 120.60, Florida Statutes. The APA requires state agencies that process applications for licensure to notify applicants of any deficiencies in the application within 30 days of receipt of the application. If the agency has complied with this requirement and the applicant does not complete the application within the time frame prescribed in the deficiency letter, the agency may technically deny the application for failure to complete the application. In the event the agency does not issue a deficiency letter within the 30 days, the agency cannot technically deny the application and must consider the application complete upon receipt. Furthermore, the APA requires that the agency approve or deny any application within 90 days of completion of the application. The percentage will be computed by dividing the total number of applications processed within the APA guidelines during the year by the total number of applications processed during the year.

**Validity:** This measure helps to ensure the timely processing of all applications and compliance with state law. This furthers the agency's mission to support the industries regulated and consumers by providing a timely service to these entities and individuals.

**Reliability:** Data will be captured and reported quarterly. The Division tracks applications in the REAL System.



# **Associated Activity Contributing to Performance Measures – LRPP Exhibit V**

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

**43900530 - Safety and Soundness of State Banking System**

Measure Number	Approved Performance Measures for FY 2019-20		Associated Activities Title
1	Percentage of state financial institutions examined within the last 18 and 36 months, as required by S. 655.045, F.S.		Examine and enforce laws regarding banks, trusts and credit unions to ensure safety and soundness.
			Examine and enforce laws regarding international financial institutions to ensure safety and soundness
2	Percentage of state financial institutions rating OFR high-performing.		Examine and enforce laws regarding banks, trusts and credit unions to ensure safety and soundness
			Examine and enforce laws regarding international financial institutions to ensure safety and soundness

**43900540 - Financial Investigations**

Measure Number	Approved Performance Measures for FY 2019-20		Associated Activities Title
1	Percentage of investigations accepted by prosecutors or OFR Legal Counsel for enforcement that result in action being taken		Conduct financial investigations into allegations of fraudulent activity
2	Percentage of priority investigations accepted by prosecutors or OFR Legal Counsel for enforcement action within 12 months of case opening		Conduct financial investigations into allegations of fraudulent activity

**LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures**

**43900560 - Finance Regulation**

Measure Number	Approved Performance Measures for FY 2019-20		Associated Activities Title
1	Percentage of license applications processed within Administrative Procedure Act requirements.		Evaluate and process applications for licensure as a financial services entity.
2	Percentage of money service businesses examined within statutory timeframes per S.560.109, F.S.		Examine and regulate money service businesses to ensure regulatory compliance.

**43900570 - Securities Regulation**

Measure Number	Approved Performance Measures for FY 2019-20		Associated Activities Title
1	The number of complex securities examinations completed.		Regulate Securities Firms, Branches and Individuals, and review appropriateness of securities offerings to ensure regulatory compliance
2	Percentage of license applications processed within Administrative Procedure Act requirements		Evaluate and process application for registration as a securities firm, branch, and/or individuals.

## LRPP Exhibit VI: Unit Cost

The LRPP Instructions require that Exhibit VI be submitted at the department level. OFR's unit cost data is rolled into the Department of Financial Services' Exhibit VI.

Listed below is the data for OFR measures that are rolled into the DFS measures. The complete exhibit, including all DFS and the audit report, is found on subsequent pages.

ACTIVITIES * MEASURES	Number of Units	Unit Cost	Expenditures (Allocated)
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * <b>Examinations of non-depository financial service companies to determine compliance with regulations.</b>	424	10,989.05	4,659,357
Evaluate And Process Applications For Licensure As A Financial Services Entity. * <b>Applications processed or evaluated for licensure or registration as a non-depository financial services entity.</b>	25,656	79.50	2,039,534
Examine And Enforce Laws Regarding Banks, Trusts, And Credit Unions To Ensure Safety And Soundness. * <b>Number of domestic financial institutions examined to ensure safety and soundness.</b>	91	113,896.41	10,364,573
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * <b>Number of international financial institutions examined to ensure safety and soundness.</b>	9	79,221.11	712,990
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * <b>Number of financial investigations into allegations of fraudulent activity.</b>	221	16,795.47	3,711,799
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * <b>Examinations of money services businesses conducted to determine compliance with regulations.</b>	205	27,511.00	5,639,755
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * <b>Conducted examinations and investigations, handle complaints related to securities firms, branch offices, and their employees.</b>	196	31,862.72	6,245,093
Evaluate And Process Applications For Registration As A Securities Firm, Branch, And/or Individual. * <b>Securities applications processed for registration of firms, branch offices associated person and securities offerings.</b>	57,122	48.11	2,747,904

FINANCIAL SERVICES, DEPARTMENT OF		FISCAL YEAR 2018-19			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT		385,429,043		9,761,650	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)		67,377,649		-1,500,000	
FINAL BUDGET FOR AGENCY		452,806,692		8,261,650	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					308,262
Provide Analysis On Securities Held For Deposit And Qualified Public Depositories * Number of analyses performed on the financial condition of qualified public depositories and custodians, and securities held for regulatory collateral deposit.		3,586	110.34	395,693	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		60,601	17.14	1,038,468	
Investment Of Public Funds * Average Dollar Volume of Funds Invested		24,100,000,000	0.00	962,848	
Provide Cash Management Services * Number of cash management consultation services.		51	27,182.04	1,386,284	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		2,700,000	0.78	2,116,466	
Administer The State Supplemental Deferred Compensation Plan * Number of participant account actions processed by the state deferred compensation office.		2,065,215	0.75	1,559,098	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		35,642	118.50	4,223,606	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		9,464,223	0.08	781,406	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		382,280	20.51	7,839,121	
Conduct Post-audits Of Major State Programs * Post-audits completed of major state programs to determine compliance with statutes and contract requirements.		4	116,205.75	464,823	
Process State Employees Payroll * Payroll payments issued		3,184,639	0.63	1,996,924	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes		3	28,812.67	86,438	
Article V - Clerk Of The Courts * N/A		13	36,675.38	476,780	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		2,968,513	1.10	3,274,522	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		593,765	5.87	3,485,959	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		7,065	80.71	570,214	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		15,299	277.44	4,244,516	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		661	854.27	564,674	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		750	832.83	624,626	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		3,801	4,228.30	16,071,771	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		191,968	11.78	2,260,928	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		9,234	118.77	1,096,756	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		8,372	168.30	1,408,993	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		2,303,103	0.13	294,317	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		20,986	1,766.70	37,076,071	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		6,134	2,182.38	13,386,720	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		2,243	1,075.56	2,412,489	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.		720	2,975.23	2,142,163	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		20	33,438.60	668,772	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		125,626	21.99	2,762,692	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		49,137	27.64	1,358,175	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		1,897,032	0.41	782,087	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		285,692	1.42	406,128	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		3,952	1,463.81	5,784,988	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).		1,784	11,664.93	20,810,227	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.		405	8,574.16	3,472,533	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		54,892	76.85	4,218,721	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		513,239	1.26	645,599	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		289,085	16.55	4,784,604	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		1,630	1,712.85	2,791,939	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		95,089	46.35	4,407,138	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		30,029	476.84	14,319,156	
Facilitate The Informal Resolution Of Disputes With Injured Workers, Employers And Insurance Carriers * Number of injured workers that obtained one or more benefits due to intervention by the Employee Assistance Office.		762	6,605.13	5,033,111	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		1,465	952.78	1,395,824	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		93,944,831	0.01	703,537	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		6,649,549	0.57	3,782,852	
Reimbursement Disputes * Number of petitions resolved annually		2,607	621.77	1,620,954	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		4,792	1,454.75	6,971,182	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		139	6,764.47	940,262	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		325	9,893.30	3,215,322	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		8,701	1,897.43	16,509,580	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		12,268	702.54	8,618,701	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		424	10,989.05	4,659,357	
Evaluate And Process Applications For Licensure As A Financial Services Entity. * Applications processed or evaluated for licensure or registration as a non-depository financial services entity.		25,656	79.50	2,039,534	
Examine And Enforce Laws Regarding Banks, Trusts, And Credit Unions To Ensure Safety And Soundness. * Number of domestic financial institutions examined to ensure safety and soundness.		91	113,896.41	10,364,573	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.		9	79,221.11	712,990	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		221	16,795.47	3,711,799	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		205	27,511.00	5,639,755	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		196	31,862.72	6,245,093	
Evaluate And Process Applications For Registration As A Securities Firm, Branch, And/Or Individual. * Securities applications processed for registration of firms, branches, and/or individuals.		57,122	48.11	2,747,904	
TOTAL				264,367,763	308,262
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS					
OTHER				134,132,538	7,876,650
REVERSIONS				54,306,394	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				452,806,695	8,184,912

### SCHEDULE XI/EXHIBIT VI: AGENCY-LEVEL UNIT COST SUMMARY

- (1) Some activity unit costs may be overstated due to the allocation of double budgeted items.
- (2) Expenditures associated with Executive Direction, Administrative Support and Information Technology have been allocated based on FTE. Other allocation methodologies could result in significantly different unit costs per activity.
- (3) Information for FCO depicts amounts for current year appropriations only. Additional information and systems are needed to develop meaningful FCO unit costs.
- (4) Final Budget for Agency and Total Budget for Agency may not equal due to rounding.

SECTION III - PASS THROUGH ACTIVITY ISSUE CODES SELECTED:

TRANSFER-STATE AGENCIES ACTIVITY ISSUE CODES SELECTED:

1-8:

AID TO LOCAL GOVERNMENTS ACTIVITY ISSUE CODES SELECTED:

1-8:

AUDIT #1: THE FOLLOWING STATEWIDE ACTIVITIES (ACT0010 THROUGH ACT0490) HAVE AN OUTPUT STANDARD (RECORD TYPE 5) AND SHOULD NOT:

\*\*\* NO ACTIVITIES FOUND \*\*\*

AUDIT #2: THE FCO ACTIVITY (ACT0210) CONTAINS EXPENDITURES IN AN OPERATING CATEGORY AND SHOULD NOT: (NOTE: THIS ACTIVITY IS ROLLED INTO EXECUTIVE DIRECTION, ADMINISTRATIVE SUPPORT AND INFORMATION TECHNOLOGY)

\*\*\* NO OPERATING CATEGORIES FOUND \*\*\*

AUDIT #3: THE ACTIVITIES LISTED IN AUDIT #3 DO NOT HAVE AN ASSOCIATED OUTPUT STANDARD. IN ADDITION, THE ACTIVITIES WERE NOT IDENTIFIED AS A TRANSFER-STATE AGENCIES, AS AID TO LOCAL GOVERNMENTS, OR A PAYMENT OF PENSIONS, BENEFITS AND CLAIMS (ACT0430). ACTIVITIES LISTED HERE SHOULD REPRESENT TRANSFERS/PASS THROUGH THAT ARE NOT REPRESENTED BY THOSE ABOVE OR ADMINISTRATIVE COSTS THAT ARE UNIQUE TO THE AGENCY AND ARE NOT APPROPRIATE TO BE ALLOCATED TO ALL OTHER ACTIVITIES.

BE	PC	CODE	TITLE	EXPENDITURES	FCO
43500400	1205000000	ACT1020	HOLOCAUST VICTIMS ASSISTANCE	288,502	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	578,129	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	13,020,813	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	490,659	
43200100	1601000000	ACT2020	PASS THROUGH - TRANSFER TO STATE	54,561,375	
43700400	1205000000	ACT2170	CONDUCT FISCAL INTEGRITY	471,312	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	27,175,344	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,800,000	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	958,177	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	9,486,339	7,876,650
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	2,000,000	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,153,928	
43700400	1205000000	ACT5510	HURRICANES AND OTHER NATURAL	6,850,933	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	1,904,211	
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,065,589	
43900110	1204000000	ACT9160	GRANTS AND AIDS - INSURANCE AND	1,077,227	
43600100	1102020000	ACT9940	TRANSFER TO THE UNIVERSITY OF	250,000	

AUDIT #4: TOTALS FROM SECTION I AND SECTIONS II + III:

DEPARTMENT: 43	EXPENDITURES	FCO
FINAL BUDGET FOR AGENCY (SECTION I):	452,806,692	8,261,650
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	452,806,695	8,184,912
DIFFERENCE:	3-	76,738*
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

\* FCO Difference is due to the 76,738 held in unbudget reserve from FY 18/19 appropriations in category 080990 BE 43300400

## **Glossary of Terms and Acronyms**

AARMR – American Association of Residential Mortgage Regulators – a non-profit association of state regulators of mortgage lenders and mortgage brokers. This organization, in conjunction with the Conference of State Bank Supervisors (CSBS), owns and manages the Nationwide Mortgage Licensing System (NMLS)

AARP – American Association of Retired Persons – a non-governmental organization

Activity – a set of transactions within a budget entity that translates inputs into outputs using resources in response to a business requirement. Sequences of activities in logical combinations form services. Unit cost information is determined using the outputs of activities

AFM – Area Financial Manager

AML – Anti-money laundering

APA – Administrative Procedures Act, Chapter 120, Florida Statutes

Administrative Procedures Act, Chapter 120, Florida Statutes

Baseline data – indicators of a state agency’s current performance level, pursuant to guidelines established by the Executive Office of the Governor in consultation with legislative appropriations and appropriate substantive committees

BFI – Bureau of Financial Investigations, a criminal justice agency housed within the Office of Financial Regulation

BR – Board Resolution of a financial institution

BRR – Bureau of Regulatory Review-Finance

BSA – Bank Secrecy Act of 1970 – requires financial institutions to keep records of cash purchases of negotiable instruments and file reports of such cash purchases of more than \$10,000 daily to detect and prevent money laundering

Budget entity – a unit or function at the lowest level to which funds are specifically appropriated in the appropriations act. “Budget entity” and “service” have the same meaning

C&D – Cease and Desist Order – formal enforcement order issued after notice and opportunity for hearing, requiring a person to terminate unlawful practices

CFE – Certified Fraud Examiner – designation given by the Association of Certified Fraud Examiners which denotes proven expertise in fraud prevention, detection and deterrence

CFPB – Consumer Financial Protection Bureau established under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 – a federal agency which will hold primary responsibility for enforcing federal laws and regulating consumer protection in the United States

CFTC – Commodities Futures Trading Commission – independent agency of the United States government that regulates futures and option markets

Check casher – a person who receives compensation for exchanging currency for payment instruments

CFO – Chief Financial Officer

CL – Commitment Letter

CRD – Central Registration Depository – computerized database that provides information on securities dealers, sales representatives, and supervisory personnel. This national database is compiled from application forms, exchange-developed tests, reported enforcement actions, and related information. The Financial Industry Regulatory Authority (FINRA) owns the CRD system and its facilities, operating them on behalf of state and federal regulators and other users

CSBS – Conference of State Bank Supervisors – national organization of state banking regulators. This organization, in conjunction with the American Association of Residential Mortgage Regulators (AARMR), owns and manages the Nationwide Mortgage Licensing System (NMLS)

Consumer finance company – company **that** loans to consumers in an amount less than \$25,000 with maximum interest rates between 18% and 30% per annum

Correspondent mortgage lender – company permitted to broker and make mortgage loans, and service loans for others for a limited time period. They are authorized to originate mortgage loans and close loans in their name, and may broker mortgage loans to other lenders

Consumer collection agency – **company that collects or attempts** to collect consumer debts, which are owed or due to another person. They may also collect third party commercial debts as long as less than one-half of the collection revenue is from the collection of commercial claims

Commercial collection agency – company that collects or solicits collections on commercial claims owed or due to another person

De novo bank – a newly chartered bank

DFI – Division of Financial Institutions within the Office of Financial Regulation



DFS – Department of Financial Services – provides administrative and information systems support to the Office of Financial Regulation

Dodd-Frank Act – Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010

DOGI – Division of Financial Institutions' Database of General Information

DOR – Document of Resolution

DPP – Deferred Presentment Provider – an entity that engages in deferred presentment transactions (commonly referred to as payday loans) and is registered under Part II or Part III of the Money Transmitter Code and has filed a declaration of intent with the Office

EOG – Executive Office of the Governor

Estimated Expenditures – includes the amount estimated to be expended during the current fiscal year. These amounts will be computer generated based on the current year appropriations adjusted for vetoes and special appropriations bills

FAC – Florida Administrative Code

Fannie Mae – Federal Nation Mortgage Association – a government sponsored enterprise founded in 1938 (publicly traded company since 1968) to expand the secondary mortgage market

FDIC – Federal Deposit Insurance Corporation – independent deposit insurance agency created by Congress in 1933 to maintain stability and public confidence in the nation's banking system

FHFA – Federal Housing Finance Agency – the regulator and conservator of Fannie Mae (Federal Nation Mortgage Association) and Freddie Mac (Federal Home Loan Mortgage Corporation) and the regulator of the 12 Federal Home Loan Banks

FINRA – Financial Industry Regulatory Authority, formerly known as the National Association of Securities Dealers (NASD) – a Self Regulatory Organization (SRO) of broker/dealers. All securities firms, stockbrokers, and registered representatives doing business with the American public must register with FINRA

Freddie Mac – Federal Home Loan Mortgage Corporation – public government sponsored enterprise created in 1970 to expand the secondary market for mortgages

FS – Florida Statutes

FSAIF – Florida Seniors Against Investment Fraud – made possible in part from a grant by the Investment Protection Trust. This is a statewide outreach program, developed by

Seniors vs. Crime and the Florida Office of Financial Regulation, created to help Florida's seniors avoid becoming the victims of financial fraud. The program's primary goals are to educate Florida seniors over the age of 50 about investment fraud and to help Florida seniors avoid being victimized

FSC – Financial Services Commission – composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture

FSOC – Financial Stability Oversight Council – created under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 to identify and respond to emerging risks throughout the financial system

FTC – Federal Trade Commission – independent agency of the United States government established in 1914 to promote consumer protection and eliminate and prevent harmful anti-competitive business practices

FTE – Full Time Equivalent

FY – Fiscal Year

GAA – General Appropriations Act

GAO – Government Accountability Office – the audit, evaluation and investigative arm of the US Congress

GDP – Gross Domestic Product – all goods and services produced or exchanged

GR – General Revenue Fund

HOPE NOW Alliance – an alliance of housing counselors, mortgage servicers, investors, and other mortgage market participants to maximize outreach to efforts to at-risk homeowners and help them stay in their homes

HUD – Federal Department of Housing and Urban Development

IA – Investment adviser – individual or firm who, for compensation, engages in the business of advising others as to the value of securities or as to the advisability of investing in, purchasing or selling securities

IARD – Investment Adviser Registration Depository – computerized database which provides information on investment adviser firms, investment adviser representatives, and supervisory personnel. This national database is owned by the FINRA and its facilities are operated on behalf of state and federal regulators and other users

IG – Inspector General

Indicator – a single quantitative or qualitative statement that reports information about the nature of a condition, entity or activity. This term is used commonly as a synonym for the word “measure”

Information technology resources – includes data processing-related hardware, software, services, telecommunications, supplies, personnel, facility resources, maintenance, and training

Input – see Performance measure

Investment advisers – individuals who give advice about securities including stocks, bonds, mutual funds, and annuities. They may use a variety of titles including investment manager, investment counsel, asset manager, wealth manager, and portfolio manager. They provide ongoing management of investments based on the client’s objectives, typically with the client giving discretionary authority to make decisions without having to get prior approval for each transaction. Generally, an investment adviser’s compensation is considered to be a “fee”

IPT – Investor Protection Trust – a nonprofit organization devoted to investor education. Its primary mission is to provide independent, objective information needed by consumers to make informed investment decisions and serves as an independent source of non-commercial investor education materials

IT – Information Technology

LBC – Legislative Budget Commission – a standing joint committee of the Legislature. The Commission was created to: review and approve/disapprove agency requests to amend original approved budgets; review agency spending plans; and take other actions related to the fiscal matters of the state, as authorized in statute. It is composed of 14 members appointed by the President of the Senate and by the Speaker of the House of Representatives to two-year terms, running from the organization of one Legislature to the organization of the next Legislature

LBR – Legislative Budget Request – a request to the Legislature, filed pursuant to section 216.023, Florida Statutes, or supplemental detailed requests filed with the Legislature, for the amounts of money an agency or branch of government believes will be needed to perform the functions that it is authorized, or which it is requesting authorization by law, to perform

Loan modification – a permanent change in one or more of the mortgagor’s loan terms

Loan originator – an individual who, directly or indirectly, solicits or offers to solicit a mortgage loan, accepts or offers to accept an application for a mortgage loan, negotiates or offers to negotiate the terms or conditions of a new or existing mortgage loan on behalf of a borrower or lender, processes a mortgage loan application, or negotiates or offers to negotiate the sale of an existing mortgage loan to a non-institutional investor for compensation or gain

Loan servicing – the collection for an investor of periodic payments of principal, interest, taxes and insurance in accordance with the terms of a note or mortgage

LUA – Letter of Understanding and Agreement

LRPP – Long-Range Program Plan – a plan developed on an annual basis by each state agency that is policy-based, priority-driven, accountable, and developed through careful examination and justification of all programs and their associated costs. Each plan is developed by examining the needs of agency customers and clients and proposing programs and associated costs to address those needs based on state priorities as established by law, the agency mission, and legislative authorization. The plan provides the framework and context for preparing the legislative budget request and includes performance indicators for evaluating the impact of programs and agency performance

Money transmitter – a person who sends funds, either by wire, facsimile, electronic transfer, courier or other means

Mortgage broker – a person conducting loan originator activities through one or more licensed loan originators employed by the mortgage broker or as independent contractors to the mortgage broker

Mortgage brokerage business – a company that arranges mortgage loans for a borrower, accepts loan applications, and negotiates terms and conditions of a mortgage loan on behalf of a lender on real estate located in Florida. A mortgage broker business may only use licensed mortgage brokers to solicit or negotiate loans on its behalf

Mortgage lender – a company that brokers, makes, and services loans for others on Florida real estate. They function similarly to a correspondent mortgage lender, however, they may sell loans to non-institutional investors and service loans indefinitely for consumers

MOU – Memorandum of Understanding

MSB – Money Services Business – any person located or doing business in the State who acts as a payment instrument seller, foreign currency exchanger, check casher or money transmitter

Narrative – justification for each service and activity is required at the program component detail level. Explanation, in many instances, will be required to provide a full understanding of how the dollar requirements were computed

NASAA – North American Securities Administrators Association – the organization of US state and Canadian provincial and territorial securities regulators

NASCUS – National Association of Credit Union Supervisors – an association of professional regulators made up of the 47 state governmental agencies that charter, regulate and examine state-chartered credit unions

NASD – National Association of Securities Dealers – now known as the Financial Industry Regulatory Association (FINRA)

NCUA – National Credit Union Association – independent federal agency that regulates, charters and supervises federal credit unions. NCUA operates and manages the National Credit Union Share Insurance Fund

NMLS – Nationwide Mortgage Licensing System – national mortgage licensing system being developed by the Conference of State Bank Supervisors (CSBS) and American Association of Residential Mortgage Regulators (AARMR). Use of the system is required under federal law and is intended to provide uniform license applications and reporting requirements for State licensed loan originators; provide a comprehensive licensing and supervisory database; improve the flow of information to and between regulators; provide increased accountability and tracking of loan originators; enhance consumer protection; and support anti-fraud measures

Non-recurring – expenditure or revenue which is not expected to be needed or available after the current fiscal year

NSMIA – National Securities Market Improvement Act of 1996

OCC – Office of Comptroller of the Currency – charters, regulates and supervises all national banks and federal savings associations, as well as branches and agencies of foreign banks

OCO – Operating Capital Outlay

OIR – Office of Insurance Regulation

OFR – Office of Financial Regulation

OPB – Office of Policy and Budget, Executive Office of the Governor

OPS – Other Personal Services

OTS – Office of Thrift Supervision – now part of the Office of Comptroller of the Currency

Outcome – see Performance measure

Output – see Performance measure

Outsourcing – describes situations where the state retains responsibility for the service, but contracts outside of state government for its delivery. Outsourcing includes everything from contracting for minor administration tasks to contracting for major portions of activities or services which support the agency mission

Payment instrument seller – a company qualified to do business in this state that sells or issues checks, drafts, warrants, money orders, traveler’s checks, electronic instruments, other instruments, payment of money of monetary value whether or not negotiable

Payday lenders – common name for companies registered as Deferred Presentment Providers under Part IV of Chapter 560, Florida Statutes

Performance measure – a quantitative or qualitative indicator used to assess state agency performance

- Input means the quantities of resources used to produce goods or services and the demand for those goods and services
- Outcome means an indicator of the actual impact or public benefit of a service
- Output means the actual service or product delivered by a state agency

Policy area – is a grouping of related activities to meet the needs of customers or clients which reflects major statewide priorities. Policy areas summarize data at a statewide level by using the first two digits of the ten-digit LAS/PBS program component code. Data collection will sum across state agencies when using this statewide code

Privatization – occurs when the state relinquishes its responsibility or maintains some partnership type of role in the delivery of an activity or service

Program – a set of activities undertaken in accordance with a plan of action organized to realize identifiable goals based on legislative authorization (a program can consist of single or multiple services). For purposes of budget development, programs are identified in the General Appropriations Act by a title that begins with the word “Program.” In some instances a program consists of several services, and in other cases the program has no services delineated within it; the service is the program in these cases. The LAS/PBS code is used for purposes of both program identification and service identification. “Service” is a “budget entity” for purposes of the LRPP

Program component – an aggregation of generally related objectives which, because of their special character, related workload and interrelated output, can logically be considered an entity for purposes of organization, management, accounting, reporting, and budgeting

REAL System – Regulatory Enforcement and Licensing System – a comprehensive system which provides OFR with an integrated financial regulatory management system by combining core processes for fiscal, licensing, investigations, examination, legal and complaint functions – initial funding for the project was granted in Fiscal Year 2006-07 and the System was completed in January 2009 on time and within budget

Reliability – the extent to which the measuring procedure yields the same results on repeated trials and data are complete and sufficiently error free for the intended use

S.A.F.E. Mortgage Licensing Act – Secure and Fair Enforcement in Mortgage Licensing Act of 2008 – major federal housing reform legislation (Public Law 110-289) designed to

prevent foreclosures, stabilize the declining housing market, and reform the government-sponsored enterprises Fannie Mae and Freddie Mac

SBA – State Board of Administration – manages the pension funds for current and retired Florida employees, as well as school districts and state and local government entities. The SBA is governed by the Board of Trustees, made up of the governor, chief financial officer and attorney general

SEC – United States Securities and Exchange Commission – federal agency which holds primary responsibility for enforcing the federal securities laws and regulating the securities industry, the nation's stock and options exchanges, and other electronic securities markets in the United States

Service – see Budget Entity

SRO – self regulatory organization – an organization that exercises some degree of regulatory authority over an industry or profession

Standard – the level of performance of an outcome or output

SWOT – Strengths, Weaknesses, Opportunities and Threats

TCS – Trends and Conditions Statement

TF – Trust Fund

Unit cost – the average total cost of producing a single unit of output – goods and services for a specific agency activity

USA PATRIOT Act – Uniting and Strengthening America by Providing Appropriate Tools Required to Interrupt and Obstruct Terrorism Act

Validity – the appropriateness of the measuring instrument in relation to the purpose for which it is being used

WA – Written Agreement