



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

LONG-RANGE PROGRAM PLAN

October 17th, 2022

Chris Spencer, Director of Policy and Budget
Office of Policy and Budget
Executive Office of the Governor
1603 Capitol
Tallahassee, Florida 32399-0001

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

John Shettle, Interim 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 2023-24 through Fiscal Year 2027-28. 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.

Sincerely,

A handwritten signature in blue ink that reads "Carine Mitz".

Carine Mitz
Director of Policy and Strategic Initiatives
Department of Financial Services



Department of Financial Services

Long-Range Program Plan

**Fiscal Years
2023-24 through 2027-28**

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

Office of the General Counsel: Legal Services:

Outcome 1 1 1: Percentage of Closed Files Involving Allegations of Statutory Violation That Were Successfully Prosecuted

FY2010-11 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
92%	92%	92%	92%	92%	92%

Division of Accounting and Auditing:

Outcome 1-1-2: Number of Contracts Reviewed

FY2012-13 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
1,100	1,100	1,100	1,100	1,100	1,100

Division of State Fire Marshal: Compliance and Enforcement

Outcome 1-1-3: Percentage of Fire Code Inspections Completed within Statutorily Defined Timeframes

FY2006-07 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
100%	100%	100%	100%	100%	100%

Division of Funeral, Cemetery and Consumer Services:

Outcome 1-1-4: Percentage of Funeral Establishment Inspections That Do Not Require Quality Control Follow-Up

FY2007-08 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
72.65%	98%	98%	98%	98%	98%

Outcome 1-1-5: Percentage of Deficiency Letters Sent Out within Five Business Days of Receiving the Application

FY2012-13 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
88%	88%	88%	88%	88%	88%

Objective 2: Conduct Successful Investigations

Division of Agent and Agency Services

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

FY2017-18 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
\$935	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100

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

FY2019-20 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
100	100	100	100	100	100

Division of Public Assistance Fraud:

Outcome 1-2-3: Dollar Amount of Benefits Withheld, Saved and Recouped as a Percentage of Public Assistance Fraud Annual Budget

FY2020-21 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
500%	500%	500%	500%	500%	500%

Investigative and Forensic Services: Fire and Arson Investigations

Outcome 1-2-4: Percentage of Arson Cases Cleared

FY2012-13 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
20%	20%	20%	20%	20%	20%

Investigative and Forensic Services: Forensic Services

Outcome 1-2-5: Lab-Case Turnaround Time

FY2021-22 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
10 days	10 days	10 days	10 days	10 days	10 days

Investigative and Forensic Services: Insurance Fraud

Outcome 1-2-6: Percentage of Referrals that Result in Opened Cases

FY2021-22 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
10%	10%	10%	10%	10%	10%

Investigative and Forensic Services: Insurance Fraud

Outcome 1-2-7: Percentage of Opened Cases That Result in Presentations

FY2021-22 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
46%	46%	46%	46%	46%	46%

Investigative and Forensic Services: Office of Fiscal Integrity

Outcome 1-2-8: Percentage of Referrals that Result in Opened Cases

FY2021-22 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
34%	34%	34%	34%	34%	34%

Investigative and Forensic Services: Office of Fiscal Integrity

Outcome 1-2-9: Percentage of Opened Cases That Result in Presentations

FY2021-22 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
24%	24%	24%	24%	24%	24%

2) Foster Open Government Through Financial Accountability and Transparency

Objective 3: Responsibly Steward Taxpayer's Funds

Division of Treasury: Deposit Security

Outcome 2-3-1: Percentage of Collateral Administrative Program Transactions Completed within Three Business Days

FY2011-12 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
97%	97%	97%	97%	97%	97%

Outcome 2-3-2: Percentage of Analyses of the Qualified Public Depositories Analyses Completed within 90 Days of the Start of the Analysis Cycle

FY2011-12 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
100%	100%	100%	100%	100%	100%

Division of Treasury: State Funds Management and Investment

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

FY2011-12 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
98%	98%	98%	98%	98%	98%

Outcome 2-3-4: Percentage by Which the Treasury's Investment Pool Exceeded the Blended Benchmark for a Rolling, Three-Year Period

FY2011-12 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
0.2%	0.2%	0.2%	0.2%	0.2%	0.2%

Division of Risk Management:

Outcome 2-3-5: Average Loss Adjustment Expense per Claim Worked

FY2015-16 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
\$1,850	\$1,850	\$1,850	\$1,850	\$1,850	\$1,850

Division of Rehabilitation and Liquidation:

Outcome 2-3-6: Percentage of Service Requests Closed within 30 Days

FY2012-13 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
80%	95%	95%	95%	95%	95%

Division of Agent and Agency Services

Outcome 2-3-7: Cost of Licensing Operations per Active License

FY2012-13 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
\$2.96	\$2.80	\$2.80	\$2.80	\$2.80	\$2.80

Division of Florida Planning, Accounting, and Leger Management

Outcome 2-3-8: Percentage of Time That the Solution Application in the Production Environment(s) are Available for Access and Use by their Intended Users

FY2021-22 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
99.70%	99.70%	99.70%	99.70%	99.70%	99.70%

3) Promote a Customer-Focused Culture and Strengthen Efficiency

Objective 3: Responsibly Steward Taxpayer's Funds

Division of Administration:

Outcome 3-3-1: Administrative Costs as a Percentage of Total Agency Costs

FY2010-11 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
5%	5%	5%	5%	5%	5%

Objective 5: Enhance Customer Experience

Division of Information Systems:

Outcome 3-5-1: Percent of Scheduled Hours Computer and Network is Available

FY2008-09 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
99.95%	99.95%	99.95%	99.95%	99.95%	99.95%

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

FY2008-09 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
95%	95%	95%	95%	95%	95%

Office of Insurance Consumer Advocate:

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

FY2010-11 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
90%	95%	95%	95%	95%	95%

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

FY2013-14 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
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	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
95%	99%	99%	99%	99%	99%

Division of Treasury: Supplemental Retirement

Outcome 3-5-6: Percentage of State Employee Participation in the State Deferred Compensation Plan

FY2011-12 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
40%	40%	40%	40%	40%	40%

Division of Unclaimed Property:

Outcome 3-5-7: Percentage of Claims Processed within 60 Days from Date Received (Cumulative Total)

FY2020-21 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
60%	60%	60%	60%	60%	60%

Division of Consumer Services:

Outcome 3-5-8: Percentage of Helpline Call and Service Request Audits That Result in Quality Service

FY2019-20 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
95%	95%	95%	95%	95%	95%

Outcome 3-5-9: Percentage of Answered Phone Calls That are Answered within Four Minutes

FY2020-21 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
80%	80%	80%	80%	80%	80%

Outcome 3-5-10: Cost of Service Requests Operations Per Service Request Completed

FY2020-21 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
\$89.39	\$116.53	\$116.53	\$116.53	\$116.53	\$116.53

Division of Workers' Compensation:

Outcome 3-5-11: Percentage of Overall Accepted Claims Electronic Data Interchange (EDI) Form Filings

FY2011-12 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
76%	82%	82%	82%	82%	82%

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

Objective 1: Effectively Manage Regulatory Activities

Division of State Fire Marshal: Professional Training and Standards

Outcome 4-1-1: Percentage of Fire College Students Passing Certification Exam on First Attempt

FY2011-12 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
75%	75%	75%	75%	75%	75%

Division of State Fire Marsal: Administrative and Support Services Outcome

4-1-2: Administrative Costs as a Percentage of Program Agency Costs

FY2019-20 Baseline	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28
5.70%	5.70%	5.70%	5.70%	5.70%	5.70%

PROGRAM AUTHORITY AND PRIMARY RESPONSIBILITIES

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

Programs and Statutes	Description
<p><u>Licensing and Consumer Protection</u> (<i>Division of Rehabilitation and Liquidation</i>) Chapter 631, F.S.</p>	<p>Serves as the court-appointed receiver of financially impaired or insolvent insurance companies that are placed into receivership. Responsible for:</p> <ul style="list-style-type: none"> ➤ Rehabilitation: The Division takes actions to remedy the problems and conditions that necessitated the receivership. ➤ Liquidation: The Division collects all assets of the company and distributes the assets in accordance with statutory priorities.
<p><u>Licensing and Consumer Protection</u> (<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"> ➤ licensing and appointment of individuals and entities authorized to transact insurance in Florida; and ➤ investigating alleged violations of the Florida Insurance Code.
<p><u>Licensing and Consumer Protection</u> (<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"> ➤ providing information to consumers about insurance-related topics; and ➤ serving as a mediator between consumers and insurance companies.
<p><u>Licensing and Consumer Protection</u> (<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"> ➤ licensing and regulation of death care businesses and professionals; ➤ investigating licensees based on consumer complaints; ➤ conducting annual inspections of licensed cemeteries and other entities; ➤ providing customer service regarding death care industry questions; and ➤ serving as the home office for the Board of Funeral, Cemetery, and Consumer Services.
<p><u>Licensing and Consumer Protection</u> (<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"> ➤ program recipient investigations (eligibility fraud); ➤ trafficking investigations of SNAP EBT benefits (both program recipients and retail food stores); ➤ Office of Early Learning (OEL) School Readiness program fraud; and ➤ DCF ACCESS and OEL School Readiness program employee fraud.

Programs and Statutes	Description
<p><u>Workers' Compensation</u> <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"> ➤ auditing insurers to ensure they provide prompt and accurate benefit payments to injured workers; ➤ ensuring that employers secure workers' compensation coverage; ➤ collecting trust fund assessments; ➤ assisting injured workers in obtaining benefits; ➤ collecting proof of coverage, medical, and claims data; and ➤ resolving reimbursement disputes between health care providers and insurers.
<p><u>Division of Investigative and Forensic Services</u> Sections 626.989, 633.116 and 17.04, F.S., and 69D-5.001 F.A.C.</p>	<p>Protects Florida's 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"> ➤ performing fire, arson and explosives investigations; ➤ providing forensic laboratory services; ➤ investigating suspected insurance and financial fraud; ➤ issuing public information announcements; ➤ training insurers to help deter and combat fraud; and ➤ investigating misuse of state funds.

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

Objective 1: Effectively Manage Regulatory Activities

Office of the General Counsel: Legal Services

Office of the General Counsel (OGC) provides legal counsel and representation for the Chief Financial Officer and the Department with respect to constitutional, statutory, and regulatory responsibilities in administrative and court proceedings. OGC provides legal counsel on issues of statutory interpretation, prosecutes licensees for statutory violations, prepares and promulgates administrative rules, and assists Department staff in all legal matters. The OGC expects to successfully prosecute 92% of allegations of statutory violations each year through Fiscal Year 2025-26 and does not anticipate significant fluctuations in demand. Barring significant changes in the operating environment, the OGC does not anticipate any incremental fiscal implications.

Division of Accounting and Auditing

Bureau of Auditing (BA)

The BA ensures that contracts and grant 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 review 1,100 contracts every year through FY 2026-27. Unless there are significant changes in the operating environment, an incremental fiscal impact is not anticipated.

Division of Funeral, Cemetery and Consumer Services (DFCCS)

The DFCCS regulates approximately 10,000 death-care industry licensees. Part of its regulatory responsibilities include inspecting licensed cemeteries and facilities, investigating referrals and processing new and renewal applications. More than 3600 new and renewal licenses applications are received each year, and approximately 1700 licensees must have their facilities inspected every year by DFCCS staff. The DFCCS is committed to safeguarding the integrity of the state's death-care industry for consumers through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

Objective 2: Conduct Successful Investigations

Division of Agent and Agency Services

Bureau of Investigation (BI)

In Fiscal Year 2021-22, the BI received complaints against individual licensees, insurance agencies and unlicensed persons, resulting in 3,072 opened investigations and 3,184 completed investigations. These investigations were conducted by 31 investigators located in offices throughout the state. A total of 484 investigations resulted in formal disciplinary action, such as license suspension, revocation, probation, restitution and/or administrative fines. The BI also referred 39 completed cases for criminal prosecution. These efforts will continue to ensure a more secure insurance purchasing environment

To further ensure compliance with Florida laws and to protect consumers, the BI continues to take a proactive investigative approach by mining criminal court records and disciplinary action data. Of the investigations opened during FY 2021-22, more than half were initiated by the bureau utilizing technology and valuable databases. These proactive procedures enabled the BI to uncover more licensee misconduct. For each fiscal year through FY 2027-28, the BI expects the average investigator to complete 100 investigations and forecasts the direct cost for each investigation will be \$1,100. Barring any unforeseen changes in the operating environment, such as a hurricane that shifts investigator focus, neither measure is expected to contribute to incremental fiscal impacts.

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. The DPAF is Florida's only agency with the statutory authority to expressly investigate public assistance programs under Chapters 409, 411 and 414, F.S. On the state level, the DPAF partners with the Department of Children and Families (DCF), the Agency for Health Care Administration, the Department of Health, and the Department of Education's Division of Early Learning (DEL). The DPAF's federal partners include 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 to 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);
- School Readiness program and Voluntary Pre-K program fraud (recipient, program administrators and daycare providers);
- DCF or DEL employee fraud (committed against ACCESS programs or School Readiness/VPK 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, the DPAF primarily used its full-time investigators to conduct criminal investigations and used its OPS members to support DCF disqualification referrals. That strategy will continue in FY 2022-2023 as cases investigated with a view toward referral to state attorneys for criminal prosecution represent the core of the DPAF mission. However, the Division may utilize its OPS members to conduct criminal investigations as well if the need arises. The Division expects the measure concerning return on investment to be at least 500% every FY through FY 2026- 2027, barring unforeseen circumstances such as the COVID-19 pandemic.

Division of Workers' Compensation (DWC)

The DWC continues to strengthen and safeguard the integrity of the state's workers' compensation programs by educating system participants on their rights and responsibilities; leveraging data to deliver exceptional value; and holding participants accountable for fulfilling their obligations.

The Bureau of Compliance's (BC) Investigative Unit continues to leverage internal and external data sources to identify suspected non-compliant employers. The BC uses policy cancellation data and building permit information to develop targeted referrals for its investigators. The BC's employer outreach campaign compares Department of Revenue employment data to policy information electronically filed by carriers. Data comparison results allow the BC to pinpoint employers who have a higher probability of being non-compliant with law. Outreach letters explaining Florida's coverage requirements and how to obtain a policy are mailed to employers; two to three weeks later, a follow-up letter is mailed to the employers. If potential compliance issues persist, the employer names are provided to field offices for on-site investigations. This data mining initiative enhances employer knowledge of the law, increases voluntarily compliance, expands the number of employees covered, and assists with investigative resource allocation. The DWC will continue to refine its data-matching processes to effectively allocate investigative resources. This mission will be supported by increased use of technology, data sharing, advanced data analytics, and standardized business processes.

Investigative and Forensic Services: Fire and Arson Investigations

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

BFAEI detectives respond to fire scenes that in many cases have been preliminarily investigated by local fire personnel because of the implementation of Rule 69D-4.001, F.A.C. This rule requires local fire departments or law enforcement agencies to conduct preliminary fire cause investigations in most cases prior to requesting assistance from the BFAEI. BFAEI investigator skillsets are most effectively used when resources are concentrated on suspected arson or fires of unknown origin. BFAEI projects to clear 20% of arson cases for FY 2022-23. Barring any unforeseen changes in the operating environment, BFAEI does not anticipate any incremental fiscal impacts. BFAEI will strengthen and safeguard the processes for tracking and managing data through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

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's ability to serve its customers by returning casework in a short turnaround period continues to be lower than most similarly situated forensic laboratories. 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. Our short turnaround period allows investigators to receive forensic results while the case investigation is active. Forensic results can help guide investigations and lead to more effective questioning of suspects and witnesses. BFS will strengthen and safeguard the processes for tracking and managing data through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

Scientific accreditation and forensic requirements for laboratories continually evolve. BFS's lab is currently accredited by one international organization, the American Association for Laboratory Accreditation (A2LA). Maintaining accreditation requires upgrades and updates to laboratory processes, procedures, and equipment. Current requirements for maintenance of accreditation increase the number of audits, procedures, and controls over evidence. This increases the time that Bureau staff must spend performing these tasks and takes time away from their technical and analytical duties. The exact long-term effects caused by increased accreditation and administrative requirements are unknown. Potentially, staff may be able to absorb these requirements without any difficulties; however, other forensic laboratories under similar circumstances have reported general increase in turnaround times.

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 and/or workers' compensation fraud statutes. During FY 2021-22, BIF received 17,310 referrals and presented 774 cases for prosecution. During FY 2021-22, five hundred and sixty-one cases were cleared by successful prosecution. DIFS will strengthen and safeguard the processes for tracking and managing data through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

When considering court-ordered victim restitution, BIF generated restitution to insurance fraud victims exceeding its annual budget. For FY 2021-22, BIF's budget was \$24.7 million. In contrast, the BIF requested \$31.7 million and secured \$76.3 million in court-ordered restitution. There was continued success in securing restitution despite the concentration on working Personal Injury Protection fraud, identity theft, and working without insurance coverage cases. These cases generally contribute to a smaller portion of restitution than other types of cases.

Investigative and Forensic Services: Office of Fiscal Integrity

The Office of Fiscal Integrity (OFI), a criminal justice agency with subpoena authority, specializes in the investigation of complex state contract fraud, misuse of state purchasing cards, and various other related schemes. OFI conducts joint investigations with federal, state and local law enforcement and prosecutorial agencies. Upon successful conclusion of its investigations, referrals for prosecution are made to State Attorneys, the Statewide Prosecutor or the U.S. Attorney's Office. Many of its investigations have led to the arrest and conviction of the principal party or parties involved. OFI will strengthen and safeguard the processes for tracking and managing data through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

2) Foster Open Government Through Financial Accountability and Transparency

Objective 3: Responsibly Steward Taxpayer's Funds

Division of Administration (DA)

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 FY 2021-2022, the department, including both OIR and OFR, had 2,567.5 positions, and 106 temporary employees (as of September 2022). The Division of Administration operates with 53 of these positions. Additionally, for FY 2021-2022, DFS/OFR/OIR has a total combined budget of \$412,615,182. DFS has 37 leases statewide accounting for a total of 754,552 square feet and owns two facilities: The State Fire Marshal's Fire College, and the Bureau of Forensic Services' Arson Lab. For the DFS administrative costs, a percentage of total agency costs are expected to be 5% every fiscal year through FY 2027-28. Barring any unforeseen circumstances, the Division of Administration does not anticipate any incremental fiscal impacts.

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. The DFS's strategy includes 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 advises procurement staff.

Division of Treasury

Investment Section:

During the period from July 1, 2021, through June 30, 2022, the State of Florida Treasury ("Treasury") distributed earnings of \$413.7 million. These earnings were down from the previous year's distribution of \$553.6 million and more in line with historical trends in the State Treasury. The Treasury exceeded its performance benchmark by 0.04% and 0.19% for the one and the three-year periods, respectively. The Treasury expects to exceed the blended benchmark for a rolling, three-year period by 0.2% a year through FY 2027-28.

Bureau of Funds Management:

During the period from July 1, 2021, through June 30, 2022, Treasury transitioned to Florida PALM. The established performance measure time lines were being re-established based on timing of the new accounting processes. On July 1, 2022, the new core accounting time frames were established and percentages will be reported at end of fiscal year 2022-23. Treasury anticipates completing 98% of these processes within the established time frame every fiscal year through FY 2027-28.

Bureau of Collateral Management:

During the period from July 1, 2021, through June 30, 2022, Treasury's Bureau of Collateral Management (BCM) processed over 22,262 transactions involving collateral from a variety of regulated entities. 100% of these transactions were completed within the three-day performance standard. This performance was considerably above the desired standard of 97%.

The BCM 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 BCM anticipates that 100% of these analyses will be completed within 90 days each fiscal year through FY 2027-28. Barring significant changes in the operating environment, the BCM does not expect incremental fiscal impacts to be associated with either measure. The Treasury is committed to strengthening and safeguarding the integrity of the state’s investments and fund management programs through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

Division of Accounting and Auditing

Bureaus of Financial Reporting, Auditing and State Payrolls (Chapter 17, F.S.)

The Division of Accounting and Auditing (DAA) is responsible for accounting, auditing and reporting state and local government financial information. State government decision makers and the public rely on the DAA’s financial information to understand resource usage and state purchases.

Since 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 DAA is partnering with Florida PALM to establish a framework prior to implementing the successor financial and cash management system.

Division of Risk Management

The Division is authorized to administer the State Risk Management Trust Fund (Ch. 284, F.S.) and to handle claims on behalf of state agencies for casualty and property lines of insurance coverage (*Table 1-RM*). The Division has 116 employees and is organized into 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 2021-22, the Division produced approximately 77,341 checks, warrants, and state agency journal transfers.

Claim type	Number of claims reported FY 2021-22	Number of claims with payment FY 2021-22 (for claims reported in all years)	Total loss payments for FY 2021-22 (for claims reported in all years)
Workers’ Compensation	13,202	11,498	\$120,323,073
General and Auto Liability	2,552	1,694	\$14,329,092

Federal Civil Rights & Employment Discrimination	350	1,061	\$11,208,178
Property	172	206	\$4,957,047
Firefighter Cancer Benefits	1	1	\$25,000
Total	16,277	14,460	\$150,842,390

Table 1-RM. Claims reported, claims with payment, and total loss payments by claim type for FY 2021-22. Claim data from IMS; loss payments from FLAIR fund balance report.

The total loss payments for FY 2021-22 decreased less than 1% or \$420,584 from the \$151,262,974 paid in FY 2020-21. Workers' Compensation loss payments decreased by \$145,608. General and Auto Liability loss payments increased by 42.2% or \$4,255,464. 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 2021-22, total loss payments for federal civil rights claims decreased 3.9% or \$450,404. Property loss payments decreased 45.3% or \$4,105,036. Operational costs had a slight increase of \$465,344 or less than 1% from \$62,701,909 paid in FY 2020-21 to \$63,167,253 paid in FY 2021-22.

The number of claims reported for FY 2021-22 decreased 19.0% or 3,820 claims from the 20,097 claims reported for FY 2020-21. The majority of the decrease occurred on the Workers' Compensation line of coverage with reported workers' compensation claims decreasing by 18.4% or 2,973 claims. This is due in large part to the decrease in COVID-19 related claims. In FY 2021-22, workers' compensation COVID-19 related claims decreased by 35.3% or 2,583.

Property claims decreased 58.8% or 246 claims. Reported claims for the General and Auto Liability lines of coverage had a decrease of 519 claims or 16.9%. Reported claims for the Federal Civil Rights line of coverage decreased 19.2% or 83 claims.

Effective July 1, 2021, chapter 284, Florida Statutes, was amended to require benefits payable under s. 112.1816(2) to an employee of a state agency or department covered under s. 284.31, F.S. (firefighter cancer benefits), be paid from the State Risk Management Trust Fund. For FY 2021-22, one (1) claim was report and \$25,000 in benefits were paid.

To better manage and safeguard state resources, the Division monitors loss payments and continues the implementation of several initiatives in the areas of contract management, data collection, and claims management.

Since FY 2016-17, there have been nine named windstorm and flood events within the State of Florida. These events have impacted both the Risk Management Trust Fund's cash balances and the Division's annual purchase of excess property insurance for state agency and university owned buildings. To mitigate the impact to the Risk Management Trust Fund's cash balances, the program received additional funding in FY 2018-19 and FY 2019-20 through the General Appropriations Act.

As a result of market conditions, the Division was unable to purchase the same amount of insurance for named windstorm and flood events as purchased in February 2021 and remains within the current appropriation. For the coverage period February 2022 through February 2023, the Division purchased excess property insurance for 20,962 locations, \$27.1 billion in total insured value. The coverage above the State's \$42 million self-insurance retention for named wind and flood perils is \$56.27

million, which is \$1.23 million less than the \$57.5 million purchased for the coverage period February 2021 through February 2022. The Division was able to maintain the purchase of \$225 million in coverage for all other perils for the February 2022 placement. None of the nine recent named windstorm and flood events has exceeded the State's current level of self-insurance retention.

The Bureau of Risk Financing and Loss Prevention continues to build upon recent improvements in contract administration and looks for areas where contracted services can maximize value to the State. During FY 2019-20, both the Pharmacy Benefit Management (PBM) and Medical Case Management (MCM) contract review and program evaluations were completed. PBM recommendations were evaluated and have been incorporated into a new scope of work for the PBM contract procurement conducted during FY 2021-22. Recommendations for the MCM program have been evaluated and are being incorporated into a new MCM contract scope of work for an upcoming procurement.

The Division continues to support and improve its Insurance Management System (IMS) utilized 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. Automation efforts center on improving the Electronic Data Interchange (EDI) reporting functionality between the Division and the Department's Division of Workers' Compensation (DWC). Enhancements will allow the IMS to autogenerate reports based upon claim updates and submit each report directly to DWC. For fiscal year 2021-22, the focus was on DWC system requirements and field mapping to facilitate the automation of required reporting.

Additional enhancements efforts focused on the areas of Centers for Medicare & Medicaid Services (CMS) reporting, and Values Collection functionality. During fiscal year 2021-22, the Division finalized CMS reporting and query processes, and updated training materials. User Interface (UI) improvements to the Values Collections module allows for easier and more accurate data collection.

The Division also continued work on the Florida Planning, Accounting, and Ledger Management system (PALM) project by identifying and communicating the unique processes and needs of the State Self-Insurance Program's management of reported claims. In FY 2022-23, the Division will continue to focus on identifying additional areas for process improvement, increased automation, and system efficiencies.

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 in Florida. The Division of Rehabilitation and Liquidation (Division) administers the receiverships on behalf of the Department. The Division plans, coordinates, and directs the affairs of the companies placed into receivership for purposes of carrying out the rehabilitation or liquidation order of the Second Judicial Circuit Court in Leon County, Florida. It protects consumer interests by managing receiverships in a manner that yields the maximum value to claimants and the public.

In its role as the Receiver, the Division monitors, controls, and safeguards the financial resources of insurance companies that are placed into receivership. Among these duties is the responsibility of providing accurate and timely disbursement of payments to vendors that are consistent with regulatory requirements, policy, and appropriate internal controls. To meet this obligation, the Division measures the percentage of non-claimant invoices that are paid within 40 days. If timely payments are not made,

there are financial implications associated with late payments such as the accumulation of late fees, interest, and other penalties. These transactions have a direct impact on the availability of funds that are distributed to claimants. Therefore, the Division aims to effectively manage financial resources in accordance with Florida Statutes 215.422.

The Division also 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 two insurers are placed in receivership each year, primarily in the areas of property and casualty insurance. During FY 2021-22, the Department received four new receiverships.

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. Nevertheless, the Division continues to manage the financial resources of each estate effectively and remain committed to the provision of quality public service.

Division of Agent and Agency Services

Bureau of Licensing (BL)

The Bureau continues to leverage technology to streamline its work through automation and process efficiencies. The BL continued to reduce processing time with ever-increasing workloads while maintaining quality. The BL's commitment to increase the use of technology will continue to lead to additional efficiencies and automation.

In FY 2021-22, the BL assisted and monitored an average of 563,432 licensees with at least one active appointment. In addition to the licensees with an active appointment, the BL had 225,018 licensees who were not required to be appointed or not currently appointed. The BL processed 167,609 new license applications and 2,470,042 appointment actions (new, renewals and terminations). There were 176,348 new licenses issued in FY 2021-22, producing a total of 837,044 active licensees who hold 1,089,658 licenses. For every FY through 2027-28, the BL anticipates that licensing operations will cost \$2.80 per active license and forecasts that each licensing FTE will process 3,750 applications. Barring any unforeseen changes to the operating environment, such as a hurricane, the BL does not anticipate any incremental fiscal impacts for either of these projections.

The BL is also responsible for overseeing the examination process for insurance representative licensing. There are 13 licensing examinations, and approximately 71,589 examinations were administered in FY 2021-22. The Bureau also approves and monitors pre-licensing and continuing education providers, courses and instructors. There were 460,960 individuals who completed pre-licensing and continuing education courses.

Objective 4: Promote Transparency Through Technology

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 Contract Tracking System (FACTS)” application is an online tool that offers visibility into the State’s contracts and grant agreements.

The Department has expanded the FACTS functionality to include images of all contracts and information associated with the grant agreements. The Division will strengthen and safeguard the CFO’s commitment to transparency through increased use of technology, data sharing, advanced data analytics, and standardized business processes.

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, benefits, performance reviews, and employee relations. Over the last fiscal year, HR processed 782 hiring appointments and 3,286 classification or organization changes; the office currently employs 13 full-time employees.

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:

- a. Design, develop, deliver and evaluate training courses;
- b. Facilitate and proctor sessions conducted by outside entities;
- c. Manage classroom and meeting space reservations;
- d. Develop leadership programs;
- e. Conduct New Employee Orientation;
- f. Offer Management Bootcamp (Supervisor Training);
- g. Administer the Department's Florida TaxWatch Productivity Awards program;
- h. Maintain the Department's training intranet hub and the learning management system;
- i. Organize leadership development activities;
- j. Develop, deliver and monitor biennial compliance training;
- k. Offer learning-oriented performance consulting and project management;
- l. Customize consulting services; and
- m. Submit monthly compliance reports.

The DFS 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 L&D team delivered a total of 101 learning events, meetings, and conferences to more than 5,006 attendees, including employees from other agencies. The Division transitioned many of its classes so that they could be delivered virtually and will continue to do so going forward.

Office of the General Counsel: Legal Services

The Service of Process (SOP) section provides efficient initial service of process to insurers through electronic means. The Department's web-based systems and procedures have allowed the transmittal of over 99% of SOP documents electronically. A web portal for plaintiffs and attorneys allows individuals to retrieve electronic proof of service immediately after receiving the documents from the Department. The Department continues to use technology to provide automation and improve information accountability.

Office of Information Technology (OIT)

Information Technology Optimization Analysis:

The OIT supports a vast array of applications and application modules (*i.e.*, document management, scanning, transfers, etc.). The substantial size of OIT's service obligations evolved from a series of reorganizations as well as market and statutory changes throughout the DFS' long history. While these services fulfill a variety of business needs for customers, there is room for further technological optimization and the OIT is committed to leveraging technology to achieve this end.

Service Management Software

The OIT uses a variety of service management software to handle customer requests, system maintenance tickets, and to monitor system performance. With the computer application inventory now in place, efforts for performance monitoring have started to find existing trouble spots faster, sometimes before they occur, and integrate these findings with tickets. While these ongoing changes save steps and provide long-term resource tracking, reporting is largely manual, taking additional time to aggregate the data and reconcile collected data.

Combining this inventory with performance monitoring capabilities will allow better optimization and more timely upgrades when needed. Finally, these tools will identify the relationships between systems (*e.g.*, 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 data are growing and breaches are more common. The 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 toward reducing the number of (1) places where data could be exposed; and (2) ways to intrude.

Customer Satisfaction

One of OIT'S Performance Measures records Department satisfaction with division technical support services. During FY 2021-22, OIT surveyed users about its trouble ticketing system and asked users to rank their experience on a scale from 1-5 for six different categories. The OIT received an overall customer satisfaction rating of 100%. For the past fiscal year, the OIT has been collecting surveys through links embedded in incident tickets. Although the Divisions' software portfolio is likely to change, it projects a 95% satisfaction rate annually through FY 2026-27, and no incremental fiscal impact is anticipated.

Information Systems

The OIT's percentage of scheduled hours computer and network is available measures uptime performance. In Fiscal Year 2021-22, the uptime measured 100% for FLAIR with all maintenance being performed during scheduled downtime. Based on the degree of consistency the mainframe has provided in past, the OIT projects that FLAIR infrastructure will be available 99.0% of the scheduled time for every Fiscal Year through 2026-27. Whereas, the OIT expects all other systems to be available for 99.95% of the scheduled hours every year through FY 2026-27.

Office of Insurance Consumer Advocate

The Office of the Insurance Consumer Advocate (ICA) searches for solutions to insurance issues Floridians face, calls attention to questionable insurance practices, promotes a viable

insurance market responsive to the needs of Florida's diverse population, and assures that rates are fair and justified.

The ICA strives to balance capacity to fulfill obligations to policyholders and consumers' needs for accessible, affordable insurance products. The ICA identifies market trends affecting Floridians and improves market practices by reviewing market reports, filings submitted by insurers to the Office of Insurance Regulation, consumer complaints and interacting with industry stakeholders. The ICA also meets with various other agencies in order to identify market trends. This data empowers the ICA to seek early and proactive resolution of business practices that may adversely affect Floridians, as well as to assist in expansion of those beneficial to the consumer. Florida law authorizes the ICA to represent consumer interests in regulatory proceedings regarding all insurance activities conducted under jurisdiction of the DFS and the Office of Insurance Regulation. The ICA also examines rate and form filings to ensure rate changes are justified and fairly apportioned and that policies clearly and accurately reflect coverage provided. Lastly, the ICA participates in proceedings affecting insurance consumers before the Florida Legislature and represents the public in a wide range of public forums.

The ICA maintains projection tables for the percentage of referred cases responded to and/or transferred within three (3) business days of receipt and the percentage of rate filings subject to public hearing which were reviewed. The ICA projects to respond or refer 95% of cases within three business days over the forecast horizon. Insurance consumer needs and industry trends may impact the number of cases that are received by the ICA.

The ICA expects to review at a minimum, 95% of rate filings subject to a public hearing every year through Fiscal Year 2026-27 and does not anticipate significant fluctuations in demand. Barring significant changes in the operating environment, the ICA does not anticipate any fiscal implications.

Division of Treasury

Bureau of Deferred Compensation:

The Bureau provides enrollment information, education and guidance regarding the availability of the state employee Deferred Compensation Program. The Deferred Compensation Program authorized under Section 457(b), Internal Revenue Service Code provides employees a way to supplement retirement savings income by contributing to a variety of investment and bank products on a tax-deferred basis. The Bureau's objective is to assist state employees in achieving financial security in their retirement years. The Division estimates 40% of state employees will participate in the plan every year until FY 2026-27. The Bureau will continue to create, develop and implement strategies to encourage participants to increase their deferrals and, for non- participants, to enroll in order for employees to achieve their financial retirement goals.

Division of Unclaimed Property

Currently, the Chief Financial Officer holds unclaimed property accounts valued at more than \$2 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 held in abandoned safe deposit boxes in financial institutions, such as watches, jewelry, coins, currency, stamps, historical items, and other miscellaneous articles. Auction proceeds from the sale of each item are credited to each owner's account, where it can be claimed indefinitely by the owner or owner's heirs. Until claimed, these funds and unclaimed financial assets are deposited into the State School Fund. 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 enhances efficiencies in receiving unclaimed property from holders and in returning property. Although the Division forecasts an average processing rate of 60% within 60 days through FY 2026-27, 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. The demand and the fiscal impacts are dependent upon claimants; however, the DFS continues to raise awareness of the program and to return increasing amounts of property.

Division of Risk Management (DRM)

The Division continues to focus attention and resources on preventing and reducing claim costs and frequency by focusing 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. During FY 2021-22, the Loss Prevention Section completed 4 program evaluations; provided training to over 2,000 state employees; and conducted over 700 consultations with state agency and university personnel. The number of paid/reserve occupational injuries (workers' compensation claims) per 100 full-time employees during FY 2021-22 is 2.23, which is based on 202,046 workers' compensation full-time employees and 4,499 claims paid/reserve for the fiscal year.

The Division continues to enhance the IMS to better suit its needs and the needs of its customers. During FY 2021-22, the Division continued working towards its goals of automating and streamlining processes, utilizing the IMS to improve workflows and reduce the potential for human error. Automation efforts continue to center on improving the Electronic Data Interchange (EDI) reporting functionality between the Division and the Department's Division of Workers' Compensation (DWC). Enhancements will allow the IMS to autogenerate reports based upon claim updates and submit each report directly to DWC. For FY 2021-22, the focus was on DWC system requirements and field mapping to facilitate the automation of required reporting.

Additional enhancement efforts focused on the areas of Centers for Medicare & Medicaid Services (CMS) reporting, and Values Collection functionality. During FY 2021-22, the Division finalized CMS reporting and query processes, and updated training materials. User Interface (UI) improvements to the Values Collections module allows for easier and more accurate data collection.

Additional improvements in service to customers will come from Division initiatives such as increased online training, increased use of data mining and analytics (internal and external), and increased consultations to assist our customers in making decisions regarding their claims and loss prevention

programs.

Division of Consumer Services (DCS)

The DCS'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 974,000 Floridians with insurance or financial issues. Assistance is provided primarily through the statewide, toll-free helpline, the DCS's website, email, and direct mail correspondence. Approximately 85% of requests for insurance assistance involve Homeowner's Insurance, Auto Insurance, Health Insurance or Life Insurance. The Division also provides call center services to the Divisions of Insurance Agent & Agency Services, Unclaimed Property, Rehabilitation & Liquidation, and Investigative & Forensic Services.

The DCS is responsible for reporting potential regulatory violations to the appropriate regulators. From July 2020 through June 2021, the DCS sent a total of 2,277 regulatory referrals to the Divisions of Insurance Agent & Agency Services, Investigative & 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 and consumer educational interaction to assist Floridians with receiving the full benefit of their insurance contracts.

The Division of Consumer Services provides individualized service to each consumer calling into the helpline. The DCS expects to answer 80% of calls within four minutes for every fiscal year through FY 2026-27. The Division's Company Complaint Response System (CCRS) and Online Helpline streamline the process and provide prompt service to consumers. The Online Helpline allows consumers to file complaints through an online portal on the Division's website. A quality audit program was established for helpline and service request audits that result in quality service. Audit results are used to enhance the service consumers are provided when they contact the helpline. Barring any unforeseen changes in the operating environment, like a natural disaster that causes a demand for services, no incremental fiscal impact is projected to be associated with any forecasted outcome measure.

Division of Workers' Compensation (DWC)

The DWC will continue to leverage data and technology to improve our service to our stakeholders. Here are just several examples of this initiative. The DWC expects the overall percentage of accepted claims via electronic data interchange form filings to be 82% for every fiscal year through FY 2026-27.

- The Division provided stakeholders and public policymakers with the 2020 edition of the "Workers' Compensation Summary," which contains foundational workers' compensation data and information. The report aims to provide insights on workers' compensation issues.
- The Division produces the Insurer Regulatory Report (IRR) in an effort to further engage and inform regulated entities about their overall claims-handling performance. The IRR provides the carrier with information to identify key processes, policies, or practices that are instrumental in maintaining or improving its performance level. In addition to reporting

comparative data and industry trends, the items contained in the report may be of interest to the American Guarantee & Liability Insurance Company.

- The Division has published several workers' compensation educational videos, which are available on its website. The purpose of presenting this expanding collection of short videos is to help educate our stakeholders on an assortment of key workers' compensation topics.

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

Objective 1: Effectively Manage Regulatory Activities

Division of State Fire Marshal

Fire Marshal Administrative and Support Services:

The administrative activities promote a customer-focused culture, strengthen efficiency and allow it to effectively manage regulatory activities. Further, these activities enable the DFSM to train first responders and to provide for the administration of the Florida Fire Prevention Code. The budget entity anticipates that administrative cost as a percentage of program agency costs will be 5.7% for every FY through FY 2026-27.

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 on all state-owned and certain state-leased buildings;
- inspecting high and low-pressure boilers in places of public assembly; 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 FY 2021-22, Fire Protection Specialists conducted over 14,591 High-Hazard, Recurring, and Construction building inspections. Construction inspections, including underground and above ground fire mains, installation and performance testing of fire protection systems, and fire rated construction assemblies are required for each new building.

Any reductions in revenue generated at the local level can be expected to have an impact on the State Fire Marshal's workload. If local governments determine they are unable to fully fund their own fire safety programs, including the area of kindergarten through 12th grade school inspections, the State Fire Marshal is statutorily required to assist with these 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 2026-27. The fiscal impact remains indeterminate and dependent on the degree to which local governments request inspection assistance.

For the Boiler Safety Program, technological enhancements to the data management system have eased form distribution as well as records access for field inspection staff. Additional enhancements are necessary to fully convert the boiler licensing program to an entirely automated, web-based system. Similar technology has also been partially deployed with the

Plans Review and Regulatory Licensing Sections. The boiler safety program has made an effort to ensure deputy boiler inspectors conduct inspections on uninsured boilers throughout the state. Boiler insurance companies are required by section 554.109(1), F.S., to inspect boilers they insure. These efforts have significantly decreased the number of boilers tasked for state inspections and freed up state resources to conduct code compliance activities and public outreach, among other activities.

All four functional areas of the Bureau: Plans Review, Inspection, Regulatory Licensing and Boilers, have benefited from an updated database to permit increased internal and external access. This solution is fully web-based and allows electronic access to inspection reports, which minimizes the need for U.S. Mail distribution and also permits the receipt of fees, adding greater efficiency and customer service for all licensing applicants. Electronic transmission of construction documents has also been implemented and has significantly reduced the time required for decision making as well as improved access to data necessary for field review.

Bureau of Fire Standards and Training (BFST):

The BFST manages training and certification standards for all career and volunteer firefighters, fire inspectors, and fire instructors to establish standardized curricula. Pursuant to the Florida Administrative Code, the BFST issues Certificates of Completion and Certificates of Competency for fire officers, fire investigators, hazardous materials technicians, and other advanced and technical specialties. The BFST conducts examinations for these certifications and maintains required records. Additionally, the BFST 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 67,000 firefighters, serving more than 530 fire service providers in Florida. The BFST also provides curriculum support, administrative and regulatory authority, and certification testing for 46 certified fire training centers, which provide firefighter minimum standards training.

The BFST operates the Florida State Fire College located near Ocala, providing extensive training for paid and volunteer firefighters. It is projected for the percentage of students passing certification examinations on the first attempt to remain at 75% for the projection period. The demand for certification courses and the resulting fiscal impact is dependent upon the number of students not only attending training at the Florida State Fire College.

The Division is committed to increasing the use of technology by implementing a modern updated solution to reduce duplication, increase automation, improve information accountability, and leverage data to produce valuable analytics.

Health and Safety

The DFS is responsible for managing the Florida Firefighters Occupational Safety and Health Act. The DFS's Health and Safety Section is tasked with improving firefighter safety and health by reducing the incidence of firefighter accidents, occupational diseases, and fatalities. The DFS accomplishes this task by working cooperatively with our firefighters, fire departments and other stakeholders to provide guidance, resources, and education to reduce the incidence of firefighter accidents, diseases, and fatalities. The BFST conducts firefighter safety assessments, investigations and inspections to meet this goal.

The BFST is involved in firefighter safety initiatives, including participation in firefighter safety studies to identify causes of accidents and injuries. Research includes correlating firefighter line-of-duty deaths with failure to follow best safety practices. The BFST participates in this study with the goal to use outcome data to enhance preventive strategies.

Accreditation

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

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 15th 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 accounting system, FLAIR, has been performing the State's accounting and financial management functions for over thirty years. Although FLAIR has been maintained and

modified over the years to accommodate state and federal mandates, the system is becoming increasingly unable to meet the State's changing and growing needs.

A 2014 study confirmed our concerns and recommended replacing FLAIR and CMS with a single, integrated financial management solution. In 2014, the Legislature 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 ninth year of execution. In July of 2021, the first component of Florida PALM was implemented to replace CMS functionality.

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
- Increase internal controls by enabling standardization and automation of business processes within and between DFS and agencies.

In FY 2021-2022, Florida PALM accomplished the following:

- Conducted Executive Steering Committee meetings;
- Collaborated with the Florida Digital Service for project management oversight;
- Engaged new Independent Verification and Validation (IV&V) services;
- Launched Florida PALM CMS Wave functionality;
- Established the Florida PALM Solution Center, providing end-user support;
- Introduced and hosted Module Workgroup sessions;
- Published a Pathfinder tool that connects Florida PALM business processes to Florida PALM interfaces, conversions and reports;
- Established the Florida PALM Advisory Council;
- Published new learning tools to support CMS end users;
- Implemented the CMS Wave Sandbox;
- Supported successful fiscal year end close; and
- Maintained continuity of operations during the COVID-19 pandemic.

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 include the following:

- **Be Scam Smart Operation S.A.F.E. Workshops**
Operation S.A.F.E. is an outreach initiative established by the DFS to protect Florida's seniors. Be Scam Smart Workshops are organized by Consumer Services Community Outreach and conducted across the state of Florida to educate seniors about financial frauds and scams.
- **Finance Your Future**
Finance Your Future is a comprehensive financial literacy course maintained by the DFS and offered as one-half credit elective during the school year.
- **My Money**
The My Money program, developed by the DFS, is a free financial literacy program for individuals with developmental disabilities. Qualified Public Depositories (QPD) are required to make available the My Money Program brochure. Community Outreach mailed

English brochures and Spanish brochures to banks, savings banks and savings associations.

- **Community Outreach Events**

Information relayed to the public via face-to-face interaction and publication handouts included subject matter that ranged from fraud awareness to financial literacy to disaster preparedness.

Consumer Outreach Efforts

Prepare Florida Disaster Preparedness Initiative

CFO Jimmy Patronis' Prepare Florida consumer education initiative encourages Floridians to prepare before a hurricane or storm makes landfall. The PrepareFL.com website serves as a one-stop-shop for disaster preparedness information and resources to help Floridians ensure they are prepared to weather the next storm. The Prepare Florida website includes an Emergency Preparedness Toolkit designed to help consumers prepare a home inventory and organize your financial information before and after a disaster. It also includes a guide to inform consumers on insurance and financial preparation in the event of a natural disaster, information on navigating the flood insurance claims process, a guide to the Assignment of Benefits (AOB) process, and many more disaster-related consumer tips.

Florida Business Development Initiative

As part of his economic development initiatives, CFO Jimmy Patronis is highlighting the advantages of Florida's business climate to companies around the country. The initiative uses earned media and social media to encourage businesses large and small to relocate their headquarters to Florida to bolster business growth and job creation in the state. As a member of the Enterprise Florida, Inc. Board, the state's main entity charged with business recruitment, CFO Patronis is passionate about highlighting the advantages Florida has to offer businesses including no personal income tax, low corporate taxes, business-friendly regulations, top ranked colleges and universities, world-wide transportation options and more.

[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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Administrative Costs as a Percentage of Total Agency Costs	5.00%	3.93%	5.00%	5.00%
Administrative Positions as a Percentage of Total Agency Positions	6.00%	5.02%	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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of closed files involving allegations of statutory violation that were successfully prosecuted	92%	100%	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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of Scheduled Hours Computer and Network is Available	99.95%	99.39%	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%	100%	95%	95%
Establish a Comprehensive Functional Inventory of Department Software Applications	69	102	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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of Cases Responded to and/or Referred Within Three (3) Business Days of Receipt	95%	100%	95%	95%
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 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of Scheduled Hours Computer and Network is Available	99%	100%	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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of Collateral Administrative Program Transactions Completed within Three Business Days	97%	100%	97%	97%
Percentage of analyses of the Qualified Public Depositories completed within 90 days of the start of the analysis cycle	100%	100%	100%	100%

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Treasury

Service/Budget Entity: State Funds Management and Investment

Code: 43100000

Code: 43100300

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of Core Accounting Processes That Meet Established Deadlines and Standards for Accuracy	98%	100%	98%	98%
Percentage by Which the Treasury's Investment Pool Exceeded the Blended Benchmark for a Rolling Three-Year Period	0.20%	6.10%	0.20%	0.20%

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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of State Employees Participation in the State Deferred Compensation Plan	40.0%	41.8%	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

Approved Performance Measure	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Number of Contracts Reviewed	1,100	1,298	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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of Claims Processed within 60 Days from Date Received (Cumulative Total)	60%	63%	60%	60%
Number of Reported Accounts Uploaded into UPMIS	2.2 million	2.6 million	2.2 million	2.2 million
Number of Claims Paid and Dollar Amount of Claim Payments	400,000 / \$240 million	498,781 / \$388.4 million	400,000 / \$240 million	400,000 / \$240 million
Number of New Holders Reporting Unclaimed Property in the Fiscal Year	2,300	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 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of Time that the Solution Application in the Production Environment(s) are Available for Access and Use by Their Intended Users	99.70%	99.91%	99.70%	99.70%

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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of Fire Code Inspections Completed within Statutory Defined Timeframes	100%	100%	100%	100%
Percentage of Mandated Regulatory Inspections Completed	100%	100%	100%	100%
Number of Regulatory Inspections Completed	1,000	914	1,000	1,000
Number of Entity Requests for Licenses, Permits and Certifications Processed within Statutorily Mandated Time Frames	8,000	8,382	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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of Fire College students passing certification exam on first attempt	75%	88%	75%	75%
Number of students trained and classroom contact hours provided by the Florida State Fire College	5,500/175,000	3,216/175,054	5,500/175,000	5,500/175,000
Number of Florida Certification Programs Updated to NFPA Standard in Preparation for National and International Accreditation or Re-Accreditation	3	21	3	3

LRPP Exhibit II - Performance Measures and Standards

Department: DEPARTMENT OF FINANCIAL SERVICES AND CHIEF FINANCIAL OFFICER

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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Administrative Costs as a Percentage of Program Agency Costs	5.70%	2.44%	5.70%	5.70%
Administrative Positions as a Percentage of Total Program Positions	11.00%	11.00%	11.00%	11.00%

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: State Self-Insured Claims Adjustment

Code: 43400100

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Average Loss Adjustment Expense per Claim Worked	\$1,850	\$1,928	\$1,850	\$1,850
Percentage of Indemnity and Medical Payments Made in a Timely Manner in Compliance with DFS Rule 69L-24.006, F.A.C.	95%	99.76%	95%	95%
Percentage of Tort Liability Claim Files Resolved within Four (4) Years Without Litigation	81%	91.5%	81%	81%
Percentage of Liability Claims Closed in Relation to Liability Claims Worked During the Fiscal Year	64%	58.27%	64%	64%
Number of Workers' Compensation Claims Worked	22,000	20,386	22,000	22,000
Number of Liability Claims Worked	6,000	5,438	6,000	6,000
Number of State Property Loss/Damage Claims Worked	120	253	120	120
Number of Agency Loss Prevention Training and consultation events conducted during the fiscal year (top three (3) agencies)	80	101.5	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 2021-22	Prior Year Actual FY 2021-22	Requested FY 2022-23 Standard	Requested FY 2023-24 Standard
Percentage of Service Requests Closed within 30 Days	95.0%	99.5%	95.0%	95.0%
Percentage of Non-Claimant Invoices Paid within 40 Days	96.0%	100%	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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Cost of Licensing Operations per Active License	\$2.80	\$2.50	\$2.80	\$2.80
Average Direct Cost of Investigation Operations per Completed Investigation	\$1,100	\$1,150.39	\$1,100	\$1,100
Average Number of Investigations Completed per Investigator	100	103	100	100
Average Number of Applications Processed per Licensing FTE	3,750	4,568	3,750	3,750

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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
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%	0%	N/A	N/A
Percentage of Answered Phone Calls That are Answered within Four Minutes	80%	55%	80%	80%
Percentage of Monetary Eligible Service Requests That Resulted in a Recovery	85%	0%	N/A	N/A
Cost of Helpline Operations Per Call Completed	\$12.01	\$13.17	\$12.01	\$12.01
Cost of Service Requests Operations Per Service Request Completed	\$116.53	\$74.36	\$116.53	\$116.53

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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of Funeral Establishment Inspections That Do Not Require Quality Control Follow-Up	98%	99%	98%	98%
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%
Average Time (Days) to Close an Investigation	65	60	N/A	N/A
Average Time (Days) to Close an Investigation that does not involve complex proof or other issues requiring coordination with law enforcement authorities or Department counsel*	N/A	N/A	65	65
Percentage of Deficiency Letters Sent out within 5 Business Days of Receiving the Application*	88%	70%	N/A	N/A
Percentage of Deficiency Letters Sent out within 15 Business Days of Receiving the Application*	N/A	N/A	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 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Dollar Amount of Benefits Withheld, Saved and Recouped as a Percentage of Public Assistance Fraud Annual Budget	500%	581%	500%	500%
Number of Completed Cases Resulting in Referral for Disqualification or Prosecution	3,000	1572	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

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of overall accepted claims Electronic Data Interchange (EDI) form filings	82%	78%	82%	82%
Percentage of first indemnity payments made timely	95%	93%	95%	95%
Number of employer investigations conducted	32,000	27,515	32,000	32,000
Percentage of disputes resolved for injured workers by the Employee Assistance Office	90%	99%	90%	90%
Number of Petitions for Reimbursement Dispute Resolution resolved	4,000	4,710	4,000	4,000

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: Fire and Arson Investigations	Code: 43700100

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of arson cases cleared	20%	30%	20%	20%
Percent of closed fire investigations successfully concluded, including by cause determined, suspect identified and/or, arrested or other reasons	80%	93%	N/A	N/A
Percentage of closed fire investigations successfully concluded, by cause: incendiary, accidental or undetermined.	N/A	N/A	80%	80%

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: Fire and Arson Investigations	Code: 43700100

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Number of EOD Requests for Assistance	N/A	N/A	586	586
Number of K-9 Requests for Assistance	N/A	N/A	386	386

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: Forensic Services

Code: 43700200

Approved Performance Measure	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Lab case turnaround time	10	5	10	10

LRPP Exhibit II - Performance Measures and Standards

Department: Department of Financial Services

Department Number: 43

Program: Investigative and Forensic Services

Service/Budget Entity: Insurance Fraud

Code: 43700000

Code: 43700300

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of Referrals that Result in Opened Cases	10%	9%	10%	10%
Percentage of Opened Cases That Result in Presentations	46%	51%	46%	46%

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: Office of Fiscal Integrity

Code: 43700400

Approved Performance Measures	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Percentage of Referrals That Result in Opened Cases	34%	59%	34%	34%
Percentage of Opened Cases That Result in Presentations	24%	17%	24%	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: 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:

- | | |
|---|--|
| <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
2,300	2,272	28 Under	1.2% Under

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:

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: Increased efforts in holder outreach education and compliance (as well as audits), combined with an overall increase in general awareness of unclaimed property requirements have resulted in more new holders reporting/remitting unclaimed property.

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: Continue monitoring the measure.

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	914	-86	-8.6%

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:

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 variance in this measure is attributed to economic growth or decline by the number of licenses that are renewed or applied for.

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: 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 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	3,216/175,054	-2,284/+54	-41.5%/+0.03%

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:

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: Includes numbers of military students completing specialized training. These students cannot be depended on as regular students as they are from out-of-state installations. During this reporting period a minimal number of U.S. Military personal attended training at the Fire College. Reduction of classes offered during the initial onset and impact from COVID 19.

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: Department of Financial Services

Program: State Property and Casualty Claims

Service/Budget Entity: Self Insured Claims Adjustment/43400100

Measure: Average loss adjustment expense per claim worked.

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
\$1,850	\$1,928	\$78	4.23%

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 type="checkbox"/> Other (Identify) |

Explanation:

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:

Actual performance results are calculated by dividing the sum of defined operating expenditures by the total number of claims worked during the measured fiscal year. For FY 2021-22, total operating expenditures increased by 1% or \$497,346 while the number of worked claims decreased by 11.7% or 3,447 claims. The decrease in claims worked is due to factors related to the COVID-19 pandemic.

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 this measure and the approved standard to determine if future adjustments are required.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

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:

- | | |
|--|--|
| <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
64%	58.27%	(5.73%)	(8.95%)

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:

Lack of adequate staffing due to a number of adjuster vacancies in the bureau resulted in a slightly lower claim closure percentage than anticipated. For most of FY 2021-22, the bureau ran a 25-30% vacancy rate at the adjuster level.

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 ability of the bureau to close claims was hindered by factors related to the COVID-19 pandemic, including court closures and backlogs of cases making their way through the court system, as well as plaintiff and defense attorney firms' not processing cases as quickly due to staffing issues, etc.

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:

Management is working diligently to fill vacancies which have impacted the Division's ability to settle and close claims at the anticipated percentage.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

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:

- | | |
|---|--|
| <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
22,000	20,386	(1,614)	(7.34%)

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:

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 number of workers' compensation claims worked is calculated by counting all claims with a payment and adding all new claims reported but without a payment, during the fiscal year measured.

In FY 2021-22 there were 20,386 workers' compensation claims worked, a nearly 13% decrease over the previous fiscal year of 22,994 workers' compensation claims worked.

In FY 2019-20, Chief Financial Officer Directive 2020-05 directed the Division of Risk Management to provide workers' compensation coverage to certain Frontline State Employees who performed critical functions which could not be deferred or performed remotely, and required substantial contacts with populations known or suspected of carrying COVID-19. This Directive remained in effect throughout nearly all of FY 20-21.

While the Directive ended in June 2021, new COVID-19 claims continue to be reported, but COVID-19 claims with payments have significantly decreased. For FY 2021-22, there was a net decrease of 1,773 COVID-19 claims worked compared to the previous fiscal year. In addition, for FY 2021-22, there was a decrease of 835 non-COVID-19 or traditional workers' compensation worked, for a total decrease of 2,608 workers' compensation claims worked.

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 this measure and the approved standard to determine if future adjustments are required.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

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:

- | | |
|--|--|
| <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
6,000	5,435	(565)	(9.42%)

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:

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 number of liability claims worked is calculated by adding together the liability claims open at the beginning of the fiscal year and the number of new claims received during the fiscal year.

There was a 11% decrease in the number of liability claims worked this fiscal year compared to claims worked in FY 2020-21. The reduction in claims worked in FY 2021-22 was under the approved standard by 565 claims. The reduction in claims worked was directly related to a decrease in new claims filed during the fiscal year (602 less claims filed in FY 2020-21 compared to FY 2019-20). The decrease in new claims filed is predominantly due to factors related to the COVID-19 pandemic.

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 this measure and the approved standard to determine if future adjustments are required.

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
\$1,100	\$1,150.39	+\$50.39	4.5%

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:

During FY 21-22, the Bureau of Investigations had an increase staff turnover and vacant positions, which resulted in overall fewer investigations being completed. However, the cost of operations remained roughly the same, which led to an overall increase in the average cost of Bureau of Investigation operations per completed investigation.

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

Recommendations:

Vacant positions have been, or will be, filled during FY 22-23.

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 Helpline Call and Service Request Audits That Result in Quality Service

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
95%	92%	-3%	3%

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:

Performance was slightly lower than expectations for the approved standard. During the past fiscal year, the Division experienced a high turnover. The loss of experience team members impacted the quality of service.

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

Recommendations:

The Division is currently working to address the issue. Recruiting and retaining staff is our highest priority.

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 consumer survey responses that rate the Division's services as good or excellent

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 checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
78%	0%	-78%	200%

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 measure provides little insight into customer satisfaction since the Department cannot control the customer surveys returned.

External Factors (check all that apply):

- | | |
|--|---|
| <input checked="" 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:

Survey data is no longer available and was not tracked during the 2021/2022 FY.

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:

Standard will be removed for the 2022/2023 FY.

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 Answered Phone Calls that are Answered Within Four Minutes

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
80%	55%	-25%	37%

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:

During the past fiscal year, the Division experienced a high turnover rate. Many of our experience team members retired early or received promotional opportunities outside the Division. The loss of experienced team members and the difficulty of hiring and retaining staff has caused a spike in long hold times.

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

Recommendations:

The Division is currently working to address the issue. Recruiting and retaining staff is our highest priority which should result in bringing the vacancy rate down. We've implemented changes to the Division website, updated the helpline IVR with messages that address the long hold times and recommend consumers visit our website to submit an insurance question or concern.

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 checked="" type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
85%	55%	-30%	42.86%

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 Department cannot control how many service requests result in recovery.

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 checked="" type="checkbox"/> Other (Identify) |

Recommendations:

We will continue to capture the amount involved and the amount recovered in consumer service requests. **Standard will be removed for the 2022/2023 FY.**

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Cost of Service Requests Operations Per Service Request 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
\$116.53	\$74.36	-42.17%	44.18%

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:

Performance results were significantly lower the past fiscal year. This decrease was due to the increase in the Division vacancy rate which decreased our operational expenses. In addition, an increase in the number of closed service requests was seen since consumers are being directed to the website to submit insurance questions and concerns. As a result of these factors the Division is handling more service requests with less staff.

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

Recommendations:

The Division is currently monitoring the decrease in the cost per service request completed but expect once our vacancy rate decreases performance results should realign with the approved standard.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

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:

- | | |
|--|--|
| <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
88%	70%	-18%	20.45%

Factors Accounting for the Difference:

Internal Factors (check all that apply):

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

Explanation:

The Division routinely processes approximately 10,000 new and renewal applications involving 23 different types of licenses. Approximately 900 new license applications were received during the year. The Division's licensing team consists of 5 FTE positions (currently including 2 employees who have been in their positions for less than 1 year). Generally, it takes approximately 2 years to fully train a new employee in the licensing functions, particularly as the licensing requirements for each type of license differ. The personnel shortage in the Division's licensing team over the past few years was caused in part by the COVID-19 pandemic, budget reductions, competing priorities regarding employee assignments, employees' need for and use of sick leave, and normal attrition. As a result of these factors, the Division lost approximately 33% of the employees specially trained and working on these licensing functions. Most of the license application processes have had to be handled by the Division's 2 long-term license team employees, who must also fulfill other licensing responsibilities with competing priorities and train the newer team members on all functions.

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 outcome on this performance measure is primarily the result of the internal factors referenced above. The COVID pandemic, however, has also contributed to the underperformance on this measure in that it continues to impact employees' need for and use of sick leave, thus making them unavailable to perform the licensing functions.

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

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

Recommendations:

During FY21-22, the Division filled all vacancies on the licensing team. New team members continue their training on the various licensing types/application processes. The Division is also continuing it's cross-training of all team members.

Last year, the Division requested a change in the definition of this performance measure to allow 15 business days for Division staff to process deficiency notices. Section 120.60(1), Florida Statutes, and rule 69K-1.005, Florida Administrative Code, provide that the Division has 30 days from receipt of an application to review the application to determine if it is a complete or an incomplete application and notify the applicant(s) of any deficiencies. The Division's request was approved; beginning in FY22-23, the revised performance measure is as follows:

*Percentage of Deficiency Letters Sent out within **15** Business Days of Receiving the Application*

It is anticipated that this change, which is consistent with the referenced laws, will provide greater flexibility to the licensing team in its initial review of applications and potentially alleviate possible data input or other errors that otherwise might be made in rushing to meet the existing 5-day deadline. Additionally, the Division is exploring further efficiency through automation of reporting features of the Division's database(s) used for calculating 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	1,572	-1,428	47%

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:

Investigation staff turnover and temporary reductions in field activities impacted the Division's ability to meet the standard. Replacement investigators typically take time to reach comparable output to experienced investigators. Often times, field investigators were unable to conduct interviews, obtain documents, and complete certain cases due to the COVID-19 pandemic.

External Factors (check all that apply):

- | | |
|--|--|
| <input checked="" 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 COVID-19 pandemic closed state attorney offices and businesses. The closures slowed responses to payroll record requests and hindered efforts to close investigations in the normal timeframe.

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

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

Recommendations:

The Division is concentrating on training its personnel and continues to fill vacancies as soon as they arise.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

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:

- | | |
|---|--|
| <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
82%	78.13%	4.71	-4.71

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: During fiscal year 21/22, the Division had multiple vacancies within the IRSS Section. The Division continues to actively recruit and retain staff

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 transition into a remote working environment; as well as, recruitment and retention within the industry continues to impact the EDI acceptance rates.

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

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

Recommendations: Actively working with industry partners to educate and improve results.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Workers' Compensation

Service/Budget Entity: Workers' Compensation/43600100

Measure: Percentage of First Indemnity Payments Made Timely

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 type="checkbox"/> Deletion of Measure |
| <input type="checkbox"/> Adjustment of GAA Performance Standards | |

Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
95%	94%	1	-1

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:

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 transition into a remote working environment; as well as, recruitment and retention within the industry continues to impact the timeliness of the first indemnity payments.

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:

During fiscal year 21/22, the Division had multiple vacancies within the IRSS Section. The Division continues to actively recruit and retain staff.

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	27,425	(4,575)	-14%

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 Bureau of Compliance (BOC) has 14 vacant investigator positions. We have filled several during this fiscal year. However, due to salary requirements, we are having difficulty filling positions or retaining newly hired investigators.

Also, when we hire investigators, they are required to complete a training program prior to being released to conduct investigations on their own. This reduces the number of investigations conducted by the senior investigator who's providing the field training.

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 private sector offers competitive salaries and other hiring perks.

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:

BOC to continue participating in virtual job fairs and hold more in-person job fairs. We are also continuing to advertise in People First.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Investigative & Forensic Services

Service/Budget Entity: Insurance Fraud 43700000

Measure: Percentage of Referrals that Result in Opened Cases

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
10%	9%	(1%)	(1%)

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:

External Factors (check all that apply):

- | | |
|--|---|
| <input checked="" 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: Due to hiring and retention issues, the division reports a high number of vacancies, therefore; case assignments are lower than normal.

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

The large number of vacancies has impacted the ability to assign cases. Cases are assigned to detectives as quickly as they are adequately trained.

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

Recommendations:

The Division recommends additional funding to attract and retain qualified personnel who actively Investigate these cases.

LRPP Exhibit III: PERFORMANCE MEASURE ASSESSMENT

Department: Department of Financial Services

Program: Investigative & Forensic Services

Service/Budget Entity: Insurance Fraud 43700000

Measure: Percentage of Opened Cases that Result in Presentations

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
24%	17%	(-7%)	(7%)

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:

External Factors (check all that apply):

- | | |
|--|---|
| <input checked="" 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: Due to hiring and retention issues, the division reports a high number of vacancies, therefore; case assignments are lower than normal.

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

The large number of vacancies has impacted the ability to assign cases. Cases are assigned to detectives as quickly as they are adequately trained.

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

Recommendations:

The Division recommends additional funding to attract and retain qualified personnel who actively Investigate these cases.



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: Office of the General Counsel/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 Cases Responded to and/or Referred Within Three (3) Business 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 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: 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: 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: 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: 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: 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: 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 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: 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: Florida Planning, Accounting and Ledger Management /43200300

Measure: Percentage of Time that the Solution Application in the Production Environment(s) are Available for Access and Use by Their Intended Users

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: 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: 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: 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: 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: 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: Number of Florida Certification Programs Updated to NFPA standard in Preparation for National and International 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:

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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: 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: 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: 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: 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: 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: 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: 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): 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 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 Request 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: Consumer Assistance/43500400

Measure: Cost of Helpline Operations Per Call 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: Licensing and Consumer Protection

Service/Budget Entity: Consumer Assistance/43500400

Measure: Cost of Service Requests Operations Per Service Request 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: 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: 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: 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.

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): N/A

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

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: 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 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: 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: Division of Investigative and Forensic Services

Service/Budget Entity: Fire, Arson, and Explosives 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: Division of Investigative and Forensic Services

Service/Budget Entity: Fire, Arson, and Explosives Investigations/43700100

Measure: Percentage of closed fire investigations successfully concluded, by cause: incendiary, accidental or undetermined,

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 Source 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: Number of EOD Requests for Assistance

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.

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: Number of K-9 Requests for Assistance

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.

Methodology:

Validity:

Reliability:

LRPP EXHIBIT IV: Performance Measure Validity and Reliability

Department: Department of Financial Services

Program: Division of Investigative and Forensic Services

Service/Budget Entity: Fire, Arson, and Explosives Investigations/43700200

Measure: Lab Case Turnaround Time

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: Insurance Fraud/43700300

Measure: Percentage of Referrals that Result in Opened Cases

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: Insurance Fraud/43700300

Measure: Percentage of Opened Cases that Result in Presentations

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): 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: Division of Investigative and Forensic Services

Service/Budget Entity: Office of Fiscal Integrity/43700400

Measure: Percentage of opened cases that result in presentations

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:



Department of Financial Services

Associated Activities Contributing to Performance Measure—LRPP Exhibit V

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43010100 FY 2022-23	Associated Activities Title
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	Administrative Positions as a Percentage of Total Agency Positions	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

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43010200 FY 2022-23	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43010300 FY 2022-23		Associated Activities Title
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

Measure Number	Approved Performance Measures for 43010400 FY 2022-23	Associated Activities Title
7	Percentage of Referred Cases Responded to and/or Transferred within Three (3) Days	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

Measure Number	Approved Performance Measures for 43010500 FY 2022-23	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43100200 FY 2022-23	Associated Activities Title
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

Measure Number	Approved Performance Measures for 43100300 FY 2022-23	Associated Activities Title
12	Percentage of Core Accounting Processes That Meet Established Deadlines and Standards for Accuracy	ACT 1330 Receive Funds, Process Payments of Warrants and Provide Account and Reconciliation Services
13	Percentage by Which the Treasury's Investment Pool Exceeded the Blended Benchmark for a Rolling Three-Year Period	ACT 1310 Investment of Public Funds

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43100400 FY 2022-23	Associated Activities Title
14	Percentage of State Employees Participation in the State Deferred Compensation Plan	ACT 1410 Administer the State Supplemental Deferred Compensation Plan

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43200100 FY 2022-23	Associated Activities Title
15	Number of Contracts Reviewed	ACT2140 Conduct Post-Audits of Major State Programs ACT2110 Accounting and Reporting of State Funds
16	Percentage of Referrals that result in Presentations	ACT2140 Conduct Post-Audits of Major State Programs ACT2110 Accounting and Reporting of State Funds
17	Percentage of Opened Cases That Result in Presentations	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

Measure Number	Approved Performance Measures for 43200200 FY 2022-23	Associated Activities Title
18	Percentage of Claims Processed within 60 Days from Date Received (Cumulative Total)	ACT2220 Process and Payment of Unclaimed Property
19	Number of Reported Accounts Uploaded into UPMIS	ACT2220 Process and Payment of Unclaimed Property
20	Number of Claims Paid and Dollar Amount of Claim Payments	ACT2220 Process and Payment of Unclaimed Property
21	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

Measure Number	Approved Performance Measures for 43200300 FY 2022-23	Associated Activities Title
22	Percentage of Time that the Solution Application in the Production Environment(s) are Available for Access and Use by Their Intended Users	ACT2180 Florida Accounting Information Resource Subsystem (FLAIR) and Cash Management Subsystem (CMS) replacement Project ACT1320 Provide Cash Management Services

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43300200 FY 2022-23	Associated Activities Title
23	Percentage of Fire Code Inspections Completed within Statutory Defined Timeframes	ACT3220 Perform Fire Safety Inspections
24	Percentage of Mandated Regulatory Inspections Completed	ACT3220 Perform Fire Safety Inspections
25	Number of Regulatory Inspections Completed	ACT3220 Perform Fire Safety Inspections
26	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

Measure Number	Approved Performance Measures for 43300400 FY 2022-23	Associated Activities Title
27	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
28	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
29	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

Measure Number	Approved Performance Measures for 43300500 FY 2022-23	Associated Activities Title
30	Administrative Costs as a Percentage of Program Agency Costs	ACT0010 Executive Direction
31	Administrative Positions as a Percentage of Total Program Positions	ACT0010 Executive Direction

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43400100 FY 2022-23	Associated Activities Title
32	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)
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	Percentage of Tort Liability Claim Files Resolved within Four (4) Years Without Litigation	ACT4120 Provide Adjusting Services on State Liability Claims
35	Average Cost of Workers' Compensation Claims Paid	ACT4110 Provide Adjusting Services on State Workers' Compensation Claims
36	Percentage of Liability Claims Closed in Relation to Liability Claims Worked during the Fiscal Year	ACT4120 Provide Adjusting Services on State Liability Claims
37	Number of Workers' Compensation Claims Worked	ACT4110 Provide Adjusting Services on State Workers' Compensation Claims
38	Number of Liability Claims Worked	ACT4120 Provide Adjusting Services on State Liability Claims
39	Number of State Property Loss/Damage Claims Worked	ACT4130 Process Property Claims on State Owned Buildings (Structure & Contents)
40	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

Measure Number	Approved Performance Measures for 43500100 FY 2022-23	Associated Activities Title
41	Percentage of service requests closed within 30 days	ACT5110 Rehabilitate and/or Liquidate Financially Impaired Insurance Companies
42	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

Measure Number	Approved Performance Measures for 43500200 FY 2022-23	Associated Activities Title
43	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
44	Average Direct Cost of Investigation Operations per Completed Investigation	ACT5250 Investigate Agents & Agencies
45	Average Number of Investigations Completed per Investigator	ACT5250 Investigate Agents & Agencies
46	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

Measure Number	Approved Performance Measures for 43500400 FY 2022-23	Associated Activities Title
47	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
48	Percentage of Consumer Survey Responses that Rate the Division's Services as Very Good or Excellent	ACT5410 Respond to Consumer Requests for Assistance
49	Percentage of Answered Phone Calls that are Answered within Four Minutes	ACT5430 Answer Consumer Telephone Calls
50	Percentage of Monetary Eligible Service Requests that Resulted in a Recovery	ACT5410 Respond to Consumer Requests for Assistance

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43500500 FY 2022-23	Associated Activities Title
51	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
52	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
53	Average Time (Days) to Close an Investigation	ACT5470 Examine and Regulate Licensees in the Funeral & Cemetery Business (Chapter 497) to Ensure Regulatory Compliance
54	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

Measure Number	Approved Performance Measures for 43500700 FY 2022-23	Associated Activities Title
55	Dollar amount of Benefits Withheld, Saved, and Recouped as a Percentage of Public Assistance Fraud Annual Budget	ACT9070 Public Assistance Fraud Investigations
56	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

Measure Number	Approved Performance Measures for 43600100 FY 2022-23	Associated Activities Title
57	Percentage of Overall Accepted Claims Electronic Data Interchange (EDI) Form Filings	ACT6110 Monitor and Audit Workers' Compensation Insurers to Ensure Benefit Payments
58	Percentage of First Indemnity Payments Made Timely	ACT6110 Monitor and Audit Workers' Compensation Insurers to Ensure Benefit Payments
59	Number of Employer Investigations Conducted	ACT6120 Verify That Employers Comply with Workers' Compensation Laws
60	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
61	Number of Petitions for Reimbursement Dispute 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

LRPP Exhibit V: Identification of Associated Activity Contributing to Performance Measures

Measure Number	Approved Performance Measures for 43700100 FY 2022-23	Associated Activities Title
62	Percentage of Arson Cases Cleared	ACT3310 Investigate Fires Accidental, Arson and Other
63	Percentage of Referrals Declined by State Attorney's Office for Prosecution	ACT3310 Investigate Fires Accidental, Arson and Other
64	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
65	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

Measure Number	Approved Performance Measures for 43700200 FY 2022-23	Associated Activities Title
66	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

Measure Number	Approved Performance Measures for 43700300 FY 2022-23	Associated Activities Title
67	Percentage of opened insurance fraud cases presented for prosecution by law enforcement investigators	ACT5310 Investigate Insurance Fraud (General) ACT5320 Investigate Workers' Compensation Insurance Fraud
68	Number of insurance fraud arrests (not including workers' compensation cases)	ACT5310 Investigate Insurance Fraud (General)
69	Number of worker's compensation insurance fraud arrests (not including general fraud investigations)	ACT5320 Investigate Workers' Compensation Insurance Fraud
70	Number of presentations submitted for prosecution	ACT5310 Investigate Insurance Fraud (General) ACT5320 Investigate Workers' Compensation Insurance Fraud
71	Requested restitution as a percentage of the annual appropriated budget	ACT5310 Investigate Insurance Fraud (General) ACT5320 Investigate Workers' Compensation Insurance Fraud

Measure Number	Approved Performance Measures for 43700400 FY 2022-23	Associated Activities Title
72	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 2021-22			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT				404,495,883	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)				8,119,299	
FINAL BUDGET FOR AGENCY				2,744,765	
				10,864,064	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					10,449,064
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.		3,881	109.24	423,964	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		63,310	17.14	1,085,011	
Investment Of Public Funds * Average Dollar Volume of Funds Invested		48,300,000,000	0.00	980,844	
Provide Cash Management Services * Number of cash management consultation services.		64	22,091.89	1,413,881	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		3,040,000	0.71	2,145,579	
Administer The State Supplemental Deferred Compensation Plan * Number of Participant account actions processed by the Bureau of Deferred Compensation.		1,708,754	1.00	1,714,902	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		35,604	120.87	4,303,328	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		12,078,125	0.07	795,755	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		367,680	20.62	7,582,650	
Process State Employees Payroll * Payroll payments issued		3,160,050	0.64	2,033,588	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes		5	17,600.20	88,001	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.		28	23,590.68	660,539	
Article V - Clerk Of The Courts * N/A		26	14,219.35	369,703	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		2,669,301	1.23	3,277,070	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		498,781	7.08	3,529,624	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		8,380	73.25	613,837	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		14,591	342.33	4,994,981	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		367	1,677.78	615,746	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		1,318	520.17	685,585	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		2,350	7,388.81	17,363,704	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		175,831	15.54	2,731,800	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		11,286	114.33	1,290,375	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		6,849	181.78	1,244,979	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		2,387,373	0.13	318,132	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		20,386	1,836.19	37,432,651	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		5,435	2,383.09	12,952,077	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		253	8,951.16	2,264,643	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.		102	20,002.35	2,040,240	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		14	60,770.36	850,785	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		176,348	15.86	2,796,792	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		71,589	28.34	2,028,577	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		2,470,042	0.30	735,228	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		350,104	1.26	441,454	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		3,184	1,734.03	5,521,161	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).		1,400	17,392.31	24,349,228	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.		427	8,937.79	3,816,435	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		53,595	78.50	4,207,259	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		680,055	0.91	616,145	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		222,249	21.19	4,708,441	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		2,008	1,389.65	2,790,419	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		11,293	391.25	4,418,412	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		27,425	538.64	14,772,158	
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.		516	9,601.90	4,954,579	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		1,030	1,242.77	1,280,052	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		60,614,918	0.01	660,507	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		5,055,493	0.74	3,759,932	
Reimbursement Disputes * Number of petitions resolved annually		4,710	351.84	1,657,170	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		2,669	2,916.61	7,784,422	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		59	17,325.17	1,022,185	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		71	47,688.87	3,385,910	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		9,343	2,097.75	19,599,264	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		12,962	720.85	9,343,624	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		267	16,453.01	4,392,953	
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.		34,266	59.43	2,036,423	
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.		94	117,779.31	11,071,255	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.		12	64,358.00	772,296	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		194	23,128.55	4,486,938	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		138	39,179.07	5,406,711	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		231	24,293.58	5,611,818	
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.		72,654	36.41	2,645,591	
TOTAL				276,877,315	10,449,064
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS				75,000	
OTHER				74,442,996	
REVERSIONS				59,015,736	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				410,411,047	10,449,064

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	315,159	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	696,488	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	15,996,334	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	214,609	
43200100	1601000000	ACT2140	CONDUCT POST-AUDITS OF MAJOR	307,130	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	24,771,040	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,300,000	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	1,489,660	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	3,655,340	
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	2,000,000	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,171,824	
43300500	1202000000	ACT5510	HURRICANES AND OTHER NATURAL	3,195,102	
43500400	1205000000	ACT5530	MIAMI-DADE COUNTY SURFSIDE	20,069	
43200100	1601000000	ACT5540	PASS THROUGH - TRANSFER TO	5,000,000	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	2,028,552	

43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,031,689
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):	410,410,980	10,864,064
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	410,411,047	10,449,064
	-----	-----
DIFFERENCE:	67-	415,000
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

*FCO difference is due to the 415,000 held in unbudgeted reserve in category 080990 in budget entity 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, 2022

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

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

John Shettle, Interim 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 2023-24 through Fiscal Year 2027-28. The internet website address that provides the link to the LRPP located on the Florida Fiscal Portal is www.floir.com. This submission of our LRPP has been approved by me.

Sincerely,


David Altmaier
Insurance Commissioner

Long Range Program Plan

Fiscal Years 2023-2024 through 2027-2028



David Altmaier
Insurance Commissioner



David Altmaier
Florida 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.

Commissioner Altmaier was voted President of the National Association of Insurance Commissioners (NAIC) for 2021, after serving as President-Elect in 2020 and Vice President in 2019. In his role as NAIC President, Altmaier serves as Chair of the Executive Committee, Internal Administration Subcommittee, Government Relations Leadership Council, and Co-Chair of the Special Committee on Race and Insurance. Commissioner Altmaier also serves as a Vice Chair of the Executive Committee for the International Association of Insurance Supervisors (IAIS), representing insurance regulators and supervisors of more than 200 jurisdictions worldwide.

Commissioner Altmaier was appointed by Governor DeSantis to serve as a member Florida’s Blockchain Task Force and during the COVID-19 pandemic, selected to participate in the Governor’s Re-Open Florida Task Force Industry Working Group on Agriculture, Finance, Government, Healthcare, Management and Professional Services.

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) 1.A.1: Percentage of life and health form and rate filing reviews completed within 45 days.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
90%	90%	90%	90%	90%	90%

- 2) 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 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
90%	90%	90%	90%	90%	90%

OBJECTIVE 1.B: Enable new companies to enter the market expeditiously.

- 3) 1.B.1: Percentage of complete applications for a new certificate of authority processed within statutorily required timeframes.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
98%	98%	98%	98%	98%	98%

- 4) 1.B.2: Applications for a new certificate of authority for life & health and property & casualty companies processed within 90 days.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
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) 2.A.1: Percentage of market conduct examinations with violations in which the OIR takes enforcement action.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
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) 3.A.1: Percentage of financial examinations completed in compliance with the NAIC accreditation standards.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
98%	98%	98%	98%	98%	98%

OBJECTIVE 3.B: Conduct financial analyses of companies in a timely manner.

- 7) 3.B.1: Percentage of priority financial analyses completed within 60 days.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
98%	98%	98%	98%	98%	98%

- 8) 3.B.2: Percentage of non-priority financial analyses completed within 90 days.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
95%	95%	95%	95%	95%	95%

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) 4.A.1: Administrative costs as a percentage of total agency costs.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
10%	10%	10%	10%	10%	10%

10) 4.A.2: Administrative positions as a percentage of total agency positions.

Baseline FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
10%	10%	10%	10%	10%	10%

OIR Budget

Fiscal Year 2022-2023

Table 1. Appropriations Overview - Office of Insurance Regulation			
Positions	FY 2021-22	FY 2022-23	Change
Full-time equivalent (FTE) positions	279	282	3
Funding (By Budget Category)	FY 2021-22	FY 2022-23	Change
Salaries and Benefits	\$22,102,869	\$22,777,674	\$674,805
Other Personal Services (OPS)	\$429,106	\$533,537	\$104,431
Expenses	2,418,973	2,429,835	\$10,862
Operating Capital Outlay	\$1,000	\$1,000	\$0
Contracted Services	\$1,780,726	\$1,780,726	\$0
Financial Examination Contracts*	\$5,151,763	\$5,901,763	\$750,000
Florida Public Hurricane Loss Model (Maintenance)	\$969,689	\$1,031,689	\$62,000
Lease or Lease-Purchase of Equipment	\$47,603	\$47,603	\$0
Risk Management Insurance	\$89,428	\$80,813	(\$8,615)
DMS Human Resources Contract	\$90,616	\$83,957	(\$6,659)
TOTAL	\$33,065,584	\$34,668,597	\$1,603,013
<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>			

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. OIR regulates more than 4,500 entities which accounted for more than 3 percent of Florida's GDP in 2019. More than 213,132 Floridians are employed in the insurance sector.¹

2. Reduce Taxes. OIR does not have taxing authority.

3. Regulatory Reform. In Fiscal Year 2021-22, the Financial Services Commission (FSC) approved and amended 52 rules proposed by OIR and continues to look for ways to streamline rules related to Florida's insurance code.

Public Integrity

1. Accountability Budgeting. OIR does not receive any state General Revenue dollars and is exclusively funded by the Insurance Regulatory Trust Fund. OIR continues to keep its cost of regulation low relative to other states

OIR carefully monitors both expenditures and outcomes, and appropriately adjusts to accomplish its mission as efficiently as possible.

2. Reduce Government Spending. During Fiscal Year 2021-2022, OIR continued to have improved performances by integrating and utilizing data analytics. These automation and technology efficiencies continue to result in savings of staff time and costs, when reviewing form and rate filings.

3. Reduce Taxes. See item number 2 under "Economic Development and Job Creation" above.

Trends and Conditions

Primary Statutory Responsibilities of OIR

The Florida Legislature created the Office of Insurance Regulation (OIR) 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,

¹ U.S. Department of Commerce, Bureau of Economic Analysis, https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=30&isuri=1&year_end=-1&acrdn=4&classification=naics&state=0&yearbegin=-1&unit_of_measure=levels&major_area=0&area=12000&year=2019&tableid=31&category=431&area_type=0&statistic=1004

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 Insurance Commissioner is considered the agency head for purposes of final agency action for all areas within the regulatory authority delegated to OIR.

The following are the primary statutory responsibilities of OIR:

- 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; and
- 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 Fiscal Year 2022-23 is \$34.7 million, with 282 full-time equivalent positions. It is funded entirely through the Insurance Regulatory Trust Fund and receives no state general revenue funds. In FY 2021-22, OIR spent over 92 percent of every dollar received on regulatory responsibilities. Administrative costs accounted for less than 8 percent of the funds spent.

a. Certificates of Authority

OIR is actively engaged in licensing insurers and other risk bearing entities through the Certificate of Authority (COA) application process. Florida law requires OIR to approve or deny a complete application for a new COA for an insurance company within 180 days of receipt. OIR must approve or deny a new COA for other entities within 90 days, with the exception of continuing care retirement communities, which are approved or denied within 45 days. Amendments to existing COAs for insurance companies must be approved or denied within 90 days.²

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. OIR has worked to provide insurers with additional options for getting products to market more expeditiously. Insurers submitting forms for certain property and casualty commercial products may

² Section 120.60(1), F.S.

take products to market immediately upon certifying that submitted forms comply with current law, rather than having to first obtain OIR approval.

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. When circumstances warrant heightened scrutiny, OIR performs targeted reviews of specific companies. OIR also participates in multi-state financial examinations coordinated with other state insurance regulators.

Financial analyses are conducted on either a monthly, quarterly, and/or annual basis.

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, and targeted examinations and collaborative multi-state examinations, rather than routine examinations performed at regular intervals. The examinations identify issues such as 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.

In Fiscal Year 2021-22, OIR completed and finalized a total of 14 examinations and 57 investigations resulting in the recovery of \$4.08 million on behalf of Florida consumers.

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 2021-22, OIR recovered over \$8.1 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 Fiscal Year 2021-22, an additional 168 insurance and insurance-related entities entered the Florida market and 437 new lines of business were added.³ 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 2021-22 related to:

- Annual Reinsurance Data Collection (3 individual data calls)
- Assignment of Benefits (one-time)
- Catastrophe Stress Test (annual)
- Department of Revenue /Legislature Tax Premium Report (annual)
- Donor Annuity Agreements (ongoing)
- HMO Provider Contract Terminations (ongoing)
- Individually Rated Risks and Excess (Consent-to-Rate) Rates (quarterly)
- Long-Term Care Claims Denial Reporting (ongoing)
- Long-Term Care Replacement/Lapse (annual)
- Long-Term Care Rescission (annual)
- Long-Term Care Suitability (annual)
- Major medical and other accident and health enrollment and premium reporting with life and annuity policy breakdowns added (GAP) (annual)
- Market Conduct Annual Statement (annual)
- Market Conduct Rescinded Policy reporting (ongoing)
- Medicare Supplement Multiple Reporting Form (annual)
- Medicare Supplement Reporting (one-time)
- Multiple Medicare Supplement Report (annual)
- Private Flood Policies in Force (one-time)
- Private Passenger Automobile Policy Count (quarterly)
- Private Passenger Automobile Excessive Profits and policy count reporting (annual)
- Professional liability claims reporting (ongoing)
- Property and casualty annual calendar year experience (annual)
- Personal and commercial residential policy data (QUASR) (quarterly)
- Quarterly Comprehensive Health Reporting (quarterly)
- Regulatory Life Settlement Agreements reporting to the states (quarterly)
- Shared Savings Incentive Program (annual)
- Title agency data call (annual)
- Title underwriter Florida-only financial data calls (annual)
- Unfair discrimination based on travel annual life insurance survey (annual)
- Update Disaster Contacts and Claims Number (annual)

OIR completed numerous statutorily required reports related to its data collection in Fiscal Year 2021-22, including the OIR Annual Report.

³ Compiled by the Florida Office of Insurance Regulation from the COREN database as of July 22, 2022.

2. Technology in Carrying Out Statutory Responsibilities

OIR has one of the most sophisticated regulatory technology systems in the country, featuring applications that receive and process insurance company form, rate, data, and financial filings. OIR continues to look for ways to enhance its technology and made specific advancements in FY 2021-22.

There were four primary projects worked on during the past year.

- Market Regulation Tracking System (MRTS)
 - Provides Market Regulation staff in both Life & Health and Property & Casualty units with a workflow driven system to create, work, and report upon their inquiries rather than continuing to enter and track them in spreadsheets.
- Applications (iApply/WECAA)
 - Re-written as part of the IRFS solution.
 - Filers will submit their applications in a module of IRFS External, similar to Data Collections and Product Review.
 - Internal staff will utilize IRFS to review, approve, and report upon submissions.
- Content Search
 - At the request of OIR staff, an application was developed to allow users to search approved form language to assist in reviewing filings.
 - Application is like the existing IRFS Internal Search in its layout and functionality (i.e., methods of searching, saving searches, criteria, and columns).
 - Provides users with ten years of actual form data with text displaying in search results.
- Entity Management
 - In an effort to continually provide more security to filing information, a large effort was undertaken to put the responsibility of approving entity access on the entities themselves.
 - In addition to controlling access to their entities, administrators can view filings created by other individuals subscribed to the entity and reassign filings among users as needed.

3. Market Conditions in Florida

As of July 1, 2022, OIR had oversight of 4,808 entities in Florida.⁴ 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

See section 1.e above regarding new entities and new lines of business for existing entities.

⁴ Compiled by the Florida Office of Insurance Regulation from the COREN database as of July 1, 2022.

b. Market Concentration

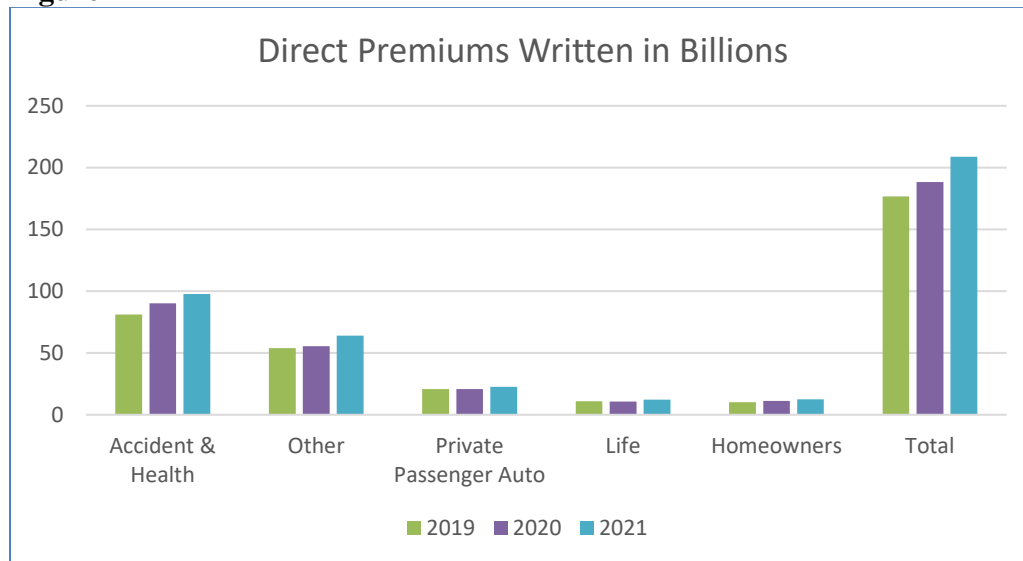
Florida insurance markets are generally competitive, although market concentration varies considerably from one line to another, as shown in Table 2.

Line of Business	Top Writer	Top 5 Writers	Top 10 Writers
Accident and Health	12.6	49.4	67.3
Commercial Multi-Peril	5.2	20.4	34.4
Homeowners Multi-Peril	10.4	34.6	48.5
Life	8.4	27.7	44.5
Medical Malpractice	14.6	47.9	61.8
Private Passenger Auto	13.3	53.6	69.1
Title	28.5	77.7	93.0
Workers Compensation	7.1	24.6	37.7

c. Premium volume

As shown in Figure 2, Florida is continuing to experience steady premium growth. Among all writers, total written premium expanded from \$176.8 billion at year-end 2019 to \$208.8 billion in year-end 2021.⁵ This increase primarily resulted from a surge in premium written by accident and health providers. In 2020, Florida ranked tenth globally in total direct written premium.⁶

Figure 2⁸



d. Premium rates

⁵ Compiled by the Florida Office of Insurance Regulation from NAIC Calendar Year 2020 company-reported premium data.

⁶ Premium data based on retrievals from NAIC - data reported for Calendar Year 2020.

Rate trends vary across insurance lines. Health insurance rates continue to increase at a stable rate. Approved rates for individual major medical plans for the 2023 plan year represent an average increase of 7.2 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 the 2019 and 2020 hurricane seasons, the impact of higher non-catastrophe claim costs, and excessive litigation costs⁷.

During the 2022 Special Legislative Session, additional reforms in SB 2D were signed into law to:

- Provide the Reinsurance to Assist Policyholders program which provides all insurers a level of \$2B free reinsurance below the FHCF retention prior to the third event dropdown with insurers having to make a rate filing to reflect a reduction in rates;
- Require that a claimant must establish that a property insurer breached the insurance contract to prevail in a claim for extracontractual damages;
- State that in a property lawsuit, the right to attorney fees under s. 627.428, F.S., may not be transferred to, assigned to, or acquired in any other manner by anyone other than a named or omnibus insured or a named beneficiary;
- Added a provision for personal lines residential property policies for a roof deductible that may not exceed the lesser of 2% of the coverage A limit of the policy or 50% of the cost to replace the roof for certain events;
- Restricting when roof age may be used by the insurer to refuse to issue or renew a homeowner's policy;
- Adding a 45-day physical inspection requirement after receipt of proof of loss statement for claims other than those from a hurricane; and
- Changes in the assignment statute that now only allows attorney fees to be recovered by an assignee only under s. 57.105, F.S.

Along with HB 7065 (2019) and Senate Bill 76 (2021), these important consumer protections should help reduce the amount of AOB and litigation abuse in the market and may offset some of the recent rate activity.

Workers' compensation rates are down an average of approximately 71 percent since 2003. There have been several major decisions which have impacted the workers' compensation market.

e. Financial condition

The Florida life and health insurance markets are stable and competitive, and domestic insurers are well positioned to meet the needs of the market. Though written premium decreased 1.85% from 2020 for domestic life insurers, policyholder surplus increased 1.90% from 2020 and is up 25.86% since 2017. For health insurers, direct written

⁷ <https://www.floir.com/siteDocuments/CommerceCommitteeDataRequest.pdf> and <https://floir.com/siteDocuments/ChairIngoglia04022021.pdf>

premium is up 28.19% from last year. However, policyholder surplus declined, down 30.43% from last year and 3.98% from 2017.

Comparing the results in the property insurance sector from year-end 2020 to year-end 2021, direct premiums written increased 0.72%.⁸ Policyholder surplus decreased 18.2%. Florida's domestic property insurers have decreased their policies in force by 3 % while foreign insurers have increased policies in force by 3.8%.

f. Residual markets

Growth in residual markets are generally associated with stagnant or declining 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, increased its policies in force by 33.4% from year-end 2020 to year-end 2021.

4. New Laws

OIR continues to track and implement legislative changes at the state and national level.

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 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 2022 Session affecting various types of insurance products and lines, see OIR's [2022 Legislative Summary](#).

⁸ Information contained in the NAIC Financial Data Repository.

What Led OIR to Select its Priorities?

OIR priorities are selected as a result of market conditions, in accordance with 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:

- Actively engaging in regulatory activities to help stabilize the property insurance market to promote greater resiliency and alleviate consumer rate uncertainty;
- Advocating for policies that encourage more vibrant private flood insurance market so that more homeowners receive private flood coverage;
- Evaluating approaches to promote a stable and competitive individual and group health insurance markets;
- Examining ways to mitigate rising automobile insurance premiums so that Florida consumers receive lower prices and better coverage;
- Judiciously enforcing insurer and other risk bearing entity compliance with statutory market conduct requirements;
- Working with industry stakeholders to promote best practices in COVID-19 and monitoring short and long-term impacts to consumers;
- 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 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 boards and commissions, including the following:

a. Life and health

- Continuing Care Advisory Council
- Florida Employee Long-Term Care Plan
- Florida Health Maintenance Organization Consumer Assistance Plan
- Florida Health Insurance Advisory Board
- Florida Interagency Coordinating Council for Infants & Toddlers
- Florida KidCare Coordinating Council
- State Consumer Health Information and Policy Advisory Council
- Rare Disease Advisory Council (NEW)

b. Property and casualty

- Citizens Property Insurance Corporation
 - Citizens Market Accountability Advisory Committee and other committees
- Florida Insurance Guaranty Association
- Florida Automobile Joint Underwriting Association
- Florida Commission on Hurricane Loss Projection Methodology
- Florida Workers' Compensation Joint Underwriting Association
- Florida Workers' Compensation Insurance Guaranty Association
- Workers' Compensation Three Member Panel
- 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
- Birth-Related Neurological Injury Compensation Association (NICA)

2. Studies and reports

a. Annual reports

- Accident and Health Gross Annual Premium Report
- "Freedom to Travel"/Life Insurance Travel Underwriting Company Report
- 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
- Property Insurer Stability Unit (ISU) Report (NEW)

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 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.
- 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.



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200 E. Gaines Street
Tallahassee, Florida 32399
Phone: (850) 413-3140

LRPP Exhibit II - Performance Measures and Standards

43900000 Financial Services Commission				
Office of Insurance Regulation				
Approved Performance Measures for Fiscal Year 2021-22	Approved Prior Year Standard FY 2021-22 (Numbers)	Prior Year Actual FY 2021-22 (Numbers)	Approved Standards for FY 2022-23 (Numbers)	Requested FY 2023-24 Standard (Numbers)
43900110 Compliance and Enforcement				
Percentage of life and health form and rate filing reviews completed within 45 days.	90%	99.1%	90%	90%
Percentage of property and casualty form filing reviews completed within 45 days and rate filing reviews completed within 90 days.	90%	84.7%	90%	90%
Percentage of complete applications for a new certificate of authority processed within statutorily required timeframes.	98%	100.0%	98%	98%
Percentage of applications for a new certificate of authority for Life & Health and Property & Casualty processed within 90 days.	98%	92.7%	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 with the NAIC accreditation standards.	98%	100%	98%	98%
Percentage of priority Financial Analyses completed within 60 days.	98%	93.8%	98%	98%
Percentage of non-priority Financial Analyses completed within 90 days.	95%	99.0%	95%	95%
43900120 Executive Direction and Support Services				
Administrative costs as a percentage of total agency costs.	10%	6.4%	10%	10%
Administrative positions as a percentage of total agency positions.	10%	7.9%	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%	99.1%	N/A	9.1%

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 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.

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%	84.7%	N/A	(5.3)%

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 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:

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%	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 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 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:

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

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

Recommendations:

OIR Management will continue to make sure that all OIR employees who telework, are set up with the I.T. equipment that is needed to perform their jobs.

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 | |

W

Current Approved Standard	Actual Performance Results	Difference (Over/Under)	Percentage Difference
98%	92.7%	N/A	(5.3)%

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 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 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:

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

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

Recommendations:

OIR Management will continue to make sure that all OIR employees who telework, are set up with the I.T. equipment that is needed to perform their jobs.

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%	93.8%	N/A	(4.2)%

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 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%	99%	N/A	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%	6.4%	N/A	(3.6%)

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%	7.9%	N/A	(2.1%)

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 positions.

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

Measure Number	Approved Performance Measures for Fiscal Year 2021-2022	Associated Activities Title
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 2022



Commissioner Russell C. Weigel, III

LONG RANGE PROGRAM PLAN

Florida Office of Financial Regulation

Tallahassee, Florida

September 30, 2022

Chris Spencer, 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

John Shettle, Interim 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 2023-24 through Fiscal Year 2027-28. 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 Russell C. Weigel, III, Commissioner of the Florida Office of Financial Regulation.

Sincerely,

Russell C. Weigel, III
Commissioner
Office of Financial Regulation



Commissioner Russell C. Weigel, III

Office of Financial Regulation Long Range Program Plan

Fiscal Years 2023-24 to 2027-28

September 30, 2022

OFFICE OF FINANCIAL REGULATION LONG RANGE PROGRAM PLAN

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OFR Mission

To protect Florida's financial services consumers, promote a safe and sound financial marketplace, and contribute to the growth of Florida's through fair, innovative, and excellent 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 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 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 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 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 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 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 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 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-chartered financial institutions examined within the last 18 and 36 months as required by sec. 655.045, F.S.

Baseline Year 2002-03	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 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 sec. 560.109, F.S.

Baseline Year 2015-16	FY 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 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 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
41	130	130	130	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 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
80%	81%	82%	83%	84%	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 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
60%	62%	64%	68%	72%	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 2023-24 Projected	FY 2024-25 Projected	FY 2025-26 Projected	FY 2026-27 Projected	FY 2027-28 Projected
2.33 minutes	1:20 minutes	1:10 minutes	1:00 minute	1:00 minute	1:00 minute

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 Safety**
 - *Support local and state law enforcement's ability to investigate and prevent criminal activity.*
 - *Develop and implement comprehensive threat assessment strategies to identify and prevent threats to the public.*

- **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, financial technology innovators, and money transmitters throughout Florida and, as of June 30, 2022, has more than 519,000 registrants, licensees, and chartered entities.

Executive Direction

Executive Direction and Support Services (Executive Direction), headed by the Commissioner, includes the: Chief Operating Officer, Legislative Affairs Director, and Offices of Inspector General (OIG), General Counsel (OGC), and Communications (OOC), who report to the Commissioner. Executive Direction also includes the Director of Budget, Analytics and IT support team; Operations Manager and regional administrative support, and a Resource Management Administrator, all of whom report to the Chief Operating Officer. The Division provides direction, executive guidance, legal, IT 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.

During FY 2020/2021, the Office of Financial Regulation (OFR) implemented an agency reorganization to enhance the services of the Office of General Counsel (OGC). Agency attorneys who had previously been assigned respectively to the Divisions of Consumer Finance, Securities, and Financial Institutions were transferred to the OGC and assigned to one of the three newly created operational areas: Internal Agency Services, Consultative and Regulatory Services, or Administrative and Civil Litigation Services. The goal of the newly created OGC is to maximize the work performance and effectiveness of the attorneys and to improve the legal services the attorneys provide agency wide.

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.

In FY2017 the OFR re-procured the REAL System operations and maintenance support services (O&M) contract. Additionally, the OFR received funds to leverage the re-procurement, migrate the Division of Financial Institutions into REAL, and facilitate the replacement of the custom web services portal with the VERSA-Online COTS package

to seamlessly integrate the online portal into REAL. 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. The licensure and operational (O&M) contracts associated with the REAL System have been renewed for the period beginning July 1, 2021 and running through June 30, 2026.

With the licensure and O&M contracts expiring in 4 years, the Office will seek to procure a system to enhance the overall user experience and provide greater value to the State. The emergence of more modern cloud-based technologies with greater flexibility and more robust capabilities, including the ability to more seamlessly integrate with our Federal and corporate partners, may provide a cost benefit to a future procurement. The Office has begun the process of determining its needs through a feasibility study and needs analysis, which will be completed by the end of the calendar year. The feasibility study and needs analysis will constitute the core of the Schedule IV-B and will be the primary justification document used through the Legislative Budget Request process seeking Legislative authority to begin the procurement process, and finally request an appropriation to procure and replace our aging regulatory platform based on the documented need. This initiative will also seek to align the OFR's IT infrastructure with the State's cloud-first initiative.

Employee Retention Efforts

Over the last several years, the OFR has experienced higher staff vacancy rates and spikes in employee turnover. The OFR's employees work in highly-specialized areas, which require specialized technical skill-sets, industry knowledge, and significant training. Discussions with senior management and agency vacancy report data reflect an ongoing challenge to hire and retain highly-qualified staff. Additionally, the COVID-19 pandemic in early-to-mid-2020 resulted in a statewide hiring freeze that drove the vacancy rate up to approximately twenty percent (sixty-nine (69) positions) for the agency as late as February of 2021. In January of 2021, at the direction of the Commissioner, the OFR began a concerted effort to fill all critical and long-term vacancies. As of September 1, 2021, the Office had reduced the overall vacancy rate to approximately 13.27% (about 47 FTE). However, in the last 12 months, while hiring approximately 38 new team members, we lost 57 trained staff in that same period.

While turnover is not unique in state government, it threatens the OFR's institutional knowledge, work product, production, and job satisfaction of the remaining employees. Likewise, long-term employees who leave the agency deplete institutional knowledge and contribute to higher demands being placed on newer employees. These departures also result in thousands of lost hours of training, an opportunity cost and expenditure which the OFR never sees a full return on its investment.

In response to these issues, the OFR has initiated steps to reduce staff turnover and increase staff retention. Rather than relying on anecdotal information, the OFR is engaging several approaches to compile and collect information.

- (1) **Recruitment and Retention.** In Fiscal Year 2022-2023 the Legislature provided approximately \$2.3M in additional Salaries and Benefits appropriation, spread across four of the five OFR Budget Entities; roughly a third of these funds going to the Division of Financial Institutions. While other divisions continue to struggle to fill and retain positions, the Division of Financial Institutions has proven to be a perfect case study on how the adequate funding of positions impacts the ability to hire (attract) and retain qualified, quality staff, as Financial Institutions has filled all of its regulatory positions and has had a significant decrease in attrition. Conversely, due to the ongoing fiscal constraints and competition in the marketplace for employees, Securities and Consumer Finance continue to struggle. The OFR will continue to seek adequate funding levels to mitigate these issues.
- (2) **Salary Realignment Project.** In 2019 and again in 2020, the OFR conducted a comprehensive review of salaries of existing employees and new hires in the agency to better align employee compensation with experience, geography, performance, and market competition for skilled workers, while also attempting to identify and correct instances of discrepancies in pay. In addition to analyzing salary data for internal consistency, we compared our data to that of financial regulatory agencies in other states and the federal government. The analysis revealed one very clear driver of the OFR's employee retention challenges is the attractiveness of lateral positions with our federal regulatory counterparts and those in other states based on significantly higher compensation levels. In 2019 and again in 2020, OFR made some salary adjustments. However, salary adjustments were halted in mid-2020 due to COVID-19-related statewide revenue shortfall concerns. The OFR has resumed its salary analysis and adjustment plans now that statewide hiring and pay adjustment limitations have been removed. This plan involves the continued analysis and evaluation of all aspects impacting employee retention, in particular those related to direct compensation, market competition, and employee satisfaction.
- (3) **Employee Job Satisfaction.** Starting in May 2020 OFR conducted a series of statewide whiteboard exercises with all of its non-supervisory employees. The exercise was designed to measure employee satisfaction by having them collectively respond to a series of questions posed by a moderator, who was one of their peers. It was also intended to bridge gaps and build relationships between our regulatory divisions by grouping together similarly-classed employees across divisions. A similarly structured opportunity, with the same overall goals, was provided for supervisors. The results of the exercises were anonymized and communicated directly to the Commissioner. The evaluation of the results has resulted in the implementation of a number of the employees' suggestions, while certain other suggestions were addressed by initiatives already in progress. Some of the whiteboard results are:

- a. Revisions to Formal Telework, Flex Time, and Dress Code Policies. In March 2020 the OFR embarked on an emergency telework style of operation. However, the OFR's existing formal telework policy was also re-evaluated for broad use in all OFR offices. The OFR also re-evaluated and implemented its flex time policy. Employees submitted their requests for a telework schedule and in some cases a flex schedule, and management balanced the requests to maintain a consistent in-office presence and functionality in all of its offices. The revised formal telework and flex time policies became effective in June of 2021 after emergency telework became unnecessary. Likewise, since the OFR generally does not have public-facing personnel, its dress code was relaxed to business casual status all year in all offices with certain appropriate exceptions.

- b. Greater Communication and Transparency from Supervisory Staff. The Commissioner has included all senior management in Executive Direction's Monday meetings. This is designed to educate all supervisors on Executive Direction's concerns and processes, which will facilitate the succession of executive management and preserve institutional memory. Likewise, this access to meetings will enable better communication to lower level employees of the OFR executive agendas and the Commissioner's vision for the future of the agency. In addition, the Commissioner has commenced periodic "all-hands" video conferenced meetings where he addresses the office-wide staff and allows Q&A, has consolidated Tallahassee personnel into a single floor in the Fletcher building where his office is easily accessible and visible to all staff, and he maintains an open-door policy for staff and encourages the staff to set one-on-one meetings with him.

For the OFR's regulated entities, the agency is developing a "Compliance Tips" outreach strategy utilizing electronic, and in-person, communications to provide solutions to frequently recurring but avoidable compliance issues. It is hoped this will also reduce the number of public assistance requests on these topics and saving the staff time that otherwise is dedicated to public responses.

- c. Better Working Spaces. The OFR continues evaluate its floorspace needs as part of its implementation of its formal telework policy. As a part of our ongoing review of all floorspace needs, OFR management also continues to evaluate work location alternatives to determine whether we can obtain more affordable, modern, coworking facilities, saving Floridians tax dollars and increasing productivity through an enhanced working environment.

- d. Expansion of Pilot Project for Use of State Fleet Vehicles. The Bureau of Financial Investigations has continued to benefit from the use of state fleet vehicles through its partnership with the Department of Financial Services. In addition to allowing the Bureau to borrow DFS fleet vehicles from time to time for conducting onsite appearances and other enforcement related activities, the Bureau was also able to acquire at no cost two additional vehicles from DFS that were otherwise being taken out of service.

- e. Internal Inefficiency. The OFR amended the administrative rules governing the application process to allow the Office to efficiently close expired applications where the applicant has failed to complete the application. The result of these changes is the elimination of needless and burdensome administrative processes and has saved the Registration and Legal staff hundreds of hours of staff time and thousands of dollars on certified mail. The OFR's reorganization of the Office of General Counsel (OGC), reassigning all of the OFR's legal support staff and attorneys under the direct supervision of the agency's General Counsel has recently been completed. This change in the organizational and reporting structure will allow for the maximization of available resources by directing and controlling the work of all legal staff through a central chain of command.

- f. "Your OFR." The OFR's efforts related to employee retention are not only focused on the monetary, physical, and material facets of our workforce, but also on those that relate to the atmosphere, culture, and morale of the workplace. In an effort to address all aspects of our retention efforts, the OFR initiated a number of staff inclusiveness programs:
 - i. Bright Ideas. This is an ongoing communications initiative to incentivize the staff to submit constructive ideas for policy changes. The goal of the initiative is to allow employees to have a direct line of communication with all senior management for the express purpose of providing feedback and ideas to streamline work processes and make better use of Office resources through innovation.

 - ii. External Outreach: The Ambassador program, alumni network, and participation in job fairs are all ongoing efforts where the Commissioner is encouraging staff to volunteer to be speakers at OFR program-related college classes where OFR can be in front of students and describing our work. These external outreach programs are aimed at recruitment of employees and promotion of the work done by the OFR. Things like collaboration with former OFR employees in social settings to exchange ideas and discuss the culture of the OFR and job fair participation are proactive ways for OFR to get feedback, promote the Office's mission publicly, and get leads on hiring college grads with the educational background most relevant to the regulation of the financial industry in Florida.

Training and Surveillance

Training is critical to the success of OFR regulatory efforts. The highly specialized, continually changing, nature of our regulated entities requires continual technical training

to enhance skillsets, keeping our team informed about the latest trends and risks in the marketplace, maintaining optimum productivity, and enhancing employee morale and professional development. Without a strong commitment to training, we jeopardize, our ability to perform our regulatory functions and create reputational risk for the agency and the financial services marketplace. The OFR continues to advance training opportunities including working with industry groups and federal regulators to take part in training opportunities, expanding our knowledge base concerning cybersecurity, information technology, risk management best practices, and risk mitigation strategies. Further, we are staying apprised, through training opportunities related to COVID-19, of new issues related to debt restructuring and payment modification brought by COVID-19 economic hardships. We continue to develop our knowledge base concerning emerging financial products and technology through participation in industry training events and webinars. In particular, some of the members of our Bureau of Investigations are in the process of achieving Cybercrime certification.

In response to the limitations on in-person training caused by COVID-19, the OFR has continued to utilize virtual training platforms to participate in industry training events, federal and other state training events, and internal training throughout all divisions. Training topics in the virtual setting have included cybersecurity and information technological risk management, lending and loan modification standards, Bank Secrecy Act and anti-money laundering compliance, cryptocurrency blockchain analysis, and internal training on the use of different technology platforms to facilitate strong virtual communication and collaboration. Through the use of products like Microsoft Teams and Go To Meetings, the OFR has been able to facilitate and participate in effective meetings and training events, internally and with outside stakeholders. More recently, several units within OFR have begun to again participate in joint (in-person) training events, including a week-long, practical litigation oriented workshop that was conducted between the BFI's investigators and attorneys from the OFR's Office of General Counsel.

Emerging Products and Technologies

Financial technology (Fintech) platforms and virtual currencies continue to be an area of focus for the OFR. On June 30th, 2020 CS/CS/CS/HB 1391 an act relating to Technology Innovation, was signed into law by Governor DeSantis, *in part, through a coalition between the OFR and the American Consumer Financial Innovation Network (ACFIN)*. 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.

The bill created the Financial Technology Sandbox (sandbox) License within the OFR's Division of Consumer Finance, to allow a sandbox licensee to make an innovative financial product or service available to consumers as a money transmitter, payment instrument seller, or lender of consumer finance loans. The sandbox period is initially 24 months but can be extended one time for an additional 12 months. Upon approval of an application, a sandbox licensee is exempt from specified provisions of general law and the corresponding rule requirements during the sandbox period. The OFR may initially authorize a sandbox licensee to provide the financial product or service to a maximum of

15,000 consumers but may authorize up to 25,000 consumers if the sandbox licensee demonstrates adequate financial capitalization, risk management processes, and management oversight. OFR promulgated rules and updated the REAL System to implement the sandbox program. The REAL System went live on January 18, 2021. To date, only two applications have been filed for a sandbox license and one remains pending. The other application was withdrawn as it was filed in error.

Initial Coin Offerings (ICOs) and other cryptocurrency related products continue to be identified as an emerging threat to investors. Cryptocurrencies like Bitcoin, Ethereum and Litecoin are a medium of exchange created and stored electronically in a blockchain. Unlike traditional currency, these alternatives have no physical form. They are a distributed database that keeps a permanent record of digital transactions and typically they 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.

In February 2019, the Florida Third District Court of Appeal issued a decision involving a criminal case that impacted the licensure of money service businesses in the State of Florida creating a conflict with existing OFR policy which traditionally interpreted the money transmitter statute to require licensure for third party fiduciaries (e.g., Western Union), and did not include “peer-to-peer” transactions. In *Florida v. Espinoza* the appellate court held that bitcoin is a “payment instrument,” thereby requiring licensure under Florida’s money transmission laws for its sale. In the 2022 Legislative Session, the Legislature passed language effectively reaffirming the OFR’s historical interpretation of money transmitter licensure and including virtual currency as a medium of exchange that not currency.

However, the growing prominence of all forms of cryptocurrencies in all aspects of the financial marketplace and the resulting overlap between the three regulatory division of the agency warrants a more dedicated regulatory focus within the OFR. Working directly through the Office of the Commissioner, a dedicated unit of management level staff will be tasked to monitor industry developments and propose policy options to the Florida legislature and Financial Services Commission.

Division of Financial Institutions

Florida Office of Financial Regulation's Role in Financial Institution Supervision

Banks and credit unions in the United States are chartered and regulated under a dual banking system. Financial institutions may elect to have a national charter and a federal primary regulator or they may choose to be chartered and regulated by the state in which they are headquartered. State-chartered banks and credit unions headquartered in Florida are regulated by the Office of Financial Regulation (OFR). The OFR also regulates and licenses other financial entities including non-depository trust companies; branches, agencies and offices of international banking organizations; family trust companies and qualified limited service affiliates of international trust companies.

Florida-chartered financial institutions are an important part of Florida's financial services industry and tend to be community-focused, offering products and services that are tailored to the needs of that community. Regulation at the state level allows for regulatory supervision that is more knowledgeable of the communities and markets in which the institution operates and allows for flexible, proactive and responsive regulation. The Florida regulation of financial institutions, with its understanding of Florida's economy and consumers, is a benefit to the institutions as well as to the citizens of the state.

Economic Trends and the Impact on Florida State-Chartered Financial Institutions

The Division of Financial Institutions has regulatory oversight of 200 state-chartered financial institutions and regulated entities, with total assets of \$180.6 Billion as of June 30, 2022. Florida-chartered trust companies had total assets under administration / management of \$85.09 Billion as June 30, 2022. Despite a slowdown during the COVID-19 pandemic, economic factors are once again conducive to merger and acquisition activity, particularly amongst financial institutions. As a result, the number of state-chartered financial institutions continues to decrease, and has decreased by 35 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 105 percent during the same period, which is indicative of the increasing complexity of Florida's state-chartered financial institutions.

While the number of Florida chartered banks has continued to decline over the past several years, recent economic growth and the demand for community banks has spurred an increase in De Novo activity, and Florida leads the states in new de novo banks. The Division has chartered six de novo banks in the last four years, which are the first Florida-chartered De Novo institutions since 2009. The Division also chartered 3 non-depository Trust Companies and licensed 2 new international branches of international banking organizations during the same timeframe. The Division currently has 3 pending De Novo bank applications and 1 De Novo non-depository trust company, and more are anticipated. Additionally, multiple financial institutions have converted from nationally chartered financial institutions to Florida state-chartered institutions, thus increasing the size and complexity of financial institutions regulated by the Division.

The last few years have seen uncertainty and change in Florida's financial markets. Florida's financial institutions weathered the COVID-19 pandemic, and the industry overall remains stable and well capitalized in its aftermath. After a long period of historically low interest rates, the last year has seen an upward movement in rates. The increase in rates is due to efforts of the Federal Reserve to reduce historically high levels of inflation. High inflation continues to greatly impact the citizens of Florida and the United States as a whole. Florida's economy remains strong and vibrant despite the challenges of high inflation. While the increasing rate environment has resulted in reduced pressure on financial institutions' net interest margins, the OFR remains vigilant in its monitoring of potential effects the increasing rates and inflationary pressures could have on the ability of consumers to pay existing debts. In its role as the regulator of the safety and soundness of Florida's state-chartered financial institutions, the OFR conducts routine examinations of its regulated entities and monitors economic changes and factors to ensure that its regulation is timely and appropriate.

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 working with Florida-chartered financial institutions to ensure that complaints are handled and resolved appropriately. When complaints are received on entities not regulated by the OFR, the complaint is referred to the appropriate agency in order to ensure that consumers receive the best service from decision makers which have jurisdictional power over a particular financial institution. The number of complaints received by the Division increased slightly from 415 in fiscal year 2020-2021 to 436 for fiscal year 2021-2022, representing an increase of approximately 5 percent. Of the 436 complaints, 351, or approximately 81 percent of the 415 complaints 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 2021-2022 were processed and referred in approximately 1 day and complaints against state-chartered financial institutions were processed in approximately 9 days.

Deliver Value to Business

The Division of Financial Institutions continues to conduct its examinations utilizing a combination of onsite examinations, with portions of the examination conducted offsite when feasible. This allows the Division to leverage technology in order to complete thorough and detailed examinations while minimizing the regulatory burden to the institution and minimizing travel costs.

The Division of Financial Institutions continues to focus on reducing employee turnover and maintaining a well-trained and experienced examination team, as high levels of turnover have been very costly to the Division in recent years. The Division was able to

receive an increase in its budget to be utilized with the goal of increasing retention of experienced examiners. The Division realizes that investing in its employees is critical to the successful regulation of the financial institution industry in the State of Florida, and will continue to make this a priority.

Promote a Safe and Sound Financial Marketplace

The Division of Financial Institutions remains dedicated to providing forward-looking, risk-focused, safety and soundness examinations of all state-chartered financial institutions, as set forth by Florida Statutes. In accomplishing this, the Division works in conjunction with its Federal counterparts to facilitate an examination schedule that provides optimal regulatory supervision while minimizing the impact and disruption to the financial institution being examined. In the ever-changing and challenging economic environment, it will be vital that the Division continue to assess not only the financial condition of regulated institutions, but also the ability of financial institutions' management and board of directors to identify, mitigate, and manage risk.

Emerging technology, such as financial technology (FinTech) platforms, the advancement of blockchain utilization, and the emergence of cryptocurrency, pose both opportunities and risks to institutions. The Division, as part of its safety and soundness examination process, conducts examinations of financial institution's cybersecurity and information technology risk management. Cybersecurity and information technology risks continue to be a top threat to financial institutions, and training in this area continues to be a top priority of the Division. The Division continues to be supportive of innovation in the financial institutions industry, while keeping the financial institution marketplace safe and sound and retaining a strong examination team.

Legislation

During the 2023 legislative session, the Division will monitor any legislation affecting the financial institutions industry. During the 2022 legislative session, the Division successfully pursued updates to statute that both modernized and enhanced certain aspects of the financial institutions codes. The Division continues to monitor and gather information related to potential statutory needs related to emerging financial technology, including blockchain, cryptocurrency, and modern delivery channels of financial services. The Division's goal is to create a more competitive and welcoming atmosphere in which potential and current financial institutions can comfortably engage with the OFR as its chosen regulator, while ensuring that all regulated entities are safe and sound.

Division of Consumer Finance

The Division of Consumer Finance administers and enforces Chapters 494, 516, 520, 537, 559 (Parts V, VI & XII), and 560, Florida Statutes, which cover mortgage loan origination, brokering, and servicing; consumer finance lending; retail and installment financing; title loan lending; collection agencies; financial technology sandbox; 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
- 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 23 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, 2022, there were 15,153 businesses, 59,546 branches/vendors and 65,917 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 23 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, which includes reviewing an individual credit report. 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.

The Bureau continued to see growth in mortgage related applications and licenses during fiscal year 2021-22. During the past two fiscal years, the entire nation experienced mortgage interest rates at historically low levels and a robust housing market. This prompted a widespread rush to refinance existing mortgages or purchase new homes resulting in an explosion of applications. The bureau received 25,149 mortgage related applications during the fiscal year, 24,765 in fiscal year 2020-21 and 12,258 for fiscal year 2019-20. This represents a 105% increase from fiscal year 2019-20 to fiscal year 2021-22 and a 2% increase from fiscal year 2020-21 to fiscal year 2021-22.

The number of active mortgage related licenses as of July 1, 2022 was 79,012 and was 71,061 as of July 1, 2021. Just two years prior, this number was 47,000. This represents a 68% increase from fiscal year 2019-20 to fiscal year 2021-22 and a 11% increase from fiscal year 2020-21 to 2021-22.

As a result of overwhelming demand to process mortgage applications, the Division submitted a Legislative Budget Request during the past legislative session requesting seven additional full-time equivalent positions for the Bureau of Registration. The request was successfully funded and the Division was appropriated seven additional positions, effective July 1, 2022. The Division is working diligently to fill the new positions and created a new section to also focus solely on renewals due to the incredible increase in number of licensees.

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.

Additionally, with the addition of seven new positions, the Division anticipates increasing productivity and efficiency upon successfully filling all the vacant positions and training new staff.

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 2021-22, the Division approved applications for licensure in approximately twelve 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 twelve days. This is substantially faster than required by the statutory timeframe.

Legislation

The 2022 Legislative Session resulted in the passage of three areas of legislation impacting the Division.

Laws of Florida, Chapter 2022-135 (House Bill 389), was approved by the Governor on May 25, 2022. This legislation was an agency priority as a means to address feedback from the Federal Bureau of Investigation that the statutory language in Chapter 560, Florida Statutes, was too vague and did not adequately identify individuals that must be fingerprinted by the FBI as part of a money services business application. The FBI informed the Office, through the Florida Department of Law Enforcement (FDLE), that the authority to conduct fingerprinting would be placed on a grace period pending legislative changes necessary to conform the law to their interpretation of Public Law 92-544. The legislation made significant changes to the statute by creating a definition of “control person” and making the corresponding changes throughout the statute to conform to the new definition. The law becomes effective on October 1, 2022.

NOTE: As of August 9, 2022, the FDLE received feedback from the FBI regarding the changes made as a result of House Bill 389. The FBI rejected the changes and concluded they did not meet the requirements of Public Law 92-544; therefore the request to remove s. 560.141 from the grace period was denied. The FBI has since informed FDLE they will be extending the grace period until January 1, 2024 to allow the Office another opportunity during the next legislative session to make satisfactory legislative changes. The Office is working through all available channels to address the FBI’s concerns.

Laws of Florida, Chapter 2022-130 (Senate Bill 546), was approved by the Governor on May 20, 2022. This legislation amended chapter 516, Florida Statutes, related to consumer finance companies offering consumer finance loans. The legislation adopted addition collateral options for licensees in lieu of a \$25,000 asset on deposit requirement

by allowing licensees to maintain a surety bond, pledge a collateral deposit, or provide a letter of credit from a financial institution (bank or credit union). The legislation was developed and promoted by the consumer finance industry. The law becomes effective on October 1, 2022.

Laws of Florida, Chapter 2022-113 (House Bill 273), was approved by the Governor on May 12, 2022. This legislation amended chapter 560, Florida Statutes, related to money services businesses. The legislation was an agency priority to address a February 2019 Third District Court of Appeal decision involving a criminal case that impacted the licensure of money service businesses in the State of Florida. The decision created a conflict with existing OFR policy which traditionally interpreted the money transmitter statute to require licensure for third party fiduciaries (e.g., Western Union), and did not include “peer-to-peer” transactions. In *Florida v. Espinoza* the appellate court held that bitcoin is a “payment instrument,” thereby requiring licensure under Florida’s money transmission laws for its sale. The legislation made critical updates to definitions to clarify that a money transmitter acts as an “intermediary to transmit currency, monetary value, a payment instrument, or virtual currency from one person to another location or person.” The legislation also added a definition of virtual currency and made other related changes to fully incorporate the regulation of virtual currency when acting as an intermediary. The law becomes effective on January 1, 2023.

For the 2023 legislative session, Consumer Finance is considering legislation in the following areas:

1. Repeal the requirement for mortgage loan originator applicants to provide proof of having a high school diploma.
2. Adding a requirement for all financial services providers regulated in Consumer Finance to develop and maintain a cybersecurity policy designed to ensure licensees are utilizing best practices to protect the safety and security of personal financial information of their customers. The requirement would be commensurate with the size and scope of the licensees business model.
3. If necessary, additional changes to the control person definition in chapter 560, Florida Statutes, to address the FBI’s rejection of recent statutory changes.

Division of Securities

The mission of the Florida Division of Securities (Securities) is investor protection through registration and examinations of firms, branches and individuals offering investment services. Securities administers and enforces compliance with Chapter 517, Florida Statutes, the Florida Securities and Investor Protection Act (Act). The Act is also designed to help protect the investing public 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 conduct 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) such as 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. During FY 2021-22, Securities opened 202 and closed 230 examinations.

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. They frequently result in an enforcement action.

Enforcement works with OFR's Bureau of Financial Investigations regarding matters involving unregistered firms, individuals and securities offerings. These matters often result in criminal prosecution.

Civil, administrative or criminal violations of the Act can take many forms, but the most serious violations involve fraudulent conduct. Fraudulent conduct may include 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, 2022, there were 10,309 dealer and investment adviser firms, 1,333 branches and 357,257 individual associated persons, and two crowdfunding intermediaries 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 13,000 disciplinary updates on registrants in Fiscal Year 2021-22. 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

Securities receives and processes complaints in a timely and responsive manner. Complaints are received by the Enforcement bureau and are triaged to determine if the issue is product or account servicing-related which can be resolved quickly, or if the complaint involves a registered entity or individual. Complaints involving registered entities are referred to a regional office for further review and often lead to examinations. Complaints involving unregistered entities, individuals or securities are referred to the Bureau of Financial investigations. Those complaints not falling within the jurisdiction of Securities are referred to appropriate agencies such as the Department of Financial Services, the U.S. Securities and Exchange Commission, and the Commodity Futures Trading Commission. Complaints decreased from 492 in fiscal year 2020-21 to 387 for fiscal year 2020-2021, representing a decrease of approximately 21%. In FY 2019-20 and 2021-22, Securities closed 175 and 328 complaints, respectively, and referred 301 and 213 complaints, respectively. On average, complaints are closed within 28 days of receipt.

With expanded data collection and analysis, Securities has been able to make data-driven decisions to assist in creating examination plans and schedules. Prior to beginning an

on-site examination or requesting documents from a registrant, Securities can obtain documents from the dealer's clearing firm or investment adviser's custodian; this permits the Enforcement bureau to focus their attention on specific areas of concern and can decrease the time spent on the examination. This increases taxpayer value by minimizing the time spent on-site and the registrants' response time to records requests associated with the examination.

Delivering Value to Businesses

Securities strives to improve service to its applicants and registrants by processing submissions timely. During fiscal year 2021-22 and currently, an applicant's registration request is approved, on average, in 4 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 8 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

Securities is the sole regulator of investment advisers with up to \$100 million in assets under management. Currently, Securities has approximately 1,891 investment advisory firms registered in Florida, with approximately 1,200 physically located within the state. Securities determined it would be prudent to examine all investment advisers physically located in Florida on a ten-year cycle. Since the implementation of the cycle examination program, compliance by investment advisory firms with Securities' statutes and rules has increased considerably.

The ten-year cycle is appropriate and allows continued support for the initiative that all investment adviser firms be examined on a cyclical basis. Newly registered firms are examined during their first year of operation to ensure they comply with books and records, net capital, and financial reporting requirements, and appropriate business practices. The ten-year cycle permits adequate staff resources to be allocated to conduct

broker dealer, branch, associated person, and special initiative examinations when there is a determination of heightened risk or need.

As part of the investment adviser examination, a review of the firm's cybersecurity program is conducted to determine if the firm has a written cybersecurity policy that is appropriate for its size and type of business, if the firm is following the policy, and has adequate controls in place.

The division uses data analytics software to assist in the identification of higher risk activity, firms, and individuals; this software improves the effectiveness and efficiency of our examination program. That improvement translates into less disruption and time spent in a securities industry business, allowing the business to provide more of its services to the Florida investor. The division will also use data analytic software to proactively identify areas of concern for firms and investors, including investment products, due to anticipated economic downturns related to the COVID-19 pandemic.

Legislation

Since the end of the 2022 legislative session, the OFR has updated its proposed legislation to reform the Florida Securities and Investor protection Act and help stimulate the growth of a capital market for the financing of Florida businesses. Our goal is to promote Florida's economy through the creation of a self-sustaining, in-state capital market where many newly formed businesses can obtain seed or expansion capital. The desired outcome is to have our residents and businesses obtain capital from within our state and ultimately remain in Florida and contribute to the state's economy.

We sought and received feedback from numerous Florida capital financing industry professionals, incubators and accelerators, small business owners and from a task force formed by the Florida Bar. We have taken some of the responses and implemented them into the statutory framework of our proposal for the 2023 legislative session and will study the remainder during this coming year. The proposed bill represents the first set of major changes to Florida's securities laws in many years. It improves the capacity of Florida-based companies to raise money in Florida by: modifying the crowdfunding statute to expand the companies eligible to use the exemption, increasing the amount of funds a company can raise from \$1 million to \$5 million, and allowing investor funds, through an escrow agreement or trust account arrangement entered into with an independent third party, be deposited in a federally insured account for the benefit of investors; adopting the Accredited Investor exemption; allowing for pre-offering testing of potential investor interest; and revising onerous securities integration provisions. The proposed legislation also adds investor protection measures through registration provisions for Tier II dealers and increased enforcement powers; amends registration requirements for securities offerings in excess of \$5 million and, for those offerings seeking to raise \$5 million or less, reduces the application fee from \$1,000 to \$200; and clarifies and improves numerous provisions that are outdated or incomplete.

Bureau of Financial Investigations

The Bureau of Financial Investigations (BFI) is a criminal justice agency with investigative teams headquartered in OFR's Orlando, Tampa, West Palm Beach, and Miami Regional Offices. While reporting to these Regional Offices, BFI also has additional investigative personnel who occupy Permanently Designated Teleworking positions and are physically located in other parts of the State. The BFI generally conducts financial crimes investigations involving securities and lending frauds. Cases are prioritized and resources are typically devoted to matters that significantly impact the citizens of Florida. The BFI 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 BFI 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. The BFI has also devoted resources to the formation of a new and proactive investigative unit, the Emergent Financial Crimes Unit (EFCU). This unit actively searches for ongoing investment and/or lending schemes (including those perpetrated over the Internet), and then expedites the investigation of such matters in order to prevent, halt or mitigate the financial harm to Florida's citizens.

Investment Fraud

As has been the historical norm, the BFI continues to deploy most 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 over about the last twelve years but certain stock indices experienced a correction nearing or exceeding 20% during the first half of 2022. This comes on the heels of a strong recovery which followed the previous market correction in the first quarter of 2020. That rebound saw many equity markets reach all-time highs by the fourth quarter of 2020. 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.

Interest rates have been rising during 2022 but remain near historic lows. A 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 May 16, 2022, Owayne Anthony Bradbery of Delray Beach was sentenced in Circuit Court in West Palm Beach to serve five years in state prison to be followed by ten years of probation for his role in a stock and real estate investment scam that defrauded three investors out of a combined \$136,000. Bradbery was also ordered to pay that amount in restitution to the victims.

The sentence followed Bradbery's March 9, 2022 guilty plea to two counts of organized scheme to defraud, a 1st degree felony, for his role in the frauds which took place between July 2013 and June 2017.

Bradbery held himself out to the public as an investment professional who was authorized to offer and sell securities through his financial company, Owayne Bradbery Financial, LLC. Bradbery persuaded his victims, whom he met mostly through personal social interactions, to place money with his company based on representations that the funds would be invested in stocks. Bradbery was not registered to offer or sell securities at the time that he solicited the investments. Investigation revealed that Bradbery, in an effort to convince investors that their investments were performing well, produced and distributed fraudulent account statements showing profitable trades that never happened.

Independent of the securities sales, Bradbery was also alleged to have engaged in a fraudulent real estate sales scheme which victimized some of the same investors. As a licensed real estate agent, Bradbery showed his victims homes for purchase and then solicited down payment monies. Funds went to a fictitious escrow entity Bradbery created using his mother's name. Records indicate that victims never closed on the properties and their down payments were not returned to them.

Analysis of relevant financial records showed that rather than purchasing real estate, Bradbery used his victims' money for personal living expenses.

This investigation was developed jointly with the West Palm Beach Police Department and was prosecuted by the State Attorney's Office in West Palm Beach. Over 900 OFR investigative hours were committed to the case.

Scams Targeting Elderly Investors

The BFI continues to see Ponzi schemes and other investment frauds being perpetrated against the investing public, and particularly targeting elderly investors. A Ponzi scheme is a fraudulent investment operation where the perpetrators pay returns to existing investors from capital raised from new investors. Ponzi schemes can be difficult to detect as investors rarely complain while they are receiving their promised returns. Ponzi schemes generally collapse when the money needed to pay the existing investors becomes larger than the amount of money being raised from the newer investors, causing a default. Ponzi schemes and other investment schemes that target elderly investors will often rely on savvy, unregistered sales agents who are capable of earning a victim's trust and ultimately receive substantial amounts of unlawful compensation from their victim's investment proceeds.

On July 21st, 2021, Kenneth Murry Rossman of Bradenton, FL pleaded guilty to conspiracy to commit wire fraud and mail fraud and aiding and assisting in the preparation and filing of a false income tax return.

According to the plea agreement, Rossman, a Florida certified public accountant and licensed insurance agent, conspired with Phillip Roy Wasserman, a former lawyer and licensed insurance agent, to defraud elderly victim-investors. Wasserman and Rossman primarily operated the investment scheme through Wasserman's Sarasota, FL based companies, Phillip Roy Financial Consultants, LLC DBA Fastlife and Fastlife, LLC.

The conspirators made false and fraudulent misrepresentations and concealed material information in order to convince elderly victim-investors to put their money into Wasserman's new insurance venture, "FastLife." Some victim-investors were persuaded to liquidate traditional investments, such as annuities, and/or to borrow funds against existing life insurance policies to generate cash to invest in the venture. These victim-investors were not told about surrender fees and other costs associated with the liquidations, and Rossman prepared income tax returns for victim-investors in a manner designed to conceal negative personal tax consequences that resulted from the liquidations.

Victim-investors' money was used to perpetuate the fraud and for the conspirators' personal enrichment. Wasserman paid Rossman a percentage of the victim-investors' money as compensation for his role in the conspiracy. Wasserman also used victim-investors' money to make payments to earlier victim-investors in the FastLife venture, as well to as victim-investors in his earlier hedge fund and real estate fund ventures. Wasserman spent a significant amount of the victim-investors' money to finance a lavish lifestyle that included luxury residences, high-end vehicles, jet skis, jewelry, personal celebrity entertainment, gambling, retail shopping, home improvements, personal insurance, and many other expenses for his personal benefit and the benefit of family members.

The conspiracy resulted in victim-investors losing more than \$6.3 million.

In November 2020, Wasserman was charged in a superseding indictment with filing false income tax returns, tax evasion, conspiracy to commit wire fraud and mail fraud, and substantive counts of wire fraud and mail fraud.

The OFR's investigation was predicated upon a complaint referral from the Alabama Securities Commission. The case was developed jointly with IRS Criminal Investigation (Sarasota Office) and was prosecuted by the U.S. Attorney's Office in Tampa. The OFR's investigative work included performing interviews, conducting financial records analysis, obtaining a digital search warrant, and providing grand jury testimony. Over 1,300 OFR investigative hours were committed to the case.

Rossman will be sentenced on November 17, 2022. Wasserman's trial remains pending.

False Documents and Misrepresentations

Two Hallmarks of financial fraud - false representations and phony documents are often used by bad actors to entice unsuspecting investors to part with their money. BFI investigators are trained to zero in on documentary evidence that can prove that victims relied upon false representations in making their investment decisions.

On January 21, 2022, Jason M. Ganton, 51, of Miami, FL, the CEO of NIT Enterprises, was sentenced in U.S. District Court in Fort Pierce to serve 40 months' imprisonment for his role in a fraudulent investment offering made through NIT Enterprises, Inc. Ganton is the last of four defendants to be sentenced to prison for playing a principal role in a fraudulent investment offering.

Co-defendants James Cleary, Kevin Cardenas, and Mason Newman were previously sentenced for their roles in the scheme. Cleary received a sentence of 33 months on October 29, 2021, Cardenas received a sentence of 24 months on November 18, 2021, and Newman received a 38 month sentence on December 22, 2021. Each defendant's prison term will be followed by 36 months of supervised release.

The investment scheme ran from 2015 to 2019 and defrauded a total of 109 investors (9 of whom are Floridians) out of \$4,900,000. Representations made by Ganton and his co-defendants included baseless promises to would-be investors about the profitability of NIT Enterprises, a Palm Beach company that falsely marketed itself as being on the cusp of developing and producing radiation protective materials using an innovative technology. None of the defendants were licensed securities sales agents and all admitted to lying to investors by telling them that NIT was on the verge of making an initial public offering (IPO) of stock. The defendants' representations created a false expectation that investors would double or triple their funds in a short amount of time through the IPO. In actual fact, however, there was no IPO on the horizon for NIT. The defendants admitted that they reached most of their victims through cold calls and that they personally profited from the investors' funds. For their roles in the scheme, each of the four defendants pled guilty in federal court to one count of conspiracy to commit wire fraud. The OFR's investigation into this scheme revealed that from February 2015

through November 2019, the CEO of NIT, Gary R Smith (now deceased), employed the defendants named above to solicit investments on behalf of the company. Smith was alleged to have paid 30-50% commissions directly from investor funds and to have repeatedly communicated to investors that NIT would be filing an S1 (registration statement) with the Securities and Exchange Commission (SEC) in order to take NIT public. Investigation revealed that Smith employed recidivist violators of securities laws who had previously been banned from selling securities by the SEC. In addition, Smith indicated in communications to shareholders that the executives of NIT received no compensation.

Contrary to representations from Smith and others, however, financial records revealed that approximately \$2 million of investor monies was transferred from NIT accounts to the personal accounts of NIT principals. Approximately \$1.4 million (or 67 %) of all investment capital raised was paid out as commissions to unregistered brokers, including Ganton, Cleary, Newman and Cardenas.

This case was developed jointly with the FBI. The OFR also assisted in the development of a civil injunctive action brought by the SEC in November 2019 against Cleary and defendants Gary Smith and Jason Ganton.

Violating Investor Trust

Trust and transparency are the bedrock of any thriving financial marketplace and one of the most important functions of the Bureau of Financial Investigations is to keep Florida's financial marketplace fair and competitive by rooting out bad actors.

On March 3, 2022, Americo "Rick" Antunes was arrested on a charge of racketeering and three counts of securities fraud for his role in an alleged \$2 Million investment fraud scheme that victimized at least six Florida investors.

Antunes, through his company, Platinum Bay Capital Management, is alleged to have defrauded investors out of approximately \$2 million dollars by misrepresenting that their funds would be placed in a hedge fund and used to purchase various financial instruments. Investors claimed that Antunes told them that he had 25 years of experience investing in the stock market and that he would be able to double their money. Contrary to these representations, however, the OFR's analysis of financial records in the case revealed that Antunes used investor funds to purchase a house for himself, a Ferrari, jewelry and other personal expenses. He also used the funds to provide capital for an HVAC business he owned. Antunes was arrested previously for alleged violations of Florida's Securities and Investor Protection Act in 2007 in connection with a similar investment scheme.

The OFR's investigation was predicated upon a complaint referred by the Securities and Exchange Commission. The arrest resulted from the joint investigative efforts of the OFR, the FDLE, the Seminole County Sheriff's Office and the Office of Statewide

Prosecution. OFR investigators conducted the financial records analysis leading to the arrest and confirmed the unregistered status of both Antunes and Platinum Bay Capital Management. Antunes' trial is pending. He faces up to 45 years in prison if convicted.

False Claims of Superior Returns from High-Tech or Proprietary Technology

Some unscrupulous sellers of securities seek to portray themselves as having exclusive access to high technology investment opportunities. They will claim to possess state of the art technologies and lure investors with promises of outsized returns. Often the claims prove false, and the fraudsters behind these schemes are revealed to have no superior or secret technology with which to earn the promised returns. In fact, investigation often reveals that -far from ever being put to use in developing high tech products- investor funds are just stolen by the fraudsters and either paid out as Ponzi payments to other investors or used for personal and lavish expenses, or both.

On July 20th, 2022, Mark Yagalla, a fugitive living abroad since at least 2013, accepted a plea agreement with the Miami-Dade State Attorney's Office. Yagalla pled guilty to one count of Grand Theft in the third degree for his role in an investment fraud scheme that defrauded at least seven investors out of approximately \$60,000. Per the terms of the plea agreement Yagalla was sentenced to two years of non-reporting probation with special conditions requiring that Yagalla pay the costs of the OFR's investigation in the amount of \$20,744.65 and donate \$8,000 to the Miami Foundation, Safer Communities Program within 30 days of the agreement.

From at least November 2008 through June 2009, Yagalla and co-defendant Martin Zivanovic (previously similarly sentenced to probation) solicited money from private investors claiming to invest the funds in Agro Energy, Inc. Yagalla and Zivanovic told those investors that Agro Energy, Inc. was incorporated in the State of Delaware and was an alternative, "green energy" start-up business. Yagalla and Zivanovic met with investors and gave them verbal and/or written presentations on Agro Energy, Inc.'s business and its potential market. Some investors were provided with a copy of Agro Energy, Inc.'s business plan or a copy of the investor presentation. Most investors received subscription agreements and were told by Yagalla and Zivanovic that they would later receive shares of Agro Energy, Inc. in return for their investment. Agro Energy, Inc. was not incorporated in Delaware as represented by Yagalla and Zivanovic. In fact, Agro Energy, Inc. appeared not to exist at all as no incorporation records could be located for the entity. The BFI's investigation revealed that funds totaling \$60,000 from at least seven investors were deposited into an account controlled by Zivanovic. Investors' money was not invested in Agro Energy, Inc. The money obtained from investors was instead used to pay for Zivanovic's and Yagalla's personal expenses, many cash counter withdrawals, credit card payments, restaurants, pet/car payments and four check payments made to Yagalla.

As a result of this investigation, Zivanovic was charged by information with seven (7) counts of grand theft in the 3rd degree, a violation of F.S. 812.014(2)(c), and one (1) count of organized scheme to defraud over \$50,000, a violation of F.S. 817.034(4)(a)(1).

The same charges were filed against Yagalla but Yagalla fled the country and remained a fugitive. In June 2022, Yagalla, now residing in Thailand, reached out via his attorney to the State Attorney's Office in Miami to negotiate a surrender and resolution of his outstanding criminal charges. After plea discussions, he surrendered to US authorities on July 6, 2022 at Miami International Airport and was taken into custody.

The OFR initiated the Agro Energy Inc investigation in April 2011 and coordinated with the Miami-Dade State Attorney's Office. OFR investigators analyzed bank records and identified and interviewed investors. Investigators also assisted the SAO in providing the information necessary to finalize Yagalla's plea. The OFR committed approximately 642 investigative hours to the development of the case.

Unconventional or Obscure Investment Instruments

Investors may be drawn to unconventional asset classes as a means of generating higher returns. Oftentimes they do so following the advice and misrepresentations of wily con artists while not fully understanding the instruments themselves or the true risks underlying the investments. Those risks, however, should never be compounded by the risk of falling victim to fraudsters peddling false promises.

On April 22, 2022, Marko Dejanovic of Miami was arrested for his role in an alleged \$377,500 fraudulent investment scheme. The OFR's investigation revealed that Dejanovic violated section 517.301 of the Florida Statutes by offering and selling a variety of fraudulent investments to at least three victims in South Florida.

Dejanovic was the president of Clavis Investment, Inc., Capital Alliance Enterprises, Inc. and manager of Sigma Equity Lending, LLC. In or around November 2016, Dejanovic started soliciting funds from investors through a social club and by word of mouth. Dejanovic represented himself as a real estate developer, investor and lender who could achieve high rates of return on investments and falsely claimed to hold a Ph.D. in Economics.

Dejanovic made several misrepresentations to investors about investment opportunities and showed them fictitious investment documents, letters, and emails purporting to be from financial institutions. Dejanovic also offered an investment opportunity in historical Petchili Chinese bonds (bearer bonds issued by the Chinese republic and imperial governments at the turn of the 20th century to fund railway and infrastructure projects but which were disavowed by the Chinese communist government upon rising to power in 1949). Once investors agreed to invest, Dejanovic presented them with promissory notes and investment contracts offering wildly unrealistic returns on their investments. Contrary to Dejanovic's representations that investor funds would be used to purchase investment instruments, the BFI's analysis of Dejanovic's bank records revealed that he used the monies to pay for personal expenses and to fund his personal lifestyle.

This investigation was predicated on a complaint referral from the Miami-Dade County State Attorney's Office which is actively prosecuting this case. The OFR has committed approximately 190 hours to the development of the case to date.

Boiler Rooms and Precious Metals Investment Scams

The BFI continues to investigate unregistered "boiler rooms" operating in South Florida and elsewhere that victimize Florida investors. 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 1, 2022, the OFR joined the Commodity Futures Trading Commission (CFTC) and 26 other state securities regulators in filing a complaint for injunctive relief, civil monetary penalties, and other equitable relief in the United States District Court for the Central District of California alleging Safeguard Metals, LLC and Jeffrey Santulan, a/k/a Jeffrey Hill solicited investors nationwide by touting precious metals at grossly inflated prices that were not disclosed.

The coordinated enforcement action seeks to stop a fraudulent precious metals scheme that resulted in investments exceeding \$68 million from at least 450 investors nationwide. Some investors in this case were advised to liquidate their holdings at registered investment firms to fund investments in precious metals, bullion, and bullion coins through self-directed individual retirement accounts.

The defendants are accused of failing to disclose the markup charge for their precious metals bullion products and that investors could lose the majority of their funds once a transaction was completed. In many cases, the market value of the precious metals sold to investors was substantially lower than the value of the securities and other retirement savings investors liquidated to fund their purchase. More than 40 Florida investors are believed to have been defrauded out of more than \$5 million dollars through this nationwide scheme. OFR investigators believe some Florida investors may have liquidated their existing retirement accounts containing securities to obtain funds to purchase the metals.

This case was initiated by the CFTC. The OFR joined the civil action as a co-plaintiff in January of 2022. Beyond participating in the ongoing federal injunctive action, OFR investigators and legal counsel are working to secure evidence from Florida victims in support of independent state charges which may be filed through an amended civil complaint.

Affinity Frauds

Affinity fraud is a type of investment fraud in which swindlers 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 March 21, 2022, Arlene Garcia, 66, of Doral, the president and owner of MP Diagnostic, Inc., Flagler Diagnostic Center, Inc. MP Diagnostic LTD dba MRI at Sunset and Comprehensive Breast Center, Inc. was sentenced to 38 months' imprisonment for defrauding more than forty investors- most of whom were members of Miami's Venezuelan-American community- out of approximately \$9.3 million.

On December 8, 2020, Garcia was indicted by a federal grand jury and charged with one count of conspiracy to commit wire fraud and five counts of wire fraud. Garcia surrendered to authorities on December 16, 2020. On November 5, 2021, Garcia entered a plea of guilty to conspiracy to commit wire fraud.

In 2014, Garcia sought investments to expand her medical diagnostic imaging business throughout Florida. In doing so, Garcia independently and with assistance from a sales firm, met with investors in South Florida and Venezuela to promote the investments. Garcia represented to investors that she was the owner of a successful group of diagnostic imaging clinics and that she had a steady flow of referrals from doctors, clinics, referral agencies and insurance companies. Investigation revealed that Garcia provided investors with grossly inflated figures purporting to show the success of the clinics. Based on those misrepresentations, Garcia sold investors promissory notes which guaranteed annual returns of between 10% and 12% and additional returns of 30% of an individual clinic's net income.

Contrary to Garcia's representations that her clinics were profitable and that investors' funds would be used to open new facilities, investigation revealed that Garcia's companies were not profitable, relying heavily instead on small business loans to meet basic operating expenses and paying earlier investors with monies raised from new investors. A review of Garcia's corporate and personal bank accounts showed that she collected approximately \$9,322,485 from investors between December 2014 and September 2017. Analysis also revealed that Garcia made interest payments of approximately \$500,000 to existing investors with funds obtained from new investors. During the same period, analysis showed that Garcia used the majority of investor funds to pay personal debts and to make payments on credit cards for charges related to personal living expenses. Garcia also withdrew more than \$800,000 in cash and used investors' funds to settle a lawsuit filed against a separate company she owned.

In addition to the 38-month prison term, Garcia was also ordered to remain under supervised release for three years following her incarceration.

The OFR initiated the MP Diagnostic investigation in January 2018 and coordinated with the FBI and United States Attorney's Office. OFR investigators analyzed bank records and identified and interviewed investors, committing approximately 562 investigative hours to the development of this case.

Advance Fee Loan Scams

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 victims, in addition to losing their money, have also lost their dreams of owning or expanding a business due to an unscrupulous loan broker.

On April 4, 2022, Walter Ozell Weatherington of Lithia, FL was sentenced to 30 months in state prison for his role in orchestrating an advance fee for loan scheme that defrauded at least six prospective borrowers out of approximately \$330,000. The illegal fees were collected by Weatherington based on promises that he could secure business and construction loans for the prospective borrowers.

The OFR's investigation leading to the sentencing revealed that from approximately January 2017 through 2018 Weatherington willfully misled prospective borrowers into paying those fees by presenting them with fraudulent documents and making misrepresentations about his ability to obtain funding. Weatherington told certain borrowers that their funds would be used in payment of what he termed "Due Diligence or Commitment Fees." Victims understood that the funding of their loans was conditioned on the payment of these fees. Contrary to Weatherington's representations, however, no loans were ever funded for any of the prospective borrowers and the money collected from them was not used in payment of due diligence expenses but was instead used by Weatherington to pay personal expenses and refunds to certain other borrowers.

The OFR brought Administrative action against Weatherington in November 2015 and again in June 2018 for similar offenses. The OFR issued final orders against Weatherington to cease and desist from any and all future violations of Chapter 687, F.S. Despite this, Weatherington continued to take advance fees from prospective borrowers after the final orders were entered.

In addition to the 30-month prison term, Weatherington was also ordered to serve 60 months of probation and to pay \$330,000 and \$28,000 in victim restitution and OFR investigative costs, respectively.

This investigation was predicated upon a complaint referred to the OFR by the Office of Statewide Prosecution in Orlando which was the prosecuting agency in this matter. OFR investigators analyzed bank records and identified and interviewed victims in support of the criminal enforcement action, committing approximately 1,300 investigative hours to the development of the case. The Hillsborough County Sheriff's Office assisted in securing Weatherington's arrest in July of 2020.

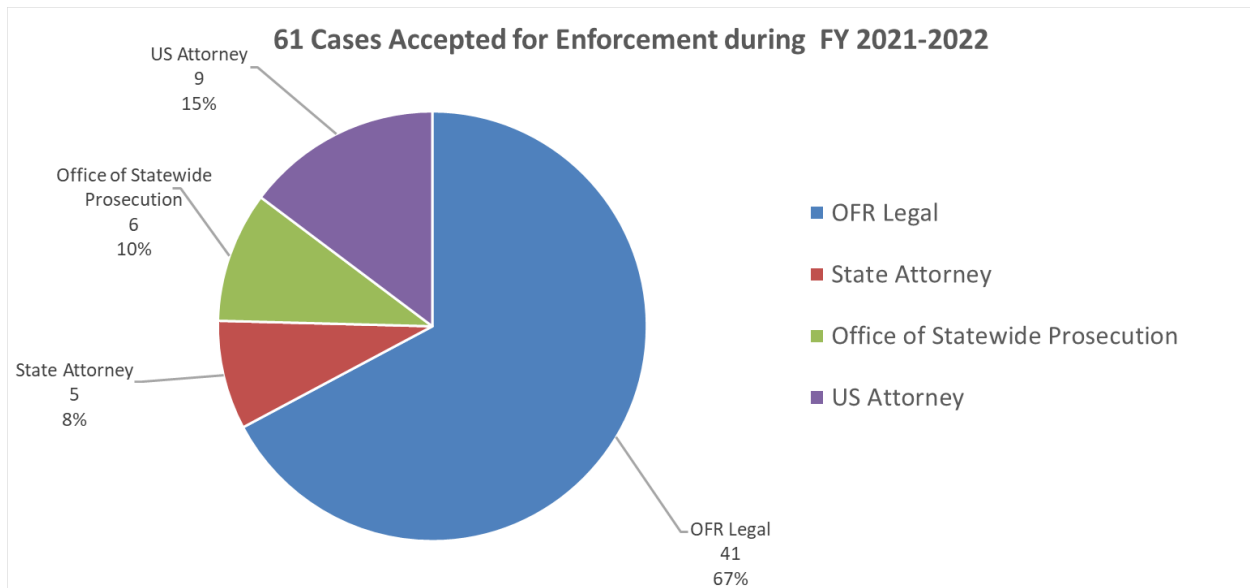
Caseload

As of July 1, 2022, BFI had approximately 229 open cases. These investigations involve approximately 7,000 consumers and more than 1.2 billion dollars in alleged losses. During the fiscal year, the average investigator's caseload was approximately 12 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 2021-22 fiscal year, 88% of these types of cases resulted in enforcement action.

During FY 2021-2022, BFI completed 194 cases. Of those, one hundred and six (106) cases involved formal investigations, including 38 investigations where enforcement action was taken. In total, during the fiscal year, BFI investigations resulted in 81 enforcement actions involving 59 separate cases, including twenty-one (21) administrative actions, thirteen (13) Cease and Desist notices, five (5) civil actions and twenty (20) criminal actions.

As a result of investigative work performed by the Bureau on its criminal cases, 6 defendants were arrested, 7 defendants were convicted and 15 defendants were sentenced to a total of 48 years imprisonment and 49.5 years of probation or supervised release during the latest fiscal year. In addition, court ordered and voluntary restitution of approximately \$760 million was ordered or returned to victims. Finally, as reflected in the chart below, BFI referred a total of 61 cases for enforcement action this year; it also made an additional 28 referrals to law enforcement agencies and prosecutors involving matters that were determined to be outside OFR's jurisdictional authority.



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 citizens of Florida, and in particular, the victims of financial crime. To that end, the BFI continues to promptly assess all new complaint cases are assessed for potential enforcement action and where appropriate, conducts preliminary investigations (usually within 90 days) to determine whether the matter should be escalated to a formal investigation. In addition, the Bureau has undertaken a number of new initiatives aimed at increasing the effectiveness of its team in investigating and deterring financial crimes.

One of these is our law enforcement initiative, which involves examining the potential for converting the Bureau of Financial Investigations from a criminal justice agency to a law enforcement agency in order to more effectively respond to the growing threat of financial crime in Florida. By maintaining a dedicated group of law enforcement professionals in each of the OFR's four regional offices, the Bureau will be better equipped to handle essential tasks that, up to now, it has been heavily reliant upon outside law enforcement agencies to accomplish. Though that cooperation is not often withheld by our agency partners, it is nonetheless, conditioned upon the partner agency's availability of personnel and other resources. The fact that the vast majority of the Bureau's cases are of a complex and egregious criminal nature, means that any time spent waiting on the availability of another agency's resources is time in which a criminal financial scheme or enterprise is allowed to flourish.

Essential law enforcement tasks include such things as conducting undercover operations, administration of photo line-ups, performing arrests and search warrant executions, participating in law-enforcement-only task forces, providing enhanced security to non-sworn investigators and other activities vital to the completion of many financial crimes investigations.

Another initiative being undertaken by the Bureau is the development of a specialized Emergent Financial Crimes Unit. Internet crimes represent a growing nationwide problem. According to the FBI's Annual Internet Crime Report, for the year 2021, the FBI's Internet Crime Complaint Center received more than 847,000 complaints, representing more than \$6.9 billion in losses from internet-based schemes. The number of these complaints increased by 7% over the prior year and follows an established trend over the past five years of ever-increasing numbers.

Crimes within the Bureau's jurisdiction make up an important component of these numbers. The total number of victims as reported by the FBI in 2021 in the areas of identity theft (a common element of financial crime within the Bureau's jurisdiction), investment frauds and advance fee for loan frauds was 83,224. For investment frauds alone, the number of victims as reported by the FBI more than doubled between the years 2020 and 2021. The OFR's Emergent Financial Crimes Unit (EFCU) is expected to focus on these and other types of crimes for purposes of bringing enforcement actions within the OFR's jurisdiction, and this initiative is expected to be a vital part of the OFR's efforts to protect Florida's citizens from financial crime.

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.

Bureau of Financial Investigations – Special Investigations Unit – Emergent Financial Crimes

The Office of Financial Regulation (OFR or Office), Bureau of Financial Investigations (BFI or Bureau) is working to further pursue online financial crimes against the citizens of Florida by establishing a dedicated emergent financial crimes unit (EFCU). This unit will specialize in proactive investigation of financial crimes and undercover investigations. The staff will be specially trained civil and criminal investigators with significant technical, technological, and financial skills capable of working proactively to identify fraudulent and predatory financial schemes and prevent victimization of Floridians. The purpose of the Emergent Financial Crimes Unit will be to work proactively to uncover nascent fraud schemes in the area of investments and financial services before they have a chance to fully develop, thereby minimizing the threat of systemic harm to consumers and investors in Florida's financial services marketplace. This will be achieved by expanding our technical resources, skills, and proactive investigative activities such that we can identify threats earlier and bring financial predators to justice.

Nearly all of the OFR's investment fraud cases over the past five years have had an unlawful advertising or solicitation component, including via the internet. Of 397 cases worked by the Bureau of Financial Investigations during the most recent fiscal year (2021-22), 380 of these, or roughly 95%, have involved the use of the internet as a means of victimizing investors and consumers. Many of the

purveyors of fraudulent investment opportunities hide behind telephone and internet solicitations and rarely meet their victims face to face. Even in cases where investors are not lured to an investment through the internet, they are often pointed to websites which proclaim wildly unrealistic returns in order to induce unsuspecting investors to invest. These facts are borne out even on a nationwide level. The FBI's reporting shows Florida ranks second in the nation in the total number of victims of internet crime and third in the nation in the total number of suspected perpetrators of internet crime by state. The time to build up Florida's defenses against this alarming and increasing threat to Florida's consumers, investors and economy is now.

Internet crimes represent a growing nationwide problem that does not seem to be abating. According to the FBI's Annual Internet Crime Report, for the year 2021, the FBI's Internet Crime Complaint Center received more than 847,000 complaints, representing more than \$6.9 billion in losses from internet-based schemes. The number of these complaints increased by 7% over the prior year and follows an established trend over the past five years of ever-increasing numbers.

States with similar demographics (Texas) and other foreign jurisdictions (British Columbia, Canada) have implemented similar investigative units and estimate that approximately 50% of their overall caseload is now being generated from cases in those units.

Last fiscal year, largely through the efforts of one investigator who was designated to conduct proactive searches contemplated to be conducted by the EFCU, the Bureau was able to identify, open and review approximately 226 separate advertising/solicitation files. These resulted in the opening of 39 investigations as well as the issuance of emergency cease and desist orders (Immediate Final Orders) being entered by the Office against 15 fake online banks purportedly operating from within Florida. As a result of the expedited investigation of these matters, the fraudulent websites were able to be quickly removed from the internet, thereby preventing harm to Florida's citizens.

Blockchain, Crypto Currency, and FinTech Regulatory Policy Unit

The challenges facing Florida related to the regulation of the cryptocurrency marketplace are being felt across the full spectrum of the regulatory authority vested in the Office of Financial Regulation. Financial Institutions, Securities, and Consumer Finance each potentially regulate some portion of the financial marketplace involving virtual currencies. The rapidly evolving financial marketplace has very little (if any) centralized regulation at either the Federal or State level.

The OFR is establishing a policy unit tasked to monitor industry developments and propose policy options to the Florida legislature and Financial Services Commission. The businesses involved in this industry span all of the regulatory areas of the OFR. This policy unit would work under the direct supervision of the Commissioner and help coordinate the policies required to facilitate commerce and potentially regulate these markets and businesses across all three regulatory Divisions of the Office.

Bureau of Financial Investigations – Law Enforcement Authority

The Office of Financial Regulation – Bureau of Financial Investigations (OFR or Office) is pursuing substantive legislation to grant law enforcement status to the Bureau of Financial Investigations (Bureau or BFI). This goal is based on the need for increased criminal prosecution of numerous, specific financial crimes that invariably target Florida's seniors and other vulnerable victims. These complex financial crimes include securities and other investment frauds that now often involve cryptocurrency transactions by criminal enterprises.

The OFR is uniquely equipped to be the primary financial crimes enforcement authority in the State of Florida and this change will not compete with any other law enforcement agency. The statutory enforcement authority for the prosecution of financial crimes lies with the Office. Many of the OFR's investigators already possess a deep knowledge and multi-faceted background in both financial services and law enforcement. Adding to these core strengths is the fact that the OFR is uniquely suited to, and statutorily charged with, identifying areas of fraud, abuse and criminal malfeasance in the areas of banking, securities, and consumer finance where it already serves as the State's statutory regulatory authority. The Florida Department of Law Enforcement (FDLE), while operating various economic, fraud, and property crimes units throughout the state, does not have a dedicated unit for the investigation of crimes perpetrated exclusively within the financial services arena. The FDLE's economic crimes cases often include such diverse issues as money laundering, retail theft rings, identity thefts, thefts of real estate, embezzlements, and public corruption. Though some of these cases may have a component of investment fraud, they do not specialize in cases involving violations of Chapter 517 (Florida's Securities and Investor Protection Act) and do not have agents dedicated to rooting out nascent investment fraud schemes, or financial services scams such as mortgage, business loan, or bank frauds.

The OFR seeks to complement and enhance the FDLE's general application of criminal investigative activities in the financial sector with a specific focus as it pertains to financial and economic crimes. The FDLE is diverse and functions without the degree of specialization the OFR brings to financial crimes such as investment fraud. The Federal Bureau of Investigation's (FBI's) Annual Internet Crime Report for 2021 reveals that for investment frauds alone, the number of victims more than doubled between the years 2020 and 2021. This is an area where the OFR maintains its core competence and empowering BFI with law

enforcement authority will allow it to respond with even greater efficiency in dispatching the OFR's statutory duties to protect the public from fraudsters and financial predators.

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.

Potential policy changes affecting the agency's budget request or Governor's Recommended Budget.

The Office of Financial Regulation's (OFR) - Bureau of Financial Investigations – Law Enforcement Authority initiative will require ongoing appropriations for costs associated with special risk sworn personnel, accreditation, continued certification, and necessary equipment used in the execution of duties related to criminal enforcement of Florida statutes regulated by the Office.

The Bureau of Financial Investigations – Special Investigations Unit – Emergent Financial Crimes Unit and the Blockchain, Crypto Currency, and FinTech Regulatory Policy Unit, both will require recurring funding of the positions associated with the functions.

List of changes that would require legislative action, including the elimination of programs, services, and/or activities.

The Office of Financial Regulation's (OFR) - Bureau of Financial Investigations – Law Enforcement Authority initiative will require a change in statute, designating OFR as a Law Enforcement Entity. This change is being proposed in legislation in the upcoming Legislative Session.

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 2022-23**

**Approved
Prior Year
Standard
FY 2021-22**

**Prior Year
Actual
FY 2021-22**

**Approved
Standards
for
FY 2022-23**

**Requested
FY 2023-24
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%

New Measure: Number of outreach events OFR Division of Financial Institutions participated in during fiscal year.

N/A

4

N/A

4

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 2022-23**

**Approved
Prior Year
Standard
FY 2021-22**

**Prior Year
Actual
FY 2021-22**

**Approved
Standards
for
FY 2022-23**

**Requested
FY 2023-24
Standard**

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%

88%

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%

84%

60%

60%

New Measure: Percentage of preliminary investigations completed or upgraded to formal investigation within 90 days of case opening

N/A

94%

N/A

75%

New Measure: Percentage of formal investigations completed or referred for enforcement action within management established time frames based on case complexity

N/A

89%

N/A

75%

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 2022-23**

**Approved
Prior Year
Standard
FY 2021-22**

**Prior Year
Actual
FY 2021-22**

**Approved
Standards
for
FY 2022-23**

**Requested
FY 2023-24
Standard**

Executive Direction and Support Services

Code: 43900550

Program administration costs (including Office of General Counsel) as a percentage of total program costs

Less than
10%

6%

Less than
10%

Less than
10%

Program administration positions (including Office of General Counsel) as a percentage of total program positions.

Less than
10%

6.2%

Less than
10%

Less than
10%

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 2022-23**

**Approved
Prior Year
Standard
FY 2021-22**

**Prior Year
Actual
FY 2021-22**

**Approved
Standards
for
FY 2022-23**

**Requested
FY 2023-24
Standard**

Finance Regulation

Code: 43900560

Primary Service Outcome:

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%

New Measure: Percentage of complex examinations that are completed or referred to the Office of General Counsel within 330 days

N/A

50%

N/A

55%

New Measure: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information

N/A

12

N/A

10

New Measure: Number of industry and/or consumer outreach events the Division of Consumer Finance participated in during the fiscal year

N/A

0

N/A

4

Approved Performance Measures for FY 2022-23	Approved Prior Year Standard FY 2021-22	Prior Year Actual FY 2021-22	Approved Standards for FY 2022-23	Requested FY 2023-24 Standard
Securities Regulation			Code: 43900570	
Primary Service Outcome: Number of complex securities examinations completed	100	183	100	100
Primary Service Outcome: Percentage of license applications processed within Administrative Procedure Act requirements	100%	100%	100%	100%
New Measure: Percentage of complex examinations that are completed or referred to the Office of General Counsel within 210 days	N/A	57%	N/A	45%
New Measure: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information	N/A	8	N/A	7
New Measure: Number of industry and/or consumer outreach events the Division of Securities participated in during the fiscal year	N/A	0	N/A	4

**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.

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: 43900530 Safety & Soundness of State Banking System

Measure: Number of outreach events OFR Division of Financial Institutions participated in during fiscal year.

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: Outreach events hosted by the OFR DFI and/or industry or consumer representatives in which members of the OFR DFI team present and participate. OFR DFI should always be available and at the forefront of matters impacting financial institutions, their customers and members. By participating in these events OFR DFI will be providing for and promoting the safe and sound conduct of business by financial institutions and the maintenance of public confidence in the financial institutions subject to the financial institutions codes.

The measure will be calculated as follows:

- a. Determine the total number of events OFR DFI participated in.
- b. OFR DFI will need to participate in a minimum of 4 events per year to meet the metric.

Validity: The measure requires OFR DFI to conduct outreach and be at the forefront of matters impacting state financial institutions and consumers.

Reliability: OFR DFI will have agendas and specific meeting topics to submit as part of the documentation for meeting this metric.

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: 43900540 Financial Investigations

Measure: Percentage of preliminary investigations completed or upgraded to formal investigation within 90 days 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. These cases typically are opened as "Preliminary Investigation/Inquiry" and are coded as such in REAL.

Upgraded Date – When it is deemed by the Investigations Managers that there is sufficient evidence or information to believe that violations of law and/or administrative rules have occurred, the case is upgraded from a Preliminary to a Formal investigation. This is accomplished by entering "Prelim Upgraded to Formal" activity and corresponding activity date in REAL.

Closed Date – If no violations of law and/or administrative rules have been documented the Preliminary investigation may be closed without having been upgraded to Formal. The Status of the case will be changed to "Closed Investigations" and the Status Date will be changed to reflect the date a case was closed.

The Bureau uses the REAL codes 1) Entered Date, 2) Activity Date and 3) Closed Date to determine the number of days from case opening to case upgrade to Formal or closure (whichever is earliest).

There are occasions where, due to circumstances outside the control of the Bureau the investigative case cannot be completed or upgraded within established timeframes, including for example: where there are substantial delays in production of necessary records by financial institutions or other third party witnesses; victim's refusal to cooperate or extended unavailability; avoidance of service by material witnesses; need for court assistance to enforce subpoenas; and need for domestication of subpoenas outside the State. These cases will be closed with a disposition of "Exceptional Clearance" and will not be used when calculating this measure.

Calculation of Outcome Measure: Cases closed as Exceptional Clearance are eliminated from the data pool for both the numerator and denominator. Percentage of preliminary investigations completed or upgraded to formal investigation within 90 days of case opening will be calculated by: 1) Determining the total number of cases that have been upgraded or Preliminary investigations that were closed without having been upgraded during the evaluation period 2) Determining the number of cases that fall within the scope of the performance measures 3) Dividing the number of cases within the scope (2) by the total number of cases (1).

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 REAL 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 timeliness of case closure or upgrade to Formal measures our ability to assess the information and gather evidence of potential violation in an expedited manner. Once an investigative case is upgraded our investigators continue to gather evidence, prepare reports, and if the case was accepted for enforcement, provide full investigative support as needed to facilitate a successful prosecution and enforcement result.

Reliability: Data inconsistencies can occur from input errors. To enhance 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: 43900540 Financial Investigations

Measure: Percentage of formal investigations completed or referred for enforcement action within management established time frames based on case complexity.

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.

Case complexity – Based on certain parameters each case is assigned a complexity level (Low, Medium or High) in REAL. The parameters are as follows:

Low Complexity/Narrow Scope

1. Involves no more than 10 victims and/or less than \$300,000.
2. Involves the analysis of no more than two bank/brokerage accounts and/or less than 1,000 aggregate transactions.
3. The number of memorandums of interview/affidavits completed is less than six.
4. Involves less than three respondents.
5. The nature of the case is sufficiently narrow and straightforward such that, in the manager's professional judgment, it can be closed or referred for enforcement action in less than 180 days.

Medium Complexity/Moderate Scope

1. Involves between 11 and 20 victims and/or between \$300,000 and \$1,500,000.
2. Involves the analysis of between three and seven bank/brokerage accounts and/or between 1,000 and 5,000 transactions.
3. The number of memorandums of interviews/affidavits completed is between six and twelve.
4. Involves between three and five respondents.

5. The nature, scope and complexity of the case is such that, in the manager's professional judgment, it would take greater than 180 days and less than 270 days to close or refer the case for enforcement action.

High Complexity/Broad Scope

1. Involves more than 20 victims and/or more than \$1,500,000.
2. Involves the analysis of more than seven bank/brokerage accounts and/or more than 5,000 aggregate transactions.
3. The number of memorandums of interview/affidavits completed is greater than twelve.
4. Involves more than five respondents.
5. The nature of the case is sufficiently broad and complex such that, in the manager's professional judgment, it cannot be closed or referred for enforcement action in less than 270 days.

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.

Referral Date – 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 by Legal
Case Accepted by OSWP
Case Accepted by SAO
Case Accepted by USAO

Closed Date – If no violations of law and/or administrative rules have been documented the case may be closed without having been referred for enforcement. The Status of the case will be changed to "Closed Investigations" and the Status Date will be changed to reflect the date a case was closed.

The Bureau uses the REAL codes 1) Entered Date, 2) Activity Date and 3) Closed Date to determine the number of days from case opening to case acceptance for enforcement or closure (whichever is earliest). This number is then used in conjunction with the complexity of the case (Low, Medium or High) to determine if it falls within the performance measures (less than 180 days for low complexity case, less than 270 days for Medium complexity case, and less than 365 days for high complexity case).

There are occasions where, due to circumstances outside the control of the Bureau the investigative case cannot be completed or referred within established timeframes, including for example: where there are substantial delays in production of necessary records by financial institutions or other third party witnesses; victim's refusal to cooperate or extended unavailability; avoidance of service by material witnesses; need for court assistance to enforce subpoenas; and need for domestication of subpoenas outside the State. These cases will be closed with a disposition of "Exceptional Clearance" and will not be used when calculating this measure.

Calculation of Outcome Measure: Cases closed as Exceptional Clearance are eliminated from the data pool for both the numerator and denominator. Percentage of formal investigations completed or accepted for enforcement action within management established time frames based on case complexity will be calculated by: 1) Determining the total number of cases that have been referred or closed without having been referred during the evaluation period 2) Determining the number of cases that fall within the scope of the performance measures 3) Dividing the number of cases within the scope (2) by the total number of cases (1).

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 REAL 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 timeliness of case closure or referral for enforcement measures our ability to conduct quality investigations in an expedited manner. Once an investigative case is accepted for enforcement, our investigators provide full investigative support as needed, to facilitate a successful prosecution and enforcement result.

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 General Counsel) 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 General Counsel. 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 General Counsel) 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 General Counsel. The total number of Full Time Equivalents (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: 43900560 Finance Regulation

Measure: Percentage of complex examinations that are completed or referred to the Office of General Counsel within an average of 330 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: This measure will report the percentage of complex examinations where the disposition of the REAL examination case is set to “Closed – No violation, Closed – License Terminated, Closed – No Business and Closed, and Closed – Referred to Legal.” Complex examinations will not include those examinations related to late or non-filed compliance filings such as quarterly reports, mortgage call reports, audited financial reports, and security device calculations forms.

The methodology for determining the measure will be as follows:

1. Identify the number of complex examinations where the disposition of the REAL case is set to “Closed – No violation, Closed – License Terminated, Closed – No Business and Closed, and Closed – Referred to Legal” and the disposition date is during the fiscal year.
2. Calculate the number of days from date received to disposition date for each examination.
3. Calculate the number of examination cases where the number of days is less than or equal to 330 days.
4. Calculate the percentage by dividing the number of cases within 330 days by the total number of cases identified

Validity: This measure helps to ensure the timely processing of complex examinations 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: 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: 43900560 Finance Regulation

Measure: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information.

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: Section 120.60, F.S., also known as the Administrative Procedures Act or APA, sets forth timeframes by which an agency must review an application for a license and notify the applicant of a request for additional information. Pursuant to the APA, an agency must review an application for a license and notify the applicant of a request for additional information within thirty-days (30) days of receipt of the application. Also pursuant to the APA, upon completion of an application, an agency must either approve or deny the application within ninety-days (90), unless it is withdrawn prior to expiration of the ninety-days. Failure by an agency to comply with the APA would force the agency to approve a license where the applicant did not qualify. This action could likely expose the public to a risk of unlawful activity or fraud.

This measure reflects the average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information, which is necessary to complete the application. The measure is determined by the following methodology:

1. Count the number of initial applications that were reviewed and the applicant was notified of a request for additional information during the fiscal year.
2. Count the number of days for each initial application from the received date to the date the applicant was notified of a request for additional information.
3. Calculate the total number of days for all initial applications that were notified of a request for additional information.
4. Divide the total number of days for all initial applications by the total number of initial applications to determine the average number of days.

Validity: This measure helps to ensure the division reviews initial applications and notifies applicants of any request for additional information in 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: 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 of Financial Services

Program: Financial Services Commission – Office of Financial Regulation

Service/Budget Entity: 43900560 – Finance Regulation

Measure: Number of industry and/or consumer outreach events the Division of Consumer Finance participated in during the fiscal year

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 will identify the number of industry and/or consumer outreach events in which members of the Division of Consumer Finance host or participate. Outreach events may include, but not be limited to, sharing industry market and regulatory trends to industries and consumers related to those areas registered and regulated by the Division. The outreach may also include providing consumer educational information to help consumers navigate the complex financial services products and services offered by professionals regulated by the Division.

The measure will be calculated based on the number of industry and/or consumer outreach events where at least one member of the Division of Consumer Finance team provides a presentation to an industry or consumer group designed to educate and share valuable information.

Validity: An agenda will be retained in electronic format for documentation of the outreach. A PowerPoint presentation, if provided, will also be retained in electronic format for documentation of the outreach.

Reliability: The Division of Consumer Finance will have agendas and specific meeting topics to submit as part of the documentation for meeting this metric. Employee names will be included to document the outreach was conducted by a member of the Division.

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.

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 complex examinations that are completed or referred to the Office of General Counsel within 210 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: This number will report the percentage of complex examinations that are closed with no legal action or referred to the General Counsel's office within 210 days. Complex examinations include a review of a firm's books and records and may 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.

The list of total complex examinations closed or referred to the General Counsel's office during the reporting period will be filtered by those complex examinations

closed or referred within 210 days. The measure will be calculated by dividing the number of complex examinations closed or referred to the General Counsel's office within 210 days by the total number of complex examinations closed or referred to the General Counsel's office during the reporting period.

Validity: The Division of Securities is the sole regulator of investment advisers with up to \$100 million of assets under management. Complex examinations include a review of books and records and may involve sales practice abuses or entities with higher risk scores. The division believes resources should be focused on examinations of state-registered investment advisers to ensure they are in compliance with applicable laws and rules and examinations where there are or may be sales practice abuses. This furthers the agency's mission to promote a safe and sound financial marketplace

Reliability: Information with respect to each examination is entered into the agency's Registration Enforcement and Licensing (REAL) system. Information will be retrieved from REAL 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, Bureau of Enforcement staff 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: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information

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 Administrative Procedures Act (APA, Section 120.60, Florida Statutes) 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. This measure reflects the average number of days to manually review an initial application for registration and notify the applicant of a request for additional information or documents necessary to complete the application. The measure is determined by the following methodology:

1. Count the number of initial applications that were manually reviewed where the applicant was notified of a request for additional information during the fiscal year.
2. Count the number of days for each manually reviewed initial application from the received date to the date the applicant was notified of a request for additional information.
3. Total the number of days from Step 2.
4. Divide the total number of days by the total number of manually reviewed initial applications requiring notifications for additional information to determine the average number of days.

Validity: This measure helps to ensure the Division's timely review of all manually reviewed initial applications and compliance with state law. This furthers the agency's mission to provide quick, responsive service to entities and individuals applying to offer investment products and services in, to, or from Florida.

Reliability: The Division tracks manually reviewed initial applications in the agency's Registration Enforcement and Licensing (REAL) system. Information will be retrieved from REAL 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.

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: Number of industry and/or consumer outreach events the Division of Securities participated in during the fiscal year

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 will identify the number of industry and/or consumer outreach events in which members of the Division of Securities host or participate. Outreach events may include, but not be limited to, sharing industry market and regulatory trends to industries and consumers related to those areas registered and regulated by the Division. The outreach may also include providing consumer educational information to help consumers navigate the complex financial services products and services offered by professionals regulated by the Division.

The measure will be calculated based on the number of industry and/or consumer outreach events where at least one member of the Division of Securities team provides a presentation to an industry or consumer group designed to educate and share valuable information.

Validity: An agenda will be retained in electronic format for documentation of the outreach. A PowerPoint presentation, if provided, will also be retained in electronic format for documentation of the outreach.

Reliability: The Division of Securities will have agendas and specific meeting topics to submit as part of the documentation for meeting this metric. Employee names will be included to document the outreach was conducted by a member of the Division.

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 2022-23		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
3	New Measure: Number of outreach events OFR Division of Financial Institutions participated in during the fiscal year		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 2022-23		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
3	New Measure: Percentage of preliminary investigations completed or upgraded to formal investigation within 90 days of case opening		Conduct financial investigations into allegations of fraudulent activity
4	New Measure: Percentage of formal investigations completed or referred for enforcement action within management established time frames based on case complexity		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 2022-23		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
3	New Measure: Percentage of complex examinations that are completed or referred to the Office of General Counsel within 330 days		Examinations of non-depository financial service companies to determine compliance with regulations
			Examine and regulate money service businesses to ensure regulatory compliance

4	New Measure: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information		Evaluate and process applications for licensure as a financial services entity.
5	New Measure: Number of industry and/or consumer outreach events the Division of Consumer Finance participated in during the fiscal year		Examinations of non-depository financial service companies to determine compliance with regulations
			Examine and regulate money service businesses to ensure regulatory compliance
43900570 - Securities Regulation			
Measure Number	Approved Performance Measures for FY 2022-23		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.
3	New Measure: Percentage of complex examinations that are completed or referred to the Office of General Counsel within 210 days		Regulate Securities Firms, Branches and Individuals, and review appropriateness of securities offerings to ensure regulatory compliance
4	New Measure: Average number of days to manually review an initial application for licensure and notify the applicant of a request for additional information		Evaluate and process application for registration as a securities firm, branch, and/or individuals
5	New Measure: Number of industry and/or consumer outreach events the Division of Securities participated in during the fiscal year		Regulate Securities Firms, Branches and Individuals, and review appropriateness of securities offerings to ensure regulatory compliance
			Evaluate and process application for registration as a securities firm, branch, and/or individuals

LRPP Agency-Level Unit Cost Summary-LRPP Exhibit VI

FINANCIAL SERVICES, DEPARTMENT OF		FISCAL YEAR 2021-22			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT		404,495,883		8,119,299	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)		5,915,097		2,744,765	
FINAL BUDGET FOR AGENCY		410,410,980		10,864,064	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					10,449,064
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.		3,881	109.24	423,964	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		63,310	17.14	1,085,011	
Investment Of Public Funds * Average Dollar Volume of Funds Invested		48,300,000,000	0.00	980,844	
Provide Cash Management Services * Number of cash management consultation services.		64	22,091.89	1,413,881	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		3,040,000	0.71	2,145,579	
Administer The State Supplemental Deferred Compensation Plan * Number of Participant account actions processed by the Bureau of Deferred Compensation.		1,708,754	1.00	1,714,902	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		35,604	120.87	4,303,328	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		12,078,125	0.07	795,755	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		367,680	20.62	7,582,650	
Process State Employees Payroll * Payroll payments issued		3,160,050	0.64	2,033,588	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes		5	17,600.20	88,001	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.		28	23,590.68	660,539	
Article V - Clerk Of The Courts * N/A		26	14,219.35	369,703	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		2,669,301	1.23	3,277,070	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		498,781	7.08	3,529,624	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		8,380	73.25	613,837	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		14,591	342.33	4,994,981	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		367	1,677.78	615,746	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		1,318	520.17	685,585	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		2,350	7,388.81	17,363,706	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		175,831	15.54	2,731,800	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		11,286	114.33	1,290,375	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		6,849	181.78	1,244,979	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		2,387,373	0.13	318,132	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		20,386	1,836.19	37,432,651	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		5,435	2,383.09	12,952,077	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		253	8,951.16	2,264,643	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.		102	20,002.35	2,040,240	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		14	60,770.36	850,785	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		176,348	15.86	2,796,792	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		71,589	28.34	2,028,577	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		2,470,042	0.30	735,228	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		350,104	1.26	441,454	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		3,184	1,734.03	5,521,161	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers- compensation).		1,400	17,392.31	24,349,228	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed.		427	8,937.79	3,816,435	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		53,595	78.50	4,207,259	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		680,055	0.91	616,145	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		222,249	21.19	4,708,441	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		2,008	1,389.65	2,790,419	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		11,293	391.25	4,418,412	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		27,425	538.64	14,772,158	
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.		516	9,601.90	4,954,579	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		1,030	1,242.77	1,280,052	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		60,614,918	0.01	660,507	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		5,055,493	0.74	3,759,932	
Reimbursement Disputes * Number of petitions resolved annually		4,710	351.84	1,657,170	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		2,669	2,916.61	7,784,422	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		59	17,325.17	1,022,185	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		71	47,688.87	3,385,910	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		9,343	2,097.75	19,599,264	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		12,962	720.85	9,343,624	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		267	16,453.01	4,392,953	
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.		34,266	59.43	2,036,423	
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.		94	117,779.31	11,071,255	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.		12	64,358.00	772,296	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		194	23,128.55	4,486,938	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		138	39,179.07	5,406,711	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		231	24,293.58	5,611,818	
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.		72,654	36.41	2,645,591	
TOTAL				276,877,315	10,449,064
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS				75,000	
OTHER				74,442,996	
REVERSIONS				59,015,736	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				410,411,047	10,449,064

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	315,159	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	696,488	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	15,996,334	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	214,609	
43200100	1601000000	ACT2140	CONDUCT POST-AUDITS OF MAJOR	307,130	
43200300	1603000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	24,771,040	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,300,000	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	1,489,660	
43300500	1202000000	ACT3440	PASS-THROUGH GRANTS AND AIDS LOCAL	3,655,340	
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	2,000,000	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,171,824	
43300500	1202000000	ACT5510	HURRICANES AND OTHER NATURAL	3,195,102	
43500400	1205000000	ACT5530	MIAMI-DADE COUNTY SURFSIDE	20,069	
43200100	1601000000	ACT5540	PASS THROUGH - TRANSFER TO	5,000,000	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	2,028,552	

43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,031,689
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):	410,410,980	10,864,064
TOTAL BUDGET FOR AGENCY (SECTIONS II + III):	410,411,047	10,449,064
	-----	-----
DIFFERENCE:	67-	415,000
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

*FCO difference is due to the 415,000 held in unbudgeted reserve in category 080990 in budget entity 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

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.

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