

Florida House of Representatives
Government Operations Appropriations Subcommittee

**Fiscal Year 2014-2015 Legislative Budget Requests
and Potential Budget Reductions**

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Office of Insurance Regulation
Financial Services Commission

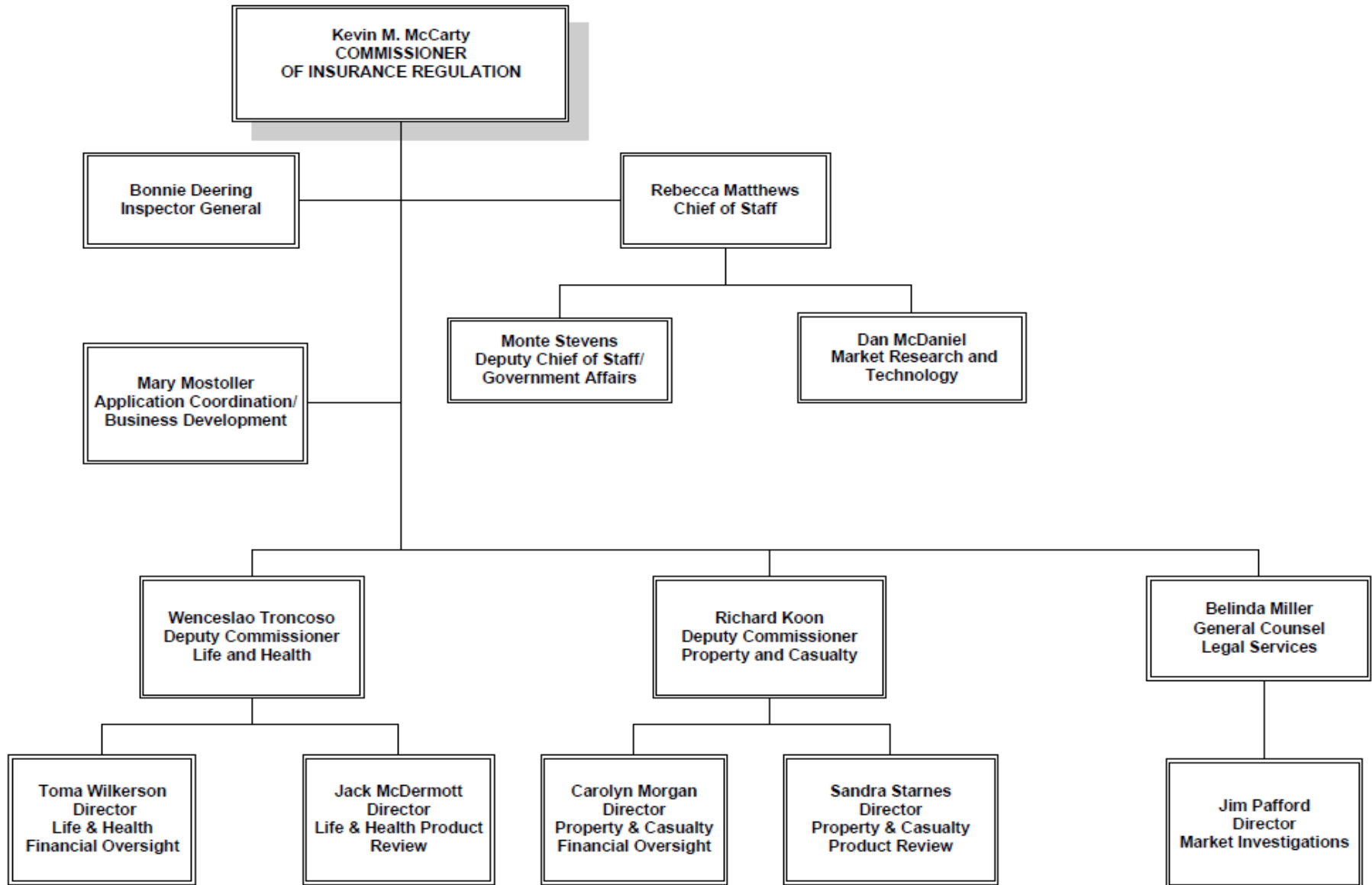
January 9, 2014

The Florida Legislature created the Office of Insurance Regulation (Office) in 2003:

“The Office of Insurance Regulation, which shall be responsible for all activities concerning insurers and other risk bearing entities, including licensing, rates, policy forms, market conduct, claims, issuance of certificates of authority, solvency, viatical settlements, premium financing, and administrative supervision, as provided under the insurance code. The head of the Office of Insurance Regulation is the Director of the Insurance Regulation, who may also be known as the Commissioner of Insurance Regulation.”

Section 20.121,(3)(a),1, Florida Statutes

Florida Office of Insurance Regulation
Organizational Chart – December 2013



Business Units

- **Property and Casualty**

- **Financial Oversight** – Monitors the financial condition of property & casualty insurers by conducting financial examinations and ongoing financial analysis.
- **Product Review** – Review property and casualty contracts, forms, and rate filings received from insurance companies.

- **Life and Health**

- **Financial Oversight** – Monitors the financial condition of life & health entities by conducting financial analysis and on-site examinations.
- **Product Review** – Review life and health contracts, forms, and rate filings received from life insurance companies and health maintenance organizations.

Business Units

- **Legal Services** – Provides counsel to the Office, leads litigation efforts, and works with insurance examiners on regulatory matters.
- **Market Investigations** – Conducts examinations and investigations of insurance companies and related parties to ensure compliance with Florida Statutes and the Florida Insurance Code.
- **Business Development/Company Admissions** – Spearheads outreach to prospective companies. Receives and reviews applications for new company licensure and new lines of business.
- **Market Research/Technology** – Collects insurance industry data and develops market reports. Responsible for technology enhancements and maintenance.

Budget

- Team of 288 Employees
- Total Budget of \$29,438,109*
- Exclusively funded by the Insurance Regulatory Trust Fund (IRTF). No General Revenue is utilized for the Office budget.
- The Office is administratively housed within the Department of Financial Services (DFS) for some administrative and technology support services.

*includes non-recurring funding and special budget categories for budget authority associated with the outsourcing of financial examinations.

Compliance and Enforcement

Oversight of company solvency, policy forms and rates, and market investigations performance.

Category	Amount
Salaries and Benefits	\$15,770,323
- Provides salaries and benefits for 254 FTE positions	
Other Personal Services (\$250,000 held in reserve)	\$ 375,000
Expenses (includes \$1 million for office building rent to DMS)	\$ 2,419,239
Operating Capital Outlay	\$ 35,000
Contracted Services	\$ 688,016
Lease/Purchase Equipment	\$ 18,989
Property & Casualty Examinations (budget authority only)	\$ 4,651,763
Life & Health Examinations (budget authority only)	\$ 275,000
Public Hurricane Model - Maintenance & Support	\$ 588,639
Public Hurricane Model – Enhancements (non-recurring)	\$ 1,543,300

Executive Direction

Overall direction in carrying out the Office’s statutory and administrative responsibilities. The Commissioner, legal and support staff provide administrative support, leadership, legal counsel, direction and executive guidance in carrying out the Office’s statutory responsibilities.

Category	Amount
Salaries and Benefits	\$2,488,890
- Provides salaries and benefits for 34 FTE positions	
Expenses	\$ 93,543
Contracted Services	\$ 117,710
Lease/Purchase Equipment	\$ 8,414

Legislative Budget Requests

Reclassification of 8 Life and Health Forms Positions

1. 5 Insurance Analyst II positions to:
2 Government Analyst I & 3 Government Analyst II positions
2. 3 Senior Management Analyst I positions to:
3 Senior Management Analyst II positions

Request: \$118,356 (\$103,262 salary rate & \$15,094 benefits)

Increase in OPS Appropriation

Request: \$125,000

Schedule VIII-B Budget Reductions

Reduction Category	Savings Amount
Florida Hurricane Model (contract savings)	\$ 28,031
Compliance and Enforcement Expense (examiner travel)	\$100,000
Compliance and Enforcement Expense (all other business unit expenses)	\$250,000
Florida Hurricane Model	\$360,000
Contracted Services	\$ 60,000
Vacant Positions (6 FTE)	\$355,562

Questions?

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For more information about the Office of Insurance Regulation, visit:
www.floir.com