



Florida Office of Insurance Regulation

Commissioner David Altmaier

Performance Measures and Legislative Budget Request

Presented to:

The Financial Services Commission

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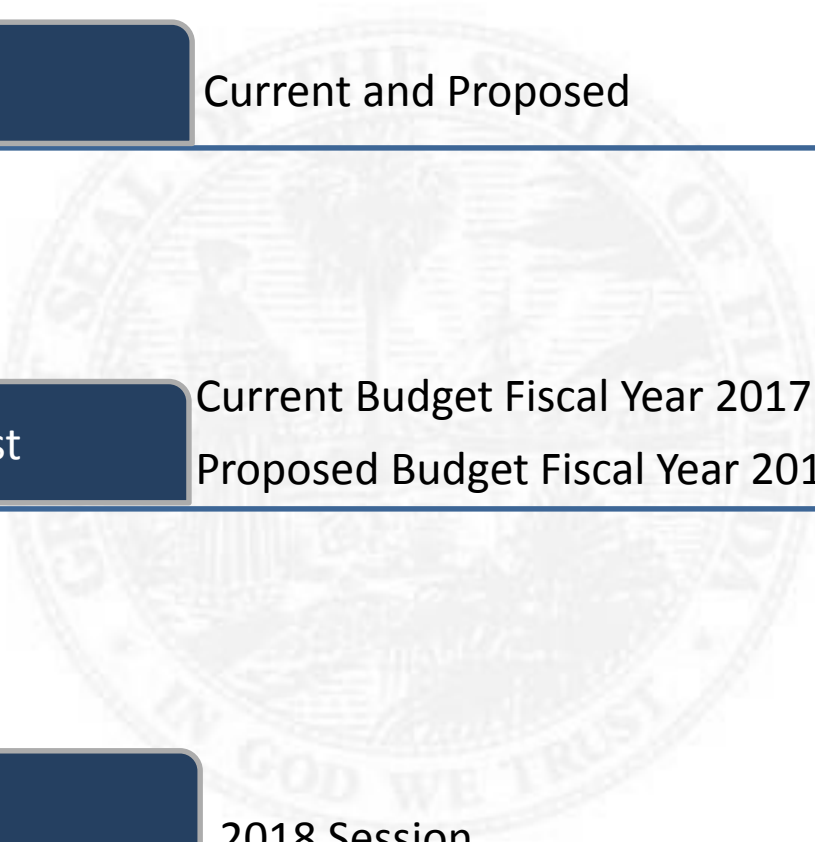
Legislative Budget Request

Current Budget Fiscal Year 2017 - 2018

Proposed Budget Fiscal Year 2018-2019

Legislative Agenda

2018 Session





Proposed Performance Measures

If approved, the new measures will:

- Drive productivity, enhance operational function, and, most importantly, constantly challenge ourselves to do better
- Maintain existing criteria but modify the measures to better gauge efficiency
- Aid us in accomplishing our mission to promote a stable and competitive insurance market in the state of Florida for all market participants through improved processes

Performance Measures – Current and Proposed

Current	Proposed	Changes
1	Percentage of applications for a new certificate of authority and new types of insurance added to an existing certificate of authority completed within 90 days.	Average* number of days to process applications with a benchmark** score of 3. ✓
2	Percentage of life and health form and rate filing reviews completed within 45 days.	Average* number of days to complete life and health form and rate filing reviews with a benchmark** score of 3. ✓
3	Percentage of property and casualty form filing reviews completed within 45 days.	Average* number of days to complete property and casualty form and rate filing reviews with a benchmark** score of 3. ✓
4	Percentage of property and casualty rate filing reviews completed within 90 days.	Weighted average of the percentages from the combination of current measures 1-5, 9, and 10. ✓
5	Percentage of market conduct exams with violations in which the Office requires companies to remediate.	Average* number of days to complete market conduct exams and investigations with a benchmark** score of 3. ✓
6	Percentage of financial exams of domestic insurers completed within 18 months of the "as of" exam date.	No Change
7	Percentage of life and health priority financial examinations of domestic insurers completed within 18 months of the "as of" exam date.	No Change
8	Percentage of property and casualty priority financial examinations of domestic insurers completed within 18 months of the "as of" exam date.	No Change
9	Percentage of priority financial analyses completed within 60 days.	Average* number of days to complete priority financial analyses with a benchmark** score of 3. ✓
10	Percentage of non-priority financial analyses completed within 90 days.	Average* number of days to complete non-priority financial analyses with a benchmark** score of 3. ✓

* Average refers to an eight-quarter moving weighted average to reduce the effects of seasonality and create a stable dataset.

** Benchmark was set using the statistics from the end of FY 2016-2017

Proposed Performance Measures		Weight	Scale	Result	Score
1	Average* number of days to process applications with a benchmark** score of 3.	8%	5 = 34.71 4 = 35.07 3 = 35.42 2 = 35.77 1 = 36.13	35.42	3
2	Average* number of days to complete life and health form and rate filing reviews with a benchmark** score of 3.	8%	5 = 21.65 4 = 21.87 3 = 22.09 2 = 22.31 1 = 22.53	22.09	3
3	Average* number of days to complete property and casualty form and rate filing reviews with a benchmark** score of 3.	8%	5 = 22.44 4 = 22.67 3 = 22.90 2 = 23.13 1 = 23.36	22.90	3
4	Weighted average of the percentages for completed applications/filings within: 90 days for COA's and new types of insurance; 45 days for L&H; 90 days for P&C rates and 45 days for forms; 60/90 days for priority/non-priority financial analyses; and total market conduct violations requiring remediation.	8%	5 = 98 - 100% 4 = 95 - 97% 3 = 92 - 94% 2 = 90 - 92% 1 = 87 - 89%	100%	5
5	Average* number of days to complete market conduct exams and investigations with a benchmark** score of 3.	8%	5 = 86.41 4 = 87.29 3 = 88.17 2 = 89.05 1 = 89.93	88.17	3
6	Percentage of financial exams of domestic insurers completed within 18 months of the "as of" exam date.	8%	5 = 100% 4 = 98-99% 3 = 97-98% 2 = 95-96% 1 = 93 - 94%	100%	5
7	Percentage of life and health priority financial examinations of domestic insurers completed within 18 months of the "as of" exam date.	8%	5 = 100% 4 = 98-99% 3 = 97-98% 2 = 95-96% 1 = 93 - 94%	100%	5
8	Percentage of property and casualty priority financial examinations of domestic insurers completed within 18 months of the "as of" exam date.	8%	5 = 100% 4 = 98-99% 3 = 97-98% 2 = 95-96% 1 = 93 - 94%	100%	5
9	Average* number of days to complete priority financial analyses with a benchmark** score of 3.	8%	5 = 8.47 4 = 8.55 3 = 8.64 2 = 8.73 1 = 8.81	8.64	3
10	Average* number of days to complete non-priority financial analyses with a benchmark** score of 3.	8%	5 = 41.40 4 = 41.82 3 = 42.24 2 = 42.66 1 = 43.08	42.24	3
				Average	3.8

* Average refers to an eight-quarter moving weighted average to reduce the effects of seasonality and create a stable dataset.

** Benchmark was set using the statistics from the end of FY 2016-2017



Current Budget: Fiscal Year 2017-2018

- Team of 289 Full-Time Employees
- Total Budget of \$30,707,991
- Exclusively funded by the Insurance Regulatory Trust Fund - no General Revenue is utilized for the Office's budget
- The Office is administratively housed within the Department of Financial Services for some administrative and technology support services



Office Budget – Fiscal Years (FY) 2017-2018 and 2018-2019

Legislative Appropriation Category	FY 2017-2018	FY 2018-2019
Salaries and Benefits	\$ 20,261,606	\$ 20,261,606
Financial Examinations (Pass-Through)	\$ 4,926,763	\$ 4,926,763
* Property & Casualty Examinations (\$3,501,763)		
* Life & Health Examinations (\$1,425,000)		
Expenses (includes \$1.1 million for office building rent to DMS)	\$ 2,481,072	\$ 2,481,072
Contracted Services	\$ 1,430,726	\$ 1,430,726
Florida Public Hurricane Model - Maintenance & Support to FIU	\$ 969,689	\$ 969,689
Other Personal Services	\$ 290,169	\$ 290,169
Risk Management Insurance	\$ 128,297	\$ 128,297
Operating Capital Outlay	\$ 98,000	\$ 98,000
Transfer to DMS (HR Contract)	\$ 94,266	\$ 94,266
Lease/Purchase/Equipment	\$ 27,403	\$ 27,403
Total	\$ 30,707,991	\$ 30,707,991



Legislative Agenda

Assignment of Benefits (AOB)





Questions?

