



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

...
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Affirmative Action / Equal Opportunity Employer

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

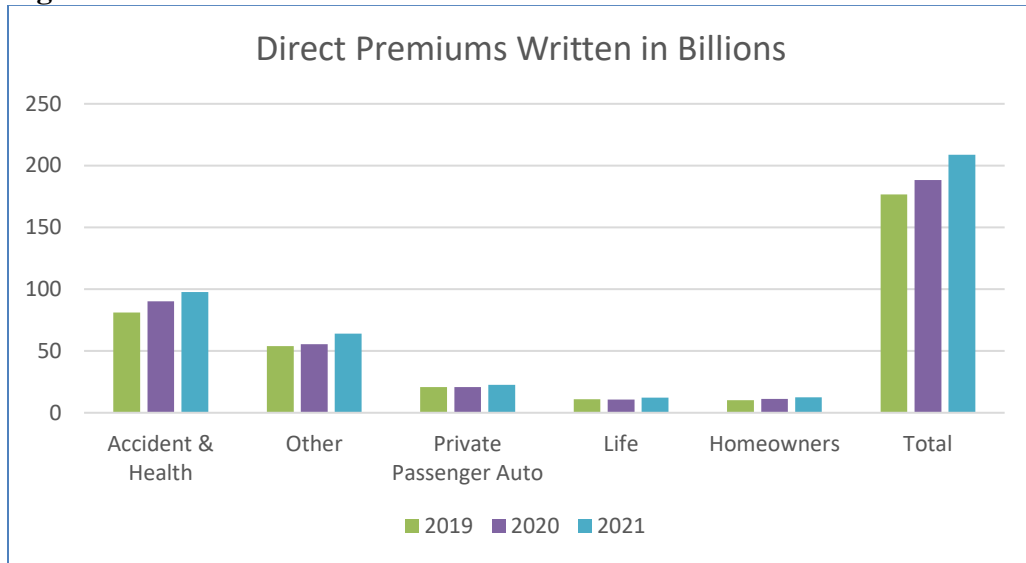
Florida insurance markets are generally competitive, although market concentration varies considerably from one line to another, as shown in Table 2.

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.florid.com/siteDocuments/CommerceCommitteeDataRequest.pdf> and <https://florid.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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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 with the NAIC accreditation standards.

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