



Commissioner David Altmaier

Performance Measures and Legislative Budget Request

Presented to:

The Financial Services Commission

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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

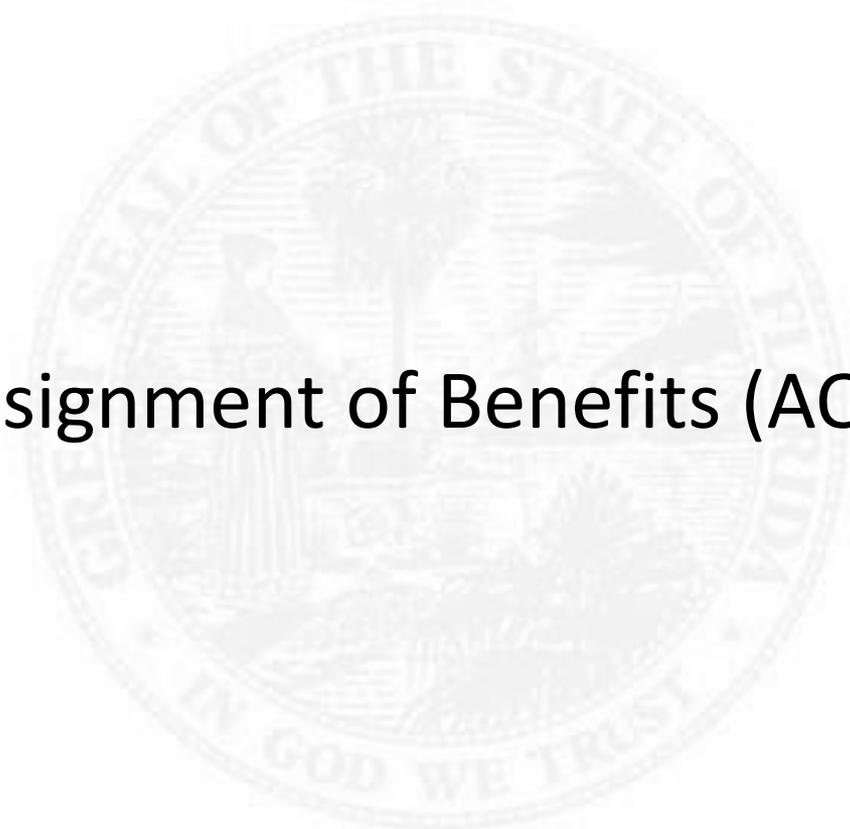


Office Budget – Fiscal Years (FY) 2017-2018 and 2018-2019

| 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 |



Assignment of Benefits (AOB)





Questions?

