

# **Chapter 1 Florida's Rules and Regulations**

States depend on certain individuals to help the state run efficiently. Each individual plays an important role.

## **Chief Financial Officer**

Pursuant to Secs. 17.001 et seq. (Chapter 17) F.S., the Chief Financial Officer (CFO) serves as head of the Department and oversees all 14 divisions within the DFS. The CFO is an elected official and a member of the Governor's cabinet. The CFO's responsibilities include:

- Investigating fraud, including identity theft and insurance fraud
- Overseeing the licensing of insurance adjusters, agents, and agencies
- Ensuring that businesses maintain workers' compensation insurance
- Overseeing the state's Bureau of Unclaimed Property
- Monitoring the state's deferred compensation program for state employees
- Administering the state's accounting and auditing functions
- Regulating cemeteries and funeral homes

## **Department of Financial Services**

In 1998, the Florida legislature amended the state constitution to merge the Departments of Insurance, Treasury, State Fire Marshall, and Banking and Finance into the Department of Financial Services (Department or DFS). The merger became effective January 2003.

The Department regulates the state's banking, securities, insurance, mortgage lending, and funeral and cemetery businesses and is comprised of 14 divisions, plus the Office of Insurance Consumer Advocate. Several of these divisions are responsible for regulating certain aspects of the insurance industry, including the Division of Agent and Agency Services, the Division of Insurance Fraud, and the Division of Consumer Services.

## **Office of Insurance Regulation**

The Office of Insurance Regulation serves Floridians through its responsibilities for regulation, compliance and enforcement of statutes related to the business of insurance. The Office is also entrusted with the duty of carefully monitoring statewide industry markets.

Under 20.121(3)(a)1 the major structural unit of the commission is the office. Each office is headed by a director. The Office of Insurance Regulation is responsible for 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 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.

## **Office of Financial Regulation**

The key function of the Office of Financial Regulation is to provide regulatory oversight for Florida's financial services providers. Its mission is to protect the citizens of Florida, promote a safe and sound financial marketplace, and contribute to the growth of Florida's economy with smart, efficient and effective regulation of the financial services industry.

In 2016, Florida experienced department reorganization, with some departments experiencing name changes. The Office of the General Counsel has confirmed, either by statutory review or by contacting the Divisions and Offices, the following titles of the Department's divisions, bureaus, offices, and one section. In all formal written communications, these should be referred to exactly as stated. The list reflects, in part, the Department's official organizational structure established pursuant to section 20.121, Florida Statutes (2016). The list also identifies other divisions,

bureaus, offices, and one section, which is included since it is often incorrectly identified.

### **Division of Accounting and Auditing**

The Division of Accounting and Auditing includes:

1. The Bureau of State Payrolls;
2. The Bureau of Financial Reporting;
3. The Bureau of Auditing; and
4. The Bureau of Vendor Relations.

This Division prepares and provides financial reports and makes sure Florida taxpayers' dollars are appropriately spent. They review the agreements that provide goods and services to Florida and approve payment requests. State agencies and vendors can use website links to find information to improve their business processes.

### **Division of Administration**

The Division of Administration is responsible for providing administrative support to the Department of Financial Services, Office of Financial Regulation and Office of Insurance Regulation. The division includes the Bureau of General Services, the Bureau of Human Resource Management, and the Office of Publications.

### **Bureau of General Services**

The Bureau of General Services serves all employees in the Department encompassing four core management sections:

1. Emergency Management and Safety;
2. Mail Services;
3. Printing Services; and
4. Property and Facility Management.

### **Bureau of Human Resource Management**

The Bureau of Human Resource Management administers a comprehensive human resource program for the Department, including:

1. Attendance and Leave
2. Benefits
3. Classification and Pay
4. Employee Relations
5. Learning and Development
6. Payroll
7. Performance Management; and
8. Recruitment and Selection.

### **Office of Purchasing and Contractual Services**

The Office of Purchasing and Contractual Services serves as the team responsible for the Department's procurements; the duties include Purchasing Services and Contract Administration.

### **Office of Cabinet Affairs**

The Office of Cabinet Affairs (OCA) serves as DEP's clearinghouse for all cabinet agenda items for presentation to the Governor and Cabinet, which includes the Attorney General, Chief Financial Officer and Commissioner of Agriculture and Consumer Services, sitting as the Board of Trustees of the Internal Improvement Trust Fund and the Power Plant Siting Board. The OCA coordinates the preparation of cabinet agenda items pertaining to the acquisition, administration, disposition and use of state lands with the DEP divisions, district offices and water management districts. The OCA provides technical and logistical support to the DEP executive staff, cabinet-level reviews of agenda items and transmittal of these items to the Governor and Cabinet. Serving as a liaison

with the Cabinet Offices, the OCA coordinates overall programmatic assignments with the Deputy Secretary of Land and Recreation or other DEP staff as needed.

### **Office of Communications**

The Office of Communications serves as the Chief Financial Officer's liaison with the news media. As the primary contact for journalists, the office provides information regarding the CFO's initiatives and Department of Financial Services' responsibilities.

This Office is also the State Fire Marshal's liaison with the news media. All media inquiries regarding investigations, regulations, and activities of the State Fire Marshal are handled by the CFO's Office of Communications.

### **Division of Consumer Services**

The Division of Consumer Services consists of the Bureau of Education Advocacy and Research and the Bureau of Consumer Assistance.

The Division of Consumer Services offers a variety of information and resources to educate consumers regarding numerous insurance and financial topics. Their goal is to proactively educate and assist Florida's insurance and financial consumers through responsive, professional and innovative service.

The Division offers a toll-free Insurance Consumer Helpline to assist insurance consumers with insurance questions and inquiries or to file a complaint against an insurance company. The staff will advocate on an individual's behalf and assist him or her with resolving their insurance concerns.

### **Office of Finance and Budget**

The Office of Finance and Budget includes its Bureau of Financial Services. It supports all divisions in the Department of Financial Services by identifying, managing, projecting, analyzing, processing, and reporting the financial resources of the department. This is done by informing, supporting, advising, and providing timely accurate relevant and accessible data.

### **Division of Funeral, Cemetery, and Consumer Services**

The Division of Funeral, Cemetery, and Consumer Services (includes its Board of Funeral, Cemetery, and Consumer Services) protects death care industry consumers buying preneed burial rights. It also protects those purchasing funeral and burial merchandise or services. It oversees licensed establishments, facilities, and cemetery grounds by conducting annual inspections.

The Division has established qualifications for professions and occupations in the death care industry. These professions and occupations include but are not limited to funeral directing, embalming, preneed sales and monument sales. Furthermore, the Division ensures death care professionals maintain their qualifications through continuing education courses and licensure renewal. Lastly, The Division ensures effective discipline for those licensees who have violated the law.

Formerly called the Division of Legal Services, the Office of General Counsel provides legal counsel and represents the Florida Department of Environmental Protection. The office focuses on Florida's environmental priorities, such as restoring America's Everglades; improving air quality; restoring and protecting the water quality in Florida's springs, lakes, rivers and coastal waters; conserving environmentally sensitive lands; and providing citizens and visitors with varied recreational opportunities.

The Division of Information Systems (DIS) supports the mission and vision of Florida's Chief Financial Officer (CFO). The use of emerging technology, a highly trained technical workforce, and strategic partnerships with Floridians is what drives the organization to achieve success.

## **Division of Insurance Agent and Agency Services**

The Division of Insurance Agent and Agency Services includes the Bureau of Investigation and the Bureau of Licensing. It is the website provided to provide accurate information regarding insurance agents, adjusters, limited surety (bail bond) agents, navigators, insurance-related entities, including education providers and instructors. Here Floridians can find everything required to know about qualifying, applying for licensure, education requirements, and compliance information.

## **Division of Rehabilitation and Liquidation**

The Department of Financial Services is responsible for serving as the receiver of any insurer placed into receivership in the state. This Division plans, coordinates, and directs the receivership process on behalf of the Department. If an insurance company cannot be successfully rehabilitated, the Department will petition a court to have the insurer placed into liquidation.

## **Division of Investigative and Forensic Services**

Formerly the Division of Insurance Fraud, the Division of Investigative and Forensic Services functions as a criminal justice agency. The division now includes the following bureaus and offices:

1. The Bureau of Forensic Services, formerly called the Division of the State Fire Marshal;
2. The Bureau of Fire and Arson Investigations, formerly known as the Division of the State Fire Marshal;
3. The Office of Fiscal Integrity, formerly known as the Division of Accounting & Auditing;
4. The Bureau of Workers' Compensation Fraud;
5. The Bureau of Insurance Fraud; and
6. Operational Support Services.

The Division of Investigative and Forensic Services encompasses all law enforcement and forensic components residing within the Department of Financial Services. With this broad responsibility, the division investigates a wide range of fraudulent and criminal acts including:

1. Insurance Fraud Investigations;
2. Workers' Compensation Fraud Investigations;
3. Fire, Arson and Explosives Investigations;
4. Theft/Misuse of State Funds; and
5. Fire and Explosives Sample Analysis.

Law enforcement officers are required to use skills developed through observation, training and experience to identify suspicious circumstances, unusual occurrences and violations of law. They contact people who, according to their training, experience and knowledge, are in a place or are acting in a way to make them believe a crime was or is about to be committed. Using a proactive approach helps in the detection and apprehension of criminals, protecting citizens from crime.

One of their goals is to avoid discriminatory practices, affording all citizens equal protection under the law. There is a difference between the accepted practices of criminal profiling and bias-based profiling. One is an investigative tool, while the other is a discriminatory practice. Under criminal profiling, such things as gender, race, and other factors that narrow the search are used, whereas bias-based profiling occurs when an officer applies his or her own personal and societal biases to actions.

## **Office of Inspector General**

The mission of the Office of Inspector General is to advance positive change in performance, accountability, efficiency, integrity, and transparency of programs and operations within the

Department of Financial Services. Their authority comes from Section 20.055(2) of the Florida Statutes. It provides that the Office of Inspector General (OIG) is established in each state agency to provide a central point for coordination of and responsibility for activities that promote accountability, integrity and efficiency. Their major responsibilities include investigations, audits, reviews, consulting and technical assistance activities.

The offices of Insurance Regulation (OIR) and Financial Regulation (OFR) each have their own separate inspectors general. Sometimes the DFS Inspector General may work with the OIR or OFR Inspectors General of projects of mutual interest.

### **Office of Insurance Consumer Advocate**

The Office of Insurance Consumer Advocate is intended to be a strong, independent voice for Floridians. As citizens become increasingly dependent on quality insurance products, an advocate is needed to represent the people when insurance decisions are made, something people often felt they did not have in the past.

The office of Insurance Consumer Advocate maintains a balance between a viable, competitive insurance market with the fiscal capacity to fulfill obligations to policyholders and consumer's needs for accessible, affordable insurance products to protect their lives, health, and property. Tapping into market reports, along with around 500,000 inquiries annually, they are able to identify market trends affecting Floridians. This data empowers the Insurance Consumer Advocate to seek early and proactive resolution of practices that may adversely affect people, and assist in expansion of benefits that are good for consumers.

### **Office of Internal Affairs and Appointments**

The Office of Internal Affairs and Appointments coordinates the CFO's appointments to state sponsored Commissions and Boards. Additionally, the office manages the CFO's day-to-day scheduling.

The CFO has appointing authority for many Boards and Commissions throughout Florida. It is the CFO's responsibility to appoint qualified, representative, and appropriate people to these roles.