

Amendment No.

CHAMBER ACTION

Senate

House

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Representative Richardson offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause and insert:

Section 1. Paragraphs (i) and (k) of subsection (6) of section 627.351, Florida Statutes, are amended, and paragraph (gg) is added to that subsection to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—

(i)1. The Office of the Internal Auditor is established within the corporation to provide a central point for coordination of and responsibility for activities that promote accountability, integrity, and efficiency to the policyholders and to the taxpayers of this state. The internal auditor shall be appointed by the board of governors, shall report to and be under the general supervision of the board of governors, and is

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17 not subject to supervision by any employee of the corporation.

18 Administrative staff and support shall be provided by the
19 corporation. The internal auditor shall be appointed without
20 regard to political affiliation. It is the duty and
21 responsibility of the internal auditor to:

22 a. Provide direction for, supervise, conduct, and
23 coordinate audits, investigations, and management reviews
24 relating to the programs and operations of the corporation.

25 b. Conduct, supervise, or coordinate other activities
26 carried out or financed by the corporation for the purpose of
27 promoting efficiency in the administration of, or preventing and
28 detecting fraud, abuse, and mismanagement in, its programs and
29 operations.

30 c. Submit final audit reports, reviews, or investigative
31 reports to the board of governors, the executive director, the
32 members of the Financial Services Commission, and the President
33 of the Senate and the Speaker of the House of Representatives.

34 d. Keep the board of governors informed concerning fraud,
35 abuses, and internal control deficiencies relating to programs
36 and operations administered or financed by the corporation,
37 recommend corrective action, and report on the progress made in
38 implementing corrective action.

39 e. Cooperate and coordinate activities with the
40 corporation's inspector general.

41 ~~e. Report expeditiously to the Department of Law~~
42 ~~Enforcement or other law enforcement agencies, as appropriate,~~
43 ~~whenever the internal auditor has reasonable grounds to believe~~
44 ~~there has been a violation of criminal law.~~

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45 2. On or before February 15, the internal auditor shall
46 prepare an annual report evaluating the effectiveness of the
47 internal controls of the corporation and providing
48 recommendations for corrective action, if necessary, and
49 summarizing the audits, reviews, and investigations conducted by
50 the office during the preceding fiscal year. The final report
51 shall be furnished to the board of governors and the executive
52 director, the President of the Senate, the Speaker of the House
53 of Representatives, and the Financial Services Commission.

54 (k)1. The corporation shall establish and maintain a unit
55 or division to investigate possible fraudulent claims by
56 insureds or by persons making claims for services or repairs
57 against policies held by insureds; or it may contract with
58 others to investigate possible fraudulent claims for services or
59 repairs against policies held by the corporation pursuant to s.
60 626.9891. The corporation must comply with reporting
61 requirements of s. 626.9891. An employee of the corporation
62 shall notify the corporation's Office of the Inspector General
63 ~~Internal Auditor~~ and the Division of Insurance Fraud within 48
64 hours after having information that would lead a reasonable
65 person to suspect that fraud may have been committed by any
66 employee of the corporation.

67 2. The corporation shall establish a unit or division
68 responsible for receiving and responding to consumer complaints,
69 which unit or division is the sole responsibility of a senior
70 manager of the corporation.

71 (gg) The Office of Inspector General is established within
72 the corporation to provide a central point for coordination of

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73 and responsibility for activities that promote accountability,
74 integrity, and efficiency. The office shall be headed by an
75 inspector general, which is a senior management position that
76 involves planning, coordinating, and performing activities
77 assigned to and assumed by the inspector general for the
78 corporation.

79 1. The inspector general shall be appointed by the
80 Financial Services Commission and may only be removed from
81 office by the commission. The inspector general shall be
82 appointed without regard to political affiliation.

83 a. At a minimum, the inspector general must possess a
84 bachelor's degree from an accredited college or university and 8
85 years of professional experience related to the duties of an
86 inspector general as described in this paragraph, of which 5
87 years must have been at a supervisory level.

88 b. The inspector general shall report to, and be under the
89 supervision of, the chair of the board of governors. The
90 executive director or corporation staff may not prevent or
91 prohibit the inspector general from initiating, carrying out, or
92 completing any audit, review, evaluation, study, or
93 investigation.

94 2. The inspector general shall initiate, direct,
95 coordinate, participate in, and perform audits, studies,
96 reviews, evaluations, and investigations designed to assess
97 management practices; compliance with laws, rules, and policies;
98 and program effectiveness and efficiency. This includes:

99 a. Conducting internal examinations; investigating
100 allegations of fraud, waste, abuse, malfeasance, mismanagement,

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101 employee misconduct, or violations of corporation policies; and
102 conducting any other investigations as directed by the Financial
103 Services Commission or as independently determined.

104 b. Evaluating and recommending actions regarding security,
105 the ethical behavior of personnel and vendors, and compliance
106 with rules, laws, policies, and personnel matters and rendering
107 ethics opinions.

108 c. Evaluating personnel and administrative policy
109 compliance, management and operational matters, and human
110 resources-related matters.

111 d. Evaluating the application of a corporation code of
112 ethics, providing review and recommendations on the design and
113 content of ethics-related policy training courses, educating
114 employees on the code and appropriate conduct, and checking for
115 compliance.

116 e. Evaluating the activities of the senior management team
117 and management's compliance with recommended solutions.

118 f. Cooperating and coordinating activities with the chief
119 of internal audit.

120 g. Maintaining records of investigations and discipline in
121 accordance with established policies, or as otherwise required.

122 h. Supervising and directing the tasks and assignments of
123 the staff assigned to assist with the inspector general's
124 projects, including regular review and feedback regarding work
125 in progress.

126 i. Providing recommendations regarding relevant training
127 and staff development activities.

128 j. Directing, planning, preparing, and presenting interim

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129 and final reports and oral briefings, which communicate the
130 results of studies, reviews, and investigations.

131 k. Providing the executive director with independent and
132 objective assessments of programs and activities.

133 l. Completing special projects, assignments, and other
134 duties as requested by the Financial Services Commission.

135 Section 2. This act shall take effect July 1, 2013.

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T I T L E A M E N D M E N T

139 Remove everything before the enacting clause and insert:

140 A bill to be entitled

141 An act relating to the inspector general of Citizens
142 Property Insurance Corporation; amending s. 627.351,
143 F.S.; requiring the internal auditor of the
144 corporation to cooperate and coordinate activities
145 with the inspector general; requiring employees of the
146 corporation to report certain information to the
147 inspector general; establishing the Office of
148 Inspector General within the corporation; providing
149 for appointment and duties of the inspector general;
150 providing an effective date.