



1 A bill to be entitled
 2 An act relating to the inspector general of Citizens
 3 Property Insurance Corporation; amending s. 627.351,
 4 F.S.; requiring the internal auditor of the
 5 corporation to cooperate and coordinate activities
 6 with the inspector general; requiring employees of the
 7 corporation to report certain information to the
 8 inspector general; establishing the Office of
 9 Inspector General within the corporation; providing
 10 for appointment and duties of the inspector general;
 11 providing an effective date.

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 13 Be It Enacted by the Legislature of the State of Florida:

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

18 627.351 Insurance risk apportionment plans.—

19 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

20 (i)1. The Office of the Internal Auditor is established
 21 within the corporation to provide a central point for
 22 coordination of and responsibility for activities that promote
 23 accountability, integrity, and efficiency to the policyholders
 24 and to the taxpayers of this state. The internal auditor shall
 25 be appointed by the board of governors, shall report to and be
 26 under the general supervision of the board of governors, and is
 27 not subject to supervision by any employee of the corporation.
 28 Administrative staff and support shall be provided by the



29 corporation. The internal auditor shall be appointed without
 30 regard to political affiliation. It is the duty and
 31 responsibility of the internal auditor to:

32 a. Provide direction for, supervise, conduct, and
 33 coordinate audits, investigations, and management reviews
 34 relating to the programs and operations of the corporation.

35 b. Conduct, supervise, or coordinate other activities
 36 carried out or financed by the corporation for the purpose of
 37 promoting efficiency in the administration of, or preventing and
 38 detecting fraud, abuse, and mismanagement in, its programs and
 39 operations.

40 c. Submit final audit reports, reviews, or investigative
 41 reports to the board of governors, the executive director, the
 42 members of the Financial Services Commission, and the President
 43 of the Senate and the Speaker of the House of Representatives.

44 d. Keep the board of governors informed concerning fraud,
 45 abuses, and internal control deficiencies relating to programs
 46 and operations administered or financed by the corporation,
 47 recommend corrective action, and report on the progress made in
 48 implementing corrective action.

49 e. Cooperate and coordinate activities with the
 50 corporation's inspector general.

51 ~~e. Report expeditiously to the Department of Law~~
 52 ~~Enforcement or other law enforcement agencies, as appropriate,~~
 53 ~~whenever the internal auditor has reasonable grounds to believe~~
 54 ~~there has been a violation of criminal law.~~

55 2. On or before February 15, the internal auditor shall
 56 prepare an annual report evaluating the effectiveness of the



57 | internal controls of the corporation and providing
58 | recommendations for corrective action, if necessary, and
59 | summarizing the audits, reviews, and investigations conducted by
60 | the office during the preceding fiscal year. The final report
61 | shall be furnished to the board of governors and the executive
62 | director, the President of the Senate, the Speaker of the House
63 | of Representatives, and the Financial Services Commission.

64 | (k)1. The corporation shall establish and maintain a unit
65 | or division to investigate possible fraudulent claims by
66 | insureds or by persons making claims for services or repairs
67 | against policies held by insureds; or it may contract with
68 | others to investigate possible fraudulent claims for services or
69 | repairs against policies held by the corporation pursuant to s.
70 | 626.9891. The corporation must comply with reporting
71 | requirements of s. 626.9891. An employee of the corporation
72 | shall notify the corporation's Office of the Inspector General
73 | ~~Internal Auditor~~ and the Division of Insurance Fraud within 48
74 | hours after having information that would lead a reasonable
75 | person to suspect that fraud may have been committed by any
76 | employee of the corporation.

77 | 2. The corporation shall establish a unit or division
78 | responsible for receiving and responding to consumer complaints,
79 | which unit or division is the sole responsibility of a senior
80 | manager of the corporation.

81 | (gg) The Office of Inspector General is established within
82 | the corporation to provide a central point for coordination of
83 | and responsibility for activities that promote accountability,
84 | integrity, and efficiency. The office shall be headed by an



85 inspector general, which is a senior management position that
86 involves planning, coordinating, and performing activities
87 assigned to and assumed by the inspector general for the
88 corporation.

89 1. The inspector general shall be appointed by the
90 Financial Services Commission and may only be removed from
91 office by the commission. The inspector general shall be
92 appointed without regard to political affiliation.

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

98 b. The inspector general shall report to, and be under the
99 supervision of, the chair of the board of governors. The
100 executive director or corporation staff may not prevent or
101 prohibit the inspector general from initiating, carrying out, or
102 completing any audit, review, evaluation, study, or
103 investigation.

104 2. The inspector general shall initiate, direct,
105 coordinate, participate in, and perform audits, reviews,
106 evaluations, studies, and investigations designed to assess
107 management practices; compliance with laws, rules, and policies;
108 and program effectiveness and efficiency. This includes:

109 a. Conducting internal examinations; investigating
110 allegations of fraud, waste, abuse, malfeasance, mismanagement,
111 employee misconduct, or violations of corporation policies; and
112 conducting any other investigations as directed by the Financial



- 113 Services Commission or as independently determined.
- 114 b. Evaluating and recommending actions regarding security,
115 the ethical behavior of personnel and vendors, and compliance
116 with rules, laws, policies, and personnel matters; and rendering
117 ethics opinions.
- 118 c. Evaluating personnel and administrative policy
119 compliance, management and operational matters, and human
120 resources-related matters.
- 121 d. Evaluating the application of a corporation code of
122 ethics, providing reviews and recommendations on the design and
123 content of ethics-related policy training courses, educating
124 employees on the code and on appropriate conduct, and checking
125 for compliance.
- 126 e. Evaluating the activities of the senior management team
127 and management's compliance with recommended solutions.
- 128 f. Cooperating and coordinating activities with the chief
129 of internal audit.
- 130 g. Maintaining records of investigations and discipline in
131 accordance with established policies, or as otherwise required.
- 132 h. Supervising and directing the tasks and assignments of
133 the staff assigned to assist with the inspector general's
134 projects, including regular review and feedback regarding work
135 in progress and providing recommendations regarding relevant
136 training and staff development activities.
- 137 i. Directing, planning, preparing, and presenting interim
138 and final reports and oral briefings which communicate the
139 results of studies, reviews, and investigations.
- 140 j. Providing the executive director with independent and



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141 objective assessments of programs and activities.

142 k. Completing special projects, assignments, and other
143 duties as requested by the Financial Services Commission.

144 l. Reporting expeditiously to the Department of Law
145 Enforcement or other law enforcement agencies, as appropriate,
146 whenever the inspector general has reasonable grounds to believe
147 there has been a violation of criminal law.

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