

SO MUCH MORE THAN



INNOVATORS

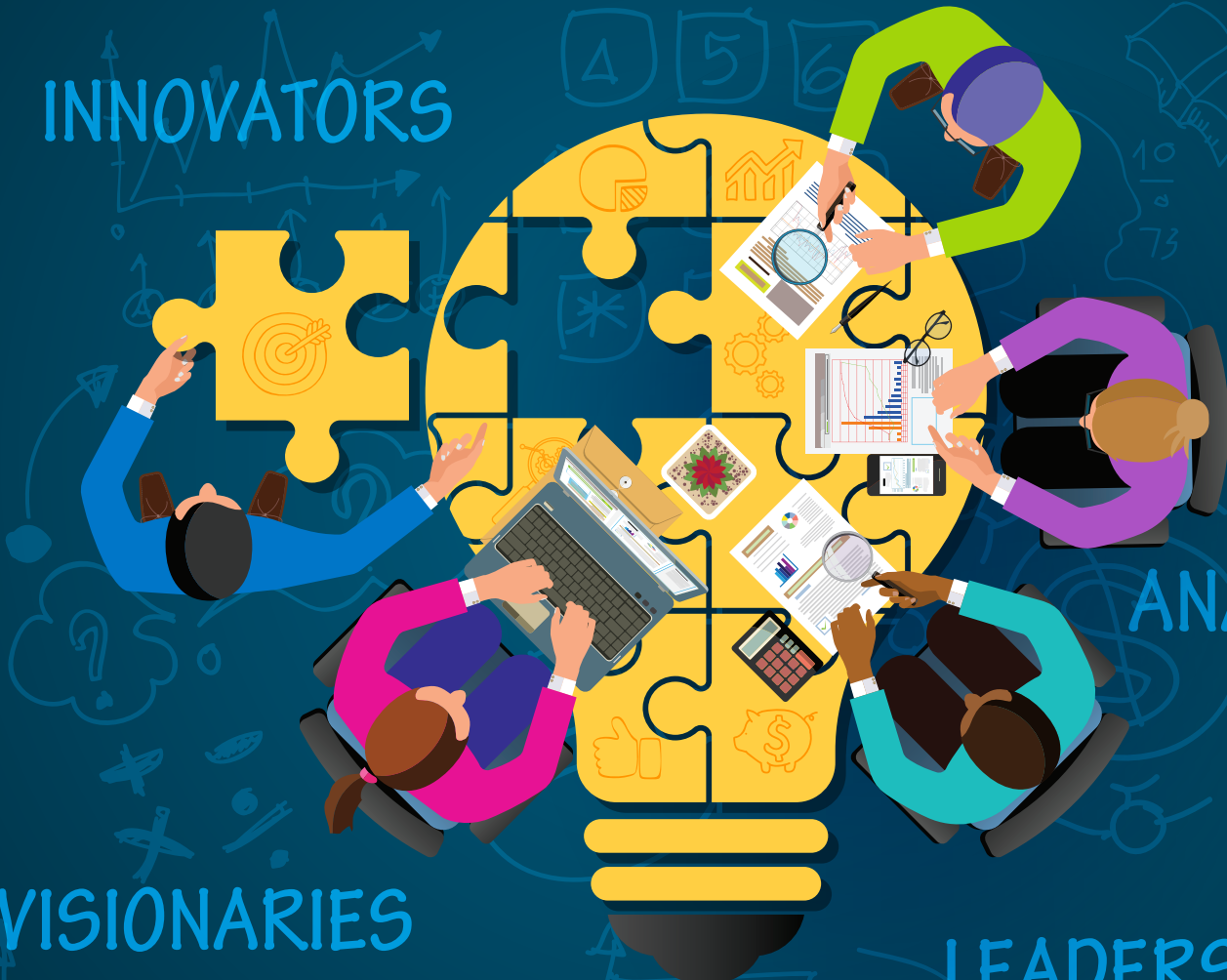
ACHIEVERS

ANALYSTS

VISIONARIES

LEADERS

2019
ANNUAL
REPORT



The past lies beneath the surface. What we say and do remains, always.

WE ARE VISIONARIES

Since opening our doors in 1998, FLSO has strived to be more to the surplus lines community than just a stamping office. Our initial purpose was to act as a liaison between the Department and the surplus lines agent community. Since our inception we have grown to become so much more than a service office to the agent community. Our mission is to facilitate compliance, and we strive to do so by developing innovative solutions while adhering to the highest level of customer service.

Throughout our history, we have operated with a visionary mindset from becoming the first stamping office to accept all electronic filings, to developing our propriety software, the Surplus Lines Automation Suite, and having it adopted by other states. This strategy has led us to our success in assisting agents in navigating the Florida surplus lines market and providing products and services to the Florida surplus lines community. We are innovators, achievers, analysts, and leaders.

In the 20 years we have provided service to the Florida surplus lines community, we have evolved our products and services to meet the needs of not only the surplus lines licensee, but also the agency staff, compliance officers, and accounting teams. Utilizing the feedback from our customers, we have developed and enhanced our products and services to better serve the Florida surplus lines community. We are committed to evolving to meet the unique needs of the Florida surplus lines market and showing our stakeholders that *we are so much more than* the Service Office you know.

MISSION

Facilitate Compliance

VISION

Lead & Serve Through
Innovative Solutions

VALUES

Efficiency & Effectiveness



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LETTER FROM THE EXECUTIVE DIRECTOR



The Florida Surplus Lines Service Office has been serving the surplus lines community for over 20 years. The longevity of this organization is a result of robust customer service activities. Each year we work to improve our service products to ensure we are more than just a stamping office.

This year was exciting as premium topped \$6.5 billion, which is nearly a 14% increase from 2018. FLSO staff possess a particular set of skills that allows us to provide a plethora of services to our customers. We are continually updating and upgrading our products to ensure a seamless and user-friendly experience. This year was no different.

We continued to focus on moving FLSO into the next generation technologically by moving many of our servers to cloud-based solutions. Doing so resulted in a reduction of the on-premise datacenter footprint, more advanced security, and improved reliability. We also continued the cybersecurity efforts that began in 2018 by implementing multi-factor authentication for remote connections, enhanced breach detection and prevention efforts, as well as fine-tuned specific training exercises for FLSO personnel.

We commenced work on SLAS NextGen, whereby the Compliance Review and Premium Reconciliation modules were moved to a cloud-based server and redesigned for a smoother user experience. On the customer side in SLIP, we began planning for a new user interface for insurance carrier customers.

In keeping with efforts to stay at the forefront of technology, we also decided it was time to overhaul the 60-Hour Surplus Lines Pre-Licensing Course. While on the whole the course was working well, the specific features needed to be updated. We opted to redesign the look and feel and move the course to a new learning management platform.

Much of the FLSO's accomplishments in 2019 were "behind-the-scenes" efforts to keep products and services functioning well as there is so much more to these products than what customers on the front end see. Over the next three years, we will continue working on the SLAS NextGen project and focusing on innovative solutions.

I want to extend my sincerest thank you to our dedicated Chairman of the Board of Governors, Skip Wolf, as well as our loyal staff for their steadfast devotion to FLSO.

Sincerely,
Gary D. Pullen
Executive Director



LETTER FROM THE CHAIRMAN

It is a privilege as the Chairman of the Board of Governors to present FLSO's 2019 Annual Report. This report illustrates the many activities that occur in this organization. FLSO is committed to serving the surplus lines industry through innovative solutions, which is at the forefront of everything we do. I am honored to chair an organization that is so much more than just a stamping office.

Premium written this year climbed to \$6.5 billion. This is a significant increase from 2018, making this a banner year for the Florida surplus lines marketplace. In keeping with FLSO's mission to facilitate compliance, the Compliance Review Program scores came in at an average score of 95%. The Premium Reconciliation and Production Ledger Review Programs identified more than \$90 million in unreported premium and recovered \$3.5 million in unpaid taxes, fees, assessments, and penalties.

FLSO goes above and beyond compliance by focusing on a high standard of customer service and satisfaction. When asked about their satisfaction with the office, customers rated 100% across the following categories: Level of knowledge, Professionalism, and Responsiveness. Our dedicated team of professionals is ready to serve the surplus lines community. Furthermore, the overall satisfaction with SLIP was 100%.

FLSO's unwavering commitment to customer service is why we are continuously improving products and tools. 2019 began the first phase of NextGen, a three-year plan to move all products and services forward technologically. During 2020, 2021, and beyond we will see even more exciting endeavors from FLSO.

I want to extend my gratitude to Gary Pullen for his leadership as Executive Director and the talented FLSO staff for their commitment to service and excellence. Finally, I would like to thank the Board of Governors for allowing me to serve as their Chairman and recognize the talent they bring to the Board.

Please take some time to explore the annual report to learn more about the surplus lines industry in Florida and FLSO.



"Facilitating Compliance Through Innovative Solutions"

Sincerely,
Irvin "Skip" Wolf III
Chairman



SO MUCH MORE THAN  FLSO

Don't limit your challenges, challenge your limits.

2019

ORGANIZATIONAL ACCOMPLISHMENTS

“Great things in business are never done by one person; They're done by a team of people.” - Steve Jobs

The role of FLSO is that of a teammate to the Florida surplus lines community. Together, we can accomplish great things. FLSO continues to push forward and provide innovative solutions to the complex challenges facing the Florida surplus lines marketplace. Each year we evaluate what we can do to create new or better solutions to facilitate compliance and improve customer satisfaction with our products and services.



SO MUCH  MORE THAN

WE ARE INNOVATORS

Cloud Computing

In 2019, we launched a two-year plan to migrate our on-premise datacenter to Amazon Web Services (AWS) and implement Office 365 throughout the organization. The goal of this initiative was to create a state-of-the-art, cloud-based environment utilizing the Amazon Web Services platform to host all mission-critical FLSO applications, databases, websites, and services. This new AWS environment offers a variety of benefits over the current on-premise environment. Some of these benefits include reduced infrastructure and licensing costs, improved reliability and availability, advanced security tools, quicker development, and quicker deployment.

In 2019, we successfully implemented Office 365 to the entire organization and decommissioned 13 servers as a part of our cloud migration initiative. Although we are continuing the migration in 2020, we have already seen improvements in operational efficiency, business continuity, remote access, security, and a reduction in hardware costs.

Cybersecurity

To maintain network security, we must ensure that our software and hardware security is up to date with the latest security tools and best practices. One of the primary reasons for migrating to cloud computing services is the comprehensive security model practices inherent to cloud vendors like Amazon Web Services. In preparation for the migration to AWS, we reviewed and updated our cybersecurity policies to incorporate recent law changes related to data privacy and industry best practices for protecting our data and network.

Throughout 2019, we built a cybersecurity culture focused on raising awareness, identifying risk areas, an understanding of the individual employee's role in cybersecurity. As part of this effort, we implemented training on cybersecurity policies to ensure understanding and requirements for compliance. We also provided enhanced cybersecurity training to all personnel, as well as focused training for users with privileged access.

Additionally, in 2019 we implemented Two-Factor Authentication when allowing external access into the FLSO network; established a cloud security baseline to ensure cloud infrastructure implementations follow best practices; contracted with a new Managed Security Service Provider; reviewed and updated our Incident Response Plan and conducted a mock disaster; and, made a number of encryption enhancements to all of our applications.

ORGANIZATIONAL ACCOMPLISHMENTS

SLAS Software Application Redesign and Development (SLAS NextGen)

In 2019, we also launched a three-year initiative for the modernization of our proprietary software, the Surplus Lines Automation Suite (SLAS). SLAS, which is comprised of SLIP and RAPID, was developed 15 years ago. While we have continued to make updates to the user interface (SLIP) and back-end management system (RAPID), we have made no major updates to the underlying technology. Additionally, SLAS has been adopted by other states, which presents the challenge of maintaining and updating multiple systems. Creating a single SLAS platform, product and brand will reduce redundant system updates and maintenance and give us greater flexibility and agility when adding additional states or releasing system enhancements. This will provide a consistent, more cohesive user experience throughout all SLAS implementations.

The SLAS NextGen modernization initiative began with updating the system architecture and design to newer technology. We began by designing a new data model to allow for microservices within the SLAS NextGen application and performing analysis to determine the core application framework. We also implemented virus scanning for document management; designed a system for storing and retrieving system generated emails; utilized Container as a Service, which is less complex and less server management for the organization; implemented new security levels and permissions for SLAS NextGen, and updated the architecture for the Compliance Review and Premium Reconciliation modules to a microservices architecture.

Once the underlying architecture was designed and developed, we began the redesign of the Compliance Review and Premium Reconciliation modules. Our goals in the analysis and redesign of these modules was to create a self-contained, marketable, cloud-based product that would be available and accessible to SLAS state users, if desired; identify and update any inefficiencies in the current applications that support these business processes; update the user interface for Compliance Review, Premium Reconciliation, and SLAS NextGen; implement additional security tools and protocols; and incorporate new technologies and framework that can be leveraged throughout the SLAS NextGen platform. In 2019, we released the newly redesigned Compliance Review module, which included a new SLIP document upload feature for agencies. Premium Reconciliation was completed and released in the second quarter 2020.

User Interfaces and Peripheral Applications

As a part of the SLAS NextGen modernization, we are also reviewing and redesigning our peripheral applications, including websites, education resources, and mobile applications. The 2019 portion of this initiative focused on migration of the slasclearinghouse.com and slasuite.com websites to AWS and migration of the 60-Hour Surplus Lines Pre-Licensing Course to a new learning management system.

The slasclearinghouse.com website was migrated from the on-premise FLSO datacenter to AWS with minor modifications to the back-end management tools. The slasuite.com website was redesigned, rebranded, and re-platformed for its migration to AWS, which included a new site map, updated logos and colors, and new narratives for the website content.

The FLSO 60-Hour Surplus Lines Pre-Licensing Course was platformed on an antiquated learning management system. As part of the NextGen initiative, we procured a new, cloud-based learning management system and migrated the 60-Hour Pre-Licensing Course. As a part of the migration, we also audited and updated course materials; added new slides, graphics, and videos; and launched the new course in conjunction with the updated Florida Surplus Lines Insurance Study Manual.

Business Intelligence and Analytics

Successful businesses continuously plan, analyze, and report on operational activities to maximize efficiency, reduce expenditures, and gain insight to make better business decisions. The more data a company can access about a specific activity, the more likely suggested improvements to that activity will be effective. The challenge in collecting large amounts of data is how to effectively pool and funnel it into accurate, reliable, and fast information. In recent years, FLSO implemented business intelligence software and began incorporating analytics in our daily processes to improve efficiency and effectiveness and drive business decisions. However, there are complexities in accessing and analyzing data in a traditional, monolithic architecture.

In 2019, we researched solutions for analyzing data as part of the SLAS NextGen modernization and documented improvements to data quality, developed data sources, and created a new data source combining legacy and SLAS NextGen data.



Success is a science. If you have the conditions, you get the result.

2019 ORGANIZATIONAL RESULTS

Facilitating compliance is not only the FLSO mission but also the catalyst for the products and services we develop for our customers. We are a business-oriented and results-driven organization that measures our success by the success of our customers. Our organizational results are centered around the compliance of our customers and the efficiency and effectiveness of our organization.



WE ARE ACHIEVERS

Filing and Payment Compliance

Agent Policies
Submitted Timely

91%

Agent Invoices
Paid Timely

96%

Insurer Policies
Submitted Timely

87%

System Matched
Insurer Policies

96%

Agent Premium
Reported Accurately

99%

TIQs Resolved
in 90 Days

100%



Operational Efficiency

\$1.00
Operating
Costs

→ **GENERATED** →

\$2.80
Compliance
Revenue

Total Compliance Revenue | **\$16,734,201**

Labor Efficiency

Total Transactions
in Question
(TIQs) Processed

17,778

Tax, Service Fee,
and Assessment
Payments Processed

11,682



2019 ORGANIZATIONAL RESULTS

Compliance Review

Compliance Reviews	Policies Reviewed	Transactions Reviewed	Unfiled Transactions	Agents with Unfiled Transactions
420	16,382	19,284	26	13

Industry Compliance Scores



Data Requirements



Regulatory Requirements



Financial Requirements

Compliance Review

2019
95%
Average Overall Industry Grade

2018 | 96%
2017 | 97%

Premium Reconciliation

System Reconciled Transactions

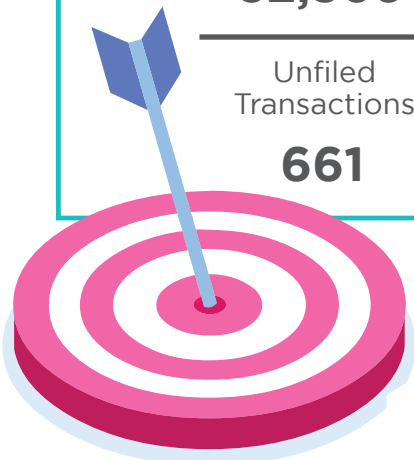
741,357

Manually Reconciled Transactions

32,566

Unfiled Transactions

661



Premium Reconciliation Statistics

Unfiled Premium | **\$70,090,552**

Taxes, Service Fees, Assessments, and Penalties Recovered | **\$2,514,507**

Production Ledger Review

Unfiled Premium | **\$21,486,702**

Taxes, Service Fees, Assessments, and Penalties Recovered | **\$1,081,305**

SO MUCH MORE THAN 

Analysis is the critical starting point of strategic thinking.

2019 MARKETPLACE STATISTICS

One of the charges of FLSO is to provide a source of advice and counsel to consumers, surplus lines agents, insurers, and government agencies relating to the operation of the Florida surplus lines market. Through its reporting requirements, FLSO is in the unique position of collecting and reporting on marketplace activity and trends for the Florida surplus lines market. We are the information resource for the Florida surplus lines market.



WE ARE
ANALYSTS

**\$6.57
BILLION**



Total Premium

2019 - \$6,565,994,651
2018 - \$5,783,148,996
2017 - \$5,237,235,675



2019 Premium and Policy Count

	2019	FROM 2018
Total Premium	\$6,565,994,651	13.54%
Policy Count	1,285,038	10.32%
Average Cost Per Policy	\$5,110	2.92%

2019 Taxes, Fees, and Assessments

	2019
Taxes	\$296,052,684
Fees	\$7,627,994
Assessments	\$1,598,495

SO MUCH MORE THAN



2019 SUBMITTED TRANSACTIONS

Agent Transactions Submitted

Batch Submissions
75,644



Batch Transactions
1,353,278

SLIP Transactions
289,386

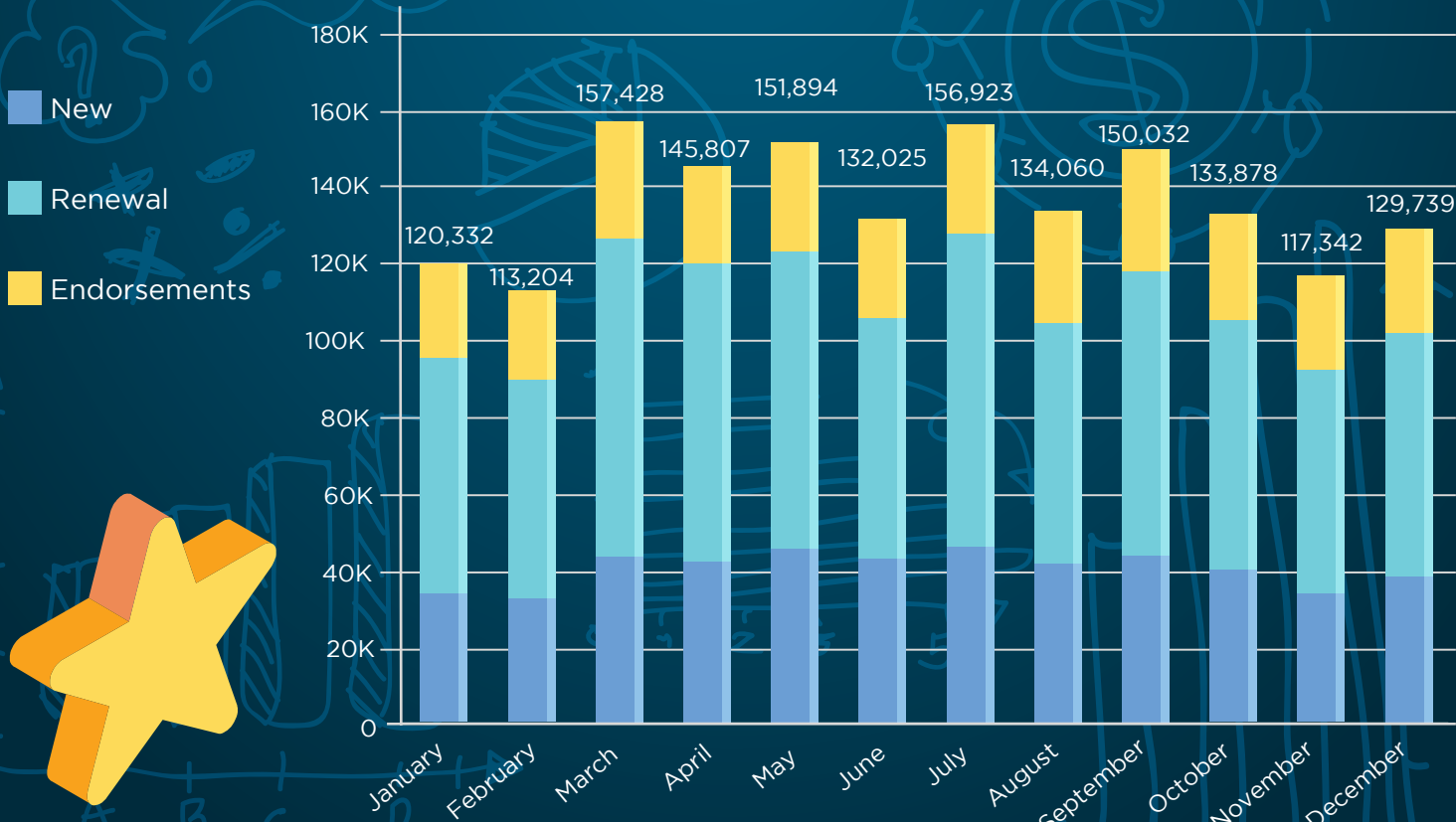


1,642,664*
Total Agent Transactions Submitted

SLIP - 18%
Batch - 82%

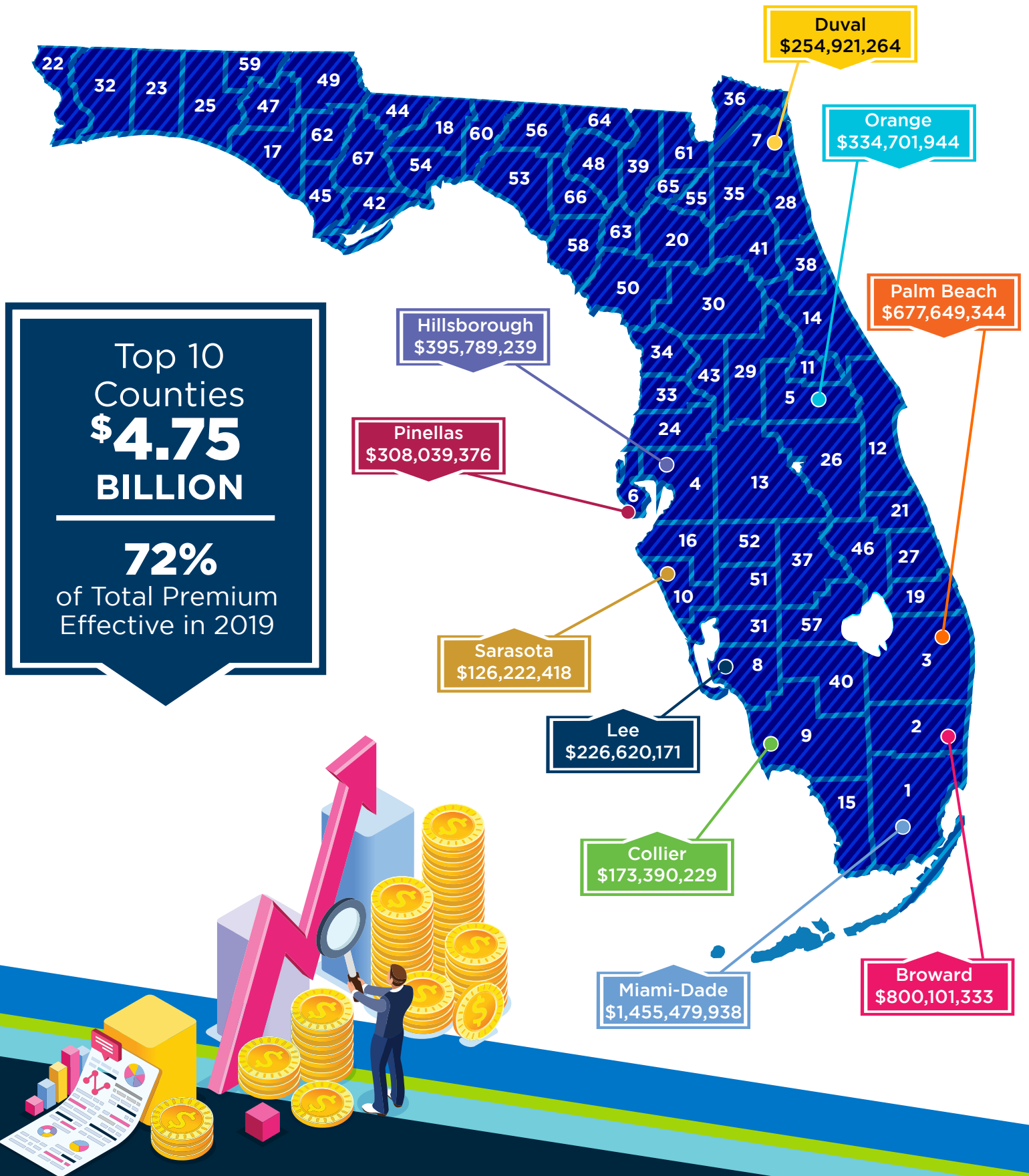
SLIP vs. Batch Agent Transactions

Agent Transactions Submitted by Month



* Agent only. Excludes backout pair transactions.

COUNTIES BY TOTAL PREMIUM



PREMIUM BY COUNTY

1	Miami-Dade	\$1,455,479,938	35	Clay	\$14,720,510
2	Broward	\$800,101,333	36	Nassau	\$12,815,942
3	Palm Beach	\$677,649,344	37	Highlands	\$11,521,160
4	Hillsborough	\$395,789,239	38	Flagler	\$11,441,219
5	Orange	\$334,701,944	39	Columbia	\$8,261,497
6	Pinellas	\$308,039,376	40	Hendry	\$7,535,866
7	Duval	\$254,921,264	41	Putnam	\$7,406,960
8	Lee	\$226,620,171	42	Franklin	\$6,704,265
9	Collier	\$173,390,229	43	Sumter	\$6,462,575
10	Sarasota	\$126,222,418	44	Gadsden	\$6,106,455
11	Seminole	\$124,632,532	45	Gulf	\$5,551,829
12	Brevard	\$123,781,039	46	Okeechobee	\$5,535,803
13	Polk	\$107,037,866	47	Washington	\$5,060,003
14	Volusia	\$104,383,202	48	Suwannee	\$4,835,386
15	Monroe	\$95,402,023	49	Jackson	\$4,701,460
16	Manatee	\$90,448,665	50	Levy	\$4,053,770
17	Bay	80,898,854	51	DeSoto	\$4,014,195
18	Leon	\$79,063,218	52	Hardee	\$3,023,350
19	Martin	\$74,172,329	53	Taylor	\$2,565,604
20	Alachua	\$72,258,599	54	Wakulla	\$2,438,232
21	Indian River	\$69,796,634	55	Bradford	\$2,253,303
22	Escambia	\$69,399,565	56	Madison	\$1,591,480
23	Okaloosa	\$62,763,917	57	Glades	\$1,584,930
24	Pasco	\$51,917,765	58	Dixie	\$1,544,868
25	Walton	\$51,701,483	59	Holmes	\$1,470,339
26	Osceola	\$51,096,051	60	Jefferson	\$1,192,741
27	St. Lucie	\$50,593,622	61	Baker	\$1,171,728
28	St. Johns	\$44,017,251	62	Calhoun	\$1,153,387
29	Lake	\$43,484,058	63	Gilchrist	\$974,303
30	Marion	\$38,956,240	64	Hamilton	\$756,091
31	Charlotte	\$27,115,784	65	Union	\$710,750
32	Santa Rosa	\$25,965,321	66	Lafayette	\$684,553
33	Hernando	\$25,679,689	67	Liberty	\$445,857
34	Citrus	\$16,509,907			

Data based on effective date as of 3/31/2020.

TOP 10 COVERAGES BY PREMIUM

RANK	COVERAGE	PREMIUM
1	Commercial Property	\$2,245,132,239
2	Commercial General Liability	\$1,013,628,840
3	Homeowners-HO-3	\$487,231,329
4	Commercial Package	\$390,488,555
5	Excess Commercial General Liability	\$294,572,355
6	Dwelling Property	\$133,081,348
7	Miscellaneous E&O Liability	\$129,424,875
8	Miscellaneous Liability	\$110,742,524
9	Windstorm and/or Hail - Commercial	\$100,311,358
10	Homeowners-HO-6 - Condo Unit Owners	\$99,143,137

Data based on effective date as of 3/31/2020.



TOP 10 INSURERS BY PREMIUM

RANK	INSURER	PREMIUM
1	Underwriters at Lloyd's, London	\$1,714,557,204
2	Lexington Insurance Company	\$374,373,021
3	Scottsdale Insurance Company	\$241,709,894
4	Indian Harbor Insurance Company	\$226,890,534
5	National Fire and Marine Insurance Company	\$194,549,538
6	QBE Specialty Insurance Company	\$167,639,318
7	United Specialty Insurance Company	\$166,380,982
8	Evanston Insurance Company	\$149,189,097
9	Westchester Surplus Lines Insurance Company	\$147,301,770
10	Arch Specialty Insurance Company	\$106,896,128

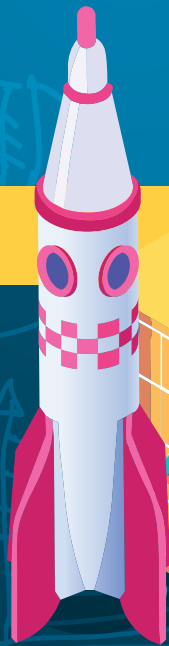
Data based on effective date as of 3/31/2020.

Innovation distinguishes between a *leader* and a follower.

2019 SLAS NextGen

The inaugural Board of Governors at FLSO envisioned an innovative, industry-leading surplus lines organization when it advocated for the creation of the Service Office. That vision to stand apart by using technology to improve business performance led to the creation of our proprietary software, the Surplus Lines Automation Suite (SLAS).

SLAS is a comprehensive surplus lines tax reporting and payment solution that is comprised of SLIP, a web portal used by agents and brokers for the reporting of surplus lines premiums, and RAPID, a sophisticated management system used by regulators for policy review, auditing, and reporting. Including Florida, SLAS now handles the reporting and taxation of surplus lines premium in 11 states and processes more than 1/3 of the nation's surplus lines premium.



SO MUCH MORE THAN  FLSO

WE ARE LEADERS

SLAS Statistics

84,979

Invalid Credit Endorsements Identified by the SLAS System

\$711 MILLION

Invalid Credit Premiums Identified by the SLAS System

System Compliance Programs

\$1.18 BILLION
Unreported Premium Recovered

↓ **GENERATED** ↓

\$49.8 MILLION
Revenue Recovered

Through Compliance Programs (Lifetime)

SLAS States

The Surplus Lines Automation Suite is currently used by 11 states and processes more than **1/3** of the nationwide surplus lines premium.



- Florida - 1998**
- Mississippi - 2007
 - Washington - 2009
 - Nevada - 2010
 - California - 2011
 - South Dakota - 2012*
 - Wyoming - 2012*
 - New Jersey - 2013
 - Oregon - 2013
 - Tennessee - 2016*
 - North Carolina - 2017

* SLAS Clearinghouse states

SLAS Clearinghouse



140,776
Transactions Processed

\$253,453,951
Premium Processed

93%
Timely Payments

WE ARE LOOKING AHEAD

Innovation is seeing what everyone has seen and thinking what nobody has thought.

2020 Market Outlook

While this report covers data and accomplishments of 2019, we would be remiss not to acknowledge the impact COVID-19 has had on the surplus lines market.

During the first half of 2020, reported Florida premium exceeded \$4.1 billion, which is a 10% increase over the same period for 2019. Conversely, the number of policies reported in 2020 was 7% less than the first half of 2019. In the height of uncertainty from COVID-19, April and May 2020 premium activity dropped nearly 4% over the same months in 2019. June 2020 was a record month in premium with a 32% increase over June 2019.

Also in June 2020, Commercial Property premium increased 39% after a modest 3% increase in April and only a 1% increase in May. Commercial General Liability also significantly increased by 40% in June after decreasing 11% in April and 18% in May.

The uncertainty of the market during these unprecedented times makes it difficult to forecast Florida market activities for the remainder of the year. As Florida moves through the “Safe, Smart, Step-by-Step” plan for recovery, FLSO is dedicated to monitoring and reporting on the state’s surplus lines market.

SO MUCH MORE THAN A SERVICE OFFICE

SLAS NextGen

As we embarked on the second year of our SLAS NextGen modernization initiative, we took some time to reflect on our efforts in 2019 and conducted an assessment with a third-party consultant with subject matter expertise in system modernization and microservices architecture. Through the assessment we gained valuable insight on the proposed architectural solution and received recommendations for improved DevOps metrics and practices. We also streamlined our project delivery practices, which provided for more efficient issue tracking, collaboration, and project management.

In conjunction with the consultant, we developed a comprehensive product roadmap and backlog for the remaining items needed to complete the SLAS NextGen modernization project. Development for the project restarted in May 2020 and will continue through 2021.



Numbers are the highest degree of knowledge. It is knowledge itself.

2019 FINANCIAL STATEMENTS



SO MUCH MORE THAN



2019

FINANCIAL STATEMENTS**Statement of Net Position**Year End
December 31, 2019**Assets**

Current assets:

Cash and cash equivalents	\$ 3,631,844
Accrued interest income	38,906
Investments	6,110,063
Total current assets	<u>9,780,813</u>

Long-term investments

31,688,702

Property and equipment, net

4,531,815

Deposits

7,859

Total assets

\$ 46,009,189**Liabilities and net position**

Current liabilities:

Accounts payable and accrued expenses	138,974
Accrued tax expense	100,548
Total current liabilities	<u>\$ 239,522</u>

Deferred compensation:

Deferred compensation payable	365,127
Investments designated for deferred compensation	(365,127)
	<u>239,522</u>

Total liabilities

239,522

Net position:

Investment in capital assets	4,531,815
Unrestricted	41,237,852
Total net position	<u>45,769,667</u>

Total liabilities and net position\$ 46,009,189SO MUCH MORE THAN
NUMBERS

FSLSO



SO MUCH MORE THAN NUMBERS

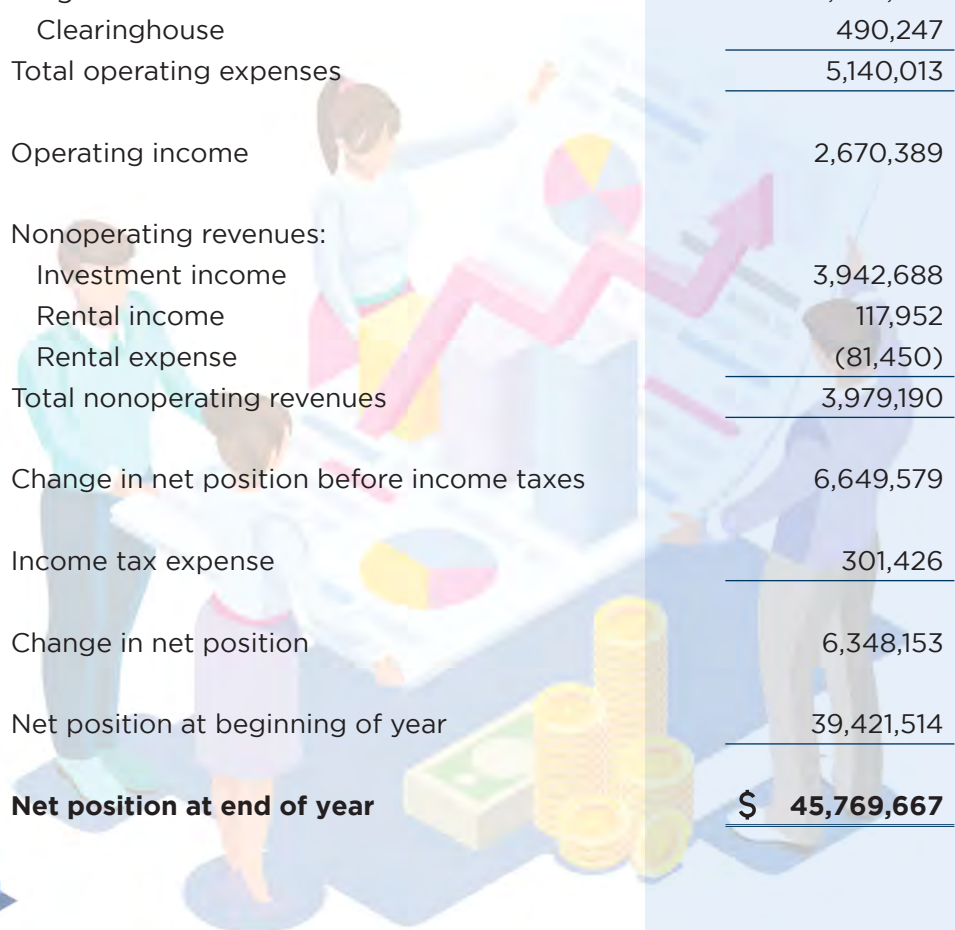


2019

FINANCIAL STATEMENTS

Statement of Activities & Changes in Net Position

	Year End December 31, 2019
Changes in net position:	
Revenues and other support:	
Charges for services	\$ 7,773,127
Interest and finance charges on service fees	2,337
Other income	34,938
Total revenues and other support	<u>7,810,402</u>
Operating expenses:	
Administration and support	2,653,898
Education and outreach	907,029
Agent and insurer services	1,088,839
Clearinghouse	490,247
Total operating expenses	<u>5,140,013</u>
Operating income	2,670,389
Nonoperating revenues:	
Investment income	3,942,688
Rental income	117,952
Rental expense	(81,450)
Total nonoperating revenues	<u>3,979,190</u>
Change in net position before income taxes	6,649,579
Income tax expense	<u>301,426</u>
Change in net position	6,348,153
Net position at beginning of year	<u>39,421,514</u>
Net position at end of year	<u>\$ 45,769,667</u>



2019

FINANCIAL STATEMENTS

Statement of Cash Flows

Operating activities:

Receipts from agents	\$ 6,215,617
Receipts from Clearinghouse	1,557,510
Payments to employees for service	(3,009,197)
Payments for Clearinghouse	(207,750)
Payments to vendors	(1,463,985)
Other cash receipts	37,275
Net cash provided by operating activities	<u>3,129,470</u>

Investing activities:

Investment income, net	1,058,733
Purchases of investments	(3,244,566)
Sales of investments	2,224,468
Net cash provided by investing activities	<u>38,635</u>

Capital and related financing activities:

Purchase of property and equipment	(1,214,103)
Payment of income taxes	(319,053)
Other receipts	36,500
Net cash used in capital and related financing activities	<u>(1,496,656)</u>

Net increase in cash and cash equivalents	1,671,449
Cash and cash equivalents at beginning of year	1,960,395
Cash and cash equivalents at end of year	<u>\$ 3,631,844</u>

Reconciliation of operating income to net cash provided by operating expenses:

Operating income	\$ 2,670,389
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	477,241
Changes in operating assets and liabilities:	
Accounts payable and accrued expenses	(18,160)
Net cash provided by operating activities	<u>\$ 3,129,470</u>

SO MUCH MORE THAN

 NUMBERS



You don't build a business. You build people and then people build the business.

2019 BOARD OF GOVERNORS & STAFF



SO MUCH MORE THAN

FSLSO

BOARD OF GOVERNORS



Gary D. Pullen
Executive Director



Irvin "Skip" Wolf III
Chair



David Holcombe
Vice Chair



Lorna Wirtz
Secretary/Treasurer



Keith M. Driggers



Roy V. Fabry



Michael J. Franzese



Steven Finver



D. Conor O'Leary



Tasha Carter
Insurance Consumer Advocate



FSISO STAFF

Executive & Operational Services

Gary D. Pullen • Executive Director
Georgie Barrett • Deputy Director of Operations
Jennifer Mills • Business Operations Specialist

Agent & Insurer Services

Bryan Young • Assistant Director of Agent & Insurer Services
Brian Bogner • Insurance Audit Analyst
Kristen Gray • Insurance Systems Analyst
Barry Lanier • Compliance Manager
Young McConnell • Insurance Analyst
Felicia Meredith • Compliance Review Analyst

Financial Services

Sheila Pearson • Controller
Bradley Givens • Staff Accountant
Tracy Ingle • Premium Reconciliation Specialist
Kelli Moser • Business Data Analyst
Amber Pullen • Accounting Specialist

Information Technology Services

Cyrus Yazdanpanah • Information Technology Manager
Jesse Barrett • Technical Support Analyst
James Farmer • Information Security Officer
John Felder • Senior Technical Support Analyst
Dave Mercado • Senior Systems Administrator

Product & Business Development

Tiffany Andersen • Product & Business Development Manager
Rachel Hoffman • Business Systems Specialist
Kimberly Mask • Public Information Coordinator
Jordan Mauro • Customer Outreach Specialist
Tracy Pafford • Public Information Specialist





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