

# 2022 ANNUAL REPORT



## MINING THE DATA



**FSLSO**  
EST. 1998  
FLORIDA SURPLUS LINES  
SERVICE OFFICE

# ANNUAL INTRODUCTION



**MISSION** FACILITATE COMPLIANCE  
**VISION** LEAD & SERVE THROUGH INNOVATIVE SOLUTIONS  
**VALUES** EFFICIENCY & EFFECTIVENESS



Service is at the center of all FLSO operations. Our primary goal is to provide high-quality service to our customers and stakeholders. In order to accomplish this goal, we endeavor to collect as much information as possible, from interactions with customers to compliance rates and submission stats.

Digging into the data collected is the key to continued top-notch service and innovative product development. We mine the data through careful analysis to discover valuable elements for use in new services and solutions for customers.

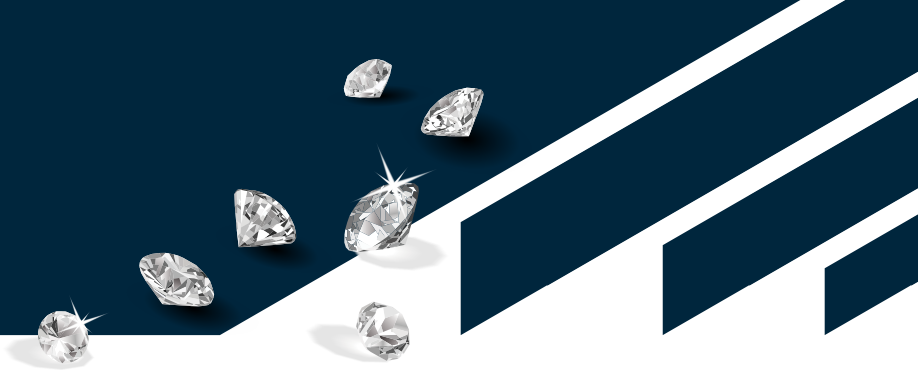
We invite you to dig into our data through this 2022 Annual Report.







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# Letter from the Executive Director



I have had the pleasure of serving as Executive Director for the Florida Surplus Lines Service Office for nearly 25 years. During this time, our focus has remained on serving our stakeholders to the highest standard possible. Our mission to facilitate customer compliance through innovative solutions has resulted in the office running smoothly since inception.

2022 was no exception. In an effort to streamline operations and business procedures, we performed an office-wide audit of all regular processes. Each functional unit identified and reviewed all the business processes under its purview. These reviews showed some areas where improvements and upgrades could be made. Implementing these changes resulted in faster processing, fewer errors, higher quality service, and improved customer communications.

In an increasingly web-based, digital world, it is critical to employ analytics to ensure communications with customers have a personal touch. We commenced work on a Customer Relationship Management (CRM) software system that integrated into RAPID and the phone system. To do this, the team caucused to hash out the data and analytics needed to be captured from customers for future mining of said data. The first version of the CRM was successfully released.

Data mining also took place on the operational side of the office with the development of an interactive organizational dashboard. Tracking internal workflow has always been a priority and has heretofore been accomplished through the Operational Assessment. We reviewed the items in the assessment and identified other measures to be tracked. The final list of key performance indicators (KPIs) was built into a comprehensive visual dashboard that launched late last year.

Further, the team worked to finalize a business plan for Surplus Lines Automation Suite (SLAS), FLSO's propriety filing software package, in an effort to grow SLAS and provide streamlined service.

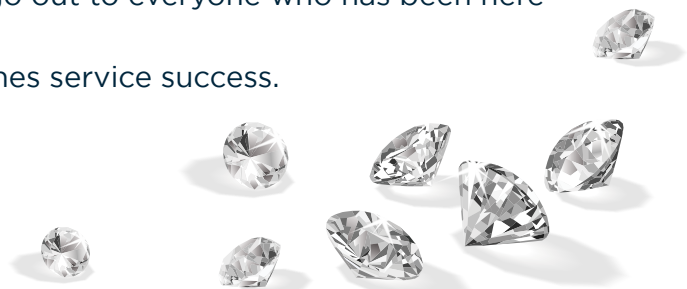
Digging into the data revealed that 2022 brought in \$12 billion in premium, a 27% increase over 2021. While premium growth remained significant, policy count only grew 8% over 2021. A continuing trend of market hardening and a slowed policy count growth compared to premium drove up the average cost per policy across the industry.

After almost 25 years of service, law changes, technological changes, storms, and everything in between, I am very proud to have been given the privilege to serve this niche community. Without the steadfast support of all past and present board members as well as knowledgeable staff, the office would not be the success it is today. As I transition into my last year as Executive Director, my sincerest thanks go out to everyone who has been here with me.

Thank you, and cheers to 25 more years of surplus lines service success.

Sincerely,

**GARY D. PULLEN**  
Executive Director





# Letter from the Chair



As a long-time member of the niche market that is surplus lines insurance, I can attest that data and analytics are the keys to success. Mining existing information drives virtually all decisions made with regard to new and enhanced products and services for customers.

Current data shows the surplus lines sector is thriving with over \$12 billion in premium written, a nearly 27% increase from last year. The FLSO compliance programs were also an impressive success. The Premium Reconciliation and

Production Ledger Review programs discovered \$313 million and \$42 million, respectively. The Compliance Review team facilitated more than 400 reviews and showed a final average grade of 98%. All told, the compliance programs generated over \$30 million in FLSO operational revenue.

On the external side, customers remain happy with the FLSO's level of service. 98% of customers report being satisfied with the service they are receiving. SLIP satisfaction also came in at 98%. These statistics are outstanding! Compliance facilitation and customer service are the geneses of everything FLSO does, and the data shows it.

I am honored to serve as FLSO's Chair of the board and would like to thank my fellow board members and the FLSO staff for a successful year. A tremendous thank you also goes to Gary Pullen, FLSO's Executive Director.

Mr. Pullen has been the Executive Director of FLSO since its inception almost 25 years ago. His persistent attention to detail and commitment to service is unparalleled. Serving on the board under Mr. Pullen's guidance has been a privilege. He will be retiring next year, and I think it is fair to say he will be deeply missed by all.

In the meantime, check out the Annual Report to learn more about what happened in 2022.

Sincerely,

**DAVID HOLCOMBE**

Chairman



# ORGANIZATIONAL ACCOMPLISHMENTS



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**"The purpose of mining data is to deduce insights  
and solve real world business problems."**

~ Hendrith Vanlon Smith, Jr.

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# Customer Relationship Management Strategy



Based on intensive prospecting and development efforts in 2021, we released a Customer Relationship Management (CRM) system last year. The digital age is ever-changing, making collecting customer data and analyzing customer interactions crucial. Detailed information collection is the best way to improve relationships with customers by employing a personal touch, which will ultimately facilitate compliance.

The CRM platform was deployed to a test environment early in the year. The team developed a detailed testing plan with various checks and balances to ensure each feature functioned correctly. A full-scale testing cycle was performed whereby team members were assigned specific areas based on their everyday work responsibilities. The focus hinged on making sure all items from the different functional units were funneling into and displaying in the module correctly.

Parallel to CRM functionality is ensuring best practices for internal users. It is imperative that users understand how to best interact with the module to obtain the intended results. Examples include checking an agent's dashboard for non-compliance areas, logging pertinent information into a comment module based on customer interaction, and identifying areas to upsell compliance tools. Policies and procedures that cover specific elements such as intended use, proper protocol, phone app integration, user interface functionality, and comment box usage were developed. Staff members were subsequently trained on the mechanics of the software as well as proper protocol and use.

Once the CRM system was released to production in the latter part of the year, various quality control checks were made to ensure the software platform performed as intended. Initial CRM data analytics allowed us to perform several small, targeted communications to customer groups. The CRM system will be a critical factor in simplified data mining.





# Develop a Comprehensive SLAS Business Plan

The Surplus Lines Automation Suite (SLAS) is FLSO's proprietary software for the reporting and taxation of surplus lines policies. SLAS has been a success and is currently being used in various states. 2022 saw the development of a business plan to provide a cohesive vision for our SLAS technology platform and create a roadmap for this for-profit business venture's future operation and expansion.

The team conducted extensive research to gain an understanding of what items would need to be included in a large-scale business plan. Researchers considered customer insights, market analysis and strategy, organizational structure and legal requirements, and pricing models, such as Software as a Service (SaaS).

The team then reviewed the SLAS client list identifying potential targets for growth analysis and revenue projections, including cost estimates for infrastructure, hosting, and service-level agreements. Staff examined potential clients, marketing strategies, pricing model and revenue forecasting, and success metrics. Dossiers for each current and potential client were built to assist in the development of a marketing plan. Dossiers were completed for 21 states, including current SLAS clients, and added as an addendum to the business plan.

Revenue forecasts and cost estimations were created for a multi-year period showing a need to budget for additional positions with salaries and benefits to be added to the direct costs in the near future.

Potential clients were divided into two tiers and projected the revenues for bringing on a client each year, beginning with a tier-one and tier-two revenue client acquired in alternative years to predict a conservative revenue growth estimate.

Our growth percentage assumption year over year was 10% for 2023 and 2024 and 5% for 2025 and 2026, based on one new client onboarded per year. These projections show that the SLAS business plan would be profitable in 2023 and potentially grow to \$7 million profit by 2026. The final SLAS business plan included sections for an executive summary, financial and market analysis, intellectual property, organizational structure, and productization and pricing.







# Create an Interactive Organizational Dashboard



Internal operational tracking is a crucial component of service success. This year we created an interactive dashboard allowing users to mine operational data and view it from different perspectives or in more detail.

FSLSO has been using an Operational Assessment Report that tracks office efficiency and effectiveness for several years. This report is updated each month and reviewed by staff. While this report is a great start, we recognized the need to pivot to a multi-dimensional dashboard in order to see the data more clearly.

To build the dashboard, we reviewed key performance indicators (KPIs) used in the operational assessment for value and documented their source. Similarly, the team conducted a needs assessment to understand interactivity, drill-down preferences, ease of use, responsiveness, and accessibility. A dashboard prototype was developed once needs and KPIs were finalized and mapped in Tableau. The prototype was reviewed and analyzed by executive staff, wherein additions, deletions, and other modifications were documented.

The final dashboard was launched in the fourth quarter of 2022. The landing page includes high-level statistics segmented into quarters or year-to-date. The high-level numbers displayed are premium, policy count, average cost per policy, taxes, fees, assessments, and navigation buttons to other views.

The next page includes agent activity that breaks down premium and policy count reported by resident and non-resident. This page also displays a heat map of the United States based on the agent's location. The next page lists the top five insurers, the top five coverages, and the corresponding premium and policy count. This page also features filters to view data based on quarters or by specific insurers.

Another page allows users to view any insurer and coverage code over the last five years. The filter also allows for the units to display in years or quarters. Moving on, the next page shows year-over-year and month-over-month growth with filters for insurer, coverage, and quarter.

Next is the Compliance Review Statistics page, which shows key compliance review metrics such as total reviews, policies and transactions reviewed, industry grades for data, regulatory, and financial, all broken down by resident and non-resident. The page also displays high-level organizational metrics on agent premium reported accurately, Compliance Review reports distributed within 14 days, and total Compliance Review reports finalized. Finally, the dashboard is wrapped up with Premium Reconciliation and Production Ledger Review statistics. The dashboard breaks down the two audit programs by quarter and displays unfiled premium, revenue collected, and year-over-year trending.

This comprehensive visual dashboard will make assessing operational efficiency and effectiveness less time-consuming and easier to digest.



# Proactively Identify, Analyze, and Improve Business Processes

Maintaining a high rate of efficiency and effectiveness depends on ensuring business processes are working and being used correctly. This year we reviewed the major business processes and responsibilities of each functional unit and implemented improvements and enhancements to improve operational efficiency and effectiveness.

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## Financial Services

The mission of the Financial Services Team is to protect and safeguard revenues and to provide analysis and financial support to promote sound and informed business decisions.

The team reviewed the accounts payable process with the goal of going paperless. A new Accounts Payable system was implemented which processes payables more efficiently as well as quickly retrieve invoices for review even while working remotely. To save money and further streamline payments, the FLSO and SLAS Wells Fargo lockboxes were consolidated to one lockbox.

The two compliance programs, Premium Reconciliation and Production Ledger Review, that fall under Financial Services' purview were reviewed for accuracy and enhancements. Production Ledger Review was documented, as it did not have an existing desktop manual. Premium Reconciliation required mild enhancements.





# Proactively Identify, Analyze, and Improve Business Processes

## Product and Business Development

Product and Business Development (PBD) is responsible for several functional areas: software development, education and training, and customer outreach/marketing.

Processes and procedures for software development were updated relatively recently, so reviews did not pick up any notable improvements that needed to be made. However, it became clear that FSLSO staff will likely need to be trained on software development procedures. Further, there were some enhancements to metrics tracking that were identified. Some of the existing metrics were not able to be verified as accurate data and new metrics were added to the tracking list. In addition to this, the PBD staff consolidated all procedures relative to software development into a single document for multiple position duties.

The education sector handles the administration and management of online courses and training. Procedures for the 60-Hour Surplus Lines Pre-Licensing course and the SLICE course were already in place. However, they were piecemeal in several different documents and locations. The procedures were consolidated and updated to reflect the current learning management system, Talent LMS. The Surplus Lines Study Manual documentation was incomplete and lacked details. Procedures and instructions were created to reflect content, layout and art, state approval, printing, digitizing for eReaders, mailing printed manuals, and tracking purchases.

The customer outreach unit handles marketing and communications activities for FSLSO. Some of the procedures were documented and some were not. The documented procedures mostly existed within individual employees' desktop manuals. The team documented and reviewed all procedures related to advertising, electronic newsletters, social media, SLIP home screen messages, convention collateral, and surveys.







# Proactively Identify, Analyze, and Improve Business Processes

## Executive and Operational Services

The Executive and Operational Services team manages employee matters, purchasing and contracts, and property matters.

During the COVID-19 pandemic when most staff were working remote, it became clear that the employee onboarding process needed to be updated. An audit of all existing onboarding activities was performed to understand whether those processes work well in a remote work environment. Various enhancements were identified, namely converting forms into digitally fillable forms that can be filled in, signed, and turned in electronically.

A review of tools and procedures was conducted to identify methods to more effectively manage the lifecycle of FLSO contracts. Contracts related to all functional units were compiled into a comprehensive Smartsheet and procedures were officially documented.



The team reviewed and documented all hardware procedures such as inventory, asset disposal, maintenance, and repairs. Additionally, procedures and processes related to the property and building. A joint effort was made with the accounting unit to determine market rates for lease space, identify renovation options, revenue analysis, and assess space needs.

2022 brought the return of employees to the FLSO building, but beforehand a Return to Work plan was drafted considering health and safety protocols, governmental guidelines, enhanced cleaning protocols, social distancing, and room capacity requirements. The plan also evaluated workspace equipment needs for all staff to go to a hybrid remote/office work schedule.



# Proactively Identify, Analyze, and Improve Business Processes

## Agent and Insurer Services

The Agent and Insurer Services team is the most front-facing unit, as they provide most of the direct customer service. In order to ensure they provide the highest quality customer service, it was necessary to review and update existing policies and create new policies where necessary.

This objective allowed the Agent and Insurer Services team to cross-train staff on various processes. It was a true collaboration amongst the team whereby they identified ways to improve or enhance the operations going forward, and applicable items which require system changes have been documented and added to the Programming Backlog. Processes are now stored in a centralized location for all facets within the Agent and Insurer Services team (Agent Services, Batch, Compliance Review, Education, and Insurer Services).

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## Business Continuity

After weathering a global pandemic, it was critical to ensure FLSO operations were set up in the best way possible for business to continue during unexpected events. Such events could be natural disasters, pandemics, or cybersecurity related events.

A significant portion of time was spent updating the FLSO Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) to include Cloud, NextGen, and process enhancements. This included extensive research and documentation, as well as an audit by a third-party vendor.

The team also worked to identify critical supply chain items and cloud-based infrastructure. FLSO performed a risk analysis to service disruptions of 26 critical infrastructure, supply chain, and cloud component items. For each item identified, the FLSO determined the associated risks, determined the costs to mitigate the risks, determined if the risks warranted the costs, and recommended and/or began implementing the improvements. A business impact analysis (BIA) was completed for critical accounting and agent filing business functions that weren't identified as part of the critical infrastructure, supply chain, and cloud component risk analysis items.

An analysis was done to attempt to improve Recovery Time Objectives (RTO), Recovery Point Objectives (RPO), and the future impacts of remote work. The team then evaluated and recommended contingency plans and process improvements to help minimize the impact of a critical vendor loss.



# Proactively Identify, Analyze, and Improve Business Processes

## Information Technology

Global cybersecurity threats have increased dramatically over the past few years. Such threats, including modern ransomware attacks, malware campaigns, exploitation of critical vulnerabilities, SQL injection attacks, cross-site scripting, phishing scams, and developing threats in the Cloud, continue to rise yearly.

The team worked to increase security and recovery time if such an event occurred. They also researched, documented, tested, and implemented a new patch management system. A Common Vulnerability Scoring System (CVSS) was integrated into the cybersecurity risk management platform. The team also created guidelines that define how quickly various vulnerability severity scores should be remediated or mitigated.

Cybersecurity monitoring was also improved through cross-account monitoring for its AWS Security Hub and AWS CloudWatch service with user-friendly dashboards. Lastly, web application firewalls (WAFs) were installed on FLSO asset websites for additional security.





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**"To supply data is not enough. The data have to be integrated with strategy, they have to test a company's assumptions, and they must challenge a company's current outlook. One."**

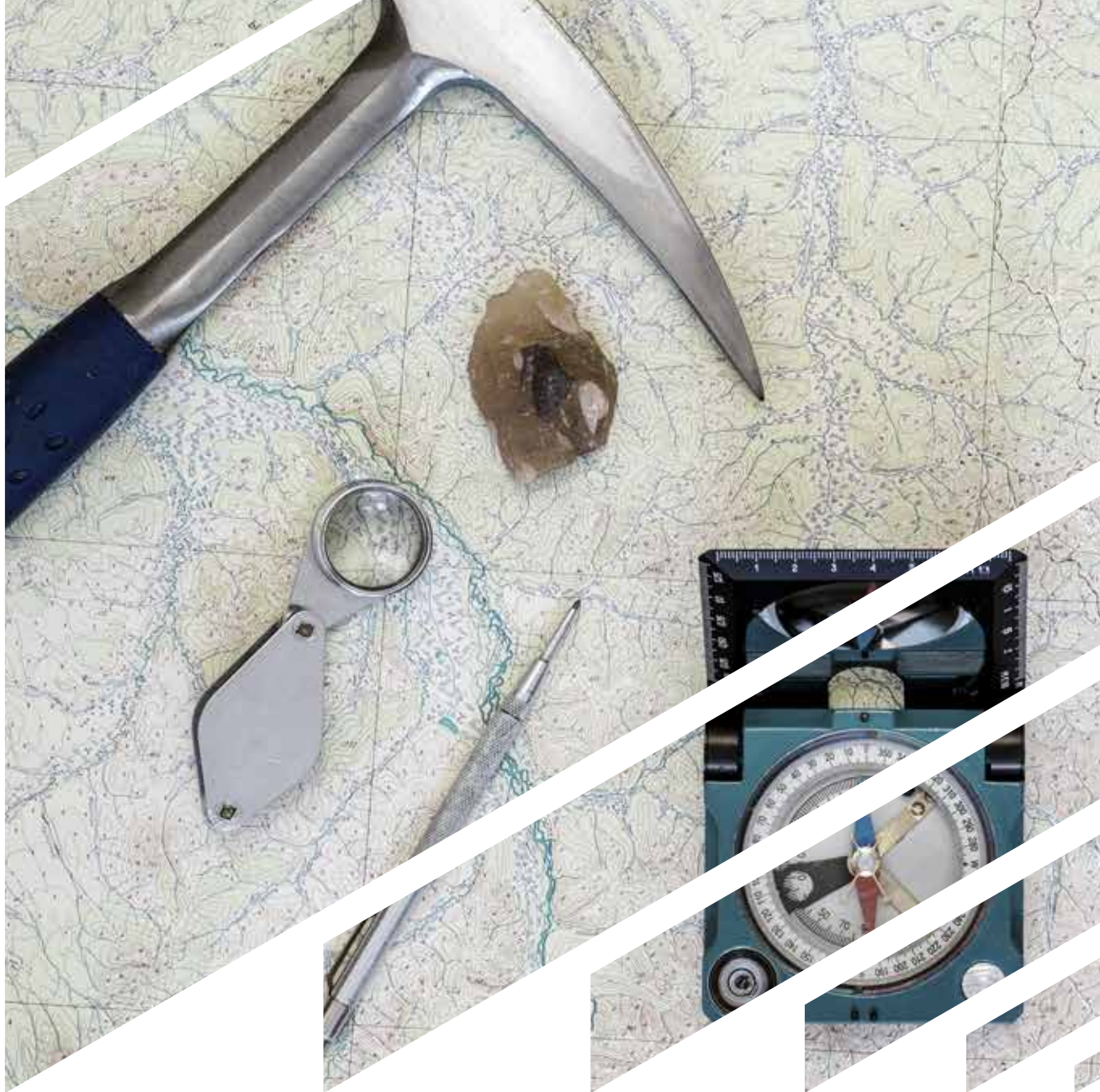
**~ Peter F. Drucker**

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# ORGANIZATIONAL RESULTS



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**"Information is the oil of the 21st century, and analytics is the combustion engine."**

~ Peter Sondergaard

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# 2022 Organizational Results

## Filing and Payment Compliance

Agent Policies Submitted Timely	<b>87%</b>
Agent Invoices Paid Timely	<b>96%</b>
Insurer Policies Submitted Timely	<b>85%</b>
System Matched Insurer Policies	<b>96%</b>
Agent Premium Reported Accurately	<b>98%</b>
TIQs Resolved in 90 Days	<b>100%</b>

## Operational Efficiency



## Labor Efficiency



Total Transactions in Question (TIQs) Resolved  
**50,596**



Tax, Service Fee, and Assessment Payments Reconciled  
**10,195**

## System Efficiency



Revenue from Rejected Credits & Invalid Tax Status Combinations  
**\$671,338**

## Labor Effectiveness

Premium Reconciliation Transactions Resolved Within 180 Days	<b>100%</b>
Deposits Reconciled Within 10 Days	<b>100%</b>







# 2022 Organizational Results

## Compliance Review

Compliance Reviews  
**423**

Policies Reviewed  
**16,180**

Transactions Reviewed  
**19,240**

## Industry Compliance Scores



**99%**  
Data Requirements



**97%**  
Regulatory Requirements



**98%**  
Financial Requirements



**98%**  
2022 Average Overall Industry Grade

**96%**  
2020

**96%**  
2021

## Production Ledger Review



**\$41,698,786**  
Unfiled Premium



**\$2,035,189**  
Revenue Recovered



**4,565**  
Unfiled Transactions



**172**  
Agents with Unfiled Transactions

## Premium Reconciliation



**\$313,455,926**  
Unfiled Premium



**1,600**  
Unfiled Transactions



**\$11,537,285**  
Revenue Recovered



**885,080**  
System Reconciled Transactions



**32,962**  
Manually Reconciled Transactions

# MARKETPLACE STATISTICS



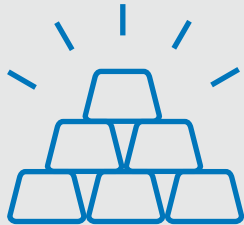
**"If there are questions that are unanswered by research, they will be answered by a strategy division, a data-mining group or someone else within the organization. We need to be more effective at collaborating with these groups."**

**~ Stephen Jin-Woo Kim**





# 2022 Marketplace Statistics



2022 Total Premium

**\$12.0  
BILLION**



2022 • \$12,049,438,140

2021 • \$9,522,287,983

2020 • \$7,562,394,241



## 2022 Premium & Policy Count

FROM 2021

Total Premium \$12,049,438,140  27%

Policy Count 1,328,186  8%

Average Cost Per Policy \$9,072  17%

\*Data based on submit date as of 6/1/2023.

## 2022 Taxes, Fees, and Assessments



Taxes

\$557,454,088



Fees

\$6,888,575



Assessments

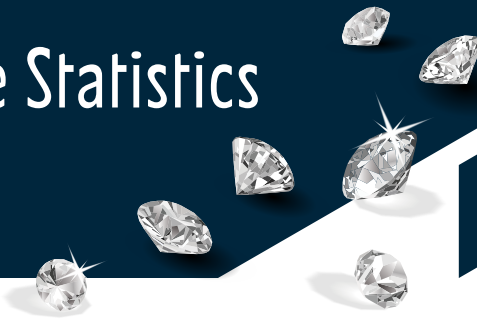
\$1,749,712







# 2022 Marketplace Statistics



## New Business & Renewal Submissions



New Business

531K

40%

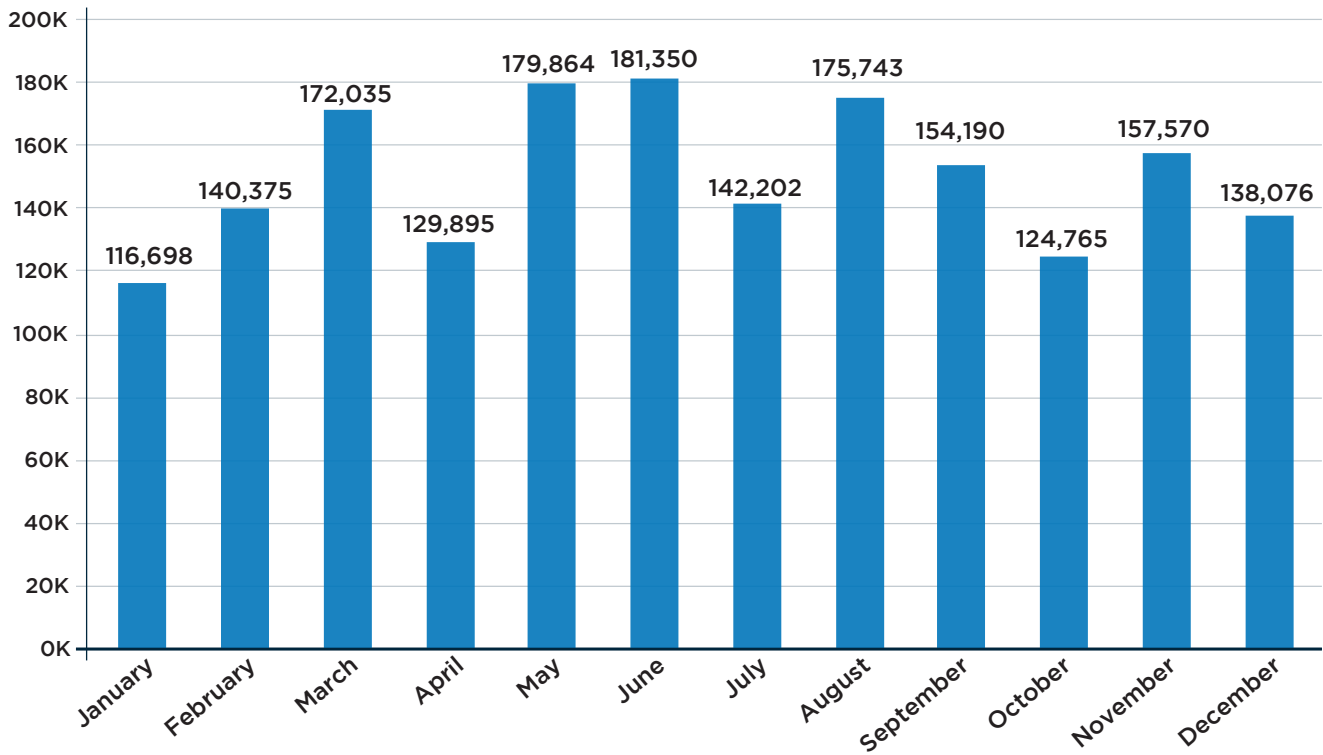
Renewal

797K

60%



## Agent Transactions Submitted By Month

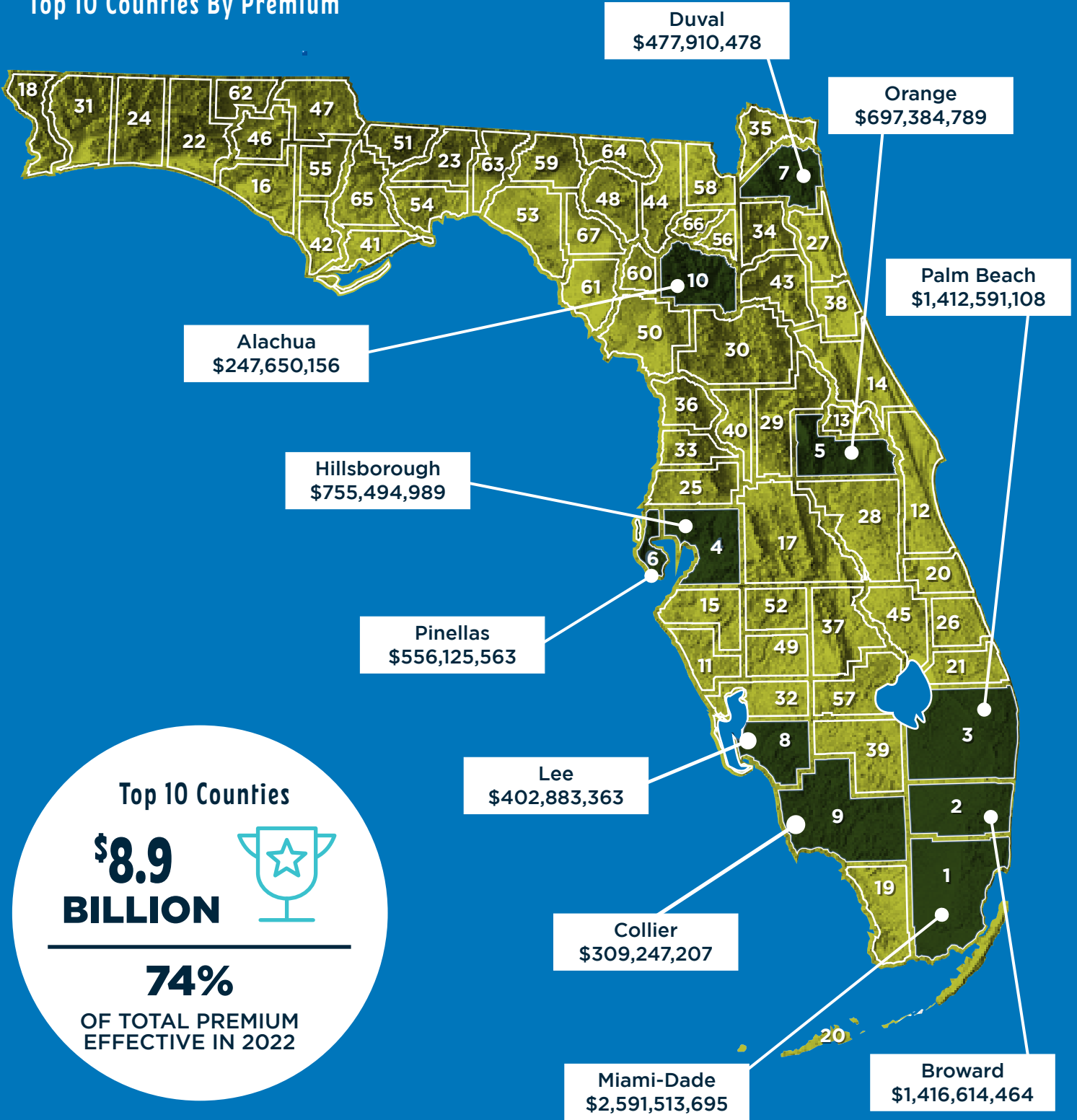


Total 2022 Transactions  
**1,812,763**




# 2022 Marketplace Statistics

## Top 10 Counties By Premium



Top 10 Counties

**\$8.9 BILLION** 

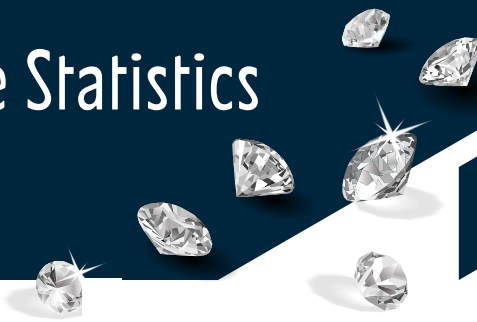
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**74%**

OF TOTAL PREMIUM EFFECTIVE IN 2022



# 2022 Marketplace Statistics



## Counties By Total Premium

1	Miami-Dade	\$2,591,513,695	35	Nassau	\$24,861,135
2	Broward	\$1,416,614,464	36	Citrus	\$24,303,013
3	Palm Beach	\$1,412,591,108	37	Highlands	\$23,481,213
4	Hillsborough	\$755,494,989	38	Flagler	\$23,033,470
5	Orange	\$697,384,789	39	Hendry	\$17,867,455
6	Pinellas	\$556,125,563	40	Sumter	\$12,886,525
7	Duval	\$477,910,478	41	Franklin	\$12,447,145
8	Lee	\$402,883,363	42	Gulf	\$11,953,373
9	Collier	\$309,247,207	43	Putnam	\$10,866,367
10	Alachua	\$247,650,156	44	Columbia	\$9,965,964
11	Sarasota	\$231,632,505	45	Okeechobee	\$9,268,336
12	Brevard	\$229,501,530	46	Washington	\$9,155,713
13	Seminole	\$215,063,461	47	Jackson	\$8,069,698
14	Volusia	\$195,589,691	48	Suwannee	\$6,703,524
15	Manatee	\$182,090,021	49	DeSoto	\$6,598,292
16	Bay	\$159,602,723	50	Levy	\$6,347,093
17	Polk	\$158,077,262	51	Gadsden	\$6,047,584
18	Escambia	\$136,455,671	52	Hardee	\$5,975,018
19	Monroe	\$135,044,643	53	Taylor	\$4,356,655
20	Indian River	\$125,230,712	54	Wakulla	\$4,256,928
21	Martin	\$123,520,739	55	Calhoun	\$2,745,882
22	Walton	\$118,048,497	56	Bradford	\$2,570,956
23	Leon	\$116,082,783	57	Glades	\$2,353,085
24	Okaloosa	\$112,176,937	58	Baker	\$2,232,093
25	Pasco	\$97,216,226	59	Madison	\$2,211,543
26	St. Lucie	\$88,676,200	60	Gilchrist	\$2,164,311
27	St. Johns	\$86,186,098	61	Dixie	\$2,071,258
28	Osceola	\$85,493,521	62	Holmes	\$2,062,520
29	Lake	\$73,330,930	63	Jefferson	\$2,058,878
30	Marion	\$65,358,388	64	Hamilton	\$1,604,099
31	Santa Rosa	\$56,919,225	65	Liberty	\$1,314,417
32	Charlotte	\$52,109,915	66	Union	\$1,280,192
33	Hernando	\$30,812,413	67	Lafayette	\$1,165,372
34	Clay	\$30,220,192			

Data based on submit date as of 6/1/2023.



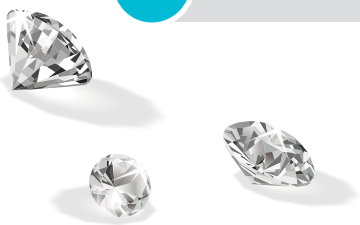


# 2022 Marketplace Statistics

## Top 10 Coverages By Premium

RANK	COVERAGE	PREMIUM
1	Commercial Property	\$4,392,255,870
2	Commercial General Liability	\$1,715,422,689
3	Excess Commercial General Liability	\$852,824,558
4	Commercial Package	\$606,927,171
5	Homeowners-HO-3	\$533,320,758
6	Miscellaneous E&O Liability	\$269,279,719
7	Cyber Liability	\$268,501,058
8	Windstorm and/or Hail - Commercial	\$254,647,051
9	Builders Risk - Commercial	\$229,645,923
10	Miscellaneous Liability	\$201,696,001

Data based on submit date as of 6/1/2023.





# 2022 Marketplace Statistics

## Top 10 Insurers By Premium

RANK	INSURER	PREMIUM
1	Underwriters At Lloyd's, London	\$2,431,982,909
2	National Fire And Marine Insurance Company	\$384,931,901
3	Lexington Insurance Company	\$347,768,600
4	Westchester Surplus Lines Insurance Company	\$328,054,738
5	Scottsdale Insurance Company	\$296,009,560
6	QBE Specialty Insurance Company	\$280,294,527
7	Evanston Insurance Company	\$270,111,607
8	Steadfast Insurance Company	\$228,199,619
9	Axis Surplus Insurance Company	\$218,355,306
10	Trisura Specialty Insurance Company	\$206,059,740

Data based on submit date as of 6/1/2023.

# SURPLUS LINES AUTOMATION SUITE



**"Data are becoming the new raw material of business."**  
~ Craig Mundie







# Surplus Lines Automation Suite



## SLAS States



**\$5.1 BILLION**

SLAS Premium Reported

# SLAS

**622,765**

SLAS Transactions Reported

\*SLAS States are Georgia, North Carolina, South Dakota, Tennessee, and Wyoming.

## Surplus Lines Automation Suite

**42%**

Percent of Nationwide Surplus Lines Premium Reported Through SLAS



**24%**

Percent of States Using SLAS



## SLAS Statistics

Invalid Credit Transactions Identified by the SLAS System

**104,344**



Invalid Credit Premiums Identified by the SLAS System

**\$783 MILLION**



## SLAS Compliance Programs (lifetime)

**\$1.7 BILLION**

Unreported Premium Identified



**\$74 MILLION**

Revenue Recovered

# FINANCIAL STATEMENTS



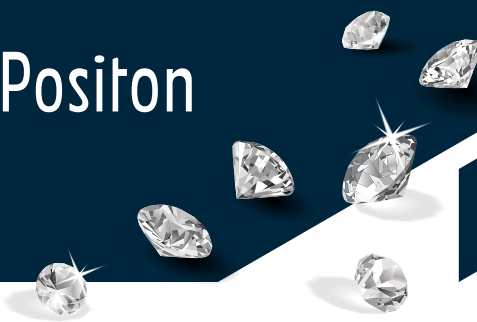
**"Modern man began to transform this world when he began to mine the hidden veins of knowledge systematically."**

**~ William Wickenden**





# Statement of Net Position



<b>Assets</b>	<b>Year End December 31, 2022</b>
Current assets:	
Cash and cash equivalents	\$2,594,658
Accrued interest income	\$34,510
Investments	\$1,825,257
Total current assets	<u>\$4,454,425</u>
Long-term investments	\$39,871,942
Property and equipment, net	\$5,905,197
Other assets	\$7,859
Total assets	<u><b>\$50,239,423</b></u>
<b>Liabilities and net position</b>	
Current liabilities:	
Accounts payable and accrued expenses	\$324,083
Accrued tax expense	\$14,558
Total current liabilities	<u>\$338,641</u>
Deferred compensation:	
Deferred compensation payable	\$475,179
Investments designated for deferred compensation	\$(475,179)
Total liabilities	<u>\$338,641</u>
Net position:	
Investment in capital assets	\$5,905,197
Unrestricted	\$43,995,585
Total net assets	<u>\$49,900,782</u>
<b>Total liabilities and net position</b>	<u><b>\$50,239,423</b></u>





# Statement of Activities and Changes in Net Position

	<b>Year End December 31, 2022</b>
<b>Changes in net position:</b>	
Revenues and other support:	
Charges for services	\$6,631,369
Interest and finance charges on service fees	\$6,039
Other income	\$71,283
Total revenues and other support	<u>\$6,708,691</u>
Operating expenses:	
Administration and support	\$3,319,170
Education and outreach	\$994,893
Agent and insurer services	\$1,639,655
Total operating expenses	<u>\$5,953,718</u>
Operating income	\$754,973
Nonoperating revenues:	
Investment income (loss)	\$(5,869,880)
Rental income	\$16,352
SLAS revenue	\$3,034,812
SLAS expense	\$(709,891)
Total nonoperating revenues (expense)	<u>\$(3,528,607)</u>
Change in unrestricted net assets before income taxes	\$(2,773,634)
Income tax expense	<u>\$532,987</u>
Change in unrestricted net assets	\$(3,306,621)
Net position at beginning of year	<u>\$53,207,403</u>
<b>Net position at end of year</b>	<b><u>\$49,900,782</u></b>



# Statement of Cash Flows

	<b>Year End December 31, 2022</b>
<b>Operating activities:</b>	
Receipts from agents	\$6,561,453
Payments to employees for service	\$(3,660,213)
Payment to vendors	\$(1,411,482)
Other cash receipts	\$147,238
Net cash provided by operating activities	<u>\$1,636,996</u>
<b>Investing activities:</b>	
Investment income	\$1,418,045
Purchases of investments	\$(24,677,373)
Sales and maturities of investments	\$20,206,708
Net cash (used in) provided by investing activities	<u>\$(3,052,620)</u>
<b>Capital and related financing activities:</b>	
Purchase of property and equipment	\$(663,845)
Payment of income taxes	\$(625,940)
Payment for SLAS	\$(709,891)
Receipts from SLAS	\$3,034,812
Other receipts	\$16,352
Net cash (used in) capital and related financing activities	<u>\$1,051,488</u>
Net decrease in cash and cash equivalents	\$(364,136)
Cash and cash equivalents at beginning of year	\$2,958,794
Cash and cash equivalents at end of year	<u>\$2,594,658</u>
<b>Reconciliation of operating income to net cash provided by operating expenses:</b>	
Operating income	\$754,973
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	\$1,018,564
Changes in operating assets and liabilities:	
Accounts payable and accrued expenses	\$(136,541)
Net cash provided by operating activities	<u><b>\$1,636,996</b></u>

# BOARD OF GOVERNORS



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**"All good decisions are data dependent. To make good decisions, you need good data. And you need that good data to be organized according to its applicable use value. So every business should be mining data and organizing data to enable business leaders to make good decisions on behalf of the business."**

**~ Hendrith Vanlon Smith, Jr.**

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# Board of Governors



**Gary D. Pullen**  
Executive Director



**David Holcombe**  
Chair



**Lorna Wirtz**  
Vice Chair



**D. Conor O'Leary**  
Secretary/Treasurer



**Steven Clein**



**Kathy Colangelo**



**Steven Finver**



**Michael J. Franzese**



**Irvin "Skip" Wolf, III**



**Tasha Carter**  
Florida Insurance  
Consumer Advocate



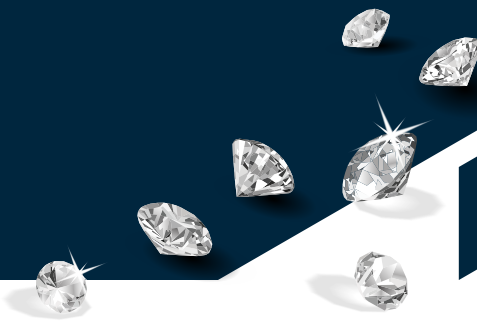
# FSLSO STAFF



**"Signals always point to something. In this sense, a signal is not a thing but a relationship. Data becomes useful knowledge of something that matters when it builds a bridge between a question and an answer. This connection is the signal."**

**~ Stephen Few**





## EXECUTIVE & OPERATIONAL SERVICES

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

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## AGENT & INSURER SERVICES

**Bryan Young** • Assistant Director of Agent & Insurer Services  
**Brian Bogner** • Insurance Audit Analyst  
**Kristen Gray** • Compliance Manager  
**Amy Groszos** • Insurance Analyst  
**Phillip Hardin** • Insurance Analyst  
**Felicia Meredith** • Insurance Analyst  
**Jimmy Pegues** • Compliance Review Specialist

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## FINANCIAL SERVICES

**Mark Shealy** • Chief Financial Officer  
**Bradley Givens** • Accounting Systems Manager  
**Amber Pullen** • Production Ledger Review Analyst  
**Shendale Simpson** • Premium Reconciliation Specialist  
**Saketh Siripurapu** • Analytics Program Manager  
**Stephanie Smith** • Accounting Specialist

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## INFORMATION TECHNOLOGY SERVICES

**Cyrus Yazdanpanah** • Information Technology Manager  
**Jesse Barrett** • Technical Systems Support Analyst  
**James Farmer** • Information Security Officer  
**John Felder** • Senior Technical Systems Support Analyst  
**Daniel Mann** • Senior Systems Engineer & DBA  
**Dave Mercado** • Senior Systems Administrator

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## PRODUCT & BUSINESS DEVELOPMENT

**Tiffany Andersen** • Product & Business Development Manager  
**Rachel Hoffman** • Business Systems Coordinator  
**Kimberly Mask** • Public Information Coordinator  
**Jordan Mauro** • Product Development Specialist  
**Tracy Pafford** • Senior Brand & Content Coordinator



FLORIDA SURPLUS LINES SERVICE OFFICE