




INTERNAL AUDIT

ELT Recruitment &
Selection Advisory

September 2, 2020



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Executive Summary

Background

Citizens Property Insurance Corporation is a government entity as defined by §627.351(6) (a) Florida Statute (Citizens' Statute). Citizens' Statute requires that the Corporation operate subject to the supervision and approval of a Board of Governors and is required to operate pursuant to a Plan of Operation. The Plan of Operation (the Plan) was effective as of August 1, 2002 and amended through October 10, 2013.

Citizens Board of Governors (the Board) is comprised of nine individuals who are residents of Florida. Members of the Board are appointed by the Governor (three members), the Chief Financial Officer (two members), the President of the Senate (two members), and the Speaker of the House of Representatives (two members). The Board administers the Plan which is endorsed by the Florida Office of Insurance Regulation and approved by the Florida Financial Services Commission. Citizens Statute section c.4.a stipulates that:

"The executive director and senior managers of the corporation shall be engaged by the board and serve at the pleasure of the board."

The Plan sets forth and establishes the structure, function, procedures, and powers of the Corporation including the duties and powers of the Board, Chairman and Executive Director. Section 4 (SS) of the Plan stipulates that:

"'Senior Manager' of the Corporation, for purposes of the Statute and this Plan, means a person employed as an executive who directly reports to the Executive Director. Senior Manager will also include the Chief Internal Auditor, the Inspector General and any other person designated by Florida law to be a Senior Manager of the Corporation."

The President is the senior officer referred to in the Statute as the 'Executive Director' and may also be referred to by that title in this Plan and elsewhere. 'Senior Management' means the team of Senior Managers designated by the President whose collective responsibility is to act as the Corporation's senior management team."

At the request of Citizens' Audit Committee, and concurrence with the Board, Internal Audit (IA) was engaged to perform a comprehensive analysis and provide a historic perspective on how Senior Managers have been engaged by the Board since 2012.

Objective

Internal Audit performed a comprehensive analysis of the Board of Governors role in the executive recruitment, selection, promotion, and termination/separation processes. We benchmarked Citizens practice with standards applied by comparable state entities to provide advice and guidance to the members of the Audit Committee where appropriate.

Approach

Internal Audit opted to complete the engagement from three perspectives by considering the oversight responsibility of the Board and the duties delegated to the President/CEO/Executive Director; understanding internal policies and procedures and completing a timeline of Senior



Executive Summary

Manager appointments; and assessing processes deployed by other state entities. Detail of the work completed includes:

- **Considered board oversight and delegation** - To assist IA in thoroughly understanding the Board's oversight and delegation of responsibility we engaged the work of an independent, outside legal firm. The firm's work focused on the authorities granted to the Citizens Board of Governors and Citizens Executive Director through Section 627.351 (6), F.S. and the Corporation's Plan of Operation, as it relates to the recruitment, selection, and appointment of senior managers for the Corporation.
- **Reviewed and documented the process** - To obtain an understanding of Company policies and practices regarding the recruitment, selection, promotion, and termination/separation process we performed the following:
 - Conducted inquiries with key personnel to obtain a detailed understanding of recruitment, selection, appointment, and separation practices
 - Reviewed the Citizens Statute, Citizens Plan of Operation, and applicable policies
 - Composed a timeline of all Senior Manager changes during this period.
- **Conducted a benchmarking analysis** - IA, with the support of Citizens Director of Legislative & Cabinet Affairs, interviewed three State of Florida entities. We met with key personnel from each entity to discuss their practices regarding recruitment, selection, appointment, and separation. Each entity provided IA with applicable documented policies/procedures.

Summary of Observations

Internal Audit's assessment of the executive recruitment, selection, promotion, and termination/separation processes applied since June 2012, supported by an independent assessment of the Board's oversight and delegation of responsibility revealed the following:

- The Board is required by law to engage the Executive Director and Senior Managers. The Board has the ultimate responsibility to engage the Executive Director and Senior Managers, who serve at the Board's pleasure and are subject to engagement, suspension, or dismissal at the discretion of the Board. This ultimate responsibility may not be delegated.

The Board may accomplish this engagement in any manner of its choosing and establish any other employment policies and procedures, as it deems appropriate to fulfill its public purpose.

Our assessment confirmed that since June 2012 Citizens Board engaged an Executive Director and 10 Senior Managers. The recruitment and selection process relative to the Executive Director and Senior Management has conformed to the Act and the Plan.

Going forward the Board may, at its discretion, retain the status quo or choose to modify the corporate practices and policies to create a process that support the Board's will. Citizens may also amend the Plan, as may be approved by the State Financial Services Commission. The Plan is subject to continuous review by the Commission, and the Commission may, by order, withdraw approval of all or part of the Plan if the Commission determines that the conditions have changed since approval was granted and that the purposes of the Plan require changes in the Plan.



Executive Summary

- A review of relevant policies confirmed that Citizens has formal policies for recruitment & selection, vacation and sick leave policy, and severance.

IA noted that the Recruitment and Selection Policy is applicable to “Job vacancies below the vice president level.” There is no defined policy specific to the recruitment and selection of management in the position vice president or above. Consideration could be given to either expanding this policy to include the recruitment and selection of Senior Managers or the formulation of a separate process for Senior Managers.

A total of six Senior Managers were promoted during their tenure as Senior Managers for the Corporation. IA noted that the Board Chair was consulted on, and approved, all Senior Manager promotions. The full board was informed of the promotion at the next public meeting.

Since June 2012, eight Senior Managers separated from Citizens. IA reviewed the separation documentation for all eight separated Senior Managers. In all instances of separation, we found that accrued vacation and sick pay were paid at 100% and 25% respectively, which is consistent with company policy.

Three of the Senior Managers were separated involuntary. Our review indicated that in all three instances payment of severance was justified and in accordance with the stipulations of Citizens severance policy active at that time. This work also identified inconsistencies in the process followed (mostly in respect of documents to support payments) throughout the years with noted improvements as the process matured. There is an opportunity to formulate a well-documented severance process, in line with the policy, that will ensure that all future severance decisions, agreements and forms are consistently applied and recorded on file.

- A benchmark study involving similar type state entities confirmed that the legal authority and obligations of the Board relative to the recruitment and selection process of the Executive Director and Senior Management are substantially the same as other similarly situated entities.

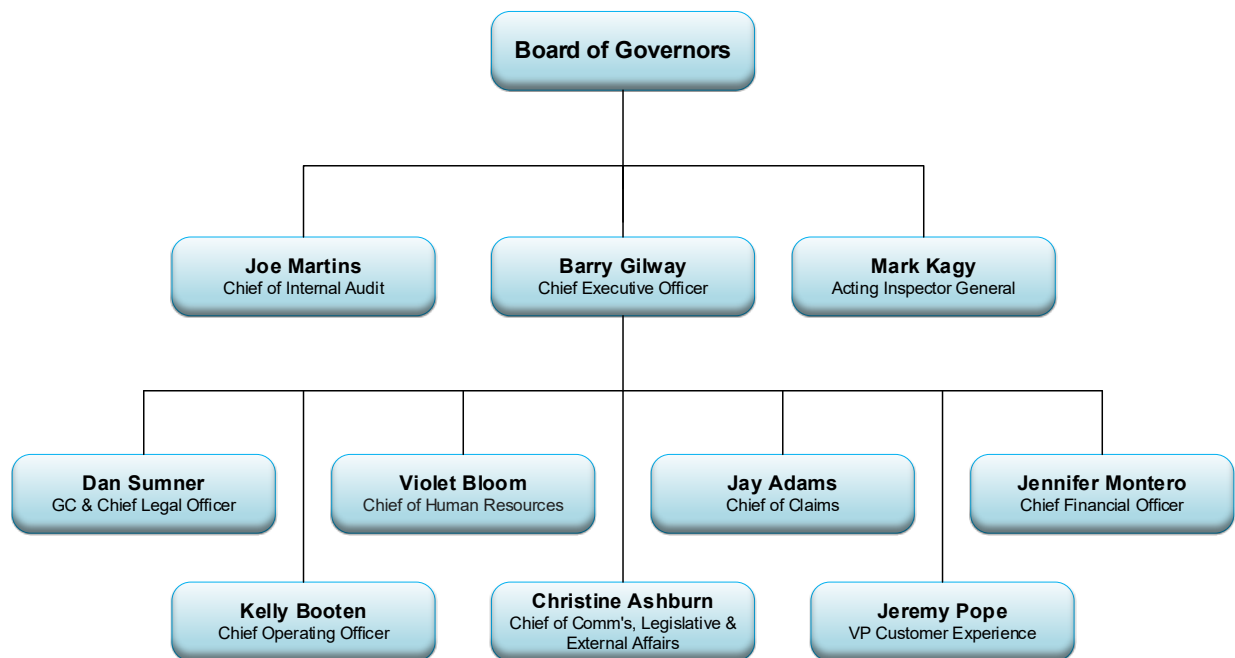
The delegation of authority and oversight responsibility, in respect of Senior Manager recruitment and selection, is more explicit to the Executive Director within these entities in comparison with Citizens. This explicit delegation was either in statute, employee agreement, or policy.



Detailed Observations

Consider Board Oversight and Delegation

Citizens operates subject to the supervision and approval of the Board of Governors of nine individuals. The Chairman of the Board supervises the Citizens President/CEO/Executive Director. The Executive Director (ED) and Senior Management of the Corporation are responsible for the day to day operation of the Corporation and for carrying out the purpose and objectives of the Corporation. Currently, there are nine Senior Managers of which seven report functionally to the Executive Director. The Chief of Internal Audit and the Inspector General are recruited, selected, and appointed by the Board of Governors or the Financial Services Commission, respectively and was therefore not included within the scope of this engagement. Within Citizens the Senior Managers which report to the President/CEO/Executive Director are referred to as the Executive Leadership Team (ELT). Below you will find the ELT organizational chart as of July 2020.



To assist IA in thoroughly understanding the Board's oversight and delegation of responsibility we engaged the work of an independent, outside legal firm, Clark Partington (Firm) based in Tallahassee. The Firm's work focused on the authorities granted to the Citizens Board of Governors and Citizens Executive Director through Section 627.351 (6), F.S. and the Corporation's Plan of Operation, as it relates to the recruitment, selection, and appointment of senior managers for the Corporation. Specifically, we requested:

"A comprehensive analysis of the Citizens Board of Governors' role in Citizens' executive recruitment, selection, promotion and termination/separation processes for the executive director, senior managers and staff within the corporation."

In preparation of their memorandum the firm reviewed the following:



Detailed Observations

- Statutory provisions
- Legislative history
- Citizens Plan of Operation
- Citizens Code of Ethics
- Executive Director's employment agreement
- Correspondence related to the role of the Executive Director, Board Chair and Board of Governors in the recruitment, selection, promotion, and termination/selection processes
- Board of Governors meeting minutes
- Statutory provisions for similar public corporations
- Employment policies for similar public corporations
- Judicial opinions
- Attorney General opinions
- Law review articles, legal treatises, and similar secondary sources

The Firm identified four specific questions in their analysis of the Boards role in executive recruitment, selection, promotion, and termination/separation processes as defined by the Statute and Plan (refer to Appendix 4 for a copy of the Firms memorandum). These questions assisted in formulating the Firm's assessment below:

- **Question #1** – *What legal authority and obligations does the Board of Governors have relative to the recruitment and selection process for the Executive Director and Senior Management?*

In formulating its assessment, the Firm considered the following: The Legislature left it up to Citizens to organize and establish its policies and procedures related to employment. The Plan incorporates the statutorily defined corporate structure. In addition to the provisions of the Statute, the Plan provides guidelines for the conduct of corporate business. To that end, there are four classes of employees at Citizens: Executive Director, Senior Managers, employees, and oversight. The Executive Director is charged with "carrying out the purpose and objectives of the Corporation consistent with the directions and delegations of the Board and the provisions of the Plan and the Act and is responsible for the day-to-day operation of the corporation. The Executive Director also hires the staff of the corporation, subject to the review and concurrence by the Board through approval of the budget or other process. The Executive Director may also retain independent contractors and other vendors, as necessary, subject to any directives, guidelines or procedures as may be adopted by the Board. The Executive Director generally oversees the executive and senior management teams, and all corporation personnel, activities, and departments. The Executive Director establishes the compensation for all Senior Managers with concurrence by the Chair. The Plan provides that a Senior Manager is an executive employee who reports directly to the Executive Director. The Chair has the authority to create committees and subcommittees, to supervise, and to set the compensation of the Executive Director.

The Plan explicitly provides that, except as otherwise provided in the Plan or Act, the corporation shall have all powers reserved for or available to corporations and authorized insurers in the State. And the Executive Director may undertake such other functions as may be delegated by the Board or Chair.



Detailed Observations

As outlined in the Act and Plan, the authority and obligations of the Board relative to the recruitment and selection of its executives is to engage the Executive Director and Senior Managers and to approve by confirmation, either directly or through some other process, the acts of the Executive Director and Chair related to personnel decisions.

Following this assessment, the Firm noted that:

The Board is required by law to engage the Executive Director and Senior Managers, and as long as not contrary to the Act, the Plan or general law. The Board may accomplish this engagement in any manner of its choosing and establish any other employment policies and procedures, as it deems appropriate to fulfil its public purpose.

- **Question #2** – *What has been the actual practice of the Board of Governors and Citizens relative to the recruitment and selection process of the Executive Director and Senior Management?*

Following a detailed assessment of past Senior Management recruitment and selection practices, the Firm noted that:

Citizens' recruitment and selection process relative to the Executive Director and Senior Management has conformed to the Act and the Plan.

- **Question #3** – *How do the legal authority and obligations of the Board of Governors relative to the recruitment and selection process of the Executive Director and Senior Management compare to other similarly situated entities?*

In completion of its comparison the Firm assessed other similarly situated public corporations. Following its assessment, the Firm noted that:

The legal authority and obligations of the Board relative to the recruitment and selection process of the Executive Director and Senior Management are substantially the same as other similarly situated entities.

- **Question #4** – *What should the Board of Governors and Citizens consider going forward relative to the recruitment and selection process of the Executive Director and Senior Management in order to make the process consistent with the laws governing the same?*

In formulating its assessment, the Firm considered the following: The Plan explicitly provides that, except as otherwise required by the Plan or the Act, the corporation shall have all powers reserved for or available to corporations and authorized insurers in the State. The Board or Chair may delegate corporate functions to the Executive Director, including functions related to hiring processes. However, the Board has the ultimate responsibility to engage the Executive Director and Senior Managers, who serve at the Board's pleasure and are subject to engagement, suspension, or dismissal at the discretion of the Board and that ultimate responsibility may not be delegated.

Following its assessment, the Firm noted that:



Detailed Observations

Going forward the Board may modify the corporate practices and policies to address concerns voiced by its members. To do so is strictly at the discretion of the Board. Citizens may also amend the Plan, as may be approved by the State Financial Services Commission. The Plan is subject to continuous review by the Commission, and the Commission may, by order, withdraw approval of all or part of the Plan if the Commission determines that the conditions have changed since approval was granted and that the purposes of the Plan require changes in the Plan.

Review and Document the Process

As part of IA's analysis, we obtained an understanding of related company policies and practices regarding the recruitment, selection, promotion, and separation processes for Senior Managers following June 2012. Additionally, we reviewed the President/CEO/Executive Director's position description and completed a timeline evaluation of Senior Manager appointments, promotions, and separations. (refer to Appendix 1 for a copy of the timeline)

Documented policies help guide an organization's operation and the procedures needed to fulfill the policy. Additionally, documented policies help an organization stay consistent when management needs to make decisions. Citizens has two applicable policies:

- **Recruitment & Selection** - The Recruitment & Selection Policy was originally created in 2014. The policy's goal is: "to attract and hire talented, customer-focused individuals who will contribute to the overall success of the organization. The purpose of the Recruitment and Selection Policy is to provide consistent company-wide standards to assist the organization in selecting the best suited candidate available." The policy further details general rules regarding minimum qualification, recruitment and selection strategy, vacancy postings, and vacancies filled pursuant to a functional/job family career progression, among other items. However, IA noted that the policy is applicable to "Job vacancies below the vice president level." There is no defined policy specific to the recruitment and selection of management in the position vice president or above. The policy does state that: "Job vacancies below the vice president level will be posted unless the position will be filled pursuant to a functional/job family career progression or other business needs dictate otherwise."

While the policy is not applicable to positions from vice president or above, IA did gain an understanding of the recruitment & selection process. Human Resources management noted, in general, that while there is a preference to hire/promote from within, vacant positions can be advertised internally first or externally and internally simultaneously considering the hiring managers preference. In instances where a position is being replaced by a newly designed position the person in the current position could be considered for an in-line promotion given appropriate circumstances.

IA completed a study of all Senior Manager movements since June 2012 and composed a timeline to aid in our understanding of the recruitment, selection, appointment, and separation practices. We noted 15 Senior managers served Citizens since June 2012. Of these, five individuals were in position prior to June 2012 and were not consider as part of this analysis



Detailed Observations

- Two Senior Managers were recruited externally and retrospectively engaged directly by the Board at the next meeting.
The recruitment was similar in both hires. External job postings were utilized for both positions while an external search firm was engaged to facilitate the recruitment process for one of the positions. Selected ELT members assisted the President/CEO/Executive Director by interviewing candidates.
- One Senior Manager was a member of the Board prior to being selected as a Senior Manager. The President/ CEO/Executive Director worked with the Board Chair to gain approval for his selection and the candidate was formally engaged by the Board prior to appointment.
- Seven Senior Managers were selected through in-line promotions. In all seven instances, the President/CEO/Executive Director worked with the Board Chair to gain approval for the selection. Six of the Senior Manager promotions were formally endorsed to by the Board when introduced, the Board formally voted on the appointment, while the seventh Senior Manager promotion was silently endorsed to by the Board without voting on the appointment.
- **Promotions** - A total of six Senior Managers were promoted during their tenure as Senior Managers for the Corporation. IA noted that the Board Chair was consulted on, and approved, all Senior Manager promotions. The board was informed of the promotion at the next public meeting.
- **Separations** - Since June 2012 there have been eight Senior Managers who have separated from Citizens.
 - Four Senior Managers left voluntarily, or on their own accord.
 - One Senior Manager accepted a lower position following elimination of this Senior Manager role and was later separated involuntarily, as a member of staff.
 - Three Senior Managers were separated involuntarily, without cause.
- **Severance** - The severance policy was created in 2013, with a purpose: “to provide a consistent company-wide guideline for the continuation of limited financial support to employees who are involuntarily terminated by Citizens Property Insurance Corporation, without cause, due to a position elimination, reduction-in-force, outsourcing or out-tasking, program discontinuation, business reorganization, office closing or certain other types of involuntary terminations.” IA reviewed the policy and found where it details eligibility and definitional provisions, and the amount (in weeks) of lump sum severance payment eligible by employee level.

For involuntary separations, we reviewed related severance documents provided by Human Resources. Employees involuntarily separated, who are eligible to receive severance, are required to sign and return a general release of liability agreement (“release agreement”) within 45 days of their last day of active employment and then allow a seven-day revocation period to expire in order to receive a lump sum severance payment from Citizens. Our review of the release agreement confirmed that:



Detailed Observations

- The number of eligible weeks' severance due based on the employees' level and years of service were calculated correctly
- The lump sum severance (in dollars) was prorated correctly against annual salary
- In reviewing the personnel files of each Senior Manager IA noted no discrepancy with the payment of severance for three of the Senior Managers noted.

In cooperation with Citizens Office of the Inspector General, IA completed an assessment of severance payments made since the inception of the policy in 2013. For each instance of severance paid to Senior Managers, IA reviewed the reason for separation, recalculated the number of weeks paid was appropriate and ensured an executed General Release of Liability agreement was on file and noted:

- Results from this review indicated that in all three instances payment of severance was justified and in accordance with the stipulations of the severance policy active at that time. This work also identified inconsistencies in the process followed (mostly in respect of documents to support payments) throughout the years with noted improvements as the process matured. Specifically, we noted:
 - A resignation letter as part of the severance documentation on file. It is unclear as to the circumstances surrounding the inclusion of the resignation letter following the involuntary separation of the Senior Manager. IA confirmed that the Senior Manager position was eliminated following a business review. The incumbent, in the position, was offered a lower position which was declined and led to involuntary separation.
 - In another instance IA noted inconsistent supporting documentation to clearly support the separation type.
- **Accrued Leave** - The employee handbook defines vacation and sick leave accrual rates and how these are paid out upon separation. It is stipulated that:
 - Vacation - "Upon separation, all vacation time accrued and not used (up to 480 hours) will be paid out at 100 percent."
 - Sick Leave - "Upon separation, employees are eligible to receive 25 percent on all accrued sick leave."

IA completed an evaluation of payments made to Senior Managers upon separation. We obtained the Estimate Leave Payout Calculation and supporting documents from the HR payroll system and noted that this policy was correctly applied in every instance.

- **Executive Director Position Description** - The position description (PD) for the Executive Director was originally created in 2008, with revisions up to 2014. For our analysis we obtained and reviewed the PD from 2011 and 2014.

The PD provides details regarding the following items: position summary; essential functions; required knowledge, skills, and abilities; required education and experience; preferred qualifications; and physical requirements. The position summary provides a detailed overview of the role and expectations. While we did not note explicit delegation



Detailed Observations

from the Board to the President/CEO/Executive Director regarding the recruitment, selection and appointment of senior managers we noted the following:

- The President reports to the Citizens Property Insurance Corporation's Board of Governors
- This role requires responsibility for day-to-day management of the Corporation
- The position directly oversees the executive leadership team, the senior leadership team, directly or indirectly supervises all corporation personnel and activities, and exercises complete administrative authority and responsibility over all corporation personnel and departments

Citizens President/CEO/Executive Director, Barry Gilway, was appointed in June 2012. Citizens utilized the services of an executive search firm to recruit and identify candidates. IA obtained and reviewed an Employment Agreement dated June 14, 2012, for a 48-month term, with an opportunity for extension by the Board for three successive one-year periods. The contract was not renewed on June 14, 2016 and the contract expired. Mr. Gilway accepted at-will employment from that date. While we did not see explicit delegation from the Board to the Executive Director regarding the recruitment, selection and appointment of senior managers we noted the following:

- "...to perform the functions and duties of Executive Director as specified in the Plan of Operation..."
- "...shall report to and be supervised by the Chairman of the Board."
- "...shall perform such function for Citizens with at least the level of care that an ordinarily prudent person of like ability, experience and talent would reasonably be expected to exercise under similar circumstances."

Details of Benchmark Analysis

The process of benchmarking yields valuable information to leaders and decisions makers. However, identifying comparable "peers" can be challenging, as no two state entities are exactly alike. In selecting comparable entities for this analysis, we took into consideration governance structure, corporate creation, and State of Florida's Comprehensive Annual Financial Reports (CAFR) presentation (i.e. Major component unit), among other variables.

Three State of Florida entities were selected for the benchmark analysis (refer to Appendix 2 for a detail description of each). We met with key personnel from each entity to discuss their practices regarding recruitment, selection, appointment, and separation. Additionally, each entity provided IA with applicable documented policies, which we reviewed. We inquired about the following topics:

- **Delegation of Authority/Responsibility** - All three entities have explicit delegation of authority for their Executive Director (or equivalent). However, each entity delegates authority differently. Specifically, we found authority delegated by law, policy, and an employee agreement. In respect of each entity the following delegations apply regarding the recruitment, selection and appointment of Executive Management:



Detailed Observations

- Executive Director (or equivalent) - The board of each entity is responsible for the recruitment, selection, and appointment of the Executive Director (or equivalent). However, there are differences in how each board performs this task.

Entity 1: The Board is responsible for recruitment of the Executive Director. There is no formal process defined by the Board for the recruitment of the Executive Director. In the most recent recruitment, the Board was familiar with the candidate and actively pursued the person for the role. The representatives interviewed however noted that given recent parameters posted by the Cabinet they believe future appointments will be highly visible.

Entity 2: The recruitment process is defined by Statute and the Board is responsible for recruitment and selection of the top 2 candidates. In the most recent search for an Executive Director the Human Resources function led the recruitment process and posted the position externally. Candidates were screened in-house and prospective candidates were interviewed by board members individually. A public Board meeting was held where the two top candidates were selected and later presented to the Governing State Body for final selection.

Entity 3: There is a formal recruitment and selection process in place (defined by the By-Laws). The Executive Committee of the Board (which includes the Personnel Committee) manages the recruitment process. The Executive Committee performs interviews and identifies one candidate to present to the full Board (made up of a representation of the elected officials) for approval. Following Board approval, the candidate is proposed and voted on in Executive Session (represented by all elected officials). Successful selection requires a majority vote, as defined by By-Laws.

- Senior Managers (or equivalent) – With exception of the position of General Counsel, the Executive Director (or equivalent) for all three entities has explicit authority to recruit, select, and appoint senior managers, with little to no board involvement.

Entity 1: The Executive Director has explicit delegation of authority to recruit, select and appoint his senior leadership team. Recruitment and selection follow the organizations defined process and can be internal or external, as described in policy. For external recruiting, the position is posted and advertised. Potential candidates are selected and participate in a panel interview consisting of the Executive Director and other potential peers. Accordingly, the policy allows to waive posting if a suitable candidate has been identified for in-line promotion.

Entity 2: The Executive Director has been provided explicit authority to identify and appoint senior leaders for the organization. This authority is embedded in statute and internal policy. There is no board presentation or approval required and the Executive Director usually introduces new appointees to Board at the next meeting. While the organization does not have a succession plan, any in-line promotions follow the same process as described above. Specifically, the candidate applies to the vacancy and is interviewed.

Entity 3: The Executive Director has been provided explicit authority to identify and appoint senior leaders for the organization. This authority excludes the



Detailed Observations

selection and appointment of the General Counsel which is retained by the Board. All vacant positions are posted and advertised. When a specific skill set is required the Organization may advertise in specific trade/career related groups. Every position goes through the same recruitment and selection process.

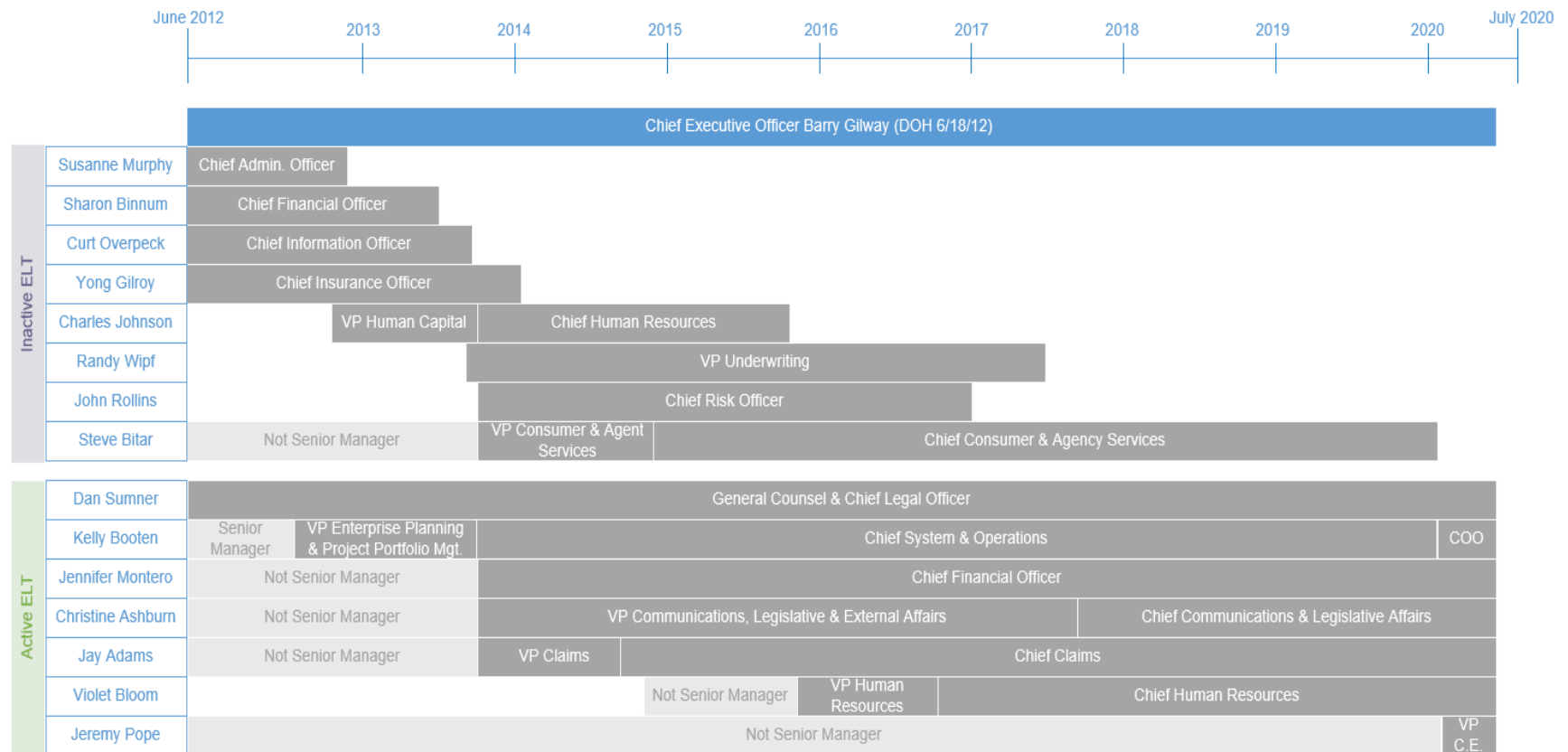
- **Employment Agreements** – One of the entities interviewed has an employment agreement in place for the Executive Director (or equivalent). This agreement is used as a vehicle to formulate the Executive Director's delegated authority. In general, none of the entities interviewed use employment agreements as a practice.
- **Separation or Termination** - All three entities have a variety of processes governing final payouts following separation or termination.
 - Unused Annual Leave - For three of the entities accrued annual leave is paid out at 100%. One entity does not differentiate between vacation and sick leave. Instead they provide Personal Leave Time (PLT), which can be used for either vacation or sick. PLT is paid at 100% upon separation.
 - Accrued Sick Leave - For two of the entity's that accrue sick leave, of which one pays out accrued sick leave at 25% upon separation. The other entity does not pay out accrued leave at separation. This entity however does have a sick leave transfer program and do allow separated employees the opportunity to transfer sick leave to other current employees.

As noted above, one entity does not differentiate between vacation and sick leave. Instead they provide Personal Leave Time (PLT), which can be used for either vacation or sick. PLT is paid at 100% upon separation.
 - Severance Payouts - two of the entities pay severance, while one entity does not pay severance. Of the two that pay severance, one has a documented policy.



Appendix 1 - Timeline

The following represents a timeline of Senior Manager appointments, promotions, and separations from 2012 to present:

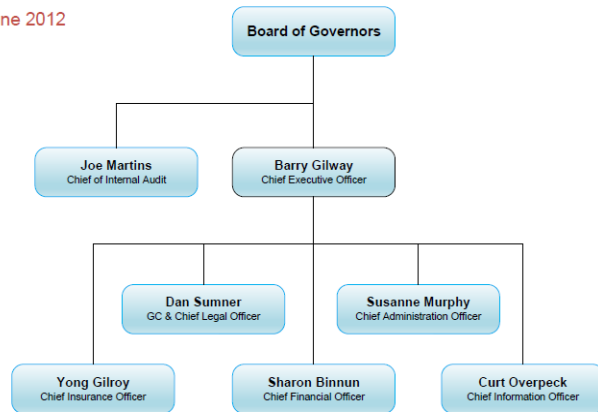




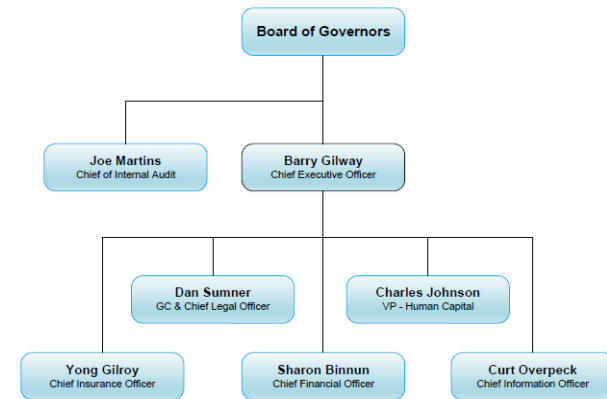
Appendix 2 – Org Charts

Senior Manager Org structure since June 2012:

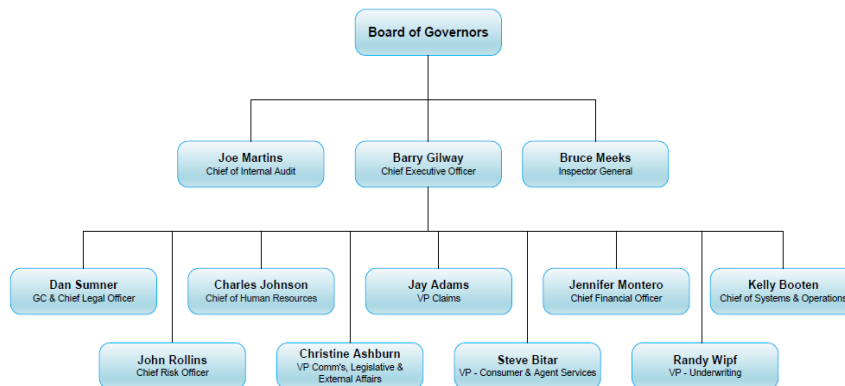
June 2012



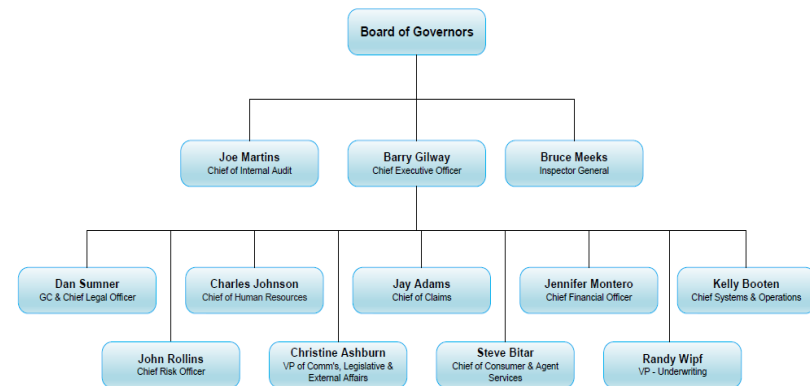
June 2013



June 2014



June 2015

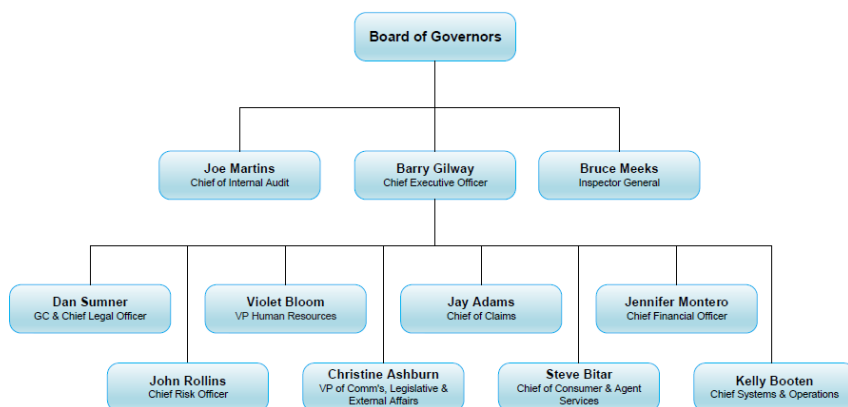




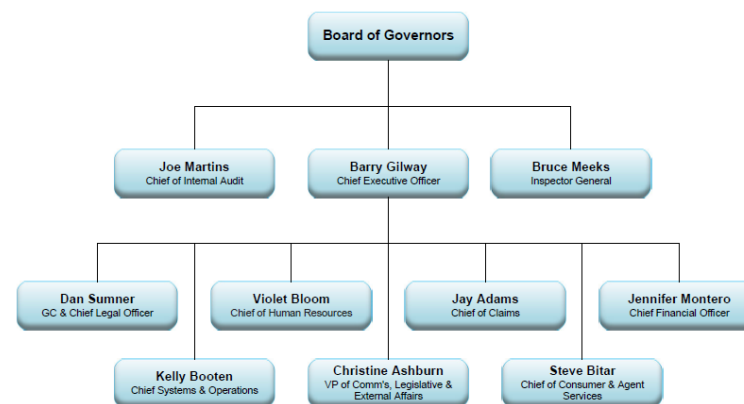
Appendix 2 – Org Charts

Senior Manager Org structure since June 2012:

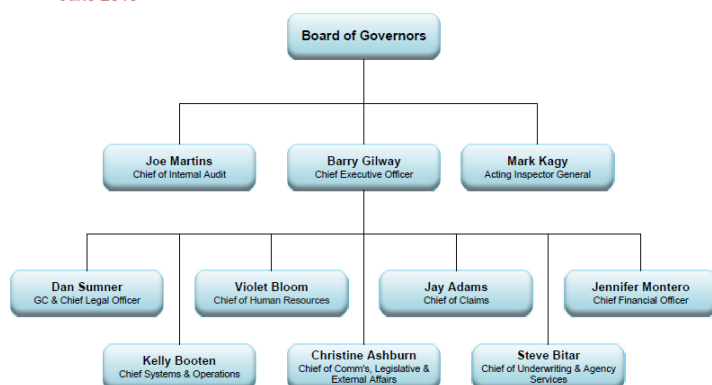
June 2016



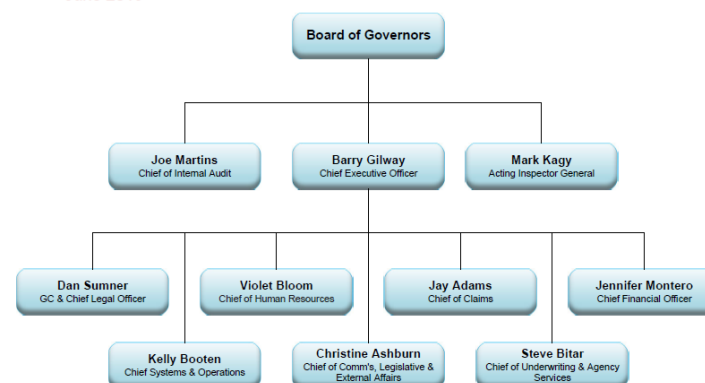
June 2017



June 2018






June 2019





Appendix 3 - Benchmark

The following organizations were selected to be included within our benchmark study:

State Board of Administration	Florida Housing Finance Corporation	Florida Court Clerks & Comptrollers
		
Created by		
F.A.C. 19-3.1096	F.S. 420.50	Articles of Incorporation & By-Laws
Board Appointment		
Three member Board of Trustees: Governor, State CFO, and Attorney General	Appointed by the Governor and confirmed by Senate	The Board is elected by the Clerks of each district
Overview		
<p>Created by the Florida Constitution as Florida's principal independent Investment Management Organization. The SBA is primarily responsible for investing the proceeds of the Florida Retirement System Pension Plan, administering the Florida Retirement System Investment Plan, managing the Florida Hurricane Catastrophe Fund and running Florida PRIME, as well as investing the proceeds of more than 25 other funds directed to the SBA by the Florida Legislature.</p> <p>Governed by a three-member Board of Trustees, comprised of the Governor as Chair, the Chief Financial Officer and the Attorney General. In concert with legislative directives, the Trustees have ultimate oversight. They delegate authority to the Executive Director and Chief Investment Officer to carry out the strategic direction in the day-to-day financial investments and operations of the organization. The Executive Director and CIO manages approximately 200 professional investment and administrative support staff.</p>	<p>Florida Housing Finance Corporation (Florida Housing) was created by the state Legislature 35 years ago to assist in providing a range of affordable housing opportunities for residents that help make Florida communities great places in which to live, work and do business. Our vision is to be recognized as an outstanding provider of innovative, measurable, data-driven and fiscally sustainable solutions that respond to the affordable housing challenges of our state.</p> <p>Today, Florida Housing continues its mission by increasing affordable housing opportunities and ensuring that its programs are well matched to the needs of those we serve. We know that we cannot accomplish our mission alone. As such, we continue to work with local governments, non-profits, elected officials and others to help spread the importance of affordable housing in Florida's communities.</p>	<p>The Florida Constitution established a Clerk & Comptroller as an elected public trustee in 1838 and established at the county level a system of checks and balances that has served the public well. The functions and duties of Clerk & Comptrollers vary from state to state. In most jurisdictions, the Clerk & Comptroller is generally vested with a large number of administrative duties. The Florida Clerk is not only Clerk of the Circuit Court, but also the County Treasurer, Recorder, Auditor, Finance Officer, and Ex-Officio Clerk of the County Commission in most counties.</p> <p>The primary purpose of the Florida Court Clerks & Comptrollers is to enable members to more efficiently and effectively serve their constituency and assist in improving the professional efficiency of the Clerks/Comptrollers office in administration and in providing a forum for exchanging ideas for creating better public services; among many other reasons.</p>



Appendix 4 – Legal Firm’s Memorandum



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MEMORANDUM

To: Joe Martins, Citizens Property Insurance Corporation

Prepared by: Meredith D. Crawford, Clark Partington, Pensacola, Florida
Keith Bell, Clark Partington, Tallahassee, Florida

You have asked for a comprehensive analysis of the Citizens Board of Governors’ role in Citizens’ recruitment, selection, promotion and termination/separation processes for the Executive Director, Senior Managers and staff within the corporation. In performing this analysis you requested a statutory interpretation as well as an analysis of information regarding the standards applied by comparable state entities and for instruction to provide advice and guidance to the members of the Citizens Audit Committee where appropriate.

In preparation of this memorandum, we reviewed the following:

- a) Statutory Provisions;
- b) Legislative History;
- c) Citizens Plan of Operation;
- d) Citizens Code of Ethics;
- e) Executive Director’s Employment Agreement;
- f) Correspondence related to the role of the Executive Director, Board Chair and Board of Governors in the recruitment, selection, promotion and termination/separation processes;
- g) Board of Governors Meeting Minutes;
- h) Statutory Provisions for Similar Public Corporations;
- i) Employment Policies for Similar Public Corporations;
- j) Judicial Opinions;
- k) Attorney General Opinions; and,
- l) Law Review Articles, legal treatises and similar secondary sources.

QUESTIONS PRESENTED:

- 1) What legal authority and obligations does the Board of Governors have relative to the recruitment and selection process for the Executive Director and Senior Management?
- 2) What has been the actual practice of the Board of Governors and Citizens relative to the recruitment and selection process of the Executive Director and Senior Management?
- 3) How do the legal authority and obligations of the Board of Governors relative to the recruitment and selection process of the Executive Director and Senior Management compare to other similarly situated entities?

- 4) What should the Board of Governors and Citizens consider going forward relative to the recruitment and selection process of the Executive Director and Senior Management in order to make the process consistent with the laws governing the same?

SUMMARY:

Citizens Property Insurance Corporation (“Citizens”) is a not-for-profit, tax exempt government-corporation whose public purpose is to provide insurance protection to Florida property owners.¹ The corporation is under the direction of a Board of Governors (the “Board”) with members appointed by the Governor of Florida, President of the Florida Senate, Speaker of the Florida House of Representatives, and the Chief Financial Officer. The Board was created by the Legislature through enactment of §627.351(6) (a), *Florida Statutes*, which provides the legal authority and obligations of the Board. Pursuant to the statutes, the Board is charged with engaging an Executive Director (“Director”) and Senior Management. The Board establishes the parameters for the conduct of business through adoption of a statutorily-mandated Plan of Operation (“Plan”).

AS TO QUESTION 1:

Citizens Property Insurance Corporation is in the nature of a public or quasi-public corporation.

Part I, Chapter 627, §627.351(6) (a), *Florida Statutes*, is the enabling act (“the Act”) for “Citizens Property Insurance Corporation.” The Act creates Citizens, “a government entity that is an integral part of the state and this is not a private insurance company²” and sets forth the purpose of the corporation:

“To ensure that there is an orderly market for property insurance for residents and businesses of this state.³

The Legislature finds that private insurers are unwilling or unable to provide affordable property insurance coverage in this state to the extent sought and needed. The absence of affordable property insurance threatens the public health, safety, and welfare and likewise threatens the economic health of the state. The state therefore has a compelling public interest and a public purpose to assist in assuring that property in the state is insured and that it is insured at affordable rates so as to facilitate the remediation, reconstruction, and replacement of damaged or destroyed property in order to reduce or avoid the negative effects otherwise resulting to the public health, safety, and welfare, to the economy of the state, and to the revenues of the state and local governments which are needed to provide for the public welfare.⁴”

¹ §627.351(6) (a), *Florida Statutes*

² §627.351(6)(a)(1), *Florida Statutes*

³ §627.351(6)(a), *Florida Statutes*

⁴ §627.351(6)(a)(1), *Florida Statutes*



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Among its powers and duties, the corporation is given specific authority to provide affordable property insurance for residential and commercial property to applicants who are in good faith entitled to procure insurance through the voluntary market but are unable to do so.⁵ The corporation is required to operate pursuant to a plan of operation approved by the state Financial Services Commission which is subject to continuous review by the Commission (the “Plan”).⁶

The Plan must provide for adoption of residential property and casualty insurance policy forms and commercial residential and nonresidential property insurance forms⁷, must provide that the corporation adopt a program in which the corporation and authorized insurers enter into primary insurance agreements for hurricane coverage which cover the peril of wind only⁸, may provide that the corporation may employ or otherwise contract with individuals or other entities to provide administrative or professional services that may be appropriate to effectuate the Plan⁹, must require that the corporation operate subject to the supervision and approval of the Board, which consists of nine individuals who are residents of this state and who are from different geographical areas of the state, one of whom is appointed by the Governor and serves solely to advocate on behalf of the consumer.¹⁰

The Plan establishes the structure of Citizens’ operation.¹¹ The Governor appoints three members of the Board. The Chief Financial Officer, the President of the Senate, and the Speaker of the House of Representatives each appoints two members of the Board. The Chief Financial Officer designates one of the appointees as chair.¹² All Board members serve at the pleasure of the appointing officer and all Board members are subject to removal at will by the officers who appointed them. The Executive Director and Senior Managers of the corporation shall be engaged by the Board and serve at the pleasure of the Board¹³ and may be removed by the Board at any time.¹⁴ Any Executive Director appointed on or after July 1, 2006, is subject to confirmation by the Senate. The Executive Director is responsible for employing other staff as the corporation may require, subject to review and concurrence by the Board.¹⁵ The Executive Director is

⁵ §627.351(6)(a)(2), *Florida Statutes*

⁶ §627.351(6)(a)(2), *Florida Statutes*

⁷ §627.351(6)(c)(1), *Florida Statutes*

⁸ §627.351(6)(c)(2), *Florida Statutes*

⁹ §627.351(6)(c)(3), *Florida Statutes*

¹⁰ §627.351(6)(c)(4), *Florida Statutes*

¹¹ Section 2, Citizens’ Plan of Operation

¹² Section 6(B), Citizens’ Plan of Operation.

¹³ Section 7(G), Citizens Plan of Operation

¹⁴ Section 7(G); See for comparison only §20.03, *Florida Statutes* (“To serve at the pleasure” means the appointee serves in the office until removed by the appointing authority. An appointee serving at the pleasure of the appointing authority generally remains subject to the direction and supervision of the appointing authority.); See also §110.403(a), *Florida Statutes* (Employees in the Senior Management Service shall serve at the pleasure of the agency head and shall be subject to suspension, dismissal, reduction in pay, demotion, transfer, or other personnel action at the discretion of the agency head. Such personnel actions are exempt from the provisions of chapter 120.”)

¹⁵ §627.351(6)(c)(4)(a), *Florida Statutes*

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responsible for the day-to-day operations of the Corporation and serves as a liaison between Citizens and the Board.

The Act requires that all prospective employees for senior management positions, as defined by the Plan, are subject to background checks as a prerequisite for employment.¹⁶ The Executive Director, Senior Managers, and members of the Board are subject to Part III of Chapter 112, *Florida Statutes*, including, but not limited to, the code of ethics and the requirements for public disclosure and reporting of financial interests.¹⁷ The Act establishes the Office of the Internal Auditor 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.¹⁸ The Internal Auditor shall be appointed by the Board, shall report to and be under the general supervision of the Board, and is not subject to supervision by an employee of the corporation.¹⁹ The corporation shall manage its claim employees, independent adjusters, and others who handle claims to ensure they carry out the corporation’s duty to its policyholders to handle claims carefully, timely, diligently, and in good faith, balanced against the corporation’s duty to the state to manage its assets responsibly to minimize its assessment potential.²⁰

Florida courts have addressed the establishment and duties of similar public corporate entities and determined that a quasi-public corporation may conduct its business as it sees fit, under full corporate authority, subject only to any provisions contained in its enabling statute and applicable general law.²¹ In AGO 2001-26, the Attorney General referenced several Florida cases. In *Forbes Pioneer Boat Line v. Board of Commissioners of Everglades Drainage District*, the Florida Supreme Court considered the distinctions between private corporations, quasi-public corporations, and public corporations:

“A private corporation is one formed for the benefit of its stockholders exclusively. When it is invested with certain powers of a public nature to permit it to discharge duties to the public, it loses its strictly private character and becomes quasi-public. A corporation is public when created for public purposes only, connected with the administration of government, and where the whole interests and franchises are the exclusive property and domain of the government itself.”²² Thus, the Court determined that the Everglades Drainage District, created with all the powers of a body corporate, including the power to sue and be sued, to make contracts and to

¹⁶ §627.351(d)(1), *Florida Statutes*

¹⁷ §627.351(d)(3), *Florida Statutes*

¹⁸ §627.351(i)(1), *Florida Statutes*

¹⁹ §627.351(i)(1), *Florida Statutes*

²⁰ §627.351(s)(2), *Florida Statutes*

²¹ See Op. Att’y Gen. Fla. 2001-26 (2001)

²² 77 Fla. 742, 82 So. 346 at 350 (Fla. 1919). The Forbes Court also contrasted public corporations, such as municipal corporations which are full-fledged corporations with all the powers, duties, and liabilities incident to such status, with public quasi-corporations which possess only a portion of the powers, duties, and liabilities of corporations.



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use a common seal, was a public quasi-corporation. As such, it was “a governmental agency of the state for certain definite purposes, having such authority only as is delegated to it by law.”²³

The primary characteristic of a public or quasi-public corporation is its creation by law.²⁴ In *O’Malley v. Florida Insurance Guaranty Association*,²⁵ the Court considered the nature of the Florida Insurance Guaranty Association, created by statute as a nonprofit corporation. The Court distinguished between private corporations that have no official duties or concern with the affairs of government, are voluntarily organized and are not bound to perform any act solely for governmental benefit, and public corporations that are organized for the benefit of the public. Concluding that the association was “a legislatively declared ‘mechanism’ to aid and benefit numerous citizens” who had suffered a loss of insurance protection because of the insolvency of their insurers, the Court held that the association was a public or quasi-public corporation.²⁶

In Attorney General’s Opinion 97-42, the Office of the Attorney General was asked to consider whether the Florida Distance Learning Network was a public or private corporation. The network was created by the Legislature in Part II, Chapter 364, *Florida Statutes* (1995). The intent of the Legislature in creating the network was to establish a coordinated system for cost-efficient advanced telecommunications services and distance education to:

- (a) Increase student access to education.
- (b) Maximize the use of advanced telecommunications services and their application to provide affordable distance education.
- (c) Promote interagency cooperation and promote partnerships.
- (d) Secure any available federal or private funds and other resources in support of advanced telecommunications services and distance education.”²⁷

The network was governed by a board of directors whose composition was established by statute. Although the statutes did not characterize the network or its board of directors, those statutes did provide that the board had the power of a body corporate and could make contracts, sue and be sued, and adopt, amend and repeal bylaws.

In concluding that the Florida Distance Learning Network was a public or quasi-public corporation, the opinion noted that 1) the network was created by statute; 2) that the network was established to carry out the provisions of the Education Facilities Infrastructure Improvement Act; and that 3) the board of directors had the powers of a body corporate to carry out that function.

²³ *Ibid.*

²⁴ See Ops. Att’y Gen. Fla. 78-106 (1978) and 97-42 (1997) and 2001-26 (2001).

²⁵ 257 So. 2d 9, 11 (Fla. 1971).

²⁶ See Op. Att’y Gen. Fla. 83-20 (1983) which stated that with the creation of the Florida State Fair Authority as a public body corporate, the Legislature created a public corporation or public quasi-corporation for state purposes to carry out a state function.

²⁷ §364.509(1), *Florida Statutes* (1997).

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Similarly, Citizens is created by statute as a quasi-public corporation and has all the powers, rights, privileges and authority provided to a corporation by Florida law.²⁸ The Legislature has established the purpose of the corporation as that of “ensuring that there is an orderly market for property insurance for residents and businesses of this state.”²⁹ Citizens is governed by the Board whose composition is prescribed by statute and made up of public officials or their representatives.

Thus, Citizens is in the nature of a public or quasi-public corporation rather than a “private agency, person, partnership, corporation, or business entity” and has the power of a corporation to manage its affairs subject only to the limitations provided by law which includes the Act and Plan.

As it relates to Question 1, the Legislature left it up to Citizens to organize and establish its policies and procedures related to employment. The Plan incorporates the statutorily defined corporate structure. In addition to the provisions of §627.351(6), *Florida Statutes*, the Plan provides guidelines for the conduct of corporate business.³⁰ To that end, there are four classes of employees at Citizens: the Executive Director, Senior Managers, employees and oversight. The Executive Director is charged with “carrying out the purpose and objectives of the Corporation consistent with the directions and delegations of the Board and the provisions of the Plan and the Act”³¹ and is responsible for the day-to-day operation of the corporation.³² The Executive Director also hires the staff of the corporation, subject to the review and concurrence by the Board through approval of the budget or other process. The Executive Director may also retain independent contractors and other vendors, as necessary, subject to any directives, guidelines or procedures as may be adopted by the Board.³³ The Executive Director generally oversees the executive and senior management teams, and all corporation personnel, activities and departments.³⁴ The Executive Director establishes the compensation for all Senior Managers with concurrence by the Chair.³⁵ The Plan provides that a Senior Manager is an executive employee who reports directly to the Executive Director.³⁶ The Chair has the authority to create committees and subcommittees, to supervise, and to set the compensation of the Executive Director.³⁷

²⁸ See, Black’s Law Dictionary *Corporation*, pp. 409-410 (rev. 4th ed. 1968) (“A public corporation is one created by the state for political purposes and to act as an agency in the administration of civil government.... [A corporation, however, if] organized by private persons for their own advantage, or even if organized for the benefit of the public generally,.... is none the less a private corporation”); 18 C.J.S. *Corporations* s. 6a (generally, public corporations are created by the people or government for political or governmental purposes, whereas private corporations are formed by voluntary agreement of their members for private, or in some instances, for public purposes”).

²⁹ §627.351(6)(a), *Florida Statutes*.

³⁰ Citizens Plan of Operation

³¹ Section 7(H), Plan of Operation

³² Section 7(H), Plan of Operation

³³ Section 7(D)(4), Plan of Operation

³⁴ Section 7(F) and Section 4(SS), Plan of Operation

³⁵ Section 7(F), Plan of Operation

³⁶ Section 4(SS), Plan of Operation

³⁷ Section 7(D), Plan of Operation



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The Plan explicitly provides that, except as otherwise provided in the Plan or Act, the corporation shall have all powers reserved for or available to corporations and authorized insurers in the State.³⁸ And, the Executive Director may undertake such other functions as may be delegated by the Board or Chair.³⁹

As outlined in the Act and Plan, the authority and obligations of the Board relative to the recruitment and selection of its executives is to engage the Executive Director and Senior Managers and to approve by confirmation, either directly or through some other process, the acts of the Executive Director and Chair related to personnel decisions. The Board is required by law to engage the Executive Director and Senior Managers, and as long as not contrary to the Act, the Plan or general law, the Board may accomplish this engagement in any manner of its choosing and establish any other employment policies and procedures, as it deems appropriate to fulfil its public purpose.

AS TO QUESTION 2:

Citizens’ recruitment and selection process relative to the Executive Director and Senior Management has conformed to the Act and the Plan.

The Board engaged its current Executive Director in 2012. In order to do so, the Board first created a Presidential Search Committee (“Committee”) to undertake the search to engage an Executive Director.⁴⁰ The Committee’s meetings were held publicly with public notice and minutes taken as required by the applicable provisions of Chapter 286, *Florida Statutes*, the “Sunshine Law.” The Committee researched and recommended that the Board retain the services of an executive search “headhunting” firm which firm was approved by a vote of the Board.⁴¹ This firm was then responsible for recruiting and public engagement to fill the open executive position. The search firm identified candidates for the director’s position. The candidates were made available to meet with individual members prior to a public Board meeting in which the candidates were interviewed by the Board.⁴² The Board made the final selection and voted to engage its current Executive Director.⁴³ The terms of the Executive Director’s employment agreement were established by the Board Chair as provided in the Plan.⁴⁴

In September 2013, the Executive Director recommended that the Board promote and/or hire a number of executives to fill senior management positions.⁴⁵ These positions included Chief Financial Officer, Chief Risk Officer, Vice President of Underwriting, Vice President of Claims, Vice President of Consumer and Agent Services, and Vice President of Communications (Legislative and External Affairs).⁴⁶ The Director’s recommendations for the senior management positions

³⁸ Section 7(B), Plan of Operation

³⁹ Section 7(I)(18), Plan of Operation

⁴⁰ Meeting Minutes, February 7, 2012

⁴¹ Meeting Minutes, March 13, 2012

⁴² Meeting Minutes, June 13, 2012

⁴³ Meeting Minutes, June 13, 2012

⁴⁴ Section 7(D), Plan of Operation

⁴⁵ Meeting Minutes, September 20, 2013

⁴⁶ Meeting Minutes, September 20, 2013

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were confirmed through an affirmative vote of approval following presentation of the Director’s selections at a public meeting.⁴⁷ At the September 2013 meeting, the Executive Director advised the Board that the Board is only responsible for the oversight of three employees, specifically, the Inspector General, Executive Director and Internal Auditor and that the Chair was responsible for the terms of his [the Director’s] employment.⁴⁸

Periodic changes to the terms of employment and compensation of the current Executive Director were effectuated by the Chair to include an October 2013 change to the Director’s compensation amending the base salary, a September 2015 increase to the Director’s base salary, and a 2016 decision by the Chair to allow the Executive Director to continue his employment with the corporation in an at-will capacity after the expiration of the Director’s employment agreement.⁴⁹

In May 2020, the Chairman and the Executive Director presented a recommendation to the Board to create a new executive position and realign responsibilities held by other Senior Managers.⁵⁰ The Chairman advised the Board that they were required to create the new position based upon §627.351(6)(K)(2) which requires that the “corporation shall establish a unit or division responsible for receiving and responding to consumer complaints, which unit or division is the sole responsibility of a senior manager of the corporation.”⁵¹⁻⁵²

AS TO QUESTION 3:

The legal authority and obligations of the Board relative to the recruitment and selection process of the Executive Director and Senior Management are substantially the same as other similarly situated entities.

As aforementioned, other similarly situated public corporations include the Everglades Drainage District,^{53,54} the former Florida Distance Learning Network,⁵⁵ and the Florida Insurance Guaranty Association.⁵⁶ The similarities of these entities with Citizens are described in Question 2. In addition to these, other public corporations which are created by statute and operated

⁴⁷ Meeting Minutes, September 20, 2013

⁴⁸ Meeting Minutes, September 20, 2013

⁴⁹ Email dated February 12, 2016 from Dan Sumner to Christopher Gardner and Barry Gilway; Letter dated February 11, 2016 from Barry Gilway to Christopher Gardner.

⁵⁰ Draft Meeting Minutes, May 14, 2020.

⁵¹ §627.351(6)(K)(2), *Florida Statutes*

⁵² Draft Meeting Minutes, May 14, 2020

⁵³ §298.01, *Florida Statutes*

⁵⁴ For comparison see §298.21 “Supervisors may remove officers and employees.—The board of supervisors may at any time remove any officer, attorney, chief engineer or other employee appointed or employed by said board.”

⁵⁵ §241.003, *Florida Statutes*, since repealed by Laws 2002, c. 2002-387, § 1058, eff. Jan. 7, 2003.

⁵⁶ §631.55, *Florida Statutes*



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subject to an appointed Board and plan of operation are the Florida Clerks of Court Corporation,⁵⁷ the State Board of Administration,⁵⁸ and the Florida Housing Finance Corporation.⁵⁹

Like Citizens, each of the above-referenced quasi-public entities was created by the Florida Legislature through enabling acts to fulfill a public purpose and are mandated to operate under the oversight an appointed board and pursuant to an adopted plan of operation. And, like Citizens, each corporation is given general rules establishing the corporate structure but is otherwise permitted to craft its employment policies and practices as it determines appropriate. These quasi-public corporations are subject to limited provisions of the State Ethics Code⁶⁰, Sunshine Law⁶¹, Public Records Act⁶², and Public Procurement regulations⁶³, as may be provided in each of their enabling acts.

AS TO QUESTION 4:

The current operation of Citizens Property Insurance Corporation is consistent with §627.351(6), *Florida Statutes*.

The Plan explicitly provides that, except as otherwise required by the Plan or the Act, the corporation shall have all powers reserved for or available to corporations and authorized insurers in the State.⁶⁴ The Board or Chair may delegate corporate functions to the Executive Director, including functions related to hiring processes.⁶⁵ However, the Board has the ultimate responsibility to engage the Executive Director and Senior Managers, who serve at the Board’s pleasure and are subject to engagement, suspension, or dismissal at the discretion of the Board and that ultimate responsibility may not be delegated.

Going forward the Board may modify the corporate practices and policies to address concerns voiced by its members. To do so is strictly at the discretion of the Board. Citizens may also amend the Plan, as may be approved by the Financial Services Commission. The Plan is subject to continuous review by the Commission, and the Commission may, by order, withdraw approval of all or part of the Plan if the Commission determines that the conditions have changed since approval was granted and that the purposes of the Plan require changes in the Plan.⁶⁶

⁵⁷ §28.35, *Florida Statutes*

⁵⁸ §215.44, *Florida Statutes*

⁵⁹ §420.502, *Florida Statutes*

⁶⁰ Chapter 112, *Florida Statutes*

⁶¹ Chapter 286, *Florida Statutes*

⁶² Chapter 119, *Florida Statutes*

⁶³ Chapter 287, *Florida Statutes*

⁶⁴ Section 7(B), Plan of Operation

⁶⁵ Section 7(I)(18), Plan of Operation

⁶⁶ §627.351(6)(a)(2), *Florida Statutes*



Appendix 5

Distribution

Addressee(s) Marc Dunbar, Citizens Audit Committee Chair
James Holton, Citizens Audit Committee Member
Bette Brown, Citizens Audit Committee Member

Addressee(s) **Business Leaders:**
Barry Gilway, President/CEO/Executive Director
Christine Turner Ashburn, Chief Communications, Legislative & External Affairs
Dan Sumner, General Counsel and Chief Legal Officer
Jay Adams, Chief Claims Officer
Jennifer Montero, Chief Financial Officer
Jeremy Pope, Vice President, Customer Experience
Kelly Booten, Chief Operating Officer
Mark Kagy, Acting Inspector General
Violet Bloom, Chief Human Resources Officer

Following Audit Committee Distribution:

The Honorable Ron DeSantis, Governor
The Honorable Jimmy Patronis, Chief Financial Officer
The Honorable Ashley Moody, Attorney General
The Honorable Nikki Fried, Commissioner of Agriculture
The Honorable Bill Galvano, President of the Senate
The Honorable Jose R. Oliva, Speaker of the House of Representatives

The External Auditor

*Engagement performed by Patrick Lynch, Internal Audit Manager
Under the Direction of Joe Martins, Chief of Internal Audit*