

TEXAS DEPARTMENT OF INSURANCE 2016 ANNUAL REPORT



TEXAS DEPARTMENT OF INSURANCE
NOVEMBER 2016

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TEXAS DEPARTMENT OF INSURANCE

Commissioner of Insurance (113-1C)

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November 23, 2016

Honorable Greg Abbott, Governor
The Honorable Dan Patrick, Lieutenant Governor
The Honorable Joe Straus, Speaker of the House

Dear Governors and Speaker:

I am pleased to submit the Texas Department of Insurance 2016 Annual Report, in compliance with Texas Insurance Code Chapter 32, §32.021.

Copies of this report will be filed simultaneously with the State Auditor, Legislative Budget Board, Comptroller of Public Accounts, Legislative Reference Library, and State Library. Digital copies of this report will be provided to insurance commissioners in other states, as well as to members of the Texas Legislature upon request. This report is also available online at www.tdi.texas.gov/reports.

As in 2015, the agency's 2016 Annual Financial Report—formerly published as Part V of the agency's Annual Report—is published as a separate document and is also available online at the address above. If you have questions about the contents of this report or affairs of the Texas Department of Insurance, I will be happy to respond.

Sincerely,

A handwritten signature in black ink, appearing to read "DK Mattax".

David C. Mattax
Commissioner of Insurance

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SECTION I: AGENCY OVERVIEW



Texas Department of Insurance
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TEXAS DEPARTMENT OF INSURANCE OVERVIEW

The Texas Department of Insurance (TDI) regulates the state's insurance industry, oversees the administration of the Texas workers' compensation system, performs the duties of the State Fire Marshal's Office, and provides administrative support to the Office of Injured Employee Counsel – a separate agency.

Texas Insurance Code, Chapter 31, Section 31.002 requires TDI to:

- (1) regulate the business of insurance in Texas;
- (2) administer the Texas' workers' compensation system as provided by the Texas Labor Code;
- (3) ensure that the insurance code and other laws regarding insurance and insurance companies are executed;
- (4) protect and ensure the fair treatment of consumers; and
- (5) ensure fair competition in the insurance industry in order to foster a competitive market.

The insurance commissioner is the agency's chief executive and administrative officer. The commissioner administers and enforces state insurance laws and applicable laws that grant jurisdiction to TDI or the commissioner.

TDI is charged with overseeing the workers' compensation system of this state, and the Division of Workers' Compensation is established within TDI to administer and operate the workers' compensation system of this state.

The workers' compensation commissioner is the division's chief executive and administrative officer and exercises all executive authority, including rulemaking. In addition, the workers' compensation commissioner enforces the Texas Workers' Compensation Act and other applicable workers' compensation system laws.

The governor, with advice and consent of the Texas Senate, appoints both commissioners for two-year terms.

Agency Vision

TDI is a dynamic leader in responsible state, national, and global regulation, consumer protection, and market viability.

Agency Mission

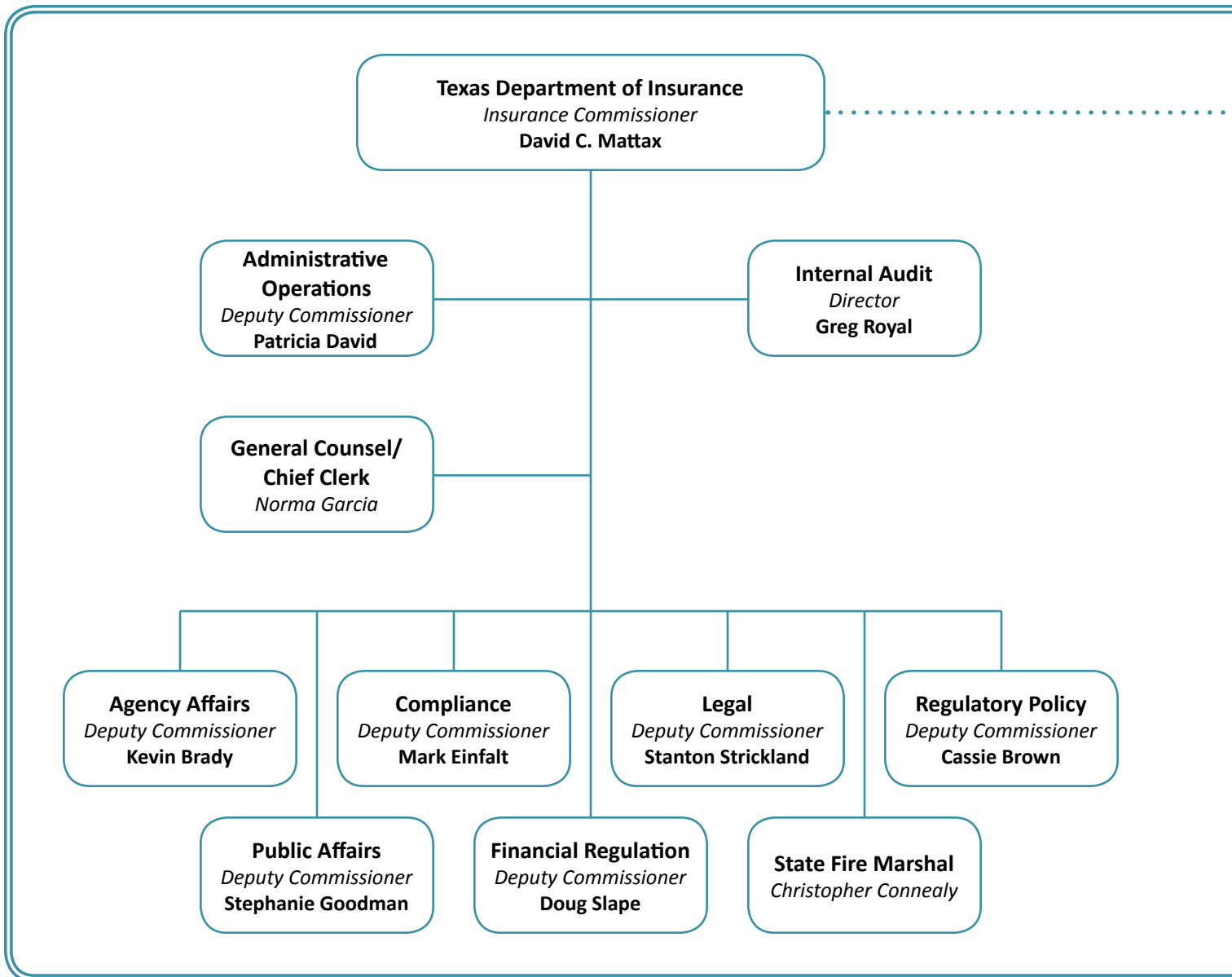
TDI's mission is to protect insurance consumers by regulating the industry fairly and diligently, promoting a stable and competitive market, and providing information that makes a difference.

Agency Regulatory Approach

TDI will exemplify friendly, courteous, ethical, and professional behavior in all areas of performance by:

- ★ providing the best value in services to the people of Texas;
- ★ applying the law and agency policy fairly and consistently throughout the state;
- ★ communicating openly and providing timely and accurate information to the public we serve, and to all our fellow employees; and
- ★ communicating internally and externally, evaluating and adjusting the course of the agency in response to changes in conditions.

TDI Organizational Chart



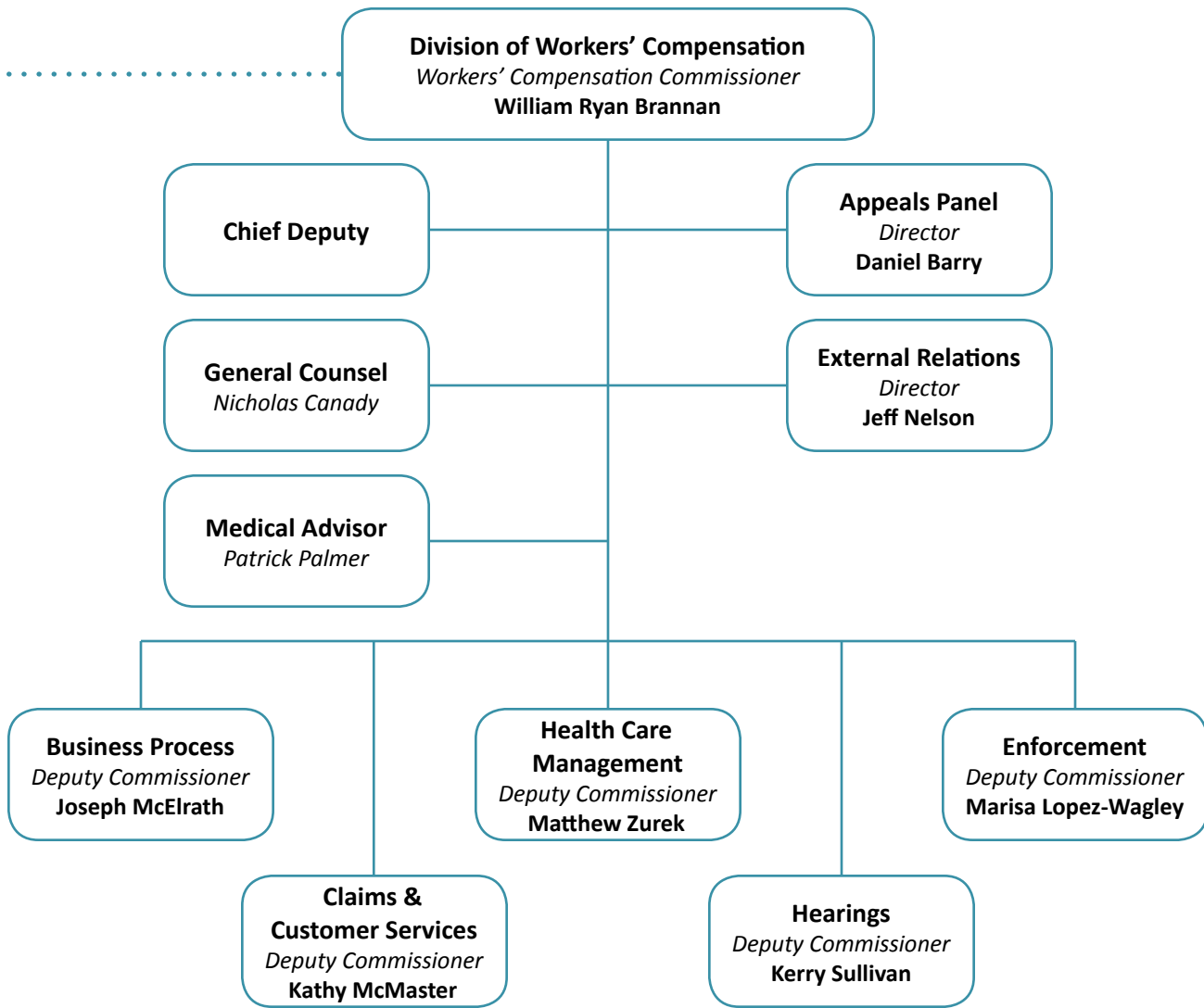
Commissioner of Insurance

The insurance commissioner, appointed by the governor with the consent of the Texas Senate, is the agency’s chief executive and administrative officer.

As the agency’s chief administrator, the commissioner oversees agency regulatory functions, establishes agency operating procedures, and enforces state insurance laws through disciplinary and legal actions against violators.

The commissioner reviews and regulates rates for various lines of insurance including those submitted under “file-and-use” provisions. The commissioner also sets rates for certain lines such as title insurance.

The commissioner adopts rules, implements new laws, and addresses regulatory problems in companies and agents. In addition, the commissioner appoints individuals to advisory boards and committees and oversees their operations.



Commissioner of Workers' Compensation

The workers' compensation commissioner, appointed by the governor with the consent of the Texas Senate, is the chief executive and administrative officer of the Division of Workers' Compensation.

As the division's chief administrator, the commissioner oversees division regulatory functions, conducts the daily operations of the division, implements division policy, and enforces state workers' compensation laws through disciplinary and legal actions against violators.

The commissioner adopts rules, implements laws, oversees fraud unit investigations, and addresses regulatory problems in the workers' compensation system. In addition, the commissioner makes recommendations to the Texas Legislature regarding changes to state workers' compensation laws.

The commissioner is a member of the Texas Certified Self-Insurer Guaranty Association. The commissioner has the authority to approve certificates of authority to self-insure for workers' compensation claims for eligible employers in Texas.

Service Locations

The agency’s insurance and workers’ compensation headquarters are in Austin. While TDI serves the entire state, regional service requirements vary. For example, residents on the Texas Gulf Coast may require additional windstorm insurance coverage services, while consumers in North Texas might require additional tornado, hailstorm, and wildfire services.

To carry out insurance regulation responsibilities, TDI has field offices across the state and recruits bilingual staff in areas with sizable Spanish-speaking populations. Field employees include financial and title examiners; fraud investigators; fire inspectors and investigators; windstorm inspectors; and workers’ compensation claims specialists, benefits review officers, and hearing officers. Most field offices also provide health and safety information and the Office of Injured Employee Counsel provides ombudsman services.

The agency determines field office locations according to claim activity and service demands. For example, financial examiner field staff are located in areas with major corporation headquarters, windstorm inspection staff are located along the coast to inspect and certify construction complies with windstorm building codes, while title examiners live and work throughout the state. Workers' compensation field offices are located in areas with high demand for claims services, customer service, and dispute resolution.

Additionally, in its efforts to protect consumers against insurance fraud, TDI has located investigative staff in office space shared with district attorneys in Dallas, Houston, and San Antonio. TDI also has investigators working out of workers’ compensation field offices.

Windstorm Field Offices

- ★ Angleton
- ★ Beaumont
- ★ Corpus Christi
- ★ La Marque

Financial Field Offices

- ★ Dallas
- ★ Houston
- ★ San Antonio

Division of Workers' Compensation Field Offices

- ★ Abilene
- ★ Amarillo
- ★ Austin
- ★ Beaumont
- ★ Corpus Christi
- ★ Dallas
- ★ Denton
- ★ El Paso
- ★ Fort Worth
- ★ Houston East
- ★ Houston West
- ★ Laredo
- ★ Lubbock
- ★ Lufkin
- ★ Midland
- ★ San Angelo
- ★ San Antonio
- ★ Tyler
- ★ Waco
- ★ Weslaco

State Fire Marshal Field Offices

- ★ Abilene
- ★ Bryan
- ★ Cedar Park
- ★ Cleburne
- ★ College Station
- ★ Corpus Christi
- ★ Fort Worth
- ★ Fredericksburg
- ★ Gilmer
- ★ Granbury
- ★ Hidalgo
- ★ Houston
- ★ Ingleside
- ★ Livingston
- ★ Lubbock
- ★ Lufkin
- ★ Mexia
- ★ Midland
- ★ New Braunfels
- ★ Pflugerville
- ★ Portland
- ★ San Angelo
- ★ San Antonio
- ★ Seguin
- ★ Springtown
- ★ Troup
- ★ Tyler

SECTION II: TDI PROGRAM AREAS



Texas Department of Insurance
2016 Annual Report

COMPLIANCE DIVISION

The Compliance Division protects consumers by overseeing insurance companies and agents and their interactions with consumers. The division is made up of the Consumer Protection Section, Enforcement Section, and the Fraud Unit. A General Management Office directs the division's key activities and provides project management support. The three sections work together to form a compliance continuum that allows consumers, companies, and others to access the department's resources.

Consumer Protection Section

The Consumer Protection Section includes the Complaints Resolution, Information Assistance, Public Education, and Special Assignments offices. Consumer Protection helps Texans resolve insurance complaints and provides insurance information to the public through a toll-free Consumer Help Line, (800) 252-3439, outreach events, publications, and the internet.

FY 2016 Highlights

- ★ Answered 493,041 inquiries.
- ★ Resolved 21,621 complaints.
- ★ Returned \$36.8 million to consumers in additional claim payments and refunds as a result of complaints resolution, an average of \$1,702 per complaint.
- ★ Improved staff efficiency and consistency by splitting Complaints Resolution into two offices, one specializing in property and casualty insurance complaints, and the other specializing in life, accident, and health insurance complaints.
- ★ Assisted consumers in local communities following storms and widespread flooding in North, Central, and Southeast Texas.
- ★ Helped consumers find lost life insurance policies and annuities through the Life Policy Locator Program. More than 23 percent of the 4,598 consumers who requested assistance from TDI were able to locate a lost policy or annuity.
- ★ Promoted TDI services and enhanced outreach through partnerships with:
 - ★ The Children's Hospital of Austin, the Seton Healthcare Network, the City of Austin, and the Travis County Health and Human Services Department to provide information to parents of uninsured children and other consumers.
 - ★ The Texas Department of Aging and Disability Services, the Texas Legal Services Center, and local Area Agencies on Aging offices statewide to provide information and assistance to older Texans.
 - ★ The Texas Division of Emergency Management and representatives of the insurance industry in the Texas State Disaster Coalition, which facilitates coordinated responses to disasters.
 - ★ TWIA to educate coastal consumers about windstorm policies and the TWIA claims process.

Enforcement Section

The Enforcement Section investigates allegations of law and rule violations by insurance agents, companies, HMOs, and other licensed and unlicensed entities. The section receives referrals from other areas of the agency, including the Consumer Protection Section and Fraud Unit. The Enforcement Section reviews issues related to unauthorized insurance; unfair methods of competition; unfair or deceptive acts or practices in the insurance business; unfair claims settlement practices; and disaster-related claims handling.

Following an investigation, the Enforcement Section may bring disciplinary actions that result in cease and desist orders; license application denials; license revocations and suspensions; monitored agent probations; administrative penalties; and restitution to harmed consumers.

The Enforcement Section also brings actions against companies for excessive rates and participates in hearings to set title insurance rates. The relief sought in these cases may include rate reductions and refunds of excessive premiums paid.

The Enforcement Section refers cases to the Fraud Unit for criminal prosecution. The section works with the Office of the Attorney General on appeals of disciplinary actions and on enforcement actions conducted by the Attorney General's Consumer Protection Division. In FY 2016, the workers' compensation office within the Enforcement Section separated to come under the direct supervision of the commissioner of workers' compensation. This section of the Division of Workers' Compensation (DWC Enforcement) pursues labor code violations against health care providers and carriers in the workers' compensation system; data for the agency's Division of Workers' Compensation is reported separately in this annual report.

FY 2016 Highlights

- ★ Closed 666 cases, of which 398 cases were concluded with orders or warning letters.
- ★ Assessed \$55,810,309 in restitution.
- ★ Assessed \$1,331,515 in penalties.
- ★ The Property and Casualty Litigation Office in the Enforcement Section assisted in the resolution of a decade-long dispute with several Farmers' entities. The settlement provided for over \$84 million in restitution to policyholders for allegations including charging excessive homeowners rates, use of unfair or deceptive practices regarding certain discounts and fees, and failing to provide adequate notice about use of credit reports.
- ★ The Life and Health Litigation Office continued TDI's participation in multi-state regulatory settlement agreements concerning life insurers' practices in identifying owners and beneficiaries of life insurance policies. For FY 2016, more than \$390,000 in allocation payments to the State of Texas were approved by commissioner orders.
- ★ The Regulatory Analysis Office continues its innovation and use of data tools to analyze market trends in the proactive regulation of the insurance industry.
- ★ The Licensing Litigation Office is handling more than 300 pending cases and resolved 233 cases in FY 2016 against licensed agents, agencies, and adjusters, and unlicensed individuals and entities, fulfilling the agency's mission to protect insurance consumers by vigorously enforcing the Texas Insurance Code.

Fraud Unit

The Fraud Unit protects the public from economic harm by investigating allegations of insurance crimes. Unit responsibilities include reviewing reports of suspected fraud, conducting criminal investigations, and working with state and federal prosecuting agencies. In addition, the unit makes arrests, assists in prosecutions, and proactively educates the industry and consumers on ways to deter insurance fraud in Texas.

The Fraud Unit maintains a toll-free Fraud Hot Line, as well as an online fraud reporting system accessible through the TDI website. Investigations may occur inside or outside of Texas and typically involve one of the following types of fraud:

- ★ claim fraud committed by consumers or providers against insurance companies, including staged accidents/paper accidents, fake burglary and auto theft claims, arson for profit, claims for medical services which were not provided or were inflated, personal injury schemes, exaggerated/padded claims, organized fraud schemes, disability claimant and provider fraud, and life insurance or annuity fraud;
- ★ agent crimes, including issuing fictitious policies, premium payment conversions, and policy application fraud;
- ★ insurance company officers and directors fraudulent activities, including false financial statements to TDI and misuse of company funds;
- ★ unauthorized insurance schemes including the sale of insurance products not authorized by TDI, individuals not licensed to conduct the business of insurance in Texas, and fraudulent group/individual health plans;
- ★ insurance premium fraud; and
- ★ mortgage fraud, including fraud by escrow officers, title insurance agents, and title insurance companies.

The Fraud Unit is comprised of a staff of investigators who are all commissioned state peace officers; prosecutors embedded in the district attorneys' offices in Tarrant, Dallas, and Bexar counties; two prosecutors in the Harris County District Attorney's Office; criminal analysts; administrative staff; and an intake section.

FY 2016 Highlights

- ★ Opened 366 insurance fraud reports for criminal investigation.
- ★ Referred 131 suspects to state or federal prosecutors, representing a total of \$10,840,810 in fraud identified.
- ★ Assessed \$1,277,213 in court-ordered restitution for victims of fraud as a result of investigative efforts.
- ★ Those convicted of fraud were sentenced to a total of 39.6 years of incarceration, 84 years of probation, 307 years of deferred adjudication, 7,380 hours of community service, and over \$78,500 in fines.
- ★ Suspects were referred for prosecution in 35 different counties throughout the state, as well as the federal level.
- ★ An insurance in agent in Harris County created a personal bank account with a name similar to that of the legitimate company she represented. Over the course of almost two decades, by befriending and gaining the trust of almost a dozen elderly victims, and then having their funds deposited into this personal account, rather than into the legitimate business account, the agent stole approximately \$3.3 million from these elderly victims. Investigation and prosecution by the Fraud Unit resulted in a 20 year prison sentence, which the agent began serving in May of 2016.
- ★ Prosecution and follow-up investigation of the staged vehicle accident ring identified in 2015 has continued, and one of the suspects is now believed to have personally been involved in over 100 separate staged accidents.

FINANCIAL REGULATION DIVISION

The Financial Regulation Division is made up of Licensing Services, Financial Analysis, and Examinations sections. The division enforces insurance company and related entity solvency standards through their entire life cycle, including initial formation and licensure, subsequent surveillance activities, and if needed, implementing regulatory interventions. The division's goal is to protect consumers by detecting financial and other concerns promptly and taking action to mitigate problems caused by troubled insurers. The division seeks to rehabilitate companies that fall short of solvency standards and, through a court-sanctioned receivership process, liquidate the few companies that cannot be rehabilitated.

The division monitors the solvency and market conduct of over 2,000 licensed risk-bearing insurance companies and related entities. That number exceeds 3,000 when carriers with other forms of registration or eligibility are included. Annual statements filed by authorized insurers and HMOs for calendar year 2015 reflected \$149.8 billion in Texas premiums and \$108.1 billion in claim payments. These companies reported \$8.16 trillion in aggregate assets, \$7.03 trillion in liabilities, and \$1.1 trillion in capital and surplus. Premiums reported by all other insurance companies for calendar year 2015 reflected \$5.5 billion in Texas premiums.

Licensing Services Section

The Licensing Services Section includes Company Licensing and Registration, Agent and Adjuster Licensing, and Managed Care and Quality Assurance.

FY 2016 Highlights

- ★ The Licensing Section processed more than 1.3 million filings, an 8 percent increase from FY 2015.
- ★ During FY 2016, Company Licensing and Registration processed approximately 681 licensing and related transaction filings, completing 59 percent within 60 days of receipt of the filing.
- ★ Agent and Adjuster Licensing initiated staffing, process, and system improvements that resulted in the average wait time for all intakes being under 15 days at the end of FY 2016. Agent and Adjuster Licensing processed 36,451 more licensing transactions in FY 2016 than FY 2015, with an average of 108,889 transactions processed each month. The number of licenses/registrations grew from 529,950 in FY 2015 to 582,238 in FY 2016, a 10 percent increase.
- ★ Managed Care Quality Assurance completed 2,443 independent review requests in FY 2016, a 10 percent increase from FY 2015.
- ★ Network adequacy annual reports increased from 47 last year to 181 in 2016 as TDI continues to apply and enforce rules adopted in 2013.

Number of Company Licenses FY 2012-16

License Type	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Risk Bearing					
Insurance Companies	1,836	1,830	1,819	1,815	1,800
HMOs	51	53	57	56	57
Captive Insurance Companies	-	-	7	17	29
Non-Risk Bearing					
Premium Finance Companies	193	184	184	184	177
Continuing Care Retirement Communities	31	33	33	33	34
Third-Party Administrator	734	683	684	672	691
Total	2,845	2,783	2,784	2,777	2,788

Note: Does not include 107 foreign risk-retention groups or 210 foreign surplus lines carriers.

Key Agent and Adjuster Licensing Activities FY 2012-16

Activity	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Agent and Adjuster Licenses Issued	73,488	71,895	81,814	99,156	104,228
Agent and Adjuster Licenses Renewed	138,176	136,828	147,692	146,578	98,747
CE Provider Registrations and Renewals	620	598	669	724	793
CE Provider Course Certification and Renewals	5,996	6,750	6,181	6,397	6,378
Company Agent Appointment Activities	654,931	767,953	794,681	906,139	984,773
Telephone Inquiries*	145,433	147,965	242,308	192,739	169,272
Title Licenses Issued (includes renewals)	6,337	4,933	5,081	4,529	5,475
Title Licenses Canceled	1,721	1,328	1,656	1,243	1,477

* The Agent and Adjuster Licensing section uses an interactive voice response phone system, which is a 24-hour, non-stop source of licensing information to improve its ability to respond to calls from companies, agents, and the public.

Number of Agent and Adjuster Licenses, Certificates, and Registrations FY 2012-16

License Type	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
County Mutual	4,009	4,037	4,024	4,072	4,618
General Lines: Life, Accident, Health, and HMO	182,609	185,697	193,485	206,868	226,348
General Lines: Property and Casualty	111,986	113,624	116,917	123,103	133,203
Life Only Agent	24,328	26,879	28,648	31,427	37,534
Personal Lines Agent	11,613	13,938	17,292	19,718	22,876
Insurance Service Representative	1,170	1,099	1,021	981	980
Life not to Exceed	662	712	847	865	898
Limited Lines	5,952	5,382	5,370	5,670	6,566
Managing General Agent	1,579	1,592	1,674	1,742	1,780
Pre-Need	2,724	2,726	3,233	3,543	3,900
Surplus Lines	5,649	5,895	6,067	6,403	6,737
Adjusters	94,754	97,081	100,051	109,067	119,848
Public Insurance Adjusters	786	764	781	778	824
Full-Time Home Office Salaried Employees	645	655	727	519	754
Discount Health Care Program Operator	54	61	51	51	50
Specialty: Credit	2,748	2,678	2,572	2,499	2,457
Specialty: Travel	1,328	1,662	1,856	1,935	1,878
Specialty: Rental Car Company	50	53	57	57	63
Specialty: Self-Service Storage Facility	164	211	248	256	275
Specialty: Telecommunication Equipment Vendor	21	27	24	30	30
Life and Health Insurance Counselors	589	623	639	626	648
Risk Managers	1,155	1,154	1,122	1,124	1,137
Re-insurance Intermediary	1,211	1,307	1,235	1,098	879
Title Agent Licenses	-	1,577	561	559	568
Direct Operations Licenses	-	6	6	6	8
Escrow Officer Licenses	-	6,304	6,219	6,494	6,950
Captive Management Companies	-	-	11	18	25
Navigators	-	-	438	441	404
CE Providers Regulated	-	-	-	-	1,368
CE Provider Courses Regulated	-	-	-	-	12,209
Total	455,786	475,744	495,176	529,950	595,815

Managed Care Quality Assurance Inquiries FY 2012-16

Inquiry Type	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Inquiries Received	374	903	667	400	161
Inquiries Completed	374	903	667	400	161

Managed Care Quality Assurance Licensing FY 2012-16

License Type	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Utilization Review Agents					
Applications Received*	30	323	106	168	264
Certified URA Original Applications Approved	15	19	12	15	9
Certified URA Renewal Applications Approved	87	73	100	78	84
Update Applications Approved	68	103	215	94	141
Independent Review Organizations					
Applications Received*	4	82	29	69	45
Original Applications Approved	4	2	1	2	1
Renewal Applications Approved	38	40	36	17	25
Update Applications Approved	34	44	27	21	19
Certified Workers' Compensation Health Care Networks					
Total Certified WC Networks	30	28	29	27	30
Service Area Expansions Approved	7	7	6	-	1
Original WC Networks Approved	3	1	1	3	1
Counties Served	250	254	254	254	254
EPO/PPO Network Adequacy					
Network Adequacy Reports	-	-	43	47	181
Access Plans/Waivers	-	-	9	17	107
Provider Network Contracting Entities					
Registrations	-	-	-	61	1
Exemptions	-	-	-	5	4

* Includes original, renewal, and update applications

Financial Analysis Section

The Financial Analysis section determines the financial condition of insurance companies by reviewing annual statements, CPA audit reports, examination reports, and SEC filings.

FY 2016 Highlights

- ★ Participated in six supervisory colleges, including one designated as both a domestic and international systemically-important insurance group. A supervisory college is a forum for cooperation and communication between domestic and international insurance regulators. Joint meetings with regulators and company officials include detailed discussions about financial data, corporate governance, and enterprise risk management functions.
- ★ Participated in two Crisis Management Group meetings related to one firm that is considered a U.S. domestic systemically-important insurance group. The Crisis Management Group is charged with assessing the resolvability of the firm, including identifying key barriers and alternatives to resolution as part of a cross-border dialogue.
- ★ Implemented the Own Risk and Solvency Assessment bill, enacted by the 84th Legislature through SB 655. The new law provides requirements for maintaining a risk management framework and completing an ORSA, and provides guidance for filing an ORSA Summary Report with the commissioner.

Number of Financial Analysis Reviews FY 2012-16

Type	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Reviews	847	768	663	619	618

* In FY 2012, a risk focused process was implemented that reduced the number of financial analyses completed by using an automated review of financial filings to identify entities with a greater risk of solvency issues. The reduction in the number of analyses completed provided the resources to implement the group analysis process.

Texas Policyholder Premiums, Claim Payments Calendar Years 2011–15

Type	2011	2012	2013	2014	2015
Claim Premiums (in billions)	\$ 108.7	\$ 120.7	\$ 128.8	\$ 139.2	\$ 149.8
Payments (in billions)	\$ 77.3	\$ 86.7	\$ 91.7	\$ 97.9	\$ 108.1
Payments as a Percent of Premium	71.1%	71.8%	71.2%	70.3%	72.1%

Total Capital/Surplus of Insurance Companies Operating in Texas Calendar Years 2011–15

Type	2011	2012	2013	2014	2015
Total Capital/Surplus	\$931.0 B	\$ 1.0 T	\$ 1.1 T	\$ 1.1 T	\$ 1.1 T

Texas Guaranty Association Assessments Calendar Years 2011–15

Type	2011	2012	2013	2014	2015
Life and Health	\$ 62,949,976	\$ 6,855,000*	\$ 11,616,792	\$ 3,899,715	\$ -
Property and Casualty	-	-	-	-	-
Title	-	-	2,500,000	-	-
TSIG	100,000	107,788	122,247	126,421	126,369
Total	\$ 63,049,976	\$ 6,962,788	\$ 14,239,039	\$ 4,026,136	\$ 126,369

* Includes allocated assessment, \$14,825,000, less a credit refund of prior assessments (\$7,970,000), which was redistributed to member insurance companies.

Examinations Section

The Examinations section performs examinations of insurance companies, HMOs, and other entities to evaluate a company's financial condition and compliance with statutory requirements, including treatment of policyholders and audits of title agents. Examinations are performed on-site at the company locations, which are typically in Texas, but may occur anywhere in the U.S. Approximately 28 percent of Texas domestic companies are physically located in other states.

FY 2016 Highlights

- ★ Coordinated with other state and federal regulatory agencies, including the Texas Department of Banking and the Federal Reserve Bank, on 51 percent of financial examinations. Coordination efforts conserve state resources and improve the efficiency and effectiveness of the financial examination process.
- ★ Functioned as the lead state on 44 percent of the coordinated financial examinations mentioned above. The lead state is responsible for the overall management of the examination, including logistics, communication, assignment, and review.
- ★ Continued a national leadership role on actuarial initiatives, which included preparation of the Valuation Manual and principle-based reserves for its effective date of January 1, 2017. principle-based reserves are expected to produce more appropriate reserves utilizing modern actuarial estimation techniques and assumptions, while the Valuation Manual provides uniformity in reserve requirements across the states. Authorization to implement principle-based reserves and the Valuation Manual was contained in SB 1654 in the 84th Legislature.
- ★ Protected consumers through the identification of potential fraud at a title agency. The title agency was put into receivership for liquidation, and the owner faces criminal prosecution.

Number of Examinations FY 2012-16

Examination Type	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Financial and Market Conduct Examinations	117	125	116	116	110
HMO Quality Assurance Examinations	53	46	49	31	25

Title Examination Activity FY 2014-16

Activity	FY 2014	FY 2015	FY 2016
Annual Escrow Audits Reviewed	540	553	576
Title Examinations Conducted	286	308	266
Total Amount in Escrow Accounts (in billions)	\$ 242	\$ 239	\$ 303

REGULATORY POLICY DIVISION

The Regulatory Policy Division regulates a wide range of insurance products and related coverages offered by insurance companies. Specifically, the division oversees and manages regulatory matters, reviews form and rate filings, researches and collects data, publishes reports to assist policymakers and consumers with insurance-related decisions, and handles TexasSure and other special policy initiatives. The division consists of the Property and Casualty Lines Office, Property and Casualty Actuarial Office, Inspections Office, Life and Health Lines Office, Life and Health Actuarial Office, and Operations and Planning Office.

FY 2016 Highlights

- ★ Began using the SERFF Filing Access interface on the internet. This is a free service for the public to view certain property, casualty, life, accident, and health filings online. SERFF Filing Access provides easier access to information for the public and reduces the number of open record requests TDI receives.
- ★ Participated in TDI's 2016 Compliance Conference, covering best practices for rate and form filings, legislation, rules, and current issues.

Property and Casualty Lines Office

FY 2016 Highlights

- ★ Coordinated peer review, delivery of, and proposed rules related to TWIA's final report, "A Proposed Methodology for Estimating Wind Damage to Residential Slab-Only Claims Resulting from a Hurricane Impacting the Texas Coastline" under Insurance Code §2210.578.
- ★ Collaborated with the Property and Casualty Actuarial Office and the Financial Regulation Division to adopt rules to implement TWIA depopulation programs under 28 TAC §§5.4301 - 5.4309.
- ★ Collaborated with the Inspections Office to amend 28 TAC §5.4605, adding storm doors and other items to the list of repairs or replacements that do not require inspection for purposes of windstorm and hail coverage through TWIA.
- ★ Surveyed property insurers about potential market incentives to encourage the voluntary market to write more wind and hail coverage on the coast under Insurance Code §2210.015.
- ★ Surveyed medical liability insurers to gauge the health of the market in preparation for the commissioner's determination under Insurance Code §2203.4515 of whether a necessity exists to suspend the Texas Medical Liability Insurance Underwriting Association's authority to issue new insurance policies.
- ★ Collaborated with the Property and Casualty Actuarial Office to repeal the Texas Retrospective Rating Plan for workers' compensation insurance and to approve the following National Council on Compensation Insurance rule filings:
 - ★ eliminating anniversary rating dates;
 - ★ revising retrospective plan parameters;
 - ★ revising terrorism rules;
 - ★ Basic Manual cleanup rule filing; and
 - ★ loss cost revision filing.
- ★ Adopted rules 28 TAC §5.9323 and §5.9700 for disclosing dollar amounts of deductibles on residential property policies.

Property and Casualty Form Filings Received FY 2012-16

Filing Type	FY 2012	FY 2013	FY 2014*	FY 2015	FY 2016
Personal Liability/Umbrella	126	47	62	57	66
Bond and Miscellaneous Lines	466	567	245	394	403
Commercial Automobile	1,306	1,377	659	488	482
Commercial Property	825	1,152	334	487	463
General Liability	2,674	3,495	1,221	1,723	1,180
Homeowners	405	265	250	415	365
Inland Marine	591	772	749	416	284
Interline Filing	280	327	100	224	135
Identity Theft	-	2	-	3	10
Commercial Multi-Peril	3,605	2,737	887	1,316	1,108
Other Personal and Commercial Lines	19	6	3	5	3
Personal Automobile	634	536	446	403	450
Professional Liability	641	657	387	615	534
Workers' Compensation	232	290	162	111	93
Total Form Filing Submissions	11,804	12,230	5,505	6,657	5,576
Actual Policy Forms Received**	n/a	n/a	24,393	31,416	24,519

Property and Casualty Form Filings Completed FY 2012-16

Filing Type	FY 2012	FY 2013	FY 2014*	FY 2015	FY 2016
Personal Liability/Umbrella	136	48	58	57	61
Bond and Miscellaneous Lines	466	591	237	327	470
Commercial Automobile	1,464	1,354	778	498	487
Commercial Property	867	1,100	442	450	495
General Liability	2,670	3,644	1,395	1,711	1,222
Homeowners	404	296	287	409	311
Inland Marine	607	787	293	415	295
Interline Filing	323	334	98	201	144
Identity Theft	1	2	1	1	11
Commercial Multi-Peril	3,746	2,726	1,055	1,279	1,145
Other Personal and Commercial Lines	16	10	8	4	4
Personal Automobile	768	528	521	373	461
Professional Liability	636	726	399	546	584
Workers' Compensation	242	248	166	115	96
Total Form Filing Submissions	12,346	12,394	5,738	6,386	5,786
Actual Policy Forms Received**	n/a	n/a	21,203	31,184	26,022

* In April 2014, the division retired the legacy database systems and SERFF became the system of record. As a result, the division began counting property and casualty filings by the number of submissions, regardless of the number of forms included in the submission, which is consistent with TDI's performance measure reporting. Additionally, prior to the transition, companies were counted by the number of companies in a submission.

** A single form filing submission may contain multiple policy forms and endorsements; manual rules are filed separately.

Property and Casualty Actuarial Office

FY 2016 Highlights

- ☆ Calculated revised classification relativities for workers' compensation insurance, effective July 1, 2016. The commissioner adopted the staff's proposal to revise the classification relativities, which resulted in an average decrease of 10 percent.

- ★ Assisted the Financial Regulation Division with an actuarial study to determine the amount of assets necessary for the Texas Medical Liability Insurance Underwriting Association to cover its insurance claims, costs associated with those claims, and administrative expenses for employee retirement plans.
- ★ Issued a data call for information about weather-related residential property claims and the incidence of litigation on these claims to provide to the House Insurance Committee and the Senate Business and Commerce Committee in their interim charges related to this topic.
- ★ Adopted amendments to the TWIA Loss Funding and Premium Surcharge rules to implement revisions to TWIA's funding as a result of SB 900, 84th Legislature.

Property and Casualty Rate Filings Received FY 2012-16

Filing Type	FY 2012	FY 2013	FY 2014*	FY 2015	FY 2016
Personal Liability/Umbrella	57	28	24	23	35
Bond and Miscellaneous Lines	331	294	143	161	184
Commercial Automobile	687	850	263	274	298
Commercial Property	562	505	140	289	207
General Liability	941	1,278	250	517	347
Homeowners	274	233	163	233	220
Inland Marine	239	252	70	92	121
Interline Filing	76	35	5	22	13
Identity Theft	-	-	-	2	5
Commercial Multi-Peril	1,067	815	276	487	489
Other Personal and Commercial Lines	6	4	1	3	4
Personal Automobile	744	631	420	434	541
Professional Liability	203	193	76	151	160
Workers' Compensation	607	575	331	184	194
Total Property and Casualty Filings Received	5,794	5,693	2,162	2,872	2,818

Property and Casualty Rate Filings Completed FY 2012-16

Filing Type	FY 2012	FY 2013	FY 2014*	FY 2015	FY 2016
Personal Liability/Umbrella	56	36	21	24	31
Bond and Miscellaneous Lines	315	287	138	133	216
Commercial Automobile	758	814	319	368	273
Commercial Property	573	511	194	275	227
General Liability	918	1,443	310	499	401
Homeowners	266	232	149	242	174
Inland Marine	197	283	87	110	118
Interline Filing	63	47	5	12	11
Identity Theft	1	-	-	14	5
Commercial Multi-Peril	1,094	825	328	531	505
Other Personal and Commercial Lines	4	5	1	1	4
Personal Automobile	706	688	326	465	535
Professional Liability	124	313	75	119	163
Workers' Compensation	417	673	324	213	153
Total	5,492	6,157	2,277	3,006	2,816

* In April 2014, the division retired the legacy database systems and SERFF became the system of record. As a result, the division began counting property and casualty filings by the number of submissions, regardless of the number of forms included in the submission, which is consistent with TDI's performance measure reporting. Additionally, prior to the transition, companies were counted by the number of companies in a submission.

Inspections Office

FY 2016 Highlights

- ★ Referred 326 non-compliant amusement ride operators to Enforcement.
- ★ Implemented mobile technology for windstorm inspectors, allowing them to more efficiently enter windstorm inspection data and reduce paper consumption.

VIP Licenses/Certificates Issued FY 2012-16

Activity	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
VIP Licenses/Certificates Issued	114	103	94	85	74

Windstorm Operations Activities FY 2012-16

Activity	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Applications Processed	31,717	37,228	31,531	24,773	44,320
Inspections Completed	7,308	9,401	7,600	8,804	9,276
Certificates of Compliance Issued	32,177	36,990	29,724	31,734	41,604

Engineering Services Activities FY 2012-16

Activity	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Building Code Interpretations Provided	3,843	4,868	3,892	4,060	3,533
Product Evaluations	1,867	2,229	2,187	2,154	1,985

Amusement Ride Safety and Insurance Act Activities FY 2012-16

Activity	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Inspection Certificates Approved	6,618	7,558	9,278	9,558	9,334
Injuries Reported	87	53	69	121	110

Loss Control Evaluation Activities FY 2012-16

Activity	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Evaluations Completed	201	205	204	214	208
Companies Rated Adequate	199	198	203	213	206
Companies Rated Less than Adequate	2	7	1	1	2
Loss Control Representative Applications Reviewed	218	204	257	304	379

Life and Health Lines Office

FY 2016 Highlights

- ★ In conjunction with the Life and Health Actuarial Office, represented Texas on the Product Standards Committee for the Interstate Insurance Product Regulation Commission by ensuring the uniform standards adopted by the commission reflect Texas law and are in the best interests of Texas policyholders.
- ★ Participated in working groups with the NAIC on various topics including the Unclaimed Benefits Model Regulation and Universal Index Life Illustration Working Groups.
- ★ Monitored the impact of the federal health reform law on the Texas market, prepared for litigation contingencies, and created consumer and carrier resources on TDI's website.
- ★ Issued a final report summarizing the achievements of the Healthy Texas Program during its four-year span.
- ★ Adopted amendments concerning health care reimbursement rate information; the methodology in the adopted amendments will present more accurate procedure costs by using key target codes to capture total cost of care.
- ★ Adopted the repeal of three rules relating to the Texas Health Insurance Pool. These rules were made obsolete with the enactment of SB 1367, 83rd Legislature, Regular Session, 2013.
- ★ Adopted amendments and repeal of rules relating to Pharmacy Benefits. The adopted amendments and repeals were necessary to conform to Insurance Code Chapter 1369, §§1369.0542 - 1369.0544, which were added by HB 1624, 84th Legislature.
- ★ Collaborated with other areas of TDI to propose rules relating to Chapter 11, Health Maintenance Organizations, and adopt rules relating to Professional Employer Organizations Sponsoring Self-Funded Employee Health Benefit Plans.

Life and Health Actuarial Office

FY 2016 Highlights

- ★ Represented Texas on working groups with the NAIC on various products, including chairing the Long-Term Care Pricing Subgroup and the Joint Long-Term Care Guidance Manual Subgroup.
- ★ Monitored and analyzed market trends relating to premium rate increases on health products subject to the Affordable Care Act and the discontinuance of various product types in the individual and small employer markets.
- ★ Collaborated with the Financial Regulation Division on the potential stresses on carriers from market changes resulting from carriers exiting the Affordable Care Act exchange.
- ★ Continued partnership with the University of Texas, School of Public Health, to enhance data TDI collects and publishes about the price of medical services.
- ★ Engaged stakeholders on a new proposed data collection methodology for reporting mandated benefits as required by Insurance Code, Chapter 38, Subchapter F.
- ★ Adopted the reimbursement rate rule under 28 TAC, Chapter 21, Subchapter KK, and issued a data call under the new methodology proposed under the rule.
- ★ Continued oversight of the transparency grant ("Grants to States to Support Health Insurance Rate Review and Increase Transparency in Health Care Pricing, Cycle III"), including filing quarterly reports and no-cost extensions.

Life and Health Filings Received FY 2012-16

Filing Type	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Annuity	1,171	876	696	680	633
Credit	32	24	19	22	27
Health	2,831	3,510	3,787	3,968	3,558
Life	1,162	1,769	1,314	828	807
Life Settlement	173	46	93	116	64
Long-Term Care	203	300	257	219	240
Medicare	607	947	1,046	1,085	1,103
Multi Line	12	18	5	-	-
Total Filing Submissions	6,191	7,490	7,217	6,918	6,432
Form Filings Received	14,963	17,449	17,674	16,985	15,159
Rate Filings Received	2,696	4,629	4,730	4,855	3,591

Life and Health Filings Completed, Final Disposition FY 2012-16

Filing Type	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Annuity	1,201	644	714	682	639
Credit	35	26	16	22	31
Health	2,872	3,376	3,771	4,024	3,499
Life	1,176	1,599	1,362	824	805
Life Settlement	178	44	91	115	71
Long-Term Care	208	286	275	200	238
Medicare	623	847	1,062	1,112	1,092
Multi Line	12	18	5	-	-
Total Filing Submissions	6,305	6,840	7,296	6,979	6,375
Form Filings Received	15,304	15,406	18,331	17,245	15,433
Rate Filings Received	2,814	2,835	3,420	3,658	4,088

1. A single filing submission may contain multiple forms and rates; life and health filings can also contain both forms and rates in a single filing submission.
2. The total for filing submissions received and completed reflects the number of company submissions, regardless of the number of forms or rates included in the submission, which is consistent with TDI's performance measure reporting.

Operations and Planning Office

FY 2016 Highlights

- ★ The TexasSure program sent more than 1.3 million notices in FY 2016 to the owners of registered vehicles that appeared to be uninsured. As of September 2016, TexasSure has sent more than 7.4 million such notices. The auto insurance verification system is available to county tax assessor-collector offices in Texas and to law enforcement agencies statewide. The system received an average of five million insurance verification queries per month during FY 2016.
- ★ Issued an Request for Offers on July 15, 2016, to continue the TexasSure program with an anticipated contract execution in January 2017.
- ★ Streamlined hiring processes for the division, resulting in a 30 percent reduction in lapsed salaries since FY 2014.

STATE FIRE MARSHAL'S OFFICE

SFMO develops and promotes methods of preventing and reducing fire losses. This responsibility is carried out through fire origin and cause investigations, building inspections, code enforcement, the regulation of fire service industries, and the development and promotion of fire prevention programs. Through a strategy incorporating the principles of prevention, education, and protection, SFMO seeks to create communities well prepared to protect themselves against fire.

SFMO consists of: Texas Fire Incident Reporting System (TEXFIRS); Outreach, Policy, and Research; Licensing Administration and Licensing Investigations; Fire Investigations; Public Protection Classification Oversight; and Fire Safety Inspections.

FY 2016 Highlights

- ★ The staff of the Forensic Arson Lab received ASTM certification, continuing the lab's reputation as one of the premier labs in the nation.
- ★ Co-sponsored the North Texas Fire Marshals' Conference in Richardson on January 26-28, in conjunction with the Fire Prevention Association of North Texas and the North Texas Fire Investigators' Association.
- ★ Partnered with the National Fire Protection Association to present the "Remembering When" program, designed to teach fire and fall safety to older adults.
- ★ Received an award from the International Association of Arson Investigators for forming a Science Advisory Workgroup and participating in retroactive review of past arson cases.
- ★ Deployed SFMO staff to Louisiana to help with investigations and inspections in the wake of flooding.
- ★ Organized four Fire Investigation Forums and Science Advisory Workgroup meetings.
- ★ Distributed smoke alarms with the Insurance Council of Texas to elderly and low-income residents.
- ★ Processed 7,456,204 fire and non-fire incident reports.
- ★ Provided fire department support addressing 25,141 incident report errors.
- ★ Produced and published the annual "Fires in Texas" state-wide incident analysis report.
- ★ Generated and distributed 2015 incident analysis reports to 915 TEXFIRS fire departments.
- ★ Held the 17th Annual Texas Fire Marshals' Conference in conjunction with the Texas Fire Marshals' Association, attended by 330 fire marshals and fire prevention educators.
- ★ Generated \$3,051,091 in licensing fees.
- ★ Conducted 260 licensing investigations, of which 28 percent were referred to enforcement.
- ★ Issued three fire marshal consent orders and 19 notice of violations relating to enforcement of fire extinguisher, alarm, sprinkler, and fireworks statute and rules, with more than \$17,000 in penalties.
- ★ Hosted an annual canine certification class in Dallas, in conjunction with the North American Police Work Dog Association and the Dallas Fire Department, which was attended by 56 teams.
- ★ Implemented a new fire suppression rating to evaluate a community's Public Protection Classification, which resulted in 400 communities improving their ISO rating in FY 2016, 81 of which were presented with an award for achieving a Class 1 or Class 2 ISO rating.
- ★ Exceeded the Legislative Budget Board building inspection performance measure by 153 percent.
- ★ Collected \$57,950 in inspection fees.

State Fire Marshal's Office Summary of Activity FY 2015-16

Activity	FY 2015	FY 2016	Annual Target
Fire investigations completed	661	652	600
Samples analyzed in arson laboratory	2,423	3,271	2,300
Investigations/inspections of complaints against fire protection equipment/fireworks industries	592	634	550
Buildings inspected/re-inspected for fire safety hazards	8,210	7,941	5,200

ADMINISTRATIVE OPERATIONS

The Administrative Operations Division is responsible for the agency's internal financial functions and provides operational support ranging from computer and database services to professional development and training. It also provides administrative support to the Office of Injured Employee Counsel and monitors TDI's compliance with oversight requirements set for state agencies by the Legislature. The division includes the Financial Services Office, Procurement and General Services Office, Information Technology Services, and Human Resources Office, as well as the employee ombudsman and ethics advisor.

FY 2016 Highlights

- ★ Implemented a new vendor for event registrations, which allows for free and paid event registrations.
- ★ Implemented new contract management requirements of SB 20, 84th Legislature.
- ★ Securely disposed of 755 cubic feet of obsolete records.
- ★ Coordinated and performed four field office projects including the complete relocation of the Laredo field office to a new building.
- ★ Coordinated and performed over 200 facility projects and service orders at the DWC Metro facility, which included a 75 person relocation project.
- ★ Managed 126 staff moves in the Hobby Building, which resulted in freeing up 15,800 square feet of space.
- ★ Saved \$21,430 in postage using a mail presort services contract.
- ★ Achieved 99 percent annual property inventory accuracy rate.
- ★ Upgraded the Avaya conferencing system for video conferencing capabilities to present new hire and benefit information to employees in 21 field offices and the Austin Metro location.
- ★ Implemented Wi-Fi capabilities in all field offices.
- ★ Implemented TDI Mobile which allows all agency issued devices to automatically connect to Wi-Fi.
- ★ Implemented the Fraud Unit's X-FIRE records management system.
- ★ Hired a credentialed security officer.
- ★ Reduced electronic data storage by 47 percent.
- ★ Received the 2016 Secretary of Defense Employer Support Freedom Award.

Comparison of Maintenance Tax Rates Calendar Years 2011–2015

Type	Max Legal Rate	2011	2012	2013	2014	2015
Motor Vehicle	0.200	0.077	0.072	0.061	0.060	0.055
Fire	1.250	0.331	0.305	0.365	0.340	0.341
Workers' Compensation	0.600	0.151	0.108	0.065	0.066	0.065
Casualty	0.400	0.152	0.151	0.112	0.080	0.077
Title	1.000	0.401	0.151	0.072	0.076	0.103
Life, Accident, and Health	0.040	0.040	0.040	0.040	0.040	0.040
Third-Party Administrators	0.265	0.047	0.035	0.027	0.010	0.013
Prepaid Legal	0.022	0.030	0.029	0.020	0.020	0.022
Workers' Compensation Evaluation	0.000	0.016	0.017	0.014	0.016	0.015
Division of Workers' Compensation	2.000	1.669	1.669	1.543	1.533	1.478
*HMO Multi-Service	\$ 1.32	\$ 1.50	\$ 1.23	\$ 0.78	\$ 0.84	\$ 0.84
*HMO Single-Service	\$ 0.44	\$ 0.50	\$ 0.41	\$ 0.26	\$ 0.28	\$ 0.28
*HMO Limited Service	\$ 0.44	\$ 0.50	\$ 0.41	\$ 0.26	\$ 0.28	\$ 0.28

* HMO rates reflect a dollar amount per enrollee; other rates are given as a percentage

GENERAL COUNSEL /CHIEF CLERK DIVISION

The General Counsel Division advises the commissioner on a wide variety of legal matters and topics including state and federal law application, commissioner orders, appeals to the commissioner, and setting agency policy. The Chief Clerk's Office maintains commissioner orders, dockets and bulletins, sets cases with the State Office of Administrative Hearings, certifies records, sends rule filings and notices to the Texas Register, and provides agency court reporting services. The division is headed by the general counsel, who is also the chief clerk, and it includes the general counsel and chief clerk's immediate staff.

FY 2016 Highlights

- ★ Reviewed, briefed, and advised the commissioner of insurance on four contested cases heard by State Office of Administrative Hearings, and 10 hearings and public meetings conducted by the commissioner.
- ★ Provided legal and technical review in connection with the repeal of 11 Texas Administrative Code rules and 24 rule adoptions.
- ★ Provided legal and technical review in connection with the adoption of eight National Council on Compensation Insurance manual rule filings. Four proposals to adopt new or amended manual rules were pending at the end of FY 2016.
- ★ Reviewed and advised the commissioner regarding orders in connection with agents and insurers, including 82 consent orders, 46 default orders, and 12 contested case orders.
- ★ Approved and processed 32 commissioner's bulletins.

LEGAL DIVISION

The Legal Division provides legal services to the insurance commissioner and agency divisions. The Legal Division advises the commissioner on a wide variety of matters, including state and federal law application, commissioner orders, appeals to the commissioner, and setting agency policy. A deputy commissioner heads up the division, which has three offices – Office of Agency Counsel, Office of Policy Development Counsel, and Office of Financial Counsel. The division also manages TDI’s law library, coordinates continuing legal education for TDI attorneys, and conducts attorney training.

Agency Counsel routinely renders expert legal advice on matters of employment and procurement. Agency counsel manages and provides information in response to a large volume of open records requests and subpoenas and acts as liaison on various legal matters pending with the attorney general’s office.

Policy Development Counsel provides legal services to the Regulatory Policy Division, State Fire Marshal’s Office, and Consumer Protection Section, pertaining to life, accident, and health insurance regulation, property and casualty insurance regulation, title insurance regulation, and state fire marshal issues.

Financial Counsel provides legal services to the Financial Regulation Division on matters pertaining to licensing, financial monitoring, examination, troubled company intervention, receivership, managed health care quality assurance, and rules.

FY 2016 Highlights

- ★ Updated the data collection methods in existing rules to improve the quality and relevance of data provided to consumers about health care costs, including negotiating a balanced bill, on TDI’s health price transparency website.
- ★ Implemented HB 1624, 84th Legislature, which requires health benefit plan issuers to post formulary information for each health benefit plan they issue on their website.
- ★ Implemented SB 900, 84th Legislature, which provides that excess TWIA losses be paid with member insurer assessments alternating with proceeds from three classes of public securities.
- ★ Implemented TWIA depopulation program based on SB 900, 84th Legislature.
- ★ Processed 13,817 public information requests in FY 2016.
- ★ Collaborated with the NAIC to address consumer and industry concerns with the draft Insurance Data Security Model Law.
- ★ Strengthened TDI cybersecurity processes by implementing a long-term action plan for addressing risks by enhancing data governance, information security, and data incident response agency-wide.
- ★ Conducted two-day continuing legal education training that discussed state contracting issues, ex parte communications, litigation holds, and federal and international insurance issues.
- ★ Trained agency staff in Consumer Protection and Regulatory Policy Division on privacy laws and enhanced procedures for handling confidential information.

INTERNAL AUDIT

The Internal Audit Division provides independent, objective assurance and consulting activities designed to improve the agency's operations. The division helps the agency accomplish its goals and objectives by evaluating the effectiveness of risk management, controls, and governance throughout TDI. The Internal Audit Division provides analyses, appraisals, recommendations, counsel, and information and promotes effective control at reasonable cost.

FY 2016 Highlights

- ★ Completed nine financial/performance-related audits.
- ★ Completed four advisory projects resulting in final reports to management and the commissioners.
- ★ Updated management responses on outstanding recommendations from prior audits, which were provided to the commissioners in the mid-year report, and the Internal Audit Annual Report.
- ★ Participated in agency work groups within the: Enterprise Risk Management (ERM), ERM subgroups, Data Governance, and Policy and Process.
- ★ Assisted in one fraud investigation.
- ★ Completed an agency-wide risk assessment that led to the 2017 Annual Audit Plan.
- ★ Participated in an external quality assurance review of another state agency internal audit division.
- ★ Approved the FY 2017 audit plan, which includes six ongoing projects, two projects carried forward that had not started, two projects combined and carried forward, and eight new audit projects.

PUBLIC AND AGENCY AFFAIRS

Public Affairs

Public Affairs includes media relations, web and design staff, and conference and event planning. Along with serving as the agency's primary media contact, Public Affairs conducts outreach through traditional and social media outlets, supports and maintains TDI's websites, provides graphics and production support for the agency, and coordinates agency conferences and events.

Agency Affairs

Agency Affairs provides agency-wide communication, coordination, and analysis to help executive leadership develop and monitor regulatory policy and legislative recommendations, set and prioritize agency goals, minimize agency-wide risks, and ensure successful outcomes of enterprise initiatives and projects. Agency Affairs includes two offices: Government Relations and the Office of Strategy Management.

Government Relations manages relations with legislative offices and other governmental bodies, helps the commissioner develop legislative recommendations to improve insurance regulation in Texas; coordinates and tracks responses to legislative and constituent inquiries; monitors, tracks, and analyzes legislation affecting the agency; and researches and reviews possible appointments to agency boards and committees.

Office of Strategy Management provides agency-wide planning, communication, and expertise to help executive leadership ensure that the agency is efficient, effective, transparent, and accountable.

FY 2016 Highlights

- ★ Provided consumer liaison services for more than 1,000 insurance constituent inquiries.
- ★ Conducted outreach to stakeholders to get suggestions for TDI's report on recommended legislation, which is due December 31, 2016.
- ★ Provided legislative offices with updates on implementation of insurance bills from the 84th legislative session.
- ★ Submitted the agency Strategic Plan to Governor's Office and Legislative Budget Board on June 24, 2016.
- ★ Conducted a baseline assessment on how the agency is safeguarding sensitive information.
- ★ Responded to 622 media calls and information requests.
- ★ Wrote and distributed 67 press releases and media advisories.
- ★ Transitioned to a new, easier-to-use email subscription service, resulting in a 23 percent increase in subscribers by the end of the fiscal year.
- ★ Added Facebook and YouTube agency accounts to continue to expand our ability to reach consumers.

SECTION III: DIVISION OF WORKERS' COMPENSATION



Texas Department of Insurance
2016 Annual Report

DIVISION OF WORKERS' COMPENSATION

The primary duties of the Division of Workers' Compensation (DWC) are to regulate and administer the workers' compensation system in Texas, and to ensure that the Texas Workers' Compensation Act and other laws regarding workers' compensation are implemented and enforced. The basic goals of the Texas workers' compensation system are that:

- ★ each employee be treated with dignity and respect when injured on the job;
- ★ each injured employee have access to a fair and accessible dispute resolution process;
- ★ each injured employee have access to prompt, high-quality medical care; and
- ★ each injured employee receive services to facilitate his or her return to work as soon as it is considered safe and appropriate by their health care providers.

DWC consists of the Commissioner's Administration and five major program areas: Health Care Management and System Monitoring, Hearings, Claims and Customer Services, Business Process, and Enforcement.

Commissioner's Administration

Commissioner's Administration includes the Office of the Chief Deputy, the Office of External Relations, the Office of the General Counsel, the Office of the Medical Advisor, and the Appeals Panel.

Office of the Chief Deputy

The chief deputy serves as the chief adviser to the workers' compensation commissioner. The chief deputy assists the commissioner with strategic planning and policy guidance, and oversees and coordinates executive decision-making for DWC. The chief deputy also serves as the commissioner's primary liaison with the insurance commissioner and TDI operations, and oversees the activities of DWC Communications and the Workers' Compensation Research and Evaluation Group.

DWC Communications was created in April 2016 to develop and review internal and external communications for the division. DWC Communications produces a variety of visual and print media that promote the division's mission, regulatory initiatives, programs, and educational outreach opportunities. DWC Communications also creates strategic plans for upcoming events and communication notices; edits all division-related external communications prior to public distribution; and manages distribution of those communications with the agency web team, government relations, and media relations staff. DWC Communications also houses the agency's translation services.

FY 2016 Highlights

- ★ Began project to update 120 pieces of correspondence to make them easier for injured employees to read and understand.
- ★ Translated 425 documents, including complaints from injured employees and DWC letters to and from these claimants. Translating these communications helps give a voice to injured employees and ensures their concerns are addressed quickly. Other documents translated include: DWC memos, forms notices, fact sheets, Claimant's Requests for Review, flyers, video scripts, presentations, and other publications.
- ★ Created marketing materials that significantly increased attendance at two state-wide stakeholder conferences, the Texas Safety Summit and the Workers' Compensation Education Conference. Education conference attendance was up more than 35 percent from the previous year.
- ★ Created marketing materials for the Designated Doctor Program to address a shortfall in participation.

The Workers' Compensation Research and Evaluation Group conducts research projects on system-wide issues, such as medical costs and utilization of care trends, return-to-work outcomes for injured employees, and employer participation in the workers' compensation system. Texas and other state legislatures, stakeholders, and research entities across the country utilize and cite the group's research studies on a variety of topics.

The group also presents findings and provides testimony to various legislative committees and produces an annual “report card” for certified workers’ compensation health care networks and political subdivisions. The insurance commissioner reviews and adopts the group’s annual research agenda.

FY 2016 Highlights

- ★ Completed four research projects to examine the operational effectiveness of the workers’ compensation system, including:
 - ★ the 2015 annual network report card, which compared medical costs, utilization of care, access to care, satisfaction with care, return-to-work outcomes, and functional outcomes for 15 certified health care networks and political subdivision health plans with non-network claims. The report card continued to show how networks improved their cost performance and generally produced better outcomes compared to non-network claims;
 - ★ a study documenting the continued success of the Texas pharmacy closed formulary in reducing the cost and utilization of certain “not recommended” drugs for injured employees, as well as a post-formulary reduction in the utilization of opioid pain medications;
 - ★ a study detailing medical costs and utilization patterns for Texas workers’ compensation claims, which highlighted the fact that about 68 percent of each benefit dollar is spent on medical care in Texas; that total medical costs continue to decrease in the system; and outlined cost trends for professional, hospital, and pharmacy services in the Texas workers’ compensation system; and
 - ★ an update on return-to-work estimates for injured employees in Texas, which documented the continued improvement in the percentage of employees returning to work and staying at work after a work-related injury.
- ★ Initiated research projects to update employer participation in the Texas workers’ compensation system estimates, analyze designated doctor outcomes, and determine frequencies of Lifetime Income Benefits and Death Benefits.

Office of External Relations

The director of external relations handles all DWC government relations activities and stakeholder outreach. The director of external relations coordinates the division’s external communications to ensure consistency and cultivates positive relationships with the Texas Legislature and other stakeholders.

FY 2016 Highlights

- ★ Increased outreach through quarterly meetings with industry stakeholders
- ★ Refined internal procedures for coordinated actions on legislative requests related to constituent issues.
- ★ Increased transparency and communication in the rulemaking process through informal stakeholder meetings and outreach.

Office of the General Counsel

The general counsel advises the workers’ compensation commissioner on legal matters affecting DWC, reviews litigation, and coordinates legal analysis of policy issues. The Office of the General Counsel also advises DWC on legal matters relating to rulemaking, open records, legislation, policy, and specific legal issues involving various program areas. The Office of the General Counsel also includes Self-Insurance Regulation, which issues certificates of authority to self-insure to qualified private employer applicants.

FY 2016 Highlights

- ★ Advised the commissioner on legislation that increased burial benefit maximum to \$10,000.
- ★ Advised the commissioner on legislation that allowed spouses of first responders killed in the line of duty to remain eligible for death benefits for life, regardless of remarriage.
- ★ Advised the commissioner on legislation that increased the benchmark earning rate to receive a higher rate of temporary income benefits for the first 26 weeks of disability.

Office of the Medical Advisor

The Office of the Medical Advisor monitors health care quality in the workers' compensation system by conducting health care provider and other system participant reviews. The medical advisor also recommends rules and policies regarding medical care and medical delivery systems to the workers' compensation commissioner and determines which doctors meet the qualifications for serving as designated doctors.

Appeals Panel

The Appeals Panel reviews decisions on indemnity disputes appealed from contested case hearings and is required by law to issue a written decision on each reversed or remanded case. The Appeals Panel may only issue a written decision on an affirmed case to discuss a case of first impression, address recent changes in law, or correct errors made at the contested case level.

Health Care Management and System Monitoring

Led by a deputy commissioner, Health Care Management and System Monitoring provides guidance and support to the Health Care Business Management, Medical Fee Dispute Resolution, System Monitoring and Oversight, DWC Fraud, Workplace Safety, and Return-to-Work sections.

Health Care Business Management:

- ★ Supports the operations of the Medical Advisor and the Medical Quality Review Panel. The panel reviews the actions of doctors and other health care providers, insurance carriers, utilization review agents, and independent review organizations in the workers' compensation system, and makes recommendations to the Medical Advisor.
- ★ Provides internal and external training on medical benefits, as well as outreach efforts to encourage health care providers to participate in the Texas workers' compensation system.
- ★ Researches and analyzes economic factors and treatment protocols to help the workers' compensation commissioner develop rules and guidelines for medical treatments and return to work.

FY 2016 Highlights

- ★ Encouraged improvements to the quality of patient care by investigating 202 complaints, which led to 33 referrals to Enforcement, 27 letters of education, and six medical quality reviews.
- ★ Worked to ensure appropriate referrals for injured employees for functional capacity evaluations and appropriate medical decision-making by issuing six consent orders, one warning letter, and collecting \$26,400 in penalties.
- ★ Completed a compound medications plan-based audit of 10 subjects. The audit has revealed findings that point to overuse of these drugs, a failure to maintain the standard of care, poor medical record documentation, and unsupervised prescribing of these drugs by mid-level practitioners within the Texas workers' compensation system.
- ★ The division approved four new members to serve on the Medical Quality Review Panel, which enhances the division's ability to perform medical duties in accordance with Texas law. Division audits had revealed the need for a more diverse and qualified panel of health care providers.

Medical Fee Dispute Resolution

Medical Fee Dispute Resolution resolves disputes over the amount of payment for services determined to be medically necessary and appropriate for the treatment of a compensable injury.

FY 2016 Highlights

- ★ Resolved more than 4,700 disputes, with a total amount in dispute of \$26.1 million. About \$5 million was resolved through education and agreements, with \$21.1 million resolved by division decisions. Resolving disputes quickly benefits health care providers, insurance carriers, and injured employees. The amounts involved show that even financially significant disputes can often be resolved through better communication alone.
- ★ Reduced a backlog of pending medical fee disputes from 17,054 in August 2009 to about 530 in August 2016. This does not include about 600 air ambulance disputes abated due to ongoing litigation. The reduction allows quicker resolution of new disputes and frees division resources for other priorities.

System Monitoring and Oversight

System Monitoring and Oversight is responsible for monitoring compliance by system participants. It does so by analyzing system data, identifying noncompliance, making referrals for enforcement proceedings, performing audits, and administering the Performance-Based Oversight program. System Monitoring and Oversight issued more than 650 warning letters and referred more than 240 violations to Enforcement.

FY 2016 Highlights

- ★ Returned more than \$400,000 to system participants by resolving more than 4,800 complaints.
- ★ Returned more than \$280,000 to injured employees and their beneficiaries by completing more than 60 performance audits.

DWC Fraud Unit

The DWC Fraud Unit, established in May 2016, investigates allegations of workers' compensation insurance fraud. Its responsibilities include reviewing fraud reports, conducting criminal and civil investigations, and working with state and federal prosecuting agencies.

The DWC Fraud Unit investigations typically involve one of the following types of fraud:

- ★ claimant fraud committed by injured employees, which includes working and drawing, malingering, and false claims;
- ★ premium fraud committed by employers, which includes misclassification and false certificates;
- ★ insurance company officers and directors who commit fraudulent activities, including fictitious claims and kickbacks;
- ★ health care provider fraud, which includes overbilling, up-coding, and billing for services not provided; or
- ★ attorney fraud, which includes overbilling, false claims, and kickbacks.

FY 2016 Highlights

- ★ Opened more than 40 workers' compensation fraud investigations.
- ★ Referred one workers' compensation fraud report to state prosecutors.
- ★ Hired two additional workers' compensation fraud investigators, allowing the division to pursue additional potential fraud cases.

Workplace Safety

Workplace Safety provides Texas employers and employees with health and safety resources and services to help prevent occupational injuries and illnesses. Activities include occupational safety and health consultations, safety training and educational materials, insurance company loss control inspections, a safety violations hotline, and Texas injury and illness data collection for the U.S. Department of Labor, Bureau of Labor Statistics. Workplace Safety also coordinates annual safety conferences.

FY 2016 Highlights

- ★ Presented Lone Star Safety Program Awards to four companies with exemplary workplace safety programs and low rates of work-related injuries and illnesses. Highlighting employers that have made safety a priority encourages others to participate in the program, which helps them save money and keep employees safer on the job.
- ★ Helped employers improve safety programs and assess their work sites for safety by performing 3,167 safety inspections and consultations.
- ★ Reduced workplace risk for thousands of employees by working with employers to remove 6,435 safety hazards.
- ★ Improved workplace safety by providing free safety publications on the internet that were viewed more than three million times.
- ★ Provided direct safety intervention to 76,162 employees through face-to-face training, DVDs, and other safety products and services.
- ★ Improved construction workplace safety and health hazard awareness by training 958 employees in 81 free OSHA classes.
- ★ Worked to reduce fatal transportation incidents by introducing online occupational driving safety guidance that was viewed more than 14,200 times and presented at 18 seminars and conferences.

Return to Work

Return to Work provides internal and external training on return-to-work measures, administers the Return-to-Work Program for Small Employers, and processes applications requesting reimbursement for workplace modifications that facilitate an employee's return to work.

FY 2016 Highlights

- ★ Worked to increase critical employee return-to-work rates by training 9,517 employers at 51 seminars and presentations across the state.
- ★ Provided return-to-work education through easily accessible website publications that were viewed nearly 54,000 times.

Hearings

The Hearings deputy commissioner oversees a multi-tiered administrative dispute resolution system for indemnity disputes and certain medical disputes. This system consists of benefit review conferences and contested case hearings. These proceedings are held at DWC field offices and other sites across the state.

Issues not resolved through benefit review conferences and contested case hearings may be appealed to the Appeals Panel or to the State Office of Administrative Hearings, depending on the type of dispute. Resolving disputed issues at the earliest possible point ensures prompt medical care and payment of income benefits to injured employees and prompt payment of medical fees to health care providers. In FY 2016, Hearings helped employers and injured employees resolve benefit disputes by conducting 15,175 benefit review conferences, 6,340 contested case hearings, issuing 2,588 Appeals Panel decisions, and docketing 271 cases with the State Office of Administrative Hearings.

FY 2016 Highlights

- ★
- ★ Expanded a pilot project to more efficiently resolve disputes involving Extent of Injury, date of Maximum Medical Improvement, and Impairment Rating by determining the threshold Extent of Injury issue at a preliminary hearing. So far the parties have reached agreement in about 30 percent of these disputes following the preliminary hearing.
- ★ Increased focus on scheduling orders to identify information needed to resolve disputes, to assist parties in obtaining necessary information, and to hold parties accountable by documenting their commitments and efforts to obtain this information.
- ★ Improved injured employee access to medical records by contacting treating doctors when injured employees were unable to obtain the medical information they needed to make a well-informed decision.

Claims and Customer Services

The Claims and Customer Services deputy commissioner oversees the operation of 20 field offices across the state and related functions in the Austin headquarters. Claims and Customer Services provides education and promotes informal dispute resolution by facilitating communication between system participants. Injured employees and other system participants who need information and assistance may visit a local field office or call the Claims Customer Services line. Designated field office staff are assigned as the DWC single point of contact for injured employees receiving services from the division.

In FY 2016, Claims and Customer Services provided information and assistance to about 200,000 injured employees and other system participants in the virtual call center; assisted about 5,000 injured employees at field offices; and processed about 13,000 requests from insurance carriers or injured employees on a variety of issues.

FY 2016 Highlights

- ★ Implemented a standardized new employee onboarding program, and successfully transitioned six new claims service assistants to virtual call center agents.
- ★ Increased outreach to injured employees by conducting 200 free education sessions across the state.
- ★ Implemented internal compliance workshops that resulted in the identification and referral of 2,236 potential administrative violations to System Monitoring and Oversight for further action.

Business Process

The Business Process deputy commissioner is responsible for activities that support DWC's administration of the workers' compensation system. The deputy commissioner oversees Designated Doctor Education and Operations, Outreach Planning and Coordination, Information Management Services, and Records Management and Support.

Designated Doctor Education and Operations

Designated Doctor Education and Operations provides education, training, resources, and direction to designated doctors and other system participants to ensure qualified doctors evaluate injured employees. This section also oversees designated doctor examination scheduling and testing, including test development and administration. During the past fiscal year, group sponsored designated doctor certification courses were attended by 594 doctors, and other training events were attended by 161 doctors.

FY 2016 Highlights

- ★ Implemented a designated doctor recruiting program to attract physicians in certain specialty areas.
- ★ Redesigned training for new and returning designated doctors, decreasing the number of classroom hours needed and reducing costs for doctors attending the training.
- ★ Implemented a new outreach program to gain feedback from designated doctors regarding potential improvements to the program.

Outreach Planning and Coordination

Outreach Planning and Coordination oversees delivery of educational opportunities to system participants through education and compliance conferences, speaking engagement coordination, and agency calendar management. This section also provides support for DWC internal and external training. The group coordinated more than 500 presentations made by DWC staff to external consumer groups.

FY 2016 Highlights

- ★ Organized the annual DWC Education Conference, providing workers' compensation educational outreach that resulted in 35 percent more attendees than the previous conference.
- ★ Implemented a new online portal for credit card fee payment that integrates directly with Texas.gov and the Comptroller for improved efficiency.

Information Management Services

Information Management works to streamline and increase the effectiveness of service delivery, and provides automated solutions to the business process needs of DWC and system participants. This section also maintains processes for retrieving system billing and claim data requested by customers.

FY 2016 Highlights

- ★ Reviewed DWC forms and correspondence to remove social security numbers from many workers' compensation forms to protect personal information.
- ★ Increased participation by system participants in DWC's electronic document processing services. These services, including fax-back receipt and secure file transfer, increase the security of information submitted to DWC and further the goal of creating a paperless claims environment.

Records Management and Support

Records Management and Support maintains records associated with injured employee claim files and insurance coverage information. The group also facilitates the exchange of electronic records from external customers to DWC.

FY 2016 Highlights

- ★ Awarded a vendor contract to scan paper records maintained at the DWC Records Center, which will increase record search efficiency, provide more secure storage, and save hundreds of thousands of dollars in annual rental costs.
- ★ Developed brief educational videos to post with forms for non-subscribers that identify common filing errors and how to avoid them. The effort will improve employer compliance in filing the DWC Form-005 *Employer Notice of No Coverage or Termination of Coverage* and DWC Form-007 *Employer's Report of Non-covered Employee's Occupational Injury or Disease*.

Enforcement

The Enforcement deputy commissioner oversees the intake, investigation, and enforcement of alleged violations in the workers' compensation system. Enforcement actions are generally based on priorities set by the workers' compensation commissioner, but may also be the result of the division's medical review process or conduct by a system participant that could harm an injured employee or the workers' compensation system. The enforcement section reviews referrals for legal sufficiency and admissible evidence. Once a referral is opened as an enforcement action, the case may be resolved through a consent order or may proceed to the State Office of Administrative Hearings for an evidentiary hearing. Medical review cases may also include an informal settlement process involving medical quality review panel members, respondents, and their attorneys. Cases docketed at the State Office of Administrative Hearings are governed by the Texas Rules of Civil Procedure, the State Office of Administrative Hearings rules, the labor code, and DWC rules. Cases may also require certain notice motions and a formal discovery process.

The Enforcement deputy commissioner also serves as the administrator of the Subsequent Injury Fund. The Subsequent Injury Fund pays authorized income benefits to injured employees who qualify for lifetime income benefits as a result of a subsequent work-related injury and distributes reimbursements to eligible insurance carriers for overpayment of benefits.

FY 2016 Highlights

- ★ Assessed \$1.4 million in fines, which will ultimately go to general revenue, for violations of the workers' compensation system.
- ★ Removed seven health care providers, including five designated doctors, from participation in the workers' compensation system.
- ★ Implemented procedures to collaborate routinely with program areas to build stronger enforcement actions and to help identify violations throughout the life of a workers' compensation claim.

SECTION IV: SUMMARY OF COMPANY DATA



Texas Department of Insurance
2016 Annual Report

10-Year History Certificate of Authority

Type	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Life and Health Insurers†										
Texas	175	170	161	161	157	153	149	146	145	145
Non-Texas	529	520	514	504	499	485	483	479	477	475
Non-US	-	-	-	-	-	7	6	6	6	6
Subtotal	704	690	675	665	656	645	638	631	628	626
Property and Casualty Insurers††										
Texas	252	250	250	243	238	236	231	224	235	245
Non-Texas	932	942	948	948	947	935	948	946	952	940
Non-US	-	-	-	-	-	18	17	16	15	16
Subtotal	1,184	1,192	1,198	1,191	1,185	1,189	1,19	1,186	1,202	1,201
Other Entities‡										
Texas	341	348	353	350	332	324	301	303	295	298
Non-Texas	471	486	504	515	512	487	464	467	462	480
Non-US	-	-	-	-	-	7	6	6	6	6
Subtotal	812	834	857	865	844	818	771	776	763	784
Grand Total	2,700	2,716	2,730	2,721	2,685	2,652	2,599	2,600	2,593	*2,611

† Includes stock life; mutual life; life port-of-entry; government-created life and health; stipulated premium; retirement system and pension (formerly, nonprofit life insurance); fraternal; multiple employer welfare arrangements; local mutual aid; local mutual burial; exempt associations; and nonprofit hospital service corporations. Due to a FY 2012 database conversion, non-U.S. insurers can be reported.

†† Includes stock fire; mutual fire; stock fire and casualty; mutual fire and casualty; stock casualty; mutual casualty; government-created fire and casualty; mortgage guaranty; Mexican casualty; Lloyds; reciprocals; title; domestic risk-retention groups; joint underwriting associations; workers' compensation self-insurance groups; county mutuals; farm mutual; and captives. Due to a FY 2012 database conversion, non-U.S. insurers can be reported.

‡ Includes nonprofit legal services corporations; third-party administrators; continuing care retirement communities; and HMOs. Continuing care retirement communities were added in FY 1988 and third-party administrators FY 1989. Due to a FY 2012 database conversion, non-U.S. other entities can be reported.

* Includes 1,845 licensed insurance companies, 57 HMOs, 34 continuing care retirement communities, and 672 third-party administrators, but does not include 177 premium finance companies and their 16 branch offices.

Company Licensing Reconciliation

Companies licensed as of August 31, 2015	2,593
Companies organized or licensed during year	88
Less companies reinsured/merged; withdrawn, canceled, dissolved; redomesticated/domesticated; or placed in permanent receivership during year	- 70
Companies Licensed as of August 31, 2016	2,611

Entities Licensed in Texas FY 2016

Type	Texas	Non-Texas	Non-US	Total
Property and Casualty	245	940	16	1,202
Life	145	475	6	628
Other*	298	480	6	763
Total	688	1,895	28	2,261

* Includes nonprofit legal services corporations, HMOs, third-party administrators; and continuing care retirement communities.

Entities Authorized to Write Business in Texas FY 2016

Entity	Texas	Non-Texas	Non-US	Total
Traditional				
Mutual Life Insurance Companies	1	27	-	28
Life Port-of-Entry	-	-	1	1
Government Created Life Insurance Companies	1	-	-	1
Retirement System and Pension	-	1	-	1
Stock Life Insurance Companies	99	418	4	521
Stipulated Premium Life Insurance Companies	23	-	-	23
Nonprofit Hospital Service Corporations	1	-	-	1
Mutual Fire Insurance Companies	1	-	-	1
Stock Fire Insurance Companies	1	3	-	4
Mutual Casualty Insurance Companies	1	11	-	12
Stock Casualty Insurance Companies	11	148	-	159
Mutual Fire and Casualty Insurance Companies	2	47	1	50
Stock Fire & Casualty Insurance Companies	92	672	1	765
Government Created Fire and Casualty Companies	3	-	-	3
Mortgage Guaranty Insurance Companies	1	23	-	24
Mexican Casualty Insurance Companies	-	-	14	14
Lloyds	40	-	-	40
Reciprocal Exchanges	7	16	-	23
Joint Underwriting Associations	-	3	-	3
Risk Retention Groups	1	-	-	1
County Mutual Fire Insurance Companies	23	-	-	23
Fraternal Benefit Societies	6	28	1	35
Title Insurance Companies	10	17	-	27
Nonprofit Legal Services Corporation	2	-	-	2
Basic HMOs	38	4	-	42
Single-Service HMOs	13	-	-	13
Limited HMOs	2	-	-	2
Local Mutual Aid Associations	2	-	-	2
Local Mutual Burial Associations	1	-	-	1
Exempt Associations	6	-	-	6
Farm Mutual Fire Insurance Companies	17	-	-	17
Subtotal	457	1,418	22	1,845
Non-Traditional				
Continuing Care Retirement Communities	30	4	-	34
Multiple Employer Welfare Arrangements	5	1	-	6
Workers' Compensation Self Insurance Groups	6	-	-	6
Third-Party Administrators	213	472	6	691
Captive Insurance Companies	29	-	-	29
Subtotal	283	477	6	766
Grand Total	688	1,895	28	2,611

New Companies Organized or Admitted to Texas FY 2016

Company Type	Texas	Non-Texas	Non-US	Total
Stock Life Insurance Companies	4	4	-	8
Fraternal	-	1	-	1
Stock Fire and Casualty Insurance Companies	2	5	-	7
Mutual Casualty Insurance Companies	-	-	-	-
Stock Casualty Insurance Companies	2	4	-	6
Mortgage Guaranty Insurance Companies	-	2	-	2
Continuing Care Retirement Communities	1	-	-	1
HMOs	3	-	-	3
Third-Party Administrators	11	32	-	43
Total*	23	48	-	71

* Excludes captive insurance companies.

Canceled Certificate of Authority Report FY 2016

Company Type	Reinsured/ Merged	Dissolved, Withdrawn, or Canceled	Redomesticated/ Domesticated	*Permanent Receivership	Total
Texas Companies					
Stock Life	1	1	-	-	2
Mutual Life	-	-	-	-	-
Stipulated Premium	1	2	-	-	3
Stock Fire and Casualty	3	-	-	1	4
Lloyds	5	1	-	-	6
Third-Party Administrators	-	10	-	-	10
Subtotal	10	14	-	1	25
Non-Texas Companies					
Life Port-of-Entry	-	-	-	-	-
Stock Life	6	1	-	-	7
Stock Fire & Casualty	11	-	-	5	16
Stock Casualty	1	2	-	1	4
Multiple Employer Welfare Arrangement	-	-	-	-	-
Third-Party Administrators	-	19	-	-	19
Subtotal	18	22	-	6	46
Grand Total	28	36	-	7	71

* The numbers in this column represent Certificates of Authority that have been canceled because an entity was placed into receivership. The Certificate of Authority of a company that is placed in permanent receivership is not automatically canceled. Therefore, these numbers do not reconcile to the number of receiverships for FY 2016. Only the companies that had their Certificates of Authority canceled are included in this section.

Rehabilitation and Liquidation Oversight Report

There were three companies under supervision, conservation, 404 orders, or administrative oversight at the beginning of FY 2016. During the year there were two new actions and three companies were released, leaving the following two companies:

- ★ RVOS Farm Mutual Insurance Company (Oversight - April 21, 2015)
- ★ Grand Court of Calanthe (Supervision - December 15, 2015)

Receiverships by Fiscal Year FY 2012-16

Status	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Beginning Balance	38	34	30	28	26
New Receiverships	-	3	1	-	2
Receiverships Closed	4	7	3	2	1

Open Receiverships at End of FY 2016

- ★ Companies in Receivership for Rehabilitation
 - ★ Highlands Insurance Company
 - ★ Vesta Insurance Corporation
- ★ Companies in Receivership for Liquidation
 - ★ Alicot Insurance Company
 - ★ AmCare Health Plans of Texas and AmCare Management, Inc.
 - ★ American Founders Financial Corporation
 - ★ Austin Indemnity Lloyds Insurance Company and Austin indemnity Management Company, LLC
 - ★ Family Life Insurance Company of America
 - ★ Good Samaritan Life Insurance Company
 - ★ Gramercy Insurance Company
 - ★ Lincoln Memorial Life Insurance Company
 - ★ Lone Star Life Insurance Company
 - ★ Millennium Closing Services, LLC d/b/a Millennium Title
 - ★ Memorial Service Life Insurance Company
 - ★ Mi Tierra Title, LLC
 - ★ National Charity Title, Inc.
 - ★ National Pre-arranged Services, Inc.
 - ★ Peters Burial Association
 - ★ San Antonio Indemnity Company
 - ★ Santa Fe Auto Insurance Company
 - ★ Select Insurance Services, Inc.
 - ★ Shelby Casualty Insurance Company
 - ★ Texas Select Lloyds Insurance Company
 - ★ The Shelby Insurance Company
 - ★ Universal HMO of Texas, Inc.
 - ★ Universal Insurance Exchange and Universal Paratransit Insurance Services Corporation
 - ★ Vesta Fire Insurance Corporation
 - ★ WIN Assoc., et al

Overview: Texas Insurance Market

All Admitted and Alternative Carriers Subject to TDI Requirements - 2015

Type Of Business	Texas Premiums
Life	\$ 11,273,603,600
Annuity	22,099,987,267
Accident and Health	37,685,904,643
Property and Casualty	50,423,946,662
HMO	26,480,239,434
Title	1,883,511,728
Other*	4,788,998
Grand Total	\$ 149,851,982,332

Recap	Texas Premiums
Total Admitted Market	\$ 144,396,862,986
Total Alternative Market**	5,455,119,346
Grand Total	\$ 149,851,982,332

* Includes local mutual aid associations, local mutual burial associations, exempt associations, and nonprofit legal service companies.

** Included with property and casualty.

Total Admitted Market— Carriers holding a Certificate of Authority (License) issued by TDI - 2015

Type of Business	Texas Companies	Non-Texas Companies	Total Admitted Market
Life	\$ 948,556,390	\$ 10,325,047,210	\$ 11,273,603,600
Annuity	3,432,458,207	18,667,529,060	22,099,987,267
Accident and Health	3,720,423,073	33,965,481,570	37,685,904,643
Property and Casualty*	21,622,406,424	23,346,420,892	44,968,827,316
HMO	25,314,481,570	1,165,757,864	26,480,239,434
Title	656,663,405	1,226,848,323	1,883,511,728
Other**	4,788,998	-	4,788,998
Total	\$ 55,699,778,067	\$ 88,697,084,919	\$ 144,396,862,986

* Included with property and casualty on the overview: Grand Total Texas Insurance Market

** Includes local mutual aid associations, local mutual burial associations, exempt associations, and nonprofit legal service companies.

Alternative Market—Carriers Eligible/Registered or Hold Other Form of Approval from TDI - 2015

Type Of Business	Texas Premiums
Surplus Lines Insurers*	\$ 5,020,077,714
Foreign Risk Retention Groups	115,581,834
Certified Self Insurers	306,645,261
Self-Insurance Group	12,814,537
Total**	\$ 5,455,119,346

* The vast majority of this business is property and casualty insurance. However, the surplus lines market includes some accident and health business.

** Included with property and casualty on the overview: Grand Total Texas Insurance Market

Financial Statement System

Annual Statements Texas Premium Summary – Property and Casualty 2014-2015

Insurance Type	as of December 31, 2014	as of December 31, 2015
Automobile	\$ 18,955,731,274	\$ 20,311,526,015
Workers' Compensation	2,843,769,336	2,741,842,988
Homeowners	7,780,792,855	7,913,002,992
Fire and Allied Lines	6,480,591,458	6,566,664,803
Liability	5,329,191,562	5,412,324,251
Medical Professional Liability	194,404,692	180,175,967
All Other Lines*	1,736,023,528	1,843,290,300
Total	\$ 43,320,504,705	\$ 44,968,827,316

* Does not include \$624,599,335 in accident and health premiums for 2014 and \$667,764,010 for 2015 written by property and casualty companies that are included in total accident and health premiums reflected Annual Statements Texas Premium Summary – Life, Annuity, and Accident and Health 2014-2015 table below.

Annual Statements Texas Premium Summary – Life, Annuity, and Accident and Health 2014-2015

Insurance Type	As Of December 31, 2014	As Of December 31, 2015
Life		
Ordinary	\$ 8,218,602,344	\$ 8,518,973,047
Group	2,575,266,325	2,648,614,193
Industrial	1,135,630	1,010,788
Credit	105,739,398	105,005,572
Subtotal	\$ 10,900,743,697	\$ 11,273,603,600
Annuity		
Annuities	\$ 16,195,262,605	\$ 17,218,757,046
Other Considerations	2,570,232,623	1,767,134,733
Deposit Type Contracts	2,794,269,142	3,114,095,488
Subtotal	\$ 21,559,764,370	\$ 22,099,987,267
Accident & Health*	\$ 34,320,425,128	\$ 37,685,904,643
Total	\$ 66,780,933,195	\$ 71,059,495,510

* Includes \$624,599,335 in accident and health premiums for 2014 and \$667,764,010 for 2015 written by property and casualty companies that are included in all other lines reflected in the Annual Statements Texas Premium Summary – Property and Casualty 2014-2015 table above

Top 10 Group Highlights

Health Insurance

Overview	Totals	Top Group Writers	Premium	MS %
Companies*	476	Health Care Service Corp. (BCBSTX)	\$ 13,274,988,332	20.73
Groups	185	Unitedhealth	11,715,096,414	18.29
New Companies Licensed	8	Humana Inc.	4,995,363,760	7.80
Insured Texans	26,990,435	Centene Corporation	4,917,371,118	7.68
Uninsured Texans	4,615,225	Anthem Inc	4,094,485,668	6.39
Written Premiums	\$ 64,041,779,188	Aetna	4,006,665,049	6.26
		Cigna Health	3,774,077,073	5.89
		Molina Health Care Inc.	2,082,965,777	3.25
		Universal American Financial Corp.	859,668,255	1.34
		Dentaquest	753,925,710	1.18

Annuities

Overview	Totals	Top Group Writers	Premium	MS %
Companies*	293	American International	\$ 2,541,367,255	11.50
Groups	128	Jackson National	1,465,847,718	6.59
New Companies Licensed	-	Voya Financial	1,036,003,742	4.69
Written Premiums	\$ 22,099,987,267	Allianz	952,220,284	4.31
		John Hancock	937,307,202	4.24
		Lincoln National	934,859,370	4.23
		Aegon US	895,054,485	4.05
		Principal Financial	819,957,535	3.71
		New York Life	806,489,360	3.65
		Nationwide Corp	766,464,849	3.47

Life Insurance

Overview	Totals	Top Group Writers	Premium	MS %
Companies*	454	Metropolitan	\$ 847,686,539	7.52
Groups	169	New York Life	621,781,313	5.52
New Companies Licensed	2	Northwestern Mutual	565,850,166	5.02
Written Premiums	\$ 11,273,603,600	Prudential of America	471,827,437	4.19
		Lincoln National	465,215,215	4.13
		Mass Mutual Life Insurance	405,190,387	3.59
		State Farm	379,643,114	3.37
		Minnesota Mutual	376,046,654	3.34
		Aegon US Holding	319,829,555	2.84
		Pacific Life	296,539,355	2.63

* Number of companies with positive premiums for indicated line of insurance.

Personal Auto Insurance

Overview	Totals	Top Group Writers	Premium	MS %
Companies*	199	State Farm IL	\$ 3,168,381,566	18.09
Groups	70	Allstate Insurance	2,039,445,541	11.65
New Companies Licensed	13	Berkshire Hathaway	1,770,416,589	10.11
Policies (Liability)	18,140,261	Farmers Insurance	1,719,970,897	9.82
Written Premiums	\$ 17,510,049,155	Progressive	1,499,217,980	8.56
		United Services Automobile Assoc.	1,338,844,304	7.65
		Home State Insurance	705,717,011	4.03
		Texas Farm Bureau Mutual	631,628,789	3.61
		Liberty Mutual	510,570,377	2.92
		Nationwide Corporation	505,297,047	2.89

Homeowners Insurance

Overview	Totals	Top Group Writers	Premium	MS %
Companies*	143	State Farm	\$ 1,739,353,757	21.98
Groups	58	Allstate	1,026,471,211	12.97
New Companies Licensed	22	Farmers Insurance	852,954,428	10.78
Policies (2015)		United Services Automobile Assoc.	760,997,698	9.62
Homeowners	4,514,168	Liberty Mutual Insurance Company	684,626,119	8.65
Dwelling	786,249	Travelers	293,130,114	3.70
Tenants	1,352,671	Nationwide Corporation	240,730,668	3.04
Written Premiums	\$ 7,913,002,992	Texas Farm Bureau Mutual	239,635,607	3.03
		Progressive	207,497,348	2.62
		Chubb & Son Inc.	167,240,348	2.11

* Number of companies with positive premiums for indicated line of insurance.

2015 Top Companies Based on Written Premium and Market Share

*Numbers may be rounded

Top Companies | Accident and Health

Rank	NAIC #	Company	Premium	MS %
1	70670	BCBSTX, A Division of Health Care Service Corporation	\$ 11,947,905,079	31.70
2	79413	Unitedhealthcare Insurance Company	4,846,273,605	12.86
3	60054	Aetna Life Insurance Company	3,202,458,540	8.50
4	73288	Humana Insurance Company	2,891,699,461	7.67
5	71013	Superior Healthplan Network	2,021,588,364	5.36
6	67369	Cigna Health and Life Insurance Company	1,143,374,480	3.03
7	12558	Care Improvement Plus of Texas Insurance Company	1,082,607,747	2.87
8	12307	Dentaquest USA Insurance Company, Inc.	753,925,710	2.00
9	14063	MCNA Insurance Company	630,394,635	1.67
10	65978	Metropolitan Life Insurance Company	546,031,146	1.45
11	14078	Amerigroup Insurance Company	490,852,307	1.30
12	60380	American Family Life Assurance Company of Columbus	363,544,161	0.96
13	82406	All Savers Insurance Company	353,514,737	0.94
14	62235	Unum Life Insurance Company of America	290,416,082	0.77
15	64246	Guardian Life Insurance Company of America, The	255,663,628	0.68
16	65498	Life Insurance Company of North America	215,781,387	0.57
17	69868	United of Omaha Life Insurance Company	185,272,872	0.49
18	78611	HCSC Insurance Services Company	179,854,732	0.48
19	69477	Time Insurance Company	179,537,743	0.48
20	39616	Vision Service Plan Insurance Company	166,666,701	0.44
21	80802	Sun Life Assurance Company of Canada	139,544,967	0.37
22	12575	Silverscript Insurance Company	137,682,832	0.37
23	70025	Genworth Life Insurance Company	136,505,365	0.36
24	65676	Lincoln National Life Insurance Company, The	130,455,609	0.35
25	61271	Principal Life Insurance Company	123,135,021	0.33
26	62286	Golden Rule Insurance Company	122,252,230	0.32
27	86231	Transamerica Life Insurance Company	120,900,251	0.32
28	61301	Ameritas Life Insurance Corp.	118,413,735	0.31
29	81396	Delta Dental Insurance Company	114,080,415	0.30
30	67105	Reliastar Life Insurance Company	112,086,735	0.30
31	70815	Hartford Life and Accident Insurance Company	110,827,109	0.29
32	69019	Standard Insurance Company	103,845,205	0.28
33	70580	Humanadental Insurance Company	101,412,560	0.27
34	65838	John Hancock Life Insurance Company (U.S.A.)	96,171,470	0.26
35	13151	Care N' Care Insurance Company, Inc.	95,879,507	0.25
36	92711	HCC Life Insurance Company	94,177,439	0.25
37	60534	American Heritage Life Insurance Company	90,403,047	0.24
38	62049	Colonial Life & Health Insurance Company	89,720,951	0.24
39	68500	Continental Life Insurance Company of Brentwood, TN	88,561,039	0.23
40	25178	State Farm Mutual Automobile Insurance Company	88,374,394	0.23
Top 40 Accident and Health Companies Subtotal			\$ 33,961,792,998	90.12
All Other Accident and Health Companies			\$ 3,724,111,645	9.88
Total Accident and Health Companies			\$ 37,685,904,643	100.00

Top Companies | HMOs

Rank	NAIC #	Company	Premium	MS %
1	95314	Amerigroup Texas, Inc.	\$ 3,587,531,660	13.55
2	95647	Superior Healthplan, Inc.	2,895,471,630	10.93
3	95174	Unitedhealthcare Benefits of Texas, Inc.	2,648,815,703	10.00
4	12902	Healthspring Life & Health Insurance Company, Inc.	2,155,803,374	8.14
5	11141	Unitedhealthcare Community Plan of Texas, L.L.C.	2,139,513,211	8.08
6	10757	Molina Healthcare of Texas, Inc.	2,028,763,759	7.66
7	95024	Humana Health Plan of Texas, Inc.	1,943,930,342	7.34
8	70670	BCBS of Texas, A Division of Healthcare Service Corporation	1,105,310,107	4.17
9	95329	Texas Children's Health Plan, Inc.	957,733,349	3.62
10	95615	Community Health Choice, Inc.	856,842,110	3.24
11	10096	Selectcare of Texas, Inc.	800,252,842	3.02
12	95099	Scott and White Health Plan	695,982,709	2.63
13	95414	Parkland Community Health Plan, Inc.	531,182,284	2.01
14	95490	Aetna Health, Inc.	522,532,780	1.97
15	95138	SHA, L.L.C.	515,696,030	1.95
16	95809	Driscoll Children's Health Plan	436,279,530	1.65
17	11494	Physicians Health Choice of Texas, LLC	379,902,180	1.43
18	12964	Wellcare of Texas, Inc.	368,642,857	1.39
19	95248	Community First Health Plans, Inc.	361,807,743	1.37
20	12827	KS Plan Administrators, LLC	320,845,655	1.21
21	95822	Cook Children's Health Plan	299,384,822	1.13
22	52635	El Paso First Health Plans, Inc.	191,167,342	0.72
23	95383	Cigna Healthcare of Texas, Inc.	84,170,480	0.32
24	95040	Aetna Better Health of Texas Inc.	79,458,779	0.30
25	95799	Valueoptions of Texas, Inc.	79,088,540	0.30
26	14151	Sendero Health Plans, Inc.	59,811,388	0.23
27	15143	Advantageoptimum, Inc.	54,362,167	0.21
28	95240	Seton Health Plan, Inc.	54,250,497	0.20
29	10768	Selectcare Health Plans, Inc.	42,716,712	0.16
30	12346	Allegian Insurance Company	34,924,287	0.13
31	95037	Cigna Dental Health of Texas, Inc.	32,017,995	0.12
32	95910	Aetna Dental Inc.	30,012,730	0.11
33	95161	Denticare, Inc.	29,695,984	0.11
34	95765	Unitedhealthcare of Texas, Inc.	28,516,314	0.11
35	14154	Christus Health Plan	19,828,793	0.07
36	95163	Alpha Dental Programs, Inc.	19,434,292	0.07
37	15489	Memorial Hermann Health Plan, Inc.	18,400,089	0.07
38	95251	National Pacific Dental, Inc.	15,693,183	0.06
39	95387	Block Vision of Texas, Inc.	15,288,323	0.06
40	95051	Safeguard Health Plans, Inc.	9,952,643	0.04
Top 40 HMOs Subtotal			\$ 26,451,015,215	99.89
All Other HMOs			\$ 29,224,219	0.11
Total HMOs			\$ 26,480,239,434	100.00

Top Companies | Annuities

Rank	NAIC #	Company	Premium	MS %
1	60488	American General Life Insurance Company	\$ 2,256,522,923	10.21
2	65056	Jackson National Life Insurance Company	1,456,847,718	6.59
3	90611	Allianz Life Insurance Company of North America	952,220,284	4.31
4	65838	John Hancock Life Insurance Company (U.S.A.)	937,307,202	4.24
5	65676	Lincoln National Life Insurance Company, The	934,437,744	4.23
6	86509	Voya Retirement Insurance and Annuity Company	842,092,948	3.81
7	61271	Principal Life Insurance Company	819,957,535	3.71
8	62944	AXA Equitable Life Insurance Company	744,035,749	3.37
9	86231	Transamerica Life Insurance Company	663,483,264	3.00
10	91596	New York Life Insurance and Annuity Corporation	646,999,074	2.93
11	65935	Massachusetts Mutual Life Insurance Company	601,030,339	2.72
12	66869	Nationwide Life Insurance Company	531,867,467	2.41
13	92738	American Equity Investment Life Insurance Company	487,958,979	2.21
14	87726	Metlife Insurance Company USA	402,890,107	1.82
15	69345	Teachers Insurance and Annuity Association of America	374,057,779	1.69
16	79227	Pruco Life Insurance Company	373,249,386	1.69
17	88072	Hartford Life Insurance Company	349,667,989	1.58
18	60895	American United Life Insurance Company	344,345,221	1.56
19	67466	Pacific Life Insurance Company	331,614,582	1.50
20	91642	Forethought Life Insurance Company	328,311,105	1.49
21	68241	Prudential Insurance Company of America, The	326,993,055	1.48
22		College Retirement Equities Fund	324,850,746	1.47
23	68322	Great-West Life & Annuity Insurance Company	324,106,806	1.47
24	66044	Midland National Life Insurance Company	294,474,265	1.33
25	70238	Variable Annuity Life Insurance Company, The	284,581,972	1.29
26	65005	Riversource Life Insurance Company	282,171,647	1.28
27	68608	Symetra Life Insurance Company	256,389,206	1.16
28	92657	Nationwide Life and Annuity Insurance Company	234,597,382	1.06
29	68675	Security Benefit Life Insurance Company	216,731,307	0.98
30	65528	Life Insurance Company of the Southwest	202,958,502	0.92
31	93696	Fidelity Investments Life Insurance Company	202,217,374	0.92
32	69019	Standard Insurance Company	198,286,125	0.90
33	69663	USAA Life Insurance Company	185,457,675	0.84
34	65978	Metropolitan Life Insurance Company	183,971,806	0.83
35	63274	Fidelity & Guaranty Life Insurance Company	182,942,197	0.83
36	80942	Voya Insurance and Annuity Company	175,297,397	0.79
37	70688	Transamerica Financial Life Insurance Company	163,250,752	0.74
38	66915	New York Life Insurance Company	159,490,286	0.72
39	66168	Minnesota Life Insurance Company	157,943,567	0.71
40	56014	Thrivent Financial for Lutherans	144,138,073	0.65
Top 40 Annuities Subtotal			\$ 18,879,747,535	85.43
All Other Annuities			\$ 3,220,239,732	14.57
Total Annuities			\$ 22,099,987,267	100.00

Top Companies | Life Insurance

Rank	NAIC #	Company	Premium	MS %
1	65978	Metropolitan Life Insurance Company	\$ 649,867,622	5.76
2	67091	Northwestern Mutual Life Insurance Company, The	565,850,166	5.02
3	66915	New York Life Insurance Company	478,776,346	4.25
4	65676	Lincoln National Life Insurance Company, The	453,981,076	4.03
5	65935	Massachusetts Mutual Life Insurance Company	388,596,011	3.45
6	69108	State Farm Life Insurance Company	379,643,114	3.37
7	66168	Minnesota Life Insurance Company	353,836,725	3.14
8	67466	Pacific Life Insurance Company	296,471,413	2.63
9	60488	American General Life Insurance Company	278,350,658	2.47
10	68241	Prudential Insurance Company of America, The	274,915,326	2.44
11	65838	John Hancock Life Insurance Company (U.S.A.)	229,741,409	2.04
12	86231	Transamerica Life Insurance Company	208,633,535	1.85
13	79227	Pruco Life Insurance Company	196,770,985	1.75
14	62235	Unum Life Insurance Company of America	181,180,883	1.61
15	63177	Farmers New World Life Insurance Company	170,885,638	1.52
16	64246	Guardian Life Insurance Company of America, The	166,486,263	1.48
17	65919	Primerica Life Insurance Company	165,763,781	1.47
18	60739	American National Insurance Company	160,876,506	1.43
19	87726	Metlife Insurance Company USA	158,704,123	1.41
20	68896	Southern Farm Bureau Life Insurance Company	151,378,137	1.34
21	65498	Life Insurance Company of North America	145,129,372	1.29
22	69868	United of Omaha Life Insurance Company	139,429,204	1.24
23	91596	New York Life Insurance and Annuity Corporation	138,795,826	1.23
24	69663	USAA Life Insurance Company	130,519,876	1.16
25	65595	Lincoln Benefit Life Company	129,897,514	1.15
26	68136	Protective Life Insurance Company	119,028,648	1.06
27	62944	AXA Equitable Life Insurance Company	118,742,559	1.05
28	67105	Reliastar Life Insurance Company	112,583,163	1.00
29	66281	Transamerica Premier Life Insurance Company	109,913,856	0.97
30	66044	Midland National Life Insurance Company	102,810,214	0.91
31	67989	American Memorial Life Insurance Company	97,350,096	0.86
32	92657	Nationwide Life and Annuity Insurance Company	96,233,693	0.85
33	65005	Riversource Life Insurance Company	92,312,442	0.82
34	80802	Sun Life Assurance Company of Canada	85,692,006	0.76
35	71129	Dearborn National Life Insurance Company	84,863,566	0.75
36	60054	Aetna Life Insurance Company	82,502,808	0.73
37	65536	Genworth Life and Annuity Insurance Company	80,658,605	0.72
38	61271	Principal Life Insurance Company	80,266,632	0.71
39	62308	Connecticut General Life Insurance Company	79,301,317	0.70
40	68357	Reliable Life Insurance Company, The	77,303,771	0.69
Top 40 Life Insurance Companies Subtotal			\$ 8,014,044,885	71.09
All Other Life Insurance Companies			\$ 3,259,558,715	28.91
Total Life Insurance Companies			\$ 11,273,603,600	100.00

Top Companies | Private Passenger Auto Insurance

Rank	NAIC #	Company	Premium	MS %
1	25178	State Farm Mutual Automobile Insurance Company	\$ 2,827,075,564	16.15
2	29203	Progressive County Mutual Insurance Company	1,498,397,710	8.56
3	24392	Farmers Texas County Mutual Insurance Company	1,372,317,758	7.84
4	29688	Allstate Fire and Casualty Insurance Company	1,270,731,977	7.26
5	29297	Home State County Mutual Insurance Company	705,717,011	4.03
6	29181	Geico County Mutual Insurance Company	696,440,377	3.98
7	22063	Government Employees Insurance Company	536,818,633	3.07
8	25941	United Services Automobile Association	463,251,171	2.65
9	19544	Liberty County Mutual Insurance Company	458,173,648	2.62
10	29262	Colonial County Mutual Insurance Company	432,774,769	2.47
11	25968	USAA Casualty Insurance Company	402,937,595	2.30
12	29246	Consumers County Mutual Insurance Company	346,257,158	1.98
13	19240	Allstate Indemnity Company	343,119,855	1.96
14	25380	Texas Farm Bureau Mutual Insurance Company	342,370,009	1.96
15	26816	State Farm County Mutual Insurance Company of Texas	341,306,002	1.95
16	29378	Old American County Mutual Fire Insurance Company	335,083,388	1.91
17	29254	Foremost County Mutual Insurance Company	267,630,136	1.53
18	18600	USAA General Indemnity Company	260,046,720	1.49
19	27863	Southern County Mutual Insurance Company	254,597,849	1.45
20	13004	Texas Farm Bureau Casualty Insurance Company	221,726,621	1.27
21	29327	Auto Club County Mutual Insurance Company	219,604,429	1.25
22	29335	Allstate County Mutual Insurance Company	215,833,458	1.23
23	21253	Garrison Property and Casualty Insurance Company	212,608,837	1.21
24	10807	ACCC Insurance Company	208,138,562	1.19
25	11198	Loya Insurance Company	206,565,716	1.18
26	14138	Geico Advantage Insurance Company	205,942,535	1.18
27	13938	Metropolitan Lloyds Insurance Company of Texas	164,517,103	0.94
28	22055	Geico Indemnity Company	145,220,848	0.83
29	11521	Germania Select Insurance Company	138,315,805	0.79
30	19976	Amica Mutual Insurance Company	130,543,916	0.75
31	14139	Geico Choice Insurance Company	115,119,908	0.66
32	40150	MGA Insurance Company, Inc.	94,141,941	0.54
33	15449	Alinsco Insurance Company	90,972,356	0.52
34	10730	American Access Casualty Company	79,888,586	0.46
35	17230	Allstate Property and Casualty Insurance Company	79,888,401	0.46
36	29351	Unitrin County Mutual Insurance Company	79,791,148	0.46
37	42609	Affirmative Insurance Company	73,985,499	0.42
38	10891	Cem Insurance Company	70,770,401	0.40
39	13688	Elephant Insurance Company	68,220,883	0.39
40	27820	Farm Bureau County Mutual Insurance Company of Texas	67,532,159	0.39
Top 40 Private Passenger Auto Insurance Companies Subtotal			\$ 16,044,376,442	91.63
All Other Private Passenger Auto Insurance Companies			\$ 1,465,672,713	8.37
Total Private Passenger Auto Insurance Companies			\$ 17,510,049,155	100.00

Top Companies | Homeowners Insurance

Rank	NAIC #	Company	Premium	MS %
1	43419	State Farm Lloyds	\$ 1,739,353,757	21.98
2	21695	Texas Farmers Insurance Company	651,496,009	8.23
3	26530	Allstate Texas Lloyd's	399,464,834	5.05
4	37907	Allstate Vehicle and Property Insurance Company	364,724,059	4.61
5	25941	United Services Automobile Association	327,900,122	4.14
6	11215	Safeco Insurance Company of Indiana	309,775,763	3.91
7	42404	Liberty Insurance Corporation	289,093,717	3.65
8	11059	ASI Lloyds	206,791,793	2.61
9	11120	USAA Texas Lloyd's Company	199,996,254	2.53
10	29688	Allstate Fire and Casualty Insurance Company	176,020,292	2.22
11	25380	Texas Farm Bureau Mutual Insurance Company	171,481,229	2.17
12	27998	Travelers Home and Marine Insurance Company, The	155,540,407	1.97
13	27774	Chubb Lloyds Insurance Company of Texas	147,480,069	1.86
14	25968	USAA Casualty Insurance Company	135,357,731	1.71
15	19976	Amica Mutual Insurance Company	127,737,002	1.61
16	41564	Travelers Lloyds of Texas Insurance Company	126,814,809	1.60
17	41688	Foremost Lloyds of Texas	117,086,211	1.48
18	13938	Metropolitan Lloyds Insurance Company of Texas	112,519,134	1.42
19	23760	Nationwide General Insurance Company	107,843,433	1.36
20	11008	Auto Club Indemnity Company	104,070,265	1.32
21	11543	Texas Fair Plan Association	92,494,715	1.17
22	12536	Homeowners of America Insurance Company	78,681,216	0.99
23	25399	Texas Farm Bureau Underwriters	68,154,378	0.86
24	37877	Nationwide Property and Casualty Insurance Company	65,622,104	0.83
25	15474	National Lloyds Insurance Company	61,973,795	0.78
26	21652	Farmers Insurance Exchange	53,002,252	0.67
27	18600	USAA General Indemnity Company	50,672,236	0.64
28	23469	American Modern Home Insurance Company	49,656,983	0.63
29	19240	Allstate Indemnity Company	48,216,035	0.61
30	10969	United Property & Casualty Insurance Company	47,349,666	0.60
31	21253	Garrison Property and Casualty Insurance Company	47,071,355	0.59
32	42110	Nationwide Lloyds	44,303,356	0.56
33	11041	Liberty Lloyds of Texas Insurance Company	41,613,367	0.53
34	37257	Praetorian Insurance Company	40,601,195	0.51
35	25127	State Auto Property & Casualty Insurance Company	39,248,147	0.50
36	34690	Property and Casualty Insurance Company of Hartford	37,383,657	0.47
37	29068	IDS Property Casualty Insurance Company	36,742,646	0.46
38	11986	Universal Insurance Company of North America	36,575,771	0.46
39	20230	Central Mutual Insurance Company	34,543,334	0.44
40	11578	Cypress Texas Insurance Company	34,039,467	0.43
Top 40 Homeowners Insurance Companies Subtotal			\$ 6,978,492,565	88.19
All Other Homeowners Insurance Companies			\$ 934,510,427	11.81
Total Homeowners Insurance Companies			\$ 7,913,002,992	100.00

Top Companies | Workers' Compensation Insurance

Rank	NAIC #	Company	Premium	MS %
1	22945	Texas Mutual Insurance Company	\$ 1,087,427,936	39.66
2	16535	Zurich American Insurance Company	90,053,031	3.28
3	43389	Service Lloyds Insurance Company	59,824,569	2.18
4	42404	Liberty Insurance Corporation	54,690,605	1.99
5	40142	American Zurich Insurance Company	50,775,722	1.85
6	25658	Travelers Indemnity Company, The	45,710,464	1.67
7	23841	New Hampshire Insurance Company	41,170,074	1.50
8	22667	Ace American Insurance Company	38,956,917	1.42
9	23035	Liberty Mutual Fire Insurance Company	38,633,374	1.41
10	19429	Insurance Company of the State of Pennsylvania, The	38,210,988	1.39
11	30104	Hartford Underwriters Insurance Company	36,763,543	1.34
12	43575	Indemnity Insurance Company of North America	36,404,804	1.33
13	19038	Travelers Casualty and Surety Company	33,880,144	1.24
14	20281	Federal Insurance Company	31,907,449	1.16
15	27120	Trumbull Insurance Company	27,909,758	1.02
16	38318	Starr Indemnity & Liability Company	24,977,141	0.91
17	19410	Commerce and Industry Insurance Company	24,957,844	0.91
18	25682	Travelers Indemnity Company of Connecticut, The	24,195,833	0.88
19	10166	Accident Fund Insurance Company of America	19,851,039	0.72
20	42376	Technology Insurance Company, Inc.	19,021,251	0.69
21	19488	Amerisure Insurance Company	18,717,989	0.68
22	18694	Great Midwest Insurance Company	18,030,038	0.66
23	11150	Arch Insurance Company	16,928,229	0.62
24	23396	Amerisure Mutual Insurance Company	15,960,178	0.58
25	25674	Travelers Property Casualty Company of America	15,750,184	0.57
26	24147	Old Republic Insurance Company	15,595,444	0.57
27	29424	Hartford Casualty Insurance Company	15,512,629	0.57
28	37478	Hartford Insurance Company of the Midwest	14,885,120	0.54
29	38970	Markel Insurance Company	14,785,519	0.54
30	31895	American Interstate Insurance Company	14,234,851	0.52
31	13269	Zenith Insurance Company	14,222,001	0.52
32	25615	Charter Oak Fire Insurance Company, The	14,133,941	0.52
33	20508	Valley Forge Insurance Company	13,617,399	0.50
34	25623	Phoenix Insurance Company, The	13,413,511	0.49
35	11000	Sentinel Insurance Company, Ltd.	12,751,503	0.47
36	19046	Travelers Casualty Insurance Company of America	12,460,208	0.45
37	30120	Znat Insurance Company	12,321,832	0.45
38	25666	Travelers Indemnity Company of America, The	12,246,893	0.45
39	20095	Bitco General Insurance Corporation	12,216,797	0.45
40	37885	XI Specialty Insurance Company	12,179,672	0.44
Top 40 Workers' Compensation Insurance Companies Subtotal			\$ 2,115,286,424	77.15
All Other Workers' Compensation Companies			\$ 626,556,564	22.85
Total Workers' Compensation Companies			\$ 2,741,842,988	100.00

Top Companies | Title

Rank	NAIC #	Company	Premium	MS %
1	50814	First American Title Insurance Company	\$ 355,417,592	18.87
2	50121	Stewart Title Guaranty Company	314,865,837	16.72
3	51586	Fidelity National Title Insurance Company	258,322,617	13.71
4	50229	Chicago Title Insurance Company	240,960,522	12.79
5	50520	Old Republic National Title Insurance Company	150,914,243	8.01
6	50016	Title Resources Guaranty Company	121,216,970	6.44
7	50598	Alamo Title Insurance	68,866,878	3.66
8	51624	First American Title Guaranty Company	65,057,191	3.45
9	51152	WFG National Title Insurance Company	64,205,748	3.41
10	50083	Commonwealth Land Title Insurance Company	48,365,516	2.57
11	14240	First National Title Insurance Company	46,902,818	2.49
12	12309	Alliant National Title Insurance Company, Inc.	46,651,867	2.48
13	50050	Westcor Land Title Insurance Company	33,953,398	1.80
14	50377	National Investors Title Insurance Company	25,211,496	1.34
15	50130	North American Title Insurance Company	24,414,196	1.30
16	50026	Premier Land Title Insurance Company	6,820,185	0.36
17	12591	Sierra Title Insurance Guaranty Company	5,098,807	0.27
18	15305	Southwest Land Title Insurance Company	2,623,223	0.14
19	51020	National Title Insurance of New York, Inc.	1,826,053	0.10
20	51632	Entitle Insurance Company	1,264,287	0.07
21	50440	Real Advantage Title Insurance Company	552,284	0.03
Total Title Companies			\$ 1,883,511,728	100.00



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