

AGENCY STRATEGIC PLAN

FISCAL YEARS 2017 TO 2021

BY THE:

TEXAS DEPARTMENT OF INSURANCE



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PART I: STRATEGIC PLAN

The Texas Department of Insurance (TDI) regulates the state's insurance industry, oversees the administration of the Texas workers' compensation system, and performs the duties of the State Fire Marshal's Office (SFMO). It also provides administrative support to the Office of Injured Employee Counsel, a separate state agency. Laws that establish the agency's functions include the following.

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

- (1) regulate the business of insurance in Texas;
- (2) administer Texas' workers' compensation system as provided by 5 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.

The workers' compensation commissioner is the Division of Workers' Compensation's (DWC) chief executive and administrative officer. Under Texas Labor Code, Title 5, the DWC commissioner exercises all executive authority, including rulemaking, over DWC operations and enforces the Texas Workers' Compensation Act and other applicable workers' compensation system laws.

Texas Labor Code, Chapter 405 establishes the workers' compensation research and evaluation group (REG) within TDI as a resource for both commissioners on workers' compensation issues. The REG conducts professional studies and research on a variety of workers' compensation topics as determined by the REG's adopted annual research agenda and produces several statutorily required reports.

Texas Government Code, Chapter 417 establishes the state fire marshal as a state-commissioned officer appointed by the commissioner of insurance. The SFMO develops and promotes methods of preventing and reducing fire losses. This responsibility is carried out through fire cause and origin investigations, building inspections, code enforcement, the regulation of fire service industries, and the development and promotion of fire prevention programs.

The governor, with advice and consent of the Texas Senate, appoints both the insurance commissioner and the workers' compensation commissioner for two-year terms.

AGENCY MISSIONS

Insurance Operations Mission

To protect insurance consumers by regulating the industry fairly and diligently, promoting a stable and competitive market, and providing information that makes a difference.

Workers' Compensation Mission

Regulate Texas workers' compensation efficiently, educate system participants, and achieve a balanced system in which everyone is treated fairly with dignity and respect.

AGENCY GOALS AND ACTION PLANS

The agency goals and action plans are organized to reflect the goals of the commissioner of insurance, the goals of the commissioner of workers' compensation, and the operational goals for the entire organization.

A. INSURANCE OPERATIONS GOALS AND ACTION PLANS

Goal 1: Enhance the efficiency and effectiveness of TDI’s regulation of insurance in accordance with the Texas Insurance Code and other insurance laws.

Core Functions:

- Conducting examinations, monitor solvency, and perform solvency intervention
- Reviewing rate and form filings
- Conducting research and analysis on insurance policy matters
- Adopting rules and implementing new laws

Specific Action Items:

1. Ensure an updated and responsive regulatory framework by seeking input from internal and external stakeholders to develop recommendations for streamlining and modernizing Texas insurance laws. Target dates: FY 2017 and ongoing.
2. Enhance the quality of financial analysis and examinations. Target dates: FY 2017 and ongoing.
3. Ensure that administrative regulations adopted by the commissioner to implement statutes are promulgated in a transparent and collaborative manner by soliciting public comments and hosting stakeholder meetings on drafts of regulations before initiating formal rule-making proceedings. Target dates: FY 2017 and ongoing.
4. Provide participation and leadership in the National Association of Insurance Commissioners (NAIC) to develop model laws, regulation, and procedural guidance consistent with Texas goals and principles. TDI serves in leadership capacities on a large number of NAIC committees and task forces. TDI is participating in initiatives for NAIC model laws and recommendations for cybersecurity for insurance data, new group capital requirements for insurance holding company systems, long term care insurance guidance manual, and insurer use of big data for claims, marketing, underwriting, and pricing. Target dates for cybersecurity, long term care, and use of big data are in FY 2017. Target date for new group capital requirements guidance is FY 2020.
5. Provide participation and leadership for International Association of Insurance Supervisors (IAIS), which develops core principles for insurance regulation for international purposes, including the commissioner’s membership on the IAIS executive committee. Other IAIS participation includes providing input on group capital requirements for U.S. based internationally active insurance companies. Target dates: FY 2017 and ongoing.

Support of Statewide Objectives:

1. *Accountable to tax and fee payers of Texas.*
 - TDI’s regulatory approach, including deleting obsolete requirements and maintaining relatively low costs of compliance, is designed to protect the tax and fee payers of Texas.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*
 - TDI uses risk-based examination and surveillance approaches for solvency regulation to ensure the regulatory resources are focused on analyzing and examining the areas of highest risk within insurance entities.
 - The agency coordinates with other state and functional regulators to complete regulatory efforts efficiently and reduce redundancies.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*

- TDI’s accreditation by the NAIC indicates the agency is effective in fulfilling core functions as it ensures the agency’s regulatory processes adhere to the nationally established best practices for enforcing solvency standards.

4. *Providing excellent customer service.*

- To carry out regulatory responsibilities, TDI has field offices across the state and recruits bilingual staff in areas with sizable Spanish speaking populations.

5. *Transparent such that agency actions can be understood by any Texan.*

- TDI publishes recommendations for an updated regulatory framework in a biennial report submitted to the Legislature, which is written in plain language so that the recommendations are easily understood by non-practitioners.
- When TDI participates in processes for model regulatory framework development through NAIC, the meetings are open and provide the opportunity for public comment.
- TDI solicits public comments and hosts stakeholder meetings on regulatory initiatives that substantially exceed the requirements for public notice contained in the Texas Administrative Procedures Act.

Other Considerations Relevant to Goals and Action Plans:

- **Economic and Demographic Factors**
Texas’ population growth and increased diversity impacts the consumer’s insurance product needs. TDI’s challenge is to foster a stable, competitive, and healthy environment for insurers to provide high-quality insurance products that satisfy consumer demands, which at times requires a flexible regulatory approach. In addition, economic globalization and the state’s strong economy makes Texas a preferred location for new market entrants, insurance carrier mergers, and relocations. As the 9th largest insurance market in the world, Texas is helping set the financial standards for international, national, and state insurance regulation.
- **National Association of Insurance Commissioners (NAIC)**
Established in 1871, the NAIC represents the insurance commissioners from the 50 states, the District of Columbia, and five U.S. territories. NAIC goals include enhancing the uniformity and consistency of the state-based system of insurance regulation. TDI’s participation and leadership in the NAIC allows the agency to provide the Texas regulatory vision and influence the development of model laws and procedural guidance, which may be adopted by states across the nation.
- **International Association of Insurance Supervisors (IAIS)**
Established in 1994, the IAIS represents insurance regulators from nearly 140 countries that constitute 97% of the world’s insurance premiums. The IAIS’s objectives are to promote effective and globally consistent insurance regulation and to enhance global financial stability. TDI’s participation and leadership in the IAIS allows the agency to ensure that IAIS recommendations are “right for Texas”. This is important because the U.S. federal government has shown a willingness recently to preempt the states’ authority to regulate insurance in certain areas based on IAIS recommendations.

Goal 2: Enhance TDI's ability to protect insurance consumers and ensure their fair treatment.

Core Functions:

- Responding promptly and acting on consumer complaints
- Providing information, education, outreach, and customer assistance
- Enforcing the Texas Insurance Code and rules
- Investigating allegations of insurance fraud and referring violations for prosecution

Specific Action Items:

1. Improve the consumer complaints resolution process by using technology, including faster computers and a document management system, to work smarter. Target date: FY 2018.
2. Provide improved investigations and prosecution of insurance fraud to consumers by expanding the fraud program. Target dates: FY 2018.
3. Use available grant funds to create a website that will allow consumers to make direct comparisons of health insurance company financial data and plan information. (SB 1731, 80th Legislature). Target date: FY 2018.
4. Update and develop online fraud reporting in both Spanish and English. Target date: FY 2018.
5. Expand efforts to provide education and awareness of insurance fraud schemes to consumers and local governmental entities through the efforts of the Fraud Unit's Catastrophe Response Team (CRT). It is planned to expand education efforts statewide to consumers and local government officials prior to a time of disaster to better identify and avoid insurance fraud schemes. Target date: FY2017 and ongoing.
6. Implement new training for consumer protection staff to address a changing and more complex insurance environment. Target date: FY 2017.

Support of Statewide Objectives:

1. *Accountable to tax and fee payers of Texas.*
 - TDI assists consumers through education, information, and complaint resolution to ensure that Texans receive the benefits they are entitled to under their insurance policies. In addition, TDI works to educate Texans about the potential for fraudulent insurance schemes to help them avoid falling victim.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*
 - TDI works to increase efficiencies by identifying processes for improvement and ways to use technology to deliver services.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*
 - TDI uses the balanced scorecard to effectively fulfill core functions, measure performance, and continuously improve by setting strategic objectives, including objectives to protect consumers, enhance fraud investigation, and identify process improvements. A project for improving the complaints resolution process is currently underway.

4. *Providing excellent customer service.*

- TDI has staff dedicated to helping Texans with the information they need about insurance and to help resolve insurance-related complaints. TDI often deploys staff to assist a local area or region in response to catastrophic events. Staff also provides information on insurance, assist consumers with claims, and educate consumers to help them avoid fraudulent insurance schemes.

5. *Transparent such that agency actions can be understood by any Texan.*

- Consumer publications are written in plain language and are available in Spanish. TDI's website includes an on-line translation services that translates any page into one of 14 languages. Also, Commissioner orders resulting from enforcement actions are official public records that are accessible to all Texans and can be located via the agency website.

Other Considerations Relevant to Goals and Action Plans:

- **Catastrophic Response Team**

The CRT is dispatched to disaster areas to provide education to consumers and suggest best practices to local governmental entities regarding insurance fraud perpetrated by those who falsely represent themselves as roofers or contractors, preying on the emotions of consumers during the stressful times that accompany a disaster and stealing money from disaster victims.

- **Increase in Fraud Reports**

Reports of fraud submitted to the Fraud Unit have experienced significant growth in the past 10 years. In fiscal year 2005, the Fraud Unit received 6,810 reports of fraud. In fiscal year 2015, there were 13,513 reports of fraud.

- **Technology**

TDI's legacy systems impact staff's ability to promptly perform their functions.

Goal 3: Enhance fair insurance market competition.

Core Functions:

- Providing licensing, certification, and registration of insurance companies, agents and other entities
- Addressing unfair insurer practices
- Supporting innovation in the marketplace to increase consumer choices in terms of insurance products and prices

Specific Action Items:

1. Attract new market participants by updating and streamlining the regulatory framework administered by TDI by recommending necessary changes to Texas law, including deleting obsolete requirements and reducing the industry's cost of regulatory compliance. Implement new legislative enactments in a manner such that Texas is viewed as an attractive regulatory jurisdiction in which to do business, while maintaining and strengthening consumer protections. Target date: FY 2018.
2. Create more streamlined, effective, and efficient regulatory processes by allowing life and health insurers to pay required fees through the System for Electronic Rate and Form Filing (SERFF). Target date: FY 2018.

Support of Statewide Objectives:

1. *Accountable to tax and fee payers of Texas.*
 - TDI’s goal of fostering fair market competition enhances the capacity and affordability of the insurance markets, which benefits consumers with greater choices in insurance products and companies as well as lower prices.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*
 - Competition rewards efficiencies and innovation, which minimize waste of taxpayer funds and benefits the insurance industry and consumers.
 - Allowing life and health insurers to pay fees using SERFF is a more efficient method of collecting revenue.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*
 - TDI’s balanced scorecard is one tool used to measure performance and continuously improve by setting strategic objectives, including an objective to foster competition.
4. *Providing excellent customer service.*
 - TDI strives to improve customer service by decreasing the regulatory burden and improving regulatory processes, such as allowing insurers to pay filing fees in the same manner they submit filings in other states, and finding ways to reduce the regulatory compliance costs imposed on the insurance industry.
5. *Transparent such that agency actions can be understood by any Texan.*
 - TDI produces an annual report that includes a summary of insurance company data.

Goal 4: Reduce loss of life and property due to fire. (State Fire Marshal’s Office)

Core Functions:

- Investigating the cause and origin of fire
- Conducting inspections and providing enforcement
- Providing education, outreach, and policy research
- Developing and promoting fire prevention programs

Specific Action Items:

1. Increase efficiency and effectiveness of inspections, investigations, fire arson laboratory analysis, and licensing processes by improving the tools and technology. Target date: FY 2019 and ongoing.
2. Improve fleet management by establishing a fleet replacement program based on state best practices and vehicle repair data. Target date: FY 2018.
3. Enhance staff development by requiring that fire investigators, fire inspectors, and licensing investigators complete continuing education annually. Target date: FY 2017 and ongoing.

Support of Statewide Objectives:

1. *Accountable to tax and fee payers of Texas.*

- Employee retention and the vehicle replacement program will be reviewed by appropriate TDI staff to demonstrate sound business practices.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*
 - SFMO regularly reviews the productivity of staff to ensure maximum results and elimination of redundancies.
 3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*
 - The SFMO uses performance measures to help monitor success in performing core functions and continuously improve.
 4. *Providing excellent customer service.*
 - The SFMO strives to provide excellent customer service by providing education and outreach, ensuring staff are well-trained, and having field staff located throughout the state.
 5. *Transparent such that agency actions can be understood by any Texan.*
 - There is an expectation when public resources are invested, that Texans can see positive results through evaluation of performance metrics and resources are proven to be managed appropriately through periodic assessments.

Other Considerations Relevant to Goals and Action Plans:

- **State Buildings**
Texas Government Code 417.0081 mandates inspections of state buildings and state leased facilities by the SFMO for compliance with the fire code to enhance safety of state employees and visitors at these structures.
- **Technology**
The current technology used to track and report inspections is inefficient and increases the time each inspector needs to complete an inspection.
- **Forensic Arson Lab**
The SFMO provides free label analysis on fire debris samples submitted by public fire investigation agencies and serves approximately 95 percent of these agencies statewide. The laboratory is accredited by the American Society of Crime Lab Directors (ASCLD).

B. WORKERS' COMPENSATION OPERATIONS GOALS AND ACTION PLANS

Goal 1: Resolve disputes in a timely, fair, and just manner.

Specific Action Items:

1. Provide option for system participants to participate in benefit review conferences and contested case hearings through online dispute resolution systems, including video conferencing. Implement the use of video conferencing on voluntary basis for benefit review conferences by FY 2018, and for contested case hearings by FY 2019.
2. Assess whether to suggest a statutory change to allow the Division of Workers' Compensation (DWC) flexibility to require online dispute resolution in the absence of an agreement between the parties. Target date: FY 2017.
3. Train DWC staff on effective communication with treating doctors and their staff, in an effort to improve the rate at which injured employees obtain medical records and opinions needed for a well-informed resolution of their claim disputes. Target date FY 2017, with ongoing follow up.
4. Assess whether to initiate rulemaking to set a reimbursement rate for treating doctor causation reports. Target date: FY 2017.
5. Process medical fee disputes within 90 days from the date of receipt with the exception of disputes abated by DWC. Target date: FY 2017.
6. Draft and implement a Medical Fee Dispute Resolution (MFDR) policy and procedure including a checklist to guide future MFDR management on how to identify, monitor, and subsequently process abated fee disputes. Target date: FY 2017.

Support of Statewide Objectives:

1. *Accountable to tax and fee payers of Texas.*
 - An efficient and fair administrative dispute resolution system helps to:
 - eliminate unnecessary delays in the resolution of disputes,
 - avoid costs associated with prolong disputes,
 - provide better communication, which may facilitate the resolution of disputes earlier at the administrative level rather than adding to court dockets and expenses,
 - reduce system costs by reducing travel time and expenses for system participants through online dispute resolution, including video conferencing, including travel time and expenses, through the availability of online dispute resolution, and
 - ensure accurate decision-making by obtaining the medical reports and information required for a well-informed decision.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*
 - Using technology such as video conferences makes the dispute resolution process more efficient by reducing travel time and expenses for parties involved in the dispute and the need for and cost of attorney representation.
 - Implementing a medical fee dispute policy and procedure makes the dispute resolution process more efficient by promoting consistency in the way that DWC identifies and processes abated medical fee disputes. This builds system participant trust in the process. It also facilitates the early identification of medical fee disputes that may be

abated as a result of outside litigation. Early identification allows DWC to reprioritize the resolution of other medical fee disputes.

3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*

- Online dispute resolution (e.g., video conferencing) would likely reduce unnecessary continuances due to scheduling conflicts relating to travel time, thereby improving the timeframe to hold dispute resolution proceedings and resolve claim disputes, which are key agency performance measures. Increasing DWC's use of technology would also assist DWC in meeting the legislative intent described in Labor Code, Section 402.021(b)(9) to "take maximum advantage of technological advances to provide the highest levels of service to system participants and to promote communication among system participants."
- An increase in access to obtaining medical records allows an injured employee to meaningfully participate in the dispute resolution process and directly supports our statutory goal that "each injured employee shall have access to a fair and accessible dispute resolution process." Labor Code Section 402.021(a)(3).
- Ensuring the efficient processing of medical fee disputes supports DWC's efforts to achieve several performance measures, including the average days to resolve a medical fee dispute and the number of medical fee dispute decisions upheld during appeal.
- Ensuring the efficient processing of medical fee disputes supports DWC's efforts to achieve several performance measures, including the average days to resolve a medical fee dispute and the number of medical fee dispute decisions upheld during appeal.

4. *Providing excellent customer service.*

- The action items described above would provide system participants with a more convenient, less expensive, and more informed dispute resolution process.

5. *Transparent such that agency actions can be understood by any Texan.*

- The goal and the agency actions promote the legislature's intent that the workers' compensation system should promote a fair and accessible dispute resolution process.

Other Considerations Relevant to Goals and Action Plans:

- As part of its statutory duties to ensure that workers' compensation claim disputes are resolved promptly and fairly, DWC, as the dispute adjudicator, has a responsibility to develop the facts so that an informed decision can be made in each claim dispute. Equally important, DWC must provide a fair and unbiased forum for dispute resolution. Accordingly, DWC staff assists parties in obtaining needed medical records and opinions if they are necessary to ensure a well-informed decision, but must carefully avoid providing direction regarding the substance of these requested opinions.

Goal 2: Quality and timely education and customer service to injured employees and other system participants.

Specific Action Items:

1. Offer a new, updated series of Workers' Compensation Fundamentals education sessions for workers' compensation system participants at DWC field offices.
 - Identify education needs. Target date: FY 2017.
 - Develop and offer the initial educational series. Target date: FY 2017
 - Offer additional series. Target date: FY 2018-19.

2. Offer off-site education sessions for system participants.
 - Identify education needs and outreach opportunities with labor and employee groups, employer and business groups, medical associations, and insurance carriers.
 - Provide Workers' Compensation Fundamentals education sessions or design targeted sessions as needed on specific topics or initiatives. Target date: FY 2017.
 - Offer additional series. Target date: FY 2018-19.

3. Provide initial outreach and education to injured employees – Develop new outreach materials that could be used to educate injured employees about their Rights & Responsibilities in the workers' compensation system; provide key DWC contact information to facilitate communication; and provide information regarding the importance of returning to work and return-to-work resources. Use current workers' compensation claim data to identify new claims for conducting outreach. Target date: FY 2017.

4. Implement a new phone queue that allows system participants to inquire on the status of pending official actions and allow DWC to dedicate specific staff to respond to those inquiries. Target date: FY 2017.

5. Conduct a survey of system participants and use results to improve customer service. Implementation of survey, analysis of results, and development of action plans. Target date: FY 2018.

6. Implement a comprehensive training plan for internal staff to help new hires develop a strong foundational knowledge of the different types of workers' compensation benefits.
 - Create plan and initiate first internal training module. Target date: FY 2017
 - Complete additional training modules. Target date: FY 2018.

Support of Statewide Objectives:

1. *Accountable to tax and fee payers of Texas.*
 - Increasing outreach and education services to system participants and providing timely customer service creates accountability in the workers' compensation system by:
 - facilitating communication between system participants,
 - identifying potential problems or emerging trends to facilitate early resolution without the need of legislative intervention, and
 - promoting system fairness and trust.

2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*
 - DWC continues to provide outreach and education services in each of its field offices across the state. Additionally, DWC also provides timely customer service through statewide call centers, in-person field office visits, and through its website. By proactively providing these services to system participants, DWC promotes system participant compliance with workers' compensation statutes and regulations and effective communication that fosters informal dispute resolution, which is more efficient than litigation.

3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*

- These actions are in line with DWC’s statutory responsibilities in educating system participants and clearly informing system participants of their rights and responsibilities. DWC educates system participants about various workers’ compensation topics, including applicable statutes/rules, roles and responsibilities, and the importance of returning to work after an on-the-job injury.
4. *Providing excellent customer service.*
- In working towards furthering DWC’s vision of providing the best care and services, DWC provides system participants with outreach and education services across the state and established new initiatives such as a single point of contact for injured employees.
5. *Transparent such that agency actions can be understood by any Texan.*
- DWC strives to be transparent by using plain language to communicate DWC initiatives such as rule changes, compliance reminders, educational workshops, and DWC-sponsored trainings.

Other Considerations Relevant to Goals and Action Plans:

- In addition to DWC’s statutory responsibilities to provide education and outreach, DWC also has other statutory duties to develop plain language information for public dissemination about the workers’ compensation benefit and compensation process. Additionally, DWC is also required to ensure that each DWC form, letter and brochure is written in plain language, is readable and understandable, complies with all applicable requirements for readability, and is available in English and Spanish.
- DWC is currently focusing its efforts to not only tailor communications for injured employees and employers, but also to take advantage of technological advances to disseminate communications or facilitate outreach to system participants as efficiently as possible.

Goal 3: Enforce workers’ compensation laws and promptly address acts of noncompliance with the Act and rules.

Specific Action Items

1. Identify target areas of noncompliance within the workers’ compensation system that may need improvement in order to increase DWC’s efficiency and timeframes for processing enforcement cases. Depending on the complaint/enforcement priorities of DWC, this may be an ongoing assessment. Target date: ongoing.
2. Standardize DWC enforcement procedures. Target date: FY 2017.

Support of Statewide Objectives

1. *Accountable to tax and fee payers of Texas.*
 - Enforcing compliance with the Workers’ Compensation Act and Rules is necessary for the delivery of income and death benefits to injured employees and their beneficiaries under certain circumstances and necessary to ensure quality and cost-efficient delivery of medical benefits for system participants.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*
 - Identifying efficiencies and standardizing procedures will help facilitate earlier resolution of enforcement actions through consent orders and will help reduce any potential backlogs in pursuing enforcement cases. Obtaining consent orders for

violations of the Workers' Compensation Act and Rules eliminates need for costly litigation. Since administrative penalties collected as a result of DWC enforcement actions are directed to the State's General Revenue Fund, DWC's enforcement efforts actually save taxpayer money by increasing additional revenue for the State.

3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*

- Standardizing formal procedures (including standard reports) will provide tools necessary to evaluate core functions and performance measures. Identifying target areas that need improvement increases efficiencies and assists DWC in continuing to meet a performance measure related to the percentage of enforcement cases resolved within 365 days.

4. *Providing excellent customer service.*

- Decreasing timeframes for processing and closing enforcement cases provides excellent customer service to system participants. Additionally, system participants are well-served by a workers' compensation system that promptly detects and deters acts of non-compliance with the Workers' Compensation Act and Rules.

5. *Transparent such that agency actions can be understood by any Texan.*

- DWC's enforcement consent orders and correspondence are clear and thorough so that system participants are aware of violations and the administrative penalties associated with those violations.

Other Considerations Relevant to Goals and Action Plans:

- DWC is reviewing existing enforcement procedures and practices to identify potential process improvements that will facilitate the early resolution of enforcement cases, particularly quality of medical care enforcement cases that originate with DWC's Medical Advisor.

Goal 4: Expand access to quality health care and medical opinions.

Specific Action Items:

1. Streamline the re-certification training curriculum for designated doctors; provide more local training for designated doctors; and provide additional support and training for designated doctor medical billing issues. New training schedule planned. Target date: FY 2017.
2. Implement enhanced strategic recruiting of designated doctors, particularly targeting underserved areas in Texas and underserved medical specialties.
 - Identify geographic areas requiring additional designated doctor access and identify local resources in those areas that can assist DWC in expanding its designated doctor network.
 - Create a strategy and tools to encourage doctors to participate as instructors for designated doctor training.
 - Implement recruiting strategy. Target date: FY 2017 and ongoing.
3. Review DWC's designated doctor rules (28 Texas Administrative Code, Chapter 127) to determine if any updates or amendments are needed to improve the quality of the program. Implement any legislative initiatives that pass during the 2017 legislative session. Target date: to be determined per legislation.

Support of Statewide Objectives:

1. Accountable to tax and fee payers of Texas.

- Increasing the availability of trained and qualified designated doctors and referral specialists across Texas ensures that:
 - injured employees and insurance carriers have appropriate access to designated doctors in order to resolve issues about individual claims, and
 - insurance carriers have the tools to pay income benefits accurately and timely.
- Additionally, the completion of required medical quality review audits, and the capability to resolve disputed issues quickly promotes accountability of the workers' compensation system to the taxpayers of Texas.

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.

- Improving designated doctor training and implementing effective recruitment strategies for designated doctors ensures that system participants have sufficient access to high quality medical opinions that will enhance the ability of parties in a dispute to resolve issues more quickly and accurately.
- Improving internal communication regarding quality of care enforcement referrals will also reduce waste by identifying enforcement violations earlier in the medical quality review process and ensuring that DWC has sufficient medical documentation to support the effective enforcement of any identified violations.

3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.

- A core function of DWC is to resolve disputes between parties in a timely and fair manner. Improved designated doctor access and training will enhance the ability of parties in a dispute to resolve issues more quickly and fairly since designated doctor opinions have presumptive weight by statute. DWC's efforts to review existing rules to identify areas that require substantive amendments coupled with DWC's efforts to perform medical quality reviews of health care providers helps DWC to continuously improve its efforts to expand access to quality health care and medical opinions for injured employees in Texas.

4. Providing excellent customer service.

- Improvements to the designated doctor program benefit internal and external customers. Expanded local training options and reduced costs attract more doctors to participate in the program. Having a strong medical quality review program also provides high quality customer service by ensuring that health care providers and insurance carrier doctors are providing quality health care and quality medical opinions to injured employees.

5. Transparent such that agency actions can be understood by any Texan.

- DWC will continue its efforts to solicit external feedback regarding possible changes to the designated doctor program, including rule amendments and changes to training curriculum. DWC will also continue to solicit feedback on its medical quality review audits, including topics for review and review methodology. Any amendments to agency rules, will also be posted both informally and formally for stakeholder comments.

Other Considerations Relevant to Goals and Action Plans:

- The House Committee on Business and Industry is currently reviewing an interim charge related to designated doctor training and regulation. DWC is coordinating with this committee to provide information and make recommendations that may result in possible legislative and rule changes related to this topic.
- The federal Centers for Medicare and Medicaid Services (CMS) is currently reviewing changes to its provider reimbursement structure with the goal of moving away from a fee-for-service reimbursement structure to one that emphasizes quality outcomes for patients. By statute, the reimbursement structure used for health care services in the workers' compensation system is based on Medicare so DWC is closely monitoring changes at the federal level to assess any potential impacts on workers' compensation fee guidelines, billing rules and legislative requirements.
- The Workers' Compensation Research and Evaluation Group's (REG) research conducts professional studies and research on a variety of workers' compensation topics as determined by the REG's adopted annual research agenda. The research agenda for FY 2016 includes an analysis of designated doctor examinations within the Texas workers' compensation system. The findings from this study may identify areas that DWC needs to address through regulatory changes or identify possible legislative changes. The REG also produces several statutorily required reports, including the annual network report card and the biennial report on the impact of the 2005 legislative reforms. The network report card, required by Insurance Code, Section 1305.502, compares medical costs, utilization of care, and quality of care outcomes for certified networks and non-network claims. The biennial report, required under Labor Code, Section 405.0025 and Insurance Code, Section 2053.012, analyzes the cost and quality of medical care provided to injured employees, as well as the affordability and availability of workers' compensation insurance to Texas employers pre- and post- legislative reforms.

Goal 5: Promote safe and healthy workplaces.

Specific Action Items:

1. Revise and implement formal training plans for consultants, inspectors, and trainers to ensure knowledge base and professional development. Target date: FY 2017.
2. Market Occupational Health and Safety Administration Consultation program (OSHCON) (safety consultation) services to employers on an ongoing basis through various channels, including conferences, trade show exhibits, industry meetings, other state and federal events, print media, and market analysis. Target date: FY 2017 and ongoing.
3. Provide OSHA 10-Hour Construction training to more areas of the state by partnering with educational institutions and industry groups who will host classes. Target date: FY 2017 and ongoing.
4. Develop formal marketing plan to promote OSHA 10-Hour Construction classes and on-site employer training options. Target date: FY 2017 and ongoing.
5. Encourage policyholder participation in the evaluation of insurance company accident prevention services. As staffing and workload allows, schedule programmed insurance company inspections in a manner that will facilitate a consistent number of opportunities to visit with policyholders each month, based on insurance companies' books of business and inspection sample sizes. Target date: FY 2017.

Support of Statewide Objectives:**1. *Accountable to tax and fee payers of Texas.***

- All related occupational injury and illness prevention programs and services are funded through a combination of state and federal funds and are required by state and federal law. The OSHCON program is funded 90 percent with federal funds from the U.S. Department of Labor, Occupational Safety and Health Administration (OSHA), and 10 percent with state funds. Other employer safety inspection activities are state-funded.
- Providing workplace safety services to as many employers who request them is an appropriate use of taxpayer money since reductions in occupational injuries, illnesses and fatalities help reduce the need for social service benefits, such as workers' compensation and Social Security Disability benefits and alleviate unnecessary disruptions in employer productivity and employees' wage earning capacity. Additionally, providing safety training to employees in a high-hazard industry like construction will help prevent injuries and illnesses, and subsequent direct and indirect costs of those incidents to employers and employees.

2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*

- Collaborating with other business and industry groups and educational institutions to secure training sites reduces the need to spend taxpayer funds on venue rental. Scheduling DWC safety inspections and employer consultations by geographic location results in more efficient use of travel funds. Improving and updating training materials reduces the need for follow up training and consultations and allows DWC to more efficiently target audiences who could benefit most from additional workplace safety training.

3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*

- Providing occupational safety and health consultations and inspections to employers, as well as training employees on safe work practices, are key to fulfilling the core function in the Texas Workers' Compensation Act to promote safe and healthy workplaces. These activities also directly contribute to one of DWC's key performance measures - the number of workplace safety consultations and inspections provided to employers.

4. *Providing excellent customer service.*

- DWC provides customers participating in these programs the opportunity to provide feedback about their experiences through emails, surveys and evaluation forms. Additionally, many of DWC's workplace safety education and outreach functions are voluntary, meaning the employer must agree to participate. In that respect, DWC's Workplace Safety program continuously strives to identify new emerging safety issues and be inclusive as possible to encourage employers to use these services regardless of whether employers carry workers' compensation insurance coverage or not.

5. *Transparent such that agency actions can be understood by any Texan.*

- DWC communicates employer and/or employee rights and responsibilities related to occupational safety and health during every OSHCON consultation and OSHA 10-Hour Construction training class, and makes related educational materials and frequently asked questions available online or upon request.

Other Considerations Relevant to Goals and Action Plans:

- The number of workplace safety consultations, inspections, and training provided to employers and employees is dependent on voluntary participation. Additionally, there is clear distinction in the role that the federal OSHA program plays in terms of monitoring and enforcing the federal Occupational Health and Safety Act against employers and the role DWC plays in providing education, outreach and safety consultation services to employers to reduce their incidence of occupational injuries, illnesses and fatalities. DWC does not have the regulatory authority to fine employers for unsafe workplaces; however, DWC does collaborate with the U.S. Department of Labor, Bureau of Labor Statistics and OSHA to collect data regarding fatal and non-fatal occupational injuries and illnesses.

Goal 6: Identify and investigate workers' compensation fraud.

Specific Action Items:

1. Transferred workers' compensation fraud investigators from insurance operations to DWC in order to consolidate existing resources and increase compliance efforts to combat workers' compensation fraud. Target date: complete.
2. Enhance methods for identifying and investigating potential workers' compensation fraud by increasing the use of data analytics and other best practices. Target date: FY 2017 and ongoing.
3. Ensure, statewide, the continuing successful prosecution of workers' compensation fraud including use of a dedicated workers' compensation fraud prosecutor. Target date: FY 2017.

Support of Statewide Objectives:

1. *Accountable to tax and fee payers of Texas.*
 - The transfer of workers' compensation fraud investigators to DWC ensures DWC's ability to investigate and pursue fraud in the system. Workers' compensation fraud impacts all system participants through higher insurance premiums and as a result, higher costs of goods. Workers' compensation fraud also adversely impacts the public's perception of the administration of the workers' compensation system. This can affect the agency's ability to secure adequate funds to monitor compliance with the Workers' Compensation Act and ensure that injured employees receive timely and adequate benefits.
 - Ensuring the continued successful prosecution of workers' compensation fraud statewide, including the use of a dedicated workers' compensation fraud prosecutor, will facilitate of the proper payment of benefits within the workers' compensation system by ensuring that these cases remain a priority for prosecutors.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*
 - Transferring workers' compensation fraud investigators from insurance operations to DWC ensures that workers' compensation fraud investigations remain a priority and are investigated by experienced investigators. Transferring fraud resources to DWC also creates efficiencies by allowing DWC to leverage its existing monitoring and enforcement resources.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*
 - A core function of DWC is to regulate the workers' compensation system and "promptly detect and appropriately address acts or practices of noncompliance." This includes

proactive monitoring and enforcement of potential noncompliance, as well as the identification and investigation of workers' compensation fraud.

4. *Providing excellent customer service.*

- Transferring workers' compensation fraud investigators from insurance operations to DWC helps Texans understand that there are dedicated resources assigned to this important issue. It also ensures customers that fraud referrals will be investigated by staff who are knowledgeable about the workers' compensation system. Additionally, it allows DWC to more closely align its existing resources dedicated to monitoring and enforcing noncompliance with resources dedicated to detecting and deterring fraud.

5. *Transparent such that agency actions can be understood by any Texan.*

- Transferring workers' compensation fraud investigators from insurance operations to DWC will assure Texans that DWC is committed to identifying and reducing workers' compensation fraud in Texas.

Goal 7: Improve efficiencies to reduce costs and improve timeliness of claim resolution.

Specific Action Items:

1. Convert all paper claim files stored at the Records Retention Center to electronic format and vacate the center. Target date: FY 2018.
2. Increase the use of online DWC forms to allow system participants the option to submit these forms and receive verifications of receipt electronically by completing a project that will allow DWC to use secure file transfer (SFTP), fax back receipt, and online forms. This will reduce the amount of paper forms DWC receives, processes, and stores. Target date: FY 2017.
3. Implement electronic document processing by automating the movement of document images within network folders. Current projects include electronic processing of records requests (DWC Forms 153, 155, and 156). Target date: FY 2017.
4. Eliminate duplicate and unnecessary reporting requirements. Target date: FY 2017.

Support of Statewide Objectives:

1. *Accountable to tax and fee payers of Texas.*
 - DWC's efforts to increase internal efficiencies through the use of technology helps to support the legislature's intent in Labor Code, Section 402.021 that the workers' compensation system shall "take maximum advantage of technological advances to provide the highest levels of service possible to system participants." DWC's efforts to reduce paper, increase electronic filings of forms and to streamline the process for handling telephone inquiries regarding official actions on claims support this legislative intent.
 - Savings achieved by eliminating the need for the DWC's Records Retention Center and document storage at the Texas State Library will be reallocated to defray rent escalations projected for the DWC field offices.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*
 - The fax back receipt process eliminates the need for system participants to obtain manually "date-stamped" paper copies from DWC staff to prove timely receipt by DWC. Additionally, the ability to receive DWC forms and other claim records electronically reduces the need to scan or data enter paper forms into DWC's claim system.

- The creation of the new telephone status queue for official action inquiries can be implemented using current IT resources.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*
- Electronic filing of DWC forms or claim records by system participants using secure file transfer enables DWC to automatically detect document types and automate file movement for true paperless processing, streamlining workflows and processing times. As a result, DWC will be able to process records requests and official actions quicker and more efficiently. This helps to support DWC’s core administration and dispute resolution functions.
- These efforts also allow for continuous improvement of services provided by DWC and further aides the claims process. Utilizing dedicated staff to address telephone inquiries regarding official actions also frees up more experienced staff in DWC field offices to address more complex claims issues.
4. *Providing excellent customer service.*
- These efforts would decrease call wait times, expedite customer service and claims, and provide DWC with increased feedback from the customer. Additionally, system participants using electronic document submission methods receive instant acknowledgment that DWC has received their filing.
5. *Transparent such that agency actions can be understood by any Texan.*
- As technology changes occur that impact methods of electronic delivery and receipt, DWC will coordinate changes with external participants and adapt internal processes to increase the accuracy, efficiency and speed of transactions.

Goal 8: Encourage the safe and timely return of injured employees to productive roles in the workplace.

Specific Action Items:

1. Facilitate a new data exchange agreement with the Department of Assistive and Rehabilitative Services (DARS) and provide workers’ compensation training to DARS caseworkers to assist them in their efforts to provide vocational rehabilitation services to injured employees. Target date is FY 2017 with ongoing implementation beyond.
2. Continue monitoring the quality of work status reports (i.e., DWC Form 73) for treating doctors and referral doctors through performance based oversight and audits conducted by the Office of the Medical Advisor to ensure that doctors have sufficient medical documentation when taking an injured employee off of work. Target date: FY 2017.
3. Continue providing outreach and education to Texas employers on the importance of developing a written return-to-work program and create a strategy to provide training to health care providers and insurance adjusters on how to effectively communicate with injured employees and employers regarding return-to-work issues. Target date: FY 2017.
4. Update return-to-work estimates using Texas Workforce Commission data and renew data sharing agreement with the Texas Workforce Commission to prevent any lapses in data accessibility. Target date: FY 2017 with ongoing update of return-to-work estimates on an annual basis.

Support of Statewide Objectives:

1. *Accountable to tax and fee payers of Texas.*

- A key legislative goal for the workers' compensation system is to ensure that injured employees receive services to "facilitate the employee's return to employment as soon as it is considered safe and appropriate by the employee's health care provider."
 - This goal increases accountability to Texas taxpayers as further described below.
 - Bringing injured employees back to work as quickly and safely as possible promotes increased productivity for employers who do not have to hire and train new staff and reduces an employee's loss of wage earning capacity as a result of a work-related injury.
 - Better return-to-work outcomes help lower insurance rates for employers and reduce employees' dependence on social benefit systems, such as workers' compensation, unemployment insurance, and Social Security Disability.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*
- DWC collaborates with other state agencies that have complimentary missions to assist employees to return to work, such as DARS and the Texas Workforce Commission, by sharing data and participating in joint education and outreach efforts. As a result, DWC is able to maximize its resources to reach as many employers and employees as possible to talk about the importance of returning to work after an injury.
 - Additionally, DWC is always looking for ways to use other outreach efforts, such as workplace safety consultations or discussions with health care providers about medical billing issues, to also discuss the importance of bringing an injured employee back as quickly and safely as possible.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*
- One of DWC's statutory requirements is to provide education on best practices for return-to-work programs and workplace safety. DWC is also charged statutorily with collecting information about return-to-work outcomes and to identify those employees that DWC determines would be materially assisted by vocational rehabilitation training by DARS or a private vocational rehabilitation provider. One of DWC's performance measures includes the number of income benefit recipients that are referred to DARS for vocational rehabilitation services.
- Over the past 10 years, return-to-work rates for injured employees in Texas have improved and injured employees are off work fewer days. This has resulted in fewer weeks of income benefits paid and is one of the factors that has led to more than a 50 percent reduction in workers' compensation insurance rates since 2005.
4. *Providing excellent customer service.*
- Providing workers' compensation training to DARS staff helps provide excellent customer service to those injured employees who apply for DARS' services because it assists DARS' caseworkers to better assess applications for vocational rehabilitation services from injured employees. Data sharing between DWC, DARS and the Texas Workforce Commission helps to reduce unnecessary requests for information and provides DWC with important employer and wage information, while allowing those agencies to utilize workers' compensation data for unemployment fraud detection purposes and to provide outreach to those injured employees who may benefit most from DARS' services. Additionally, tracking return-to-work estimates allows DWC, the legislature and system participants to gauge an important measure of success in the Texas workers' compensation system.
5. *Transparent such that agency actions can be understood by any Texan.*

- DWC will continue its efforts to solicit external feedback regarding any health care provider audits conducted by the Office of the Medical Advisor focused on return-to-work issues. The REG will also continue to publish annual return-to-work estimates using data obtained from the Texas Workforce Commission to measure how successful the Texas workers' compensation system is in returning injured employees to the workforce.

Other Considerations Relevant to Goals and Action Plans:

- As of September 1, 2016, DARS programs will transition to the Texas Workforce Commission. DWC is currently in the process of executing a new data sharing agreement with DARS and will be working to update an existing data sharing agreement with the Texas Workforce Commission in 2017. Currently TDI has three separate data sharing agreements with the Texas Workforce Commission: one for DWC, one for the TDI Fraud Unit and one for the REG. All of these agreements will need to be renewed in FY 2017. There may be a need to keep these agreements separate or consider merging them into one agreement.
- Additionally, there may be legislative efforts to expand the types of health care providers (e.g., nurse practitioners and physician assistants) who can perform and/or sign work status reports for injured employees (currently only a doctor, like the employee's treating doctor, DWC's designated doctor or the insurance carrier's doctor may sign these forms).

C. AGENCYWIDE OPERATIONAL GOAL AND ACTION PLANS

Goal: Bolster the efficiency and effectiveness of TDI's operational and management support.

Core Functions:

- Improving core business processes
- Ensuring strong financial stewardship
- Enhancing enterprise risk management
- Developing a more skilled and satisfied workforce
- Improving tools and technology

Specific Action Items:

1. Develop and implement an enhanced information technology strategy that helps agency leadership be well-positioned and prepared to address future technology needs. Target date: FY 2019.
2. Modernize revenue processing by accepting electronic payments for all types of revenue. Target date: FY 2019.
3. Make it easier for Texans to get information and answers to their questions about insurance, workers' compensation, and activities of the State Fire Marshal's Office by redesigning the agency's website to make it easier to find information and improve the overall content with a new homepage and key landing pages. Target date: FY 2017.
4. Enhance TDI's operational efficiency through enhancements to TDI's enterprise system called Sircon for the States. Target date: FY 2018.
5. Develop and retain staff by linking individual performance goals to division and agency goals, conducting analysis on compensation for certain positions, providing opportunities for career growth and development, and providing managers with additional tools to motivate employees through stay interviews, mentoring, and training opportunities. Target date: FY 2017.

6. Implement Centralized Accounting and Payroll/Personnel System (CAPPS) for Human Resources. Target date: FY 2017.
7. Implement a modern and centralized open records request and tracking system. Target date: FY 2017.

Support of Statewide Objectives:

1. *Accountable to tax and fee payers of Texas.*
 - TDI strives to be accountable to tax and fee payers of Texas by providing efficient and effective operations. Regular internal audits provide an independent and objective review of the risks facing the agency, and the assess effectiveness of controls for processes, activities, and systems.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*
 - TDI consistently improves processes to make operations more efficient by ensuring resources are focused on efforts that achieve maximum results. Making information easier to access online helps reduce the number of calls to the agency allowing staff to focus on more complex issues.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*
 - TDI uses the balanced scorecard to ensure the agency effectively fulfills core functions by measuring performance, holding quarterly review meetings with management, and working on initiatives to continuously.
4. *Providing excellent customer service.*
 - TDI strives to provide excellent customer service by improving processes, automation, and access such as revenue processing and open records tracking. As part of the agency's compact with Texans, TDI pledges to provide high quality services to all of the agency's customers. Each biennium, TDI surveys its customers to better understand customer satisfaction. Management uses the results to identify and implement improvements.
5. *Transparent such that agency actions can be understood by any Texan.*
 - TDI is working to provide increased transparency by making information more accessible and easy to read. The agency posts commissioner orders, bulletins, and rules online. Increasing access to information will help Texans understand the resources available to help them with insurance and workers' compensation issues.

Other Considerations Relevant to Goals and Action Plans:

- **Technology**
Effective regulation requires the right tools and TDI is working to modernize its legacy systems. The challenge is to upgrade old, obsolete, or inefficient hardware and software while maintaining reliable and secure services to perform core regulatory function.

REDUNDANCIES AND IMPEDIMENTS

A. INSURANCE OPERATIONS

Service, Statute or Rule or regulation (Provide specific citation, if applicable)	Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency operations	Provide Agency Recommendation for Modification or Elimination (if modification, explain)	Describe Estimated Cost Savings or Other Benefit Associated with Recommended Change
<p>Texas Transportation Code, Chapter 601, Subchapter N – Financial Responsibility Verification Program (TexasSure Vehicle Insurance Verification).</p> <p>The program is used by the Texas Department of Public Safety (TxDPS) and Texas Department of Motor Vehicles (TxDMV) to determine if vehicles are covered by automobile liability insurance.</p>	<p>The current law designates TDI as the lead agency, giving primary responsibility for contract administration with a private vendor and program operations. However, TDI is not an end-user of the program and does not provide data for the program. The program requires significant input from DPS and TxDMV to ensure the system meets their technical requirements.</p>	<p>Amend Texas Transportation Code Chapter 601, Subchapter N to designate TxDMV or DPS as the lead agency. Both TxDMV and TxDPS are required by the Texas Transportation Code to verify financial responsibility.</p>	<p>No direct cost savings since the appropriated funds are used for the third-party agent contracted to run the program. However, this change will lead to efficiencies in program operations because the lead agency will be an end-user and have a direct link to the technical knowledge and infrastructure impacted by the program.</p>
<p>Texas Insurance Code Chapter 1501, Subchapter G – Texas Health Reinsurance System</p> <p>The Texas Health Reinsurance System (System) was originally established to provide reinsurance capacity for insurance companies that offer small group health insurance policies</p>	<p>The System has had no substantive operations in number of years. (The last risk reinsured by the system was removed in July of 2012.) The System currently provides no benefits to the marketplace. However, the System has continued to incur administrative costs of over \$30,000 per year. Additionally, the System’s board must continue to meet periodically and perform administrative functions, such as producing annual reports.</p>	<p>Repeal TIC Chapter 1501, Subchapter G or amend the statute to permit the commissioner to close the System until a need arises.</p>	<p>This recommendation would save an estimated \$30,000 per year in administrative expenses for the System.</p>
<p>Texas Occupations Code Chapter 2151 – Amusement Ride Safety Inspection and Insurance Act</p>	<p>TDI has no authority or resources to conduct inspections of amusement rides. TDI’s responsibility is limited to verifying</p>	<p>Amend Occupations Code Chapter 2151, to transfer amusement ride regulation to the Texas Department of Licensing and</p>	<p>This change will create administrative efficiencies by putting like functions together under the same agency.</p>

Service, Statute or Rule or regulation (Provide specific citation, if applicable)	Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency operations	Provide Agency Recommendation for Modification or Elimination (if modification, explain)	Describe Estimated Cost Savings or Other Benefit Associated with Recommended Change
The Act requires that certain amusement rides be inspected by insurers, and that evidence of insurance be filed with TDI.	insurance coverage. The ultimate enforcement authority lies with the Attorney General’s Office and local law enforcement officials, and it is up to law enforcement’s discretion to charge owners or operators with a Class B misdemeanor if they are found operating a noncompliant amusement ride.	Regulation (TDLR) and provide TDLR with inspection authority. TDLR licenses and regulates a wide variety of businesses, professionals, individuals, industries, facilities, equipment, and occupations. The agency is better suited to regulating the amusement ride industry.	
Texas Insurance Code Chapter 4053 – Managing General Agents. The Act regulates the activities of a special type of insurance agent called a Managing General Agent (MGA) that has special authorities to act on behalf of insurers. Because of their broad authorities, MGA’s are subject to additional regulatory requirements.	Insurers and certain other entities are subject to on-site examinations by TDI, which are conducted under laws that (1) provide express confidentiality, and (2) allow the entity that was examined to appeal TDI’s findings. Chapter 4053, however, does not provide for the confidentiality of TDI examinations conducted on MGAs.	Amend TIC Chapter 4053 to include confidentiality language similar for MGAs similar to that which applies to other entities, such as the language found in Texas Insurance Code Chapter and 751.	Provides MGAs examined under the authority to Chapter 4053 the same confidentiality protections provided to insurance companies examined under the authority of Texas Insurance Code Chapter 751.

B. WORKERS’ COMPENSATION

Service, Statue or Rule or regulations (Provide specific citation, if applicable)	Describe why the Service, Statue, Rule or Regulations is Resulting in Inefficient or Ineffective Agency operations	Provide Agency Recommendation for Modification or Elimination (if modification, explain)	Describe Estimated Cost Savings or other Benefits Associated with Recommended Change

<p>DWC does not have clear statutory authority to require that treating doctors in the system provide written causation reports to aid in resolving extent-of-injury disputes.</p>	<p>Lack of clear statutory authority to require these medical opinions when they are necessary to resolve certain disputes impedes injured employees' ability to participate meaningfully in the dispute resolution process.</p>	<p>Clarify that treating doctors in the system must provide a written causation statement when appropriately requested in order to aid in resolving extent-of-injury disputes.</p>	<p>Benefit: Improved compliance with the statutory goal that "each injured employee shall have access to a fair and accessible dispute resolution process." Labor Code Section 402.021(a)(3).</p>
<p>Labor Code, Section 408.0041 does not currently require treating doctors to provide an alternate certification of the date of maximum medical improvement or the impairment rating at the request of the injured employee.</p>	<p>Lack of clear statutory authority to require these activities impedes injured employees' ability to participate meaningfully in the dispute resolution process if there is a dispute regarding the injured employee's date of maximum medical improvement or impairment rating.</p>	<p>Clarify that treating doctors in the system must provide an alternate certification of impairment rating when appropriately requested by the injured employee to aid in resolving disputes over the date of maximum medical improvement and the appropriate impairments rating.</p>	<p>Benefit: Improved compliance with the statutory goal that "each injured employee shall have access to a fair and accessible dispute resolution process." Labor Code Section 402.021(a)(3).</p>
<p>Labor Code, Section 408.1225 requires designated doctors to be certified by DWC, but DWC does not have clear statutory authority to regulate administrative service companies used by these designated doctors.</p>	<p>Designated doctors serve a specific statutory role to provide objective medical opinions on selected issues in order to informally resolve certain claim disputes. Lack of clear statutory authority to regulate administrative service companies is problematic for DWC since these companies are often involved in scheduling designated doctor appointments, handling and transporting injured employee medical records, and billing insurance carriers for reimbursement of designated doctor examinations. Often, compliance issues</p>	<p>Clarify that administrative service companies used by designated doctors must comply with the statute and DWC rules and are subject to administrative penalties and sanctions in accordance with Labor Code, Chapter 415.</p>	<p>Benefit: Improved compliance with the statutory goal to "promptly detect and appropriately address acts or practices of noncompliance." Labor Code Section 402.021 (b)(7).</p>

	identified by DWC involve an administrative service company's lack of adherence to the statute and rules, rather than a compliance issue with the designated doctor directly.		
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A. 2018-19 BUDGET STRUCTURE

AGENCY GOALS

- Goal 1. Promote Consumer Access to Affordable Insurance Products Within a Fair Market
- Goal 2. Promote Financial Strength of the Insurance Industry
- Goal 3. Reduce Loss of Life & Property Due to Fire
- Goal 4. Effectively Regulate the Texas Workers' Compensation System
- Goal 5. Indirect Administration
- Goal 6. Regulatory Response

OBJECTIVES AND STRATEGIES

- 1.1 Provide insurance consumers with meaningful information
 - 1-1-1 Educate Consumers and the Industry by Providing Outreach and Information
- 1.2 Reduce unfair and illegal insurer practices
 - 1-2-1 Respond Promptly and Act on Complaints
 - 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed
 - 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution
 - 1-2-4 Investigate Workers' Compensation Fraud and Refer Violations for Prosecution
- 1.3 Reduce impediments to competition and improve insurance availability
 - 1-3-1 Process Rates, Forms and Licenses Promptly
 - 1-3-2 Support Texas.Gov
 - 1-3-3 Regulate Private Employers that Qualify to Self-Insure within the Workers' Compensation System
- 1.4 Administer innovative insurance initiatives
 - 1-4-1 Administer Three-Share Grant Program
- 1.5 Assure loss control services and windstorm inspections
 - 1-5-1 Inspect Loss Control Programs and Assure Code and Schedule Compliance
- 2.1 Regulate insurance industry solvency
 - 2-1-1 Analyze the financial condition of insurers and take solvency action
- 3.1 Protect the public from loss of life and property due to fire
 - 3-1-1 Provide Fire Prevention through Education, Enforcement of Regulations, and Engineering
- 4.1 Ensure appropriate delivery of workers' compensation benefits
 - 4-1-1 Oversee Activities of System Participants and Take Enforcement Action
 - 4-1-2 Resolve Indemnity, Medical Fee, and Medical Necessity Disputes
 - 4-1-3 Administer Subsequent Injury Fund
- 4.2 Ensure workers' compensation system participants are educated and informed
 - 4-2-1 Provide Educational Services and Workplace Safety Consultations to System Participants
 - 4-2-2 Provide Customer Assistance and Records Administration Services for System Participants
- 5.1 Indirect Administration
 - 5-1-1 Central Administration

6.1 Regulatory Response

6-1-1 Contingency Regulatory Response

B. PERFORMANCE MEASURE DEFINITIONS

1.1. oc 1	Percent of calls answered by the TDI Consumer Help Line call center
Short Definition	The call capture rate for calls answered by the Consumer Help Line is the percent of calls answered by Consumer Help Line staff.
Purpose/Importance	The percentage of calls answered by Consumer Help Line staff is a call center industry standard measurement of customer service. TDI educates consumers through phone calls.
Source/Collection	Incoming and answered telephone calls are tracked by the agency’s telephone system. Incoming calls are routed to an Automated Call Distribution (ACD) queue that is available to be answered by a staff member; an answered call is one that was routed to an ACD queue then answered by a Consumer Help Line staff member.
Method of Calculation	The total number of telephone calls answered by the Consumer Help Line staff divided by the total number of incoming telephone calls during the reporting period.
Data Limitations	If the network server that captures call data goes down and a daily calls answered/incoming calls report is not available or incomplete, then that day’s total calls answered/incoming will be calculated by averaging the previous and succeeding days’ number of calls answered/incoming reports.
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than target
1.1.1 op 1	Number of inquiries answered
Short Definition	The number of inquiries through telephone calls or written requests that are answered by Consumer Protection, and Internet hits that occur on the Texas Department of Insurance’s (TDI) practice and complaints company inquiry (PCCI) “Search for a Company Profile” (pcci.search) web page. An inquiry is a request for insurance information received from an external customer during business hours. Customers include individual consumers, business consumers, regulated entities, state agencies, and legislators.
Purpose/Importance	To measure the number of inquiries answered, including telephone calls, written requests and PCCI Internet hits. TDI educates consumers through phone calls, correspondence and information on the TDI website, which fosters competition in the market.
Source/Collection	Telephone inquiries are taken by Consumer Protection call center staff. Telephone inquiries are tracked by reports generated by the agency’s telephone system. Written inquiries are entered into an agency database and coded as an inquiry only. A written inquiry is closed when staff determine that they provided in writing the information deemed appropriate. PCCI hits are tracked using an internet web server statistics report.

Method of Calculation	The sum of: the total number of telephone inquiries answered; the total number of written inquiries closed in the agency database; and the total number of PCCI hits during the reporting period. Written inquiries are dynamic data: a question from a consumer may be counted as an inquiry in one quarter then become a complaint in the following quarter. As a result, the year-end total of written inquiries answered is a snapshot rather than the sum of the four quarterly figures
Data Limitations	If the network server that captures call data goes down and a daily calls answered report is not available or incomplete, then that day's total calls answered will be estimated by averaging the previous and succeeding day's number of calls answered reports.
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than target
1.1.1 op 2	Number of consumer information presentations made
Short Definition	The sum of all presentations coordinated by the Texas Department of Insurance (TDI) Speakers Bureau that TDI staff make to consumers and other external customer groups.
Purpose/Importance	To measure the sum of all presentations coordinated by the TDI Speakers Bureau that TDI staff make to educate and inform external customer groups. TDI educates consumers through presentations, which fosters competition in the market.
Source/Collection	The source of the data is the file for each presentation and the monthly Speakers Bureau report. A presentation is any event where TDI staff educates agency customers on insurance matters using one or more of the following methods of communication: speeches, training, exhibits, seminars, and teleconferences. External customers include individual consumers, business consumers, regulated entities, state agencies, and legislators. A presentation counts as "one" though it may include more than one of the methods of communication listed above and regardless of the number of staff involved in a given event.
Method of Calculation	The sum of all presentations coordinated by the TDI Speakers Bureau that TDI staff makes to external customer groups during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target
1.2. oc 1	Percent of enforcement cases concluded within 365 days
Short Definition	The percent of enforcement cases concluded with action within 365 days. Actions are orders resulting from hearings at the State Office of Administrative Hearings, orders issued without a hearing and warning letters. This excludes continuing education violations.
Purpose/Importance	To measure timeliness of resolution of cases that merit action.
Source/Collection	The source of the data is an agency database. The enforcement case is concluded on the date the case is closed in the database.
Method of Calculation	The number of enforcement cases, excluding continuing education, concluded with action within or equal to 365 days from the case pending date divided by the total number of enforcement cases concluded with action.

Data Limitations	None
Calculation Type	Non-Cumulative
New Measure	No
Desired Performance	Higher than target
1.2. oc 2 Average number of dollars returned to consumers, per complaint	
Short Definition	The total dollar amount of claim payments and premium refunds returned to the consumer through complaint resolution by the Texas Department of Insurance (TDI) Consumer Protection program divided by the number of complaints resolved.
Purpose/Importance	To measure the average dollar amount returned to consumers through complaint resolution. TDI is directed by statute to facilitate the resolution of consumer complaints and assist consumers in recovering valid claims.
Source/Collection	The claim payments and amounts of premium refund obtained through staff intervention are tracked in an agency database. Claim payments amounts are the additional amount above what was originally offered to the consumer before TDI staff intervention. Premium refunds are amounts of premiums previously paid that are refunded as a result of TDI staff intervention. Complaints are tracked in an agency database. The source of the data is quarterly and annual reports. Complaints that are referred to other entities having primary responsibility for the subject are not included in this measure. The complaint is resolved when staff have closed the complaint in the database. To close a complaint, staff must exhaust all actions deemed appropriate to resolve the complaint and have sent the complainant a letter explaining the final disposition of the complaint. Anonymous complaints will have a memo to file instead of a letter to a complainant.
Method of Calculation	The total dollar amount of claim payments and premium refunds returned to the consumer through complaint resolution by the Texas Department of Insurance (TDI) Consumer Protection program divided by the number of complaints resolved.
Data Limitations	None
Calculation Type	Non-Cumulative
New Measure	No
Desired Performance	Higher than target
1.2. oc 3 Percent of insurance related fraud reports investigated and resolved	
Short Definition	The percentage of insurance fraud-related reports investigated and resolved. Insurance fraud occurs when a person provides false or misleading information with the intent to defraud or deceive an insurer while engaging in the business of insurance or to an insurance related transaction. An investigation performed by the Fraud Section of the TDI may be referred to as a case. An investigation is resolved when it is brought to one of the following conclusions; the matter is referred to a criminal prosecutor for legal action or the allegations have been disproven and the matter is closed with no further action. In other investigations, some factor precludes the possibility of criminal prosecution, but the allegations may warrant some type of civil action, so information would then be turned over to the appropriate regulatory body. The final conclusion pertains to matters that may be referred to another law enforcement agency.
Purpose/Importance	To measure the quality of insurance-related fraud reports investigated and resolved.

Source/Collection	The source of data is the Fraud Section's case management system. When an investigation is resolved, a notation is made in the system to indicate the nature of resolution.
Method of Calculation	The number of investigations, made identifiable by their unique case numbers, that are resolved during the reporting period, divided by the total number of reports submitted to the Fraud Section during the reporting period.
Data Limitations	An investigation that is initially referred to a criminal prosecutor may be declined for prosecution due to some unforeseen circumstance. In such instances, the calculation would be limited to the first resolution. In many instances, the investigation will not be resolved in the same fiscal year in which it was initiated. Variance in the number of resolutions may result in calculation of a percentage that reflects the agency's performance over multiple fiscal years.
Calculation Type	Non-Cumulative
New Measure	No
Desired Performance	Higher than target
1.2. oc 4 Percent of workers' compensation insurance related fraud reports investigated and resolved	
Short Definition	The percentage of workers' comp. ins. related reports investigated and resolved. Workers' comp. ins. fraud occurs when a person with intent to defraud or deceive an insurer in support of a claim or application for an insurance policy prepares or causes to be prepared a statement that contains false or misleading material information and is presented to an insurer or presents or causes to be presented to an insurer, a statement that the person knows contains false or misleading material information. An investigation is resolved when the matter is referred to a criminal prosecutor for legal action, the allegations have been disproven and the matter is closed or may warrant some type of civil action, so information would then be turned over to the appropriate regulatory body, or the matter is referred to another law enforcement agency.
Purpose/Importance	To measure workers' compensation fraud reports investigated and resolved.
Source/Collection	The source of data is the Fraud Section's case management system. When an investigation is resolved, a notation is made in the system to indicate the nature of resolution.
Method of Calculation	The number of investigations, made identifiable by their unique case numbers, that are resolved during the reporting period, divided by the total number of workers' compensation insurance related fraud reports submitted to the Fraud Section during the reporting period.
Data Limitations	An investigation that is initially referred to a criminal prosecutor may be declined for prosecution due to some unforeseen circumstance. In such instances, the calculation would be limited to the first resolution. In many instances, the investigation will not be resolved in the same fiscal year in which it was initiated. Variance in the number of resolutions may result in calculation of a percentage that reflects the agency's performance over multiple fiscal years.
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than target
1.2.1 ef 1 Average response time (in days) to complaints	
Short Definition	The number of days from the date a complaint is received in writing at the Texas Department of Insurance (TDI) to the date complaint action is concluded,

Purpose/Importance	summed for all written complaints, divided by the number of complaint actions concluded. A complaint is a written communication primarily expressing a grievance. This definition of a complaint comes from Texas Insurance Code Section 542.005 (a).
Source/Collection	To measure the efficiency of TDI's complaints resolution process.
Method of Calculation	The source of the data is a report from an agency database. The date a complaint is received is the earliest date stamped by TDI staff on the written complaint. The date action is concluded is the date staff closed the complaint in the agency database. The closed date will be after staff have determined that they have exhausted actions they deem appropriate to resolve the complaint and have sent the complainant a letter explaining the final disposition of the complaint.
Data Limitations	The sum of the total number of days to resolve complaints divided by the number of complaints resolved during the reporting period.
Calculation Type	Anonymous complaints will have a memo to file instead of a letter to the complainant. If a complaint is re-opened, the lapsed time between a closure date and a reopen date is not included in the calculation. If there is no date stamp, the date on the complainant's letter will be the starting date.
New Measure	Non-cumulative
Desired Performance	No
	Lower than target

1.2.1 op 1 **Number of complaints resolved**

Short Definition	The number of written communications primarily expressing a grievance which have been resolved. This definition of complaint comes from Texas Insurance Code Section 542.005 (a).
Purpose/Importance	To measure the number of written communications primarily expressing a grievance which have been resolved. This measure does not include complaints against HMOs.
Source/Collection	Complaints are tracked in an agency database. The source of the data is quarterly and annual reports. Complaints that are referred to other entities having primary responsibility for the subject are not included in this measure. This measure does not include HMO complaints; these are reported in Number of complaints against HMOs resolved. The complaint is resolved when staff have closed the complaint in the database. To close a complaint, staff must exhaust all actions deemed appropriate to resolve the complaint and have sent the complainant a letter explaining the final disposition of the complaint. Anonymous complaints will have a memo to file instead of a letter to a complainant.
Method of Calculation	The sum of complaint records coded as a justified complaint or unjustified complaint for the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target

1.2.2 op1 **Number of quality assurance examinations conducted**

Short Definition	This measure monitors all completed quality assurance (QA) examinations conducted to determine if entities are in compliance with statutes and regulations. Exams are performed by conducting desk reviews and on-site
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	reviews of materials required to be submitted to the Texas Department of Insurance (TDI).
Purpose/Importance	To measure the number of examinations conducted by the Managed Care Quality Assurance (MCQA) Office to ensure compliance statutes and regulations to protect the citizens of Texas.
Source/Collection	Examination are considered complete by using the date on the examination closing letter. Information is entered and maintained in agency automated system.
Method of Calculation	The sum of the number of completed quality assurance examinations conducted during the reporting period.
Data Limitations	This measure does not include QA examinations that are 100 percent outsourced. Some exams included in this measure may be conducted jointly with the Financial Division and/or the Division of Workers' Compensation (DWC). However, the two other divisions have different scopes. Financial exams relate to solvency and market conduct. MCAQ conducts QA exams to review health care services provided to enrollees and business practices to assure they are consistent with reasonable standards of quality of care consistent with prevailing professionally recognized standards of medical practice. DWC exams relate to workers' compensation compliance guidelines. Therefore, each division includes these joint exams in calculating the number of exams conducted.
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target

1.2.3. ef 1 Percentage of Insurer Fraud Cases Resolved within 365 Days

Short Definition	Calculate the percentage of cases resolved for insurer fraud within 365 days
Purpose/Importance	To measure how efficiently insurer fraud cases are resolved.
Source/Collection	Insurer fraud occurs when a person provides false or misleading information with the intent to defraud or deceive an insurer while engaging in the business of insurance or to an insurance related transaction. An investigation performed by the Fraud Section of the Texas Department of Insurance may be referred to as a case. An investigation is resolved when it is brought to one of the following conclusions; the matter is referred to a criminal prosecutor for legal action or the allegations have been disproven and the matter is closed with no further action. In other investigations, some factor precludes the possibility of criminal prosecution, but the allegations may warrant some type of civil action, so information would then be turned over to the appropriate regulatory body. The final conclusion pertains to matters that may be referred to another law enforcement agency. Legal action includes the filing of a charging document (e.g., indictment, criminal complaint or information).
Method of Calculation	Calculate the percentage of cases resolved within 365 days. The sum of the number of insurer fraud cases resolved within 365 days or less, divided by the total number of insurer fraud cases resolved.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than target

1.2.3. ef 2 Percent of Consumer or Provider Fraud Cases Resolved within 365 Days	
Short Definition	Calculate the percentage of cases resolved for consumer or provider fraud case within 365 days.
Purpose/Importance	To measure how efficiently insurer fraud cases are resolved.
Source/Collection	A consumer (claimant) is an insured, beneficiary, 3rd party, or representative who has filed a claim and has received or is expecting payment or reimbursement from a claim. A provider is a person or entity providing goods or services for which reimbursement is sought under a policy of insurance. Consumer/provider fraud is a violation of any penal law and: a) is committed or attempted as a part of or in support of an insurance transaction; or b) is part of an attempt to defraud an insurer. An investigation is resolved when it is brought to one of the following conclusions; the matter is referred to a criminal prosecutor for legal action or the allegations have been disproven and the matter is closed with no further action. In other investigations, some factor precludes the possibility of criminal prosecution, but the allegations may warrant some type of civil action, so information would then be turned over to the appropriate regulatory body.
Method of Calculation	Calculate the percentage of cases resolved within 365 days. The sum of the number of consumer or provider fraud cases resolved within 365 days or less, divided by the total number of consumer or provider fraud cases resolved.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than target
1.2.3. ex 1 Number of Reports of Insurer Fraud Received	
Short Definition	Number of reports received by the Texas Department of Insurance (TDI) relating to persons or entities suspected of committing a fraudulent insurance act while engaged in the business of insurance.
Purpose/Importance	To measure the number of suspected insurer fraud activities in Texas.
Source/Collection	The source of the data is maintained in the Fraud Section's case management system. All reports of insurer fraud from any source will be entered into the Fraud Section's case management system and the total will be calculated by querying the system.
Method of Calculation	The sum of the number of suspected insurer fraud reports received by the Fraud Section during the reporting period.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Lower than target
1.2.3. ex 2 Number of Reports of Consumer and Provider Fraud Received	
Short Definition	The number of reports received at the Texas Department of Insurance (TDI) related to a suspected fraudulent claim or application for insurance, excluding workers' compensation insurance. A consumer (claimant) is an insured, beneficiary, third party, or representative who has filed a claim and has received or is expecting payment or reimbursement from a claim. A provider is a person or entity providing goods or services for which reimbursement is sought under a policy of insurance.

Purpose/Importance	To measure the number of suspected consumer and provider insurance fraud activities in Texas.
Source/Collection	The source of the data is maintained in the Fraud Section's case management system. All reports of consumer and provider fraud from any source will be entered into the Fraud Section's case management system and the total will be calculated by a query on that system.
Method of Calculation	The sum of the number of suspected consumer and provider insurance fraud reports received by the Fraud Section during the reporting period.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Lower than target
1.2.3 op 1 Number of investigations of suspected criminal activity related to insurance fraud resolved	
Short Definition	The number of insurance fraud-related reports investigated and resolved. Insurance fraud occurs when a person provides false or misleading information with the intent to defraud or deceive an insurer while engaging in the business of insurance or to an insurance related transaction. An investigation is resolved when it is brought to one of the following conclusions; the matter is referred to a criminal prosecutor for legal action or the allegations have been disproven and the matter is closed with no further action. In other investigations, some factor precludes the possibility of criminal prosecution, but the allegations may warrant some type of civil action, so information would then be turned over to the appropriate regulatory body. The final conclusion pertains to matters that may be referred to another law enforcement agency.
Purpose/Importance	To measure the success of investigations for offenses related to insurance fraud.
Source/Collection	The source of the data is maintained in the Fraud Section's case management system.
Method of Calculation	The number of investigations, made identifiable by their unique case numbers, that are resolved during the reporting period.
Data Limitations	An investigation that is initially referred to a criminal prosecutor may be declined for prosecution due to some unforeseen circumstance. In such instances, the calculation would be limited to the first resolution.
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target
1.2.4 ef 1 Percent of Workers' Compensation Fraud Cases Resolved within 365 Days	
Short Definition	Calculate the percentage of cases resolved for workers' compensation insurance fraud case within 365 days.
Purpose/Importance	To measure how efficiently workers' compensation insurance fraud cases are resolved.
Source/Collection	Workers' comp. ins. fraud occurs when a person with intent to defraud or deceive an insurer in support of a claim or application for an ins. policy prepares or causes to be prepared a statement that contains false or misleading material information and is presented to an insurer or presents or causes to be presented to an insurer, a statement that the person knows contains false or misleading material information. An investigation is resolved when it is brought to one of the following conclusions; the first being that enough information has been

	corroborated and the matter is referred to a criminal prosecutor for legal action. The second conclusion would include instances where the allegations have been disproven and the matter is closed with no further action. In other investigations, some factor precludes the possibility of criminal prosecution, but the allegations may warrant some type of civil action, so information would then be turned over to the appropriate regulatory body.
Method of Calculation	Calculate the percentage of workers' compensation insurance fraud cases resolved within 365 days. The sum of the number of workers' compensation insurance fraud cases resolved within 365 days or less, divided by the total number of workers' compensation insurance fraud cases resolved.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than Target

1.2.4 ex 1 Number of reports of workers' compensation insurance fraud received

Short Definition	The number of reports received by the Texas Department of Insurance (TDI) relating to suspected insurance fraud within the workers' compensation system.
Purpose/Importance	To measure the number of suspected workers' compensation insurance fraud activities in Texas.
Source/Collection	The source of the data is maintained in the Fraud Section's case management system. All reports of workers' compensation insurance fraud from any source will be entered into the Fraud Section's case management system and the total will be calculated by a query on that system.
Method of Calculation	The sum of the number of alleged workers' compensation insurance fraud reports received by the Fraud Section during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Lower than target

1.2.4 op 1 Number of investigations of suspected criminal activity related to workers' compensation insurance fraud resolved

Short Definition	The number of investigations of suspected criminal activity related to workers' compensation fraud investigated and resolved. A case is an investigation performed by the Fraud Unit of TDI. An investigation is resolved when brought to one of the following conclusions; the matter is referred to a criminal prosecutor for legal action; the allegations have been disproven and the matter is closed with no further action; some factor precludes the possibility of criminal prosecution, but the allegations may warrant some type of civil action, so information would then be turned over to the appropriate regulatory body; or the matter is referred to another law enforcement agency.
Purpose/Importance	To measure the success of workers' compensation insurance fraud investigations.
Source/Collection	The source of the data is maintained in the Fraud Section's case management system.
Method of Calculation	The number of investigations, made identifiable by their unique case numbers that are resolved during the reporting period.

Data Limitations	An investigation that is initially referred to a criminal prosecutor may be declined for prosecution due to some unforeseen circumstance. In such instances, the calculation would be limited to the first resolution.
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target
1.2.4 op 2 Number of Prosecutions for Workers' Comp Fraud Cases	
Short Definition	Workers' compensation insurance fraud occurs when a person with intent to defraud or deceive an insurer in support of a claim or application for an insurance policy prepares or causes to be prepared or presented a statement that contains false or misleading material information and is presented to an insurer or presents or causes to be presented to an insurer, a statement that the person knows contains false or misleading material information. A case is an investigation performed by the Fraud Unit of TDI. A referral is a fraud investigation of a penal law violation by a person or entity, concluded and submitted to a prosecutor. "Successful prosecution" is an action or proceeding instituted in a proper court resulting in a plea of guilty or no contest of one accused of a crime, regardless of whether the offense actually goes to trial. This includes deferred adjudication but does not include pre-trial diversion.
Purpose/Importance	To show the number of cases prosecuted for workers' compensation insurance fraud cases with successful outcomes.
Source/Collection	The source of the data is maintained in the Fraud Section's case management system. Fraud cases are assessed by any of the 254 counties in Texas or United States District Court and communicated back to the Fraud Section.
Method of Calculation	The number of workers' compensation insurance fraud cases that were successfully prosecuted during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target
1.3. oc 1 Percent of company, third party administrator, and premium finance license applications completed within 60 days	
Short Definition	The percent of company, third party administrator and premium finance license applications completed in 60 days or less.
Purpose/Importance	To ensure the timely processing of license applications for company, third party administrator, and premium finance, and the following post-licensure transactions: redomestications, mergers, and withdrawals.
Source/Collection	The data source is maintained on Excel spreadsheet tracking systems. Applications are for license, redomestication, merger, or withdrawal. Entities counted in this measure are insurers, health maintenance organizations, third party administrators and premium finance companies. The processing time begins on the date that all documentation and required fees have been received. The processing time is completed for company applications on 1) the date of the letter to the applicant which includes the Certificate of Authority and/or Commissioner's Order, or the date on the Memo to File if no Certificate of Authority or Commissioner's Order is issued, or 2) the date a No Action Letter is issued. The processing time is completed for third party administrator applications on the date of the Commissioner's Order or Letter. The processing

Method of Calculation	time is completed for premium finance applications on the effective date as indicated on the license. The sum of the number of company, third party administrator and premium finance license applications completed in 60 days or less, divided by the total number of license applications completed for these entities.
Data Limitations	None
Calculation Type	Non-Cumulative
New Measure	No
Desired Performance	Higher than target

1.3 oc 2 Percent of Agent and Adjuster License Filings Completed within 15 Days

Short Definition	The percent of agent and adjuster license filings completed within fifteen days of receipt. An agent and adjuster license filing is submitted for the issuance of a new license, renewal of an existing license, issuance or cancellation of an appointment, certification of a license or of records, issuance of a clearance letter, authorization of an address or name change of an agent or agency, Licensing Division Trade name Location (LDTL) processed, license cancellations by agents (due to, death, retirement, move to another state or other non-disciplinary cancellation), and continuing education provider applications, course submissions, exemptions, and extension requests.
Purpose/Importance	To ensure the timely processing of agent license filings.
Source/Collection	The starting date is the date a complete and correct filing is received by the Texas Department of Insurance (TDI). The “completed” date for filings is the process date assigned in the agent tracking system, the date the action pertaining to the record request is completed, or the date on the notification letter of approval or denial.
Method of Calculation	The sum of the number of agent and adjuster license filings completed within fifteen days of receipt divided by the total number of agent license filings completed during the reporting period.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than target

1.3. oc 3 Percent of Agent and Adjuster Applications Completed within 25 Days

Short Definition	The percent of agent and adjuster license applications completed within twenty-five days of receipt. An agent and adjuster application license is submitted for the issuance of a new license.
Purpose/Importance	To ensure the timely processing of agent and adjuster applications.
Source/Collection	The information needed to calculate this measure is maintained in a regulatory system. The starting date is the date an application filing including all information needed for TDI to determine whether an applicant meets Insurance Code and associated rule requirements, is received by the Texas Department of Insurance (TDI). The ending date is the date that TDI sends information to the applicant regarding whether an application has been approved or denied.
Method of Calculation	The sum of the number of agent and adjuster license application filings completed within twenty-five days of receipt divided by the total number of agent and adjuster license application filings completed during the reporting period.

Data Limitations	None
Calculation Type	Non-cumulative
New Measure	Yes
Desired Performance	Higher than target
1.3. oc 4 Percent of statutory rate and form filings completed within 90 days	
Short Definition	This measure monitors the number of rate and form filings that are completed by the Texas Department of Insurance (TDI) within 90 days of receipt of the filing.
Purpose/Importance	To ensure the timely processing of filings.
Source/Collection	Filings are tracked in an agency electronic database. A filing is a submission of rates or rating factors, forms, or other documents required by TDI for use by insurance carriers, viatical and life settlement entities, and HMOs to define the terms of coverage, develop rates, or transact the business of insurance. A filing is completed on the date final agency action is taken on the filing. Final action is defined as approval, disapproval, rejection, withdrawal, acceptance, deemed approved, closed, filed for information only or verification that a filing is exempt from review. A form filed to replace a previously approved form is counted as a separate filing. To count the number of days to complete a filing, begin on the date of the day after TDI receives the filing and end on the date of final TDI action
Method of Calculation	Within the reporting period, the total number of all filings completed by TDI within 90 days of receipt of the filing divided by the total number of filings completed.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than target
1.3. oc5 Percent of personal auto and residential property form filings completed in 60 days	
Short Definition	The percent of personal auto and residential property form filings completed by the Texas Department of Insurance (TDI) within 60 days of receipt.
Purpose/Importance	To ensure the timely processing of personal auto and residential property form filings.
Source/Collection	Filings are tracked in an electronic database and form filings are defined as both policy forms and endorsements. A form filing is completed on the date final action is taken on the filing. Final action is defined as receiving a final status code (including approval, disapproval, deemed approved, rejection, or withdrawal). A form filed to replace a previously approved form is counted as a separate filing. To count the number of days to complete a filing, begin on the date of the day after TDI receives the filing and end on the date of final TDI action.
Method of Calculation	Within the reporting period, the total number of personal automobile and residential property form filings completed by TDI within 60 days of receipt of the filing divided by the total number of personal automobile and residential property form filings completed.
Data Limitations	None
Calculation Type	Non-cumulative

New Measure	No
Desired Performance	Higher than target
1.3. oc 6	Percent of registered passenger vehicles in underserved markets with personal or commercial automobile liability insurance
Short Definition	Number of insured registered passenger vehicles as a percent of total registered passenger vehicles in underserved markets.
Purpose/Importance	To measure the percentage of total registered passenger vehicles which are covered by personal or commercial automobile liability insurance in underserved markets.
Source/Collection	The source of data for total registered passenger vehicles covered by personal or commercial automobile liability insurance is TexasSure Vehicle Insurance Verification, the Texas financial responsibility verification program. The source of data for registered passenger vehicles is the Texas Department of Motor Vehicles, as reported to the vendor for TexasSure Vehicle Insurance Verification. Underserved markets are those ZIP codes designated by the Commissioner as underserved, as required by Chapter 2151.153 of the Insurance Code, which provides that underserved geographic areas “shall be determined and designated by the Commissioner by rule.” Under Title 28 of the Texas Administrative Code, Section 5.206, the Commissioner is to categorize each ZIP code in the state into Category 0 through Category 4, to indicate the number of Texas Automobile Insurance Plan Association credits awarded an insurer for writing a vehicle in a given ZIP code.
Method of Calculation	The total number of registered passenger vehicles covered by personal or commercial automobile liability insurance in underserved markets divided by the total number of registered passenger vehicles in underserved markets at the end of the reporting period.
Data Limitations	The Commissioner may increase the category (and the attached credits) of a ZIP code at any time by rule, but may only decrease the category (and the attached credits) of a ZIP code three years after the initial designation, or at any time thereafter, with a minimum of one year’s notice. Data for passenger vehicles covered by commercial automobile liability insurance is an optional reporting element of TexasSure Vehicle Insurance Verification.
Calculation Type	Non-Cumulative
New Measure	No
Desired Performance	Higher than target
1.3. oc 7	Percent of Licensees Who Renew Online
Short Definition	The percent of agent licenses renewed on-line.
Purpose/Importance	To track the percentage of agent licenses renewed on-line.
Source/Collection	An agent license is renewed when the license's renewal invoice is paid in the agent license database. Agent licenses include: agents, adjusters, service representatives, counselors, reinsurance brokers and managers and risk managers. The agent license invoices renewed on-line are invoices for which the licensee or the licensee's representative submits payment electronically through a third-party system, including, but not limited to, TexasOnline, Sircon, and the National Insurance Producer Registry. The total number of agent license invoices renewed is invoices that are renewed on-line plus all renewals.
Method of Calculation	The sum of the number of agent licenses renewed on-line divided by the total number of agent licenses renewed during the reporting period.

Data Limitations	An agent may hold more than one license at the agency; therefore, for this measure, individual licenses are counted instead of the licensee to better reflect accurate activity at the agency.
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than target

1.3.1 op 1 **Number of Life and Health Filings Completed**

Short Definition	The number of life and health filings completed by the Texas Department of Insurance (TDI). A filing is a submission of rates, forms, or other documents relating to coverage and rates for use by insurance carriers, viatical and life settlement entities, and HMOs.
Purpose/Importance	To measure the number of life and health filings completed by TDI for the reporting period.
Source/Collection	Filings are tracked in an electronic database. A filing is a submission of rates or rating factors, forms, or other documents required by TDI for use by insurance carriers and/or viatical and life settlement entities to define the terms of coverage or to transact the business of insurance. This includes health maintenance organizations (HMOs) and approved non-profit health corporations (ANHC) form filings. A filing is completed on the date final agency action is taken on the filing. Final action is defined as approval, disapproval, rejection, withdrawal and verification that a form is exempt from review or filed for information only. A form filed to replace a previously approved form is counted as a separate filing.
Method of Calculation	The total number of life and health filings completed during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target

1.3.1 op 2 **Number of Property and Casualty Filings Completed**

Short Definition	The number of property and casualty filings completed by the Texas Department of Insurance (TDI). A filing is a submission of rates, policy forms, or other documents relating to coverage and rates.
Purpose/Importance	To measure the number of property and casualty filings completed by TDI for the reporting period.
Source/Collection	Form filings are tracked in an agency electronic database. A form filing may include policy forms, endorsements, rules, or certificates of insurance. A rate filing may include rates, rating plans, and rating manuals. A filing is completed on the date final action is taken on the filing. Final action is defined as approval, disapproval, rejection, withdrawal, acceptance, deemed approved, closed, or filed for information only.
Method of Calculation	The total number of property and casualty filings completed for the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No

Desired Performance	Higher than target
1.3.3 ex 1	Percent Market Share of Self-insurance to Total WC Insurance Market
Short Definition	This measure indicates certified self-insured employers' market share of the total workers' compensation insurance market.
Purpose/Importance	This measure serves as a reflection of changes in the workers' compensation insurance market. The portion of the market share represented by certified self-insured is related to the cost and availability of workers' compensation insurance in the commercial market. Self-insurance provides an alternative to purchasing commercial insurance for qualifying companies, and the program acts to moderate insurance rates in a competitive insurance market.
Source/Collection	Data on estimated manual premiums for certified self-insurers is maintained by the Division of Workers' Compensation (DWC) in spreadsheets. Data reflecting the total workers' compensation insurance market is maintained and reported by the Texas Department of Insurance (TDI) in its Legislative Report on Market Conditions.
Method of Calculation	The numerator is the total amount of statutorily estimated manual premium as maintained by DWC for active certified self-insurers for the reporting period. The denominator is the direct written premiums for the voluntary workers' compensation market as published quarterly by TDI for the reporting period plus the total amount of statutorily estimated manual premium as maintained by DWC for active certified self-insurers for the reporting period.
Data Limitations	The measure excludes public self-insured entities from the amount used to represent the total workers' compensation insurance market. Data for those entities is not collected and maintained regarding the estimated premiums attributable to them.
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Lower than Target
1.5.1 op 1	Number of windstorm inspections completed
Short Definition	The number of inspections the Texas Department of Insurance (TDI) completes of property for windstorm code compliance. A windstorm inspection is an inspection by a TDI windstorm inspector of a structure for compliance with Texas Insurance Code, Chapter 2210 to determine if the components comply with applicable windstorm building codes as approved by administrative rule.
Purpose/Importance	To measure the number of windstorm inspections completed.
Source/Collection	An inspector completes a windstorm inspection by documenting it on a WPI-7 inspection form and entering it into the windstorm database. Inspectors inspect components of commercial or residential structures, including alterations, repairs, re-roofs, retrofits, or any other applicable component. Inspections comply with Texas Insurance Code, Chapter 2210 in the Texas counties that are eligible for wind and hail coverage through the Texas Windstorm Insurance Association (TWIA). The Commissioner of Insurance designates these areas. If the inspector travels to the site, TDI counts the inspection as either approved, disapproved, incomplete, or canceled. Inspectors enter inspections into the windstorm database and the number of inspections is calculated monthly.
Method of Calculation	The sum of the number of windstorm inspections completed during the reporting period.
Data Limitations	None
Calculation Type	Cumulative

New Measure	No
Desired Performance	Higher than target
2.1 oc 1	Percent of Identified Companies Reviewed
Short Definition	The percent of annual financial statement reviews completed on identified companies. Identified companies are composed of Texas domestic companies or foreign companies writing a certain level of Texas premium that may have potential solvency concerns.
Purpose/Importance	To ensure TDI reviews all identified companies for financial regulatory problems.
Source/Collection	The number of identified companies is established by June 1 of each fiscal year, based on TDI's priority system. The number of identified companies is evidenced by a report called "Texas and Foreign+ Priority Companies". Foreign+ is defined as foreign Life insurance companies writing more than an amount determined annually in Texas premium in the preceding calendar year and foreign Property/Casualty companies writing more than an amount determined annually in Texas premium in the preceding calendar year. The number of financial reviews is evidenced by a report entitled "Annual Reviews Completed on Priority Companies". This report is generated as of fiscal year-end from the Financial Tracking system. TDI completes its review of these annual statements between March 1 and August 31 each fiscal year.
Method of Calculation	The sum of the number of financial reviews completed on annual statements filed by identified companies divided by the total number of identified companies for the reporting period.
Data Limitations	Domestic insurance companies are Texas-based entities chartered in Texas holding a Certificate of Authority, as tracked in an agency database. Foreign companies are non-Texas-based entities chartered in other states or by a foreign government holding a Certificate of Authority, as tracked in an agency database. The number of domestic or foreign companies entering into or withdrawing from the market in any given fiscal year may vary.
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than Target
2.1.1 ex 1	Number of Insurance Company Insolvencies
Short Definition	The number of insolvencies of insurance companies and other risk bearing entities placed in receivership for liquidation. A risk bearing entity is an entity that assumes insurance risk and thus is liable for risk in a contractual arrangement (e.g. an insurance policy).
Purpose/Importance	The purpose of this measure is to capture the number of insolvencies that may impact the guaranty associations and to report the financial impact of insurance company or risk bearing entity receiverships for the purposes of liquidation. The insolvency amount is an indicator of the potential for guaranty association assessments levied on the insurance industry. Certain risk bearing entities accept insurance risk but are not named insurance companies (exchanges, HMOs, MEWAs, etc). The measure reflects the size of these liquidations in terms of the dollar amount of the insolvencies and an indication of the impact on policyholder claimants, general creditors and the public. There are various external factors; such as company marketing and new product development, mismanagement, inadequate underwriting and reserving and improper financial reporting that significantly impact this measure.

Source/Collection	Each insurance company or entity placed in receivership is used as a basis by the Texas Department of Insurance when obtaining a court order to initiate a liquidation proceeding.
Method of Calculation	The sum of the insolvencies of insurance companies or other risk bearing entities placed in receivership for liquidation during the reporting period.
Data Limitations	Receiverships for non risk-bearing entities and for the purposes of rehabilitation are not included in this measure.
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Lower than target

2.1.1 ex 2 Number of entities receiving Texas Department of Insurance solvency-related intervention

Short Definition	The number of licensed or unauthorized insurance companies or agencies whose operations are placed under the Texas Department of Insurance (TDI) solvency-related intervention for financial rehabilitation. TDI solvency-related intervention is initiated by an administrative order. Administrative orders include: supervision, conservatorship, Texas Insurance Code Chapter 404 orders, administrative oversight letters, or court-directed orders. An entity is any licensed or unauthorized insurance company or agency as defined in the Texas Insurance Code.
Purpose/Importance	To measure the number of entities receiving TDI solvency-related intervention, which represents the TDI philosophy of early intervention to attempt rehabilitation of companies as mandated by the Texas Insurance Code (TIC).
Source/Collection	This measure uses the number of referrals as the source for calculating this measure. A referral is defined as the issuance of an official Commissioner’s Order or letter for TDI solvency-related intervention, including ancillary supervision or conservatorship, and includes the count of TDI solvency related interventions in effect at the beginning of the fiscal year plus companies or agencies referred during the fiscal year.
Method of Calculation	The sum of the total number of new companies or agencies placed under TDI solvency-related intervention during the reporting period.
Data Limitations	The number of troubled companies referred for regulatory intervention is influenced by many economic and environmental influences. Orders issued under the authority of Texas Insurance Code, Chapter 404 against licensed or unauthorized entities that have no current policies in Texas and do not write in Texas are excluded from this measure.
Calculation Type	Cumulative
New Measure	No
Desired Performance	Lower than target

3.1. oc 1 Percent of Initial Reports Completed Annually

Short Definition	The SFMO strives to complete initial reports in a timely manner to better serve insurance carriers, policy holders, the general public and local public safety agencies. This measure would report the percentage of initial reports completed annually.
Purpose/Importance	To reflect agency efficiency efforts in fire-related investigations.
Source/Collection	The source of the data is collected in official fire investigation initial reports completed by field investigators. These reports are viewed and verified through proper documentation by division supervisors, then entered and stored on the

Method of Calculation	State Fire Marshal's Office (SFMO) Fire Arson Investigation Services Case Management System. This measure would be calculated by dividing the number of initial reports completed by the number of investigations initiated. This number would be reported monthly on a "rolling" basis not an average monthly basis. Therefore the numbers from month 1 would be added to month 2 and recalculated for a new %. This would be done for the twelve months.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than target

3.1. oc 2 Percent of registrations, licenses, and permits issued within 20 days, after receipt of a completed application

Short Definition	Percent of registrations, licenses, and permits issued, within 20 days, after receipt of a completed application, to fire alarm, fire extinguisher, fire sprinkler, and fireworks firms, individuals and other regulated entities.
Purpose/Importance	To track efficiencies in the issuance of registrations, licenses and permits.
Source/Collection	Both initial and renewal certificates of registration, licenses, and permits are issued to firms, individuals, and other entities, upon request, after the applicant provides all the requirements of the Texas Insurance Code, Chapters 6001, 6002, and 6003 and The Occupations Code, Title 13, Subtitle D, Chapter 2154. The receipt date of a completed application is determined by the date of the Texas Department of Insurance Division Cash Receipt Report for correspondence including fees or by the State Fire Marshal's office "received" date stamp on correspondence without fees. The date of issuance of the registration, license or permit is the date printed on the registration, license or permit, or the date fireworks permit booklets are picked up or mailed. The received and issuance dates are entered into a database located on the agency's computer network.
Method of Calculation	The sum of the number of registrations, licenses, and permits issued within 20 days or less divided by the total number of registrations, licenses, and permits issued within the reporting period.
Data Limitations	None
Calculation Type	Non-Cumulative
New Measure	No
Desired Performance	Higher than Target

3.1.1 ef 1 Average Cost Per Fire Safety Inspection

Short Definition	The average cost per fire safety inspection calculated during the reporting period.
Purpose/Importance	To track efficiencies of the State Fire Marshal's Office staff in conducting fire safety inspections.
Source/Collection	These costs are salary, longevity, professional fees, consumable supplies, postage, rent, telephone, utilities, travel, fuel and lubricants and other operating expenses as reported on the monthly expenditures report. The number of inspections is derived from data stored in the database system on the Texas Department of Insurance (TDI) computerized network.

Method of Calculation	The sum of the total associated costs divided by the total number of fire safety inspections conducted during the reporting period.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Lower than target

3.1.1 ef 2 AverageTime to Complete Initial Investigation Report

Short Definition	This number represents the average number of days from the date a fire investigation is initiated until the date the fire investigation initial report is completed.
Purpose/Importance	To determine the efficiencies of State Fire Marshal's Office personnel in conducting fire investigations.
Source/Collection	A fire investigation includes all cases investigated whether the cause is "arson (incendiary)", "accidental" or "undetermined". A case is initiated when a request for a fire investigation is received and a "Case Number" has been assigned. The initial report completion date is entered into the Fire/Arson Investigation Services case management system. The "average" time to complete fire investigations is obtained by conducting a query providing the date of investigation and completion date of each investigation completed within the reporting period. The date of investigation subtracted from the completion date is the total number of days to complete investigations.
Method of Calculation	The sum of the total number of days to complete investigations divided by the total number of fire investigations initial report completed during the reporting period.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Lower than target

3.1.1 op 1 Number of Fire Prevention and Fire Safety Presentations Coordinated by SFMO

Short Definition	The sum of all presentations coordinated by the State Fire Marshal's Office (SFMO).
Purpose/Importance	To track the number of presentations coordinated by the SFMO.
Source/Collection	The source of the data comes from the public presentation report and the list of public education booth exhibitions. A presentation is any event coordinated by the SFMO that educates and/or informs external customers on ways to protect their lives and property from fire and fire-related hazards using one or more of the following methods of communication: speeches, training, exhibits, seminars, and teleconferences.
Method of Calculation	The sum of all presentations coordinated by the SFMO during the reporting period. This number represents the total of all listed on forms, and public education booth exhibitions with dates on or between the first and last day of the month.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No

Desired Performance	Higher than target
3.1.1 op 2	Number of Investigations Initiated by State Fire Marshal's Office
Short Definition	This number represents the total number of fire investigations.
Purpose/Importance	To reflect the State Fire Marshal's Office's efforts in investigating fires.
Source/Collection	The source of the data is collected in official fire investigation reports and stored on the State Fire Marshal's Office Fire Arson Investigation Services Case Management System. A fire investigation includes all cases investigated whether the cause is incendiary, accidental or undetermined. A "Case" is initiated when a request for a fire investigation has been received and a "Case Number" has been assigned.
Method of Calculation	The sum of the number of fire investigations initiated during the reporting period. The total number of initiated investigations will be obtained by conducting a query of the database.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target
3.1.1 op 3	Number of samples analyzed in the arson lab
Short Definition	The total number of items (samples) analyzed as evidence by the Forensic Arson Laboratory.
Purpose/Importance	To track the number of samples submitted to the Arson Lab to be analyzed for the presence of accelerants.
Source/Collection	The data is stored in the laboratory database on the agency's network. The "final report" is generated after the analysis is complete and the final results of a case submission are entered into the database. Calculation of this sample total is based on the date of the final report. Each sample (item) from a submission is counted as a separate item. Evidence samples are received from the agency's fire and arson investigators, and from other fire service and law enforcement agencies throughout the state.
Method of Calculation	The sum of the total number of items (samples) analyzed as evidence by the Forensic Arson Laboratory during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target

3.1.1 op 4		Number of SFMO registrations, licenses, and permits issued
Short Definition	Number of registrations, licenses, and permits issued to fire alarm, fire extinguisher, fire sprinkler and fireworks firms, individuals and other regulated entities.	
Purpose/Importance	To track the number of licenses issued to firms and individuals in the alarm, extinguisher, sprinkler and fireworks industries.	
Source/Collection	Both initial and renewal certificates of registration, licenses, and permits are issued to firms, individuals, and other entities in accordance with the Texas Insurance Code, Chapters 6001, 6002, and 6003 and The Occupations Code, Title 13, Subtitle D, Chapter 2154. The date of issuance or renewal is the date printed on the registration, license or permit or the date fireworks permit booklets are picked up or mailed. The issuance/renewal date is recorded in a database located on the agency's computer network.	
Method of Calculation	The sum of the number of each type of registration, license, and permit, issued or renewed during the reporting period.	
Data Limitations	None	
Calculation Type	Cumulative	
New Measure	No	
Desired Performance	Higher than target	
3.1.1 op 5		Number of licensing investigations or inspections conducted
Short Definition	This is the number of licensing investigations or inspections conducted to determine possible violations by fire extinguisher, fire alarm, fire sprinkler, and fireworks firms and individuals regulated and licensed under the Texas Insurance Code, Chapters 6001, 6002, and 6003 and The Occupations Code, Title 13, Subtitle D, Chapter 2154.	
Purpose/Importance	To track the number of investigations of complaints and inspections of licensed entities.	
Source/Collection	The date on the completed report is entered into an agency database. Investigations are individually quantified by each investigated firm or individual and inspections are quantified by each physical location. Each investigation and inspection is assigned a specific case number. After the investigation/inspection is conducted, the investigator files a report.	
Method of Calculation	The sum of the number of licensing investigation and inspection case numbers in the database for the reporting period.	
Data Limitations	None	
Calculation Type	Cumulative	
New Measure	No	
Desired Performance	Higher than target	
3.1.1 op 6		Number of buildings inspected or reinspected for fire safety hazards
Short Definition	The number of buildings in which a physical survey of the structure is completed and recommendations for correction of hazardous conditions have been made, if noted, including all subsequent surveys for compliance with recommendations.	
Purpose/Importance	To track the number of buildings inspected, on an annual basis, for the protection of building occupants.	
Source/Collection	The data is collected from reports submitted by the inspector and recorded in the agency database. A building is defined as an identifiable structure with fire	

	or space separation containing its own exit facilities and includes inspections of retail service stations. An inspection is completed when the physical survey is conducted and documented on the inspection report. The date of inspection is recorded in the inspection report.
Method of Calculation	The sum of the number of buildings inspected during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target

4.1 oc 1 Percent of workers' compensation enforcement cases concluded within 365 days

Short Definition	The percent of enforcement cases concluded with action within 365 days. Actions are orders resulting from hearings at the State Office of Administrative Hearings, orders issued without a hearing and warning letters.
Purpose/Importance	To measure timeliness of resolution of cases that merit action.
Source/Collection	The source of the data is an agency database.
Method of Calculation	The number of enforcement cases concluded with action within or equal to 365 days from the case pending date divided by the total number of enforcement cases concluded with action. The enforcement case is considered concluded on the date the case is closed in the database.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than target

4.1 oc 2 Percent of medical bills processed timely

Short Definition	This measure indicates the percentage of medical bills timely processed by insurance carriers. Medical bills are to be processed within forty-five days from receipt of a complete medical bill.
Purpose/Importance	The purpose of this measure is to indicate the timely processing of medical bills by the insurance carrier.
Source/Collection	The Division of Workers' Compensation receives medical billing information used in the calculation electronically from carriers. Data is maintained in agency automated systems.
Method of Calculation	The sum of the number of medical bills processed timely divided by the number of medical bills processed by the insurance carriers for the reporting period.
Data Limitations	Twelve months of data are used in the calculation. The data is lagged one month from the reporting period.
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Higher than target

4.1 oc 3		Percent of medical fee disputes resolved by medical fee dispute resolution or upheld upon appeal
Short Definition	The percent of medical fee disputes resolved by the Division of Workers' Compensation Medical Fee Dispute Resolution (DWC-MFDR).	
Purpose/Importance	To measure the effectiveness of DWC-MFDR's medical fee dispute resolution process. DWC-MFDR is charged with resolving medical fee disputes through informal and formal dispute resolution processes. System participants have the right to appeal DWC-MFDR decisions through the Benefit Review Conference process and then to the State Office of Administrative Hearings (SOAH).	
Source/Collection	Data is maintained in agency automated systems. A medical fee dispute is resolved when a DWC-MFDR decision is issued or when a medical fee dispute is resolved informally and dismissed or withdrawn.	
Method of Calculation	The sum of the number of medical fee disputes resolved minus the sum of the number of SOAH reversals divided by the total number of medical fee disputes resolved during the reporting period.	
Data Limitations	None	
Calculation Type	Non-Cumulative	
New Measure	No	
Desired Performance	Higher than target	
4.2 oc 1		Percent of temporary income benefit recipients returning to work within 90 days of injury
Short Definition	The percent of injured employees who received temporary income benefits (TIBs) and returned to work within 90 days of the date of injury based on temporary income benefits duration.	
Purpose/Importance	To identify the percent of injured employees who received TIBs and returned to work within 90 days of injury.	
Source/Collection	This data is maintained in automated databases.	
Method of Calculation	The sum of the total number of claims in which TIBs stopped within 90 days of the date of injury divided by the number of claims in which TIBs were paid for the reporting period.	
Data Limitations	The date TIBs stopped is used as a proxy for return-to-work. Twelve months of data, based on the date of injury, are used in the calculation. The data is lagged three months from the reporting month.	
Calculation Type	Non-cumulative	
New Measure	No	
Desired Performance	Higher than target	
4.1.1 ef 1		Average number of days to complete quality of care reviews of health care providers, insurance carriers, utilization review agents and independent review organizations
Short Definition	The average number of days to complete quality of care reviews of health care providers, insurance carriers, utilization review agents and independent review organizations.	
Purpose/Importance	This indicates the efficiency of the quality of care review process by measuring the length of time for a quality of care review to be completed.	
Source/Collection	Information is maintained in agency automated applications.	

Method of Calculation	The sum of the total number of days between the initiation of the quality of care reviews and the issuance dates of the final reports divided by the number of final reports issued to the subject of the review during the reporting period.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Lower than target

4.1.1 ef 2 Average number of days to close a complaint involving workers' compensation system participants

Short Definition	The average number of days to close a complaint involving workers' compensation system participants.
Purpose/Importance	To monitor the efficiency of the workers' compensation complaint process by measuring the average length of time to close workers' compensation complaints.
Source/Collection	Information is entered and maintained in agency automated systems. Complaints are reviewed and closed after determination to be a "low priority" or after an investigation has been completed. The closed date is the date the complaint is entered into the agency automated system.
Method of Calculation	The sum of the number of days from the date the complaint is received by the division to the closure date divided by the total number of complaints closed during the reporting period.
Data Limitations	None
Calculation Type	Non-Cumulative
New Measure	No
Desired Performance	Lower than target

4.1.1 ef 3 Average number of days to complete a performance review

Short Definition	The average number of days to complete a performance review.
Purpose/Importance	The Division of Workers' Compensation (DWC) is charged with monitoring insurance carriers, employers, health care providers, and other system participants for compliance with the Texas Labor Code and DWC rules. This measure indicates the efficiency of DWC's completion of performance reviews.
Source/Collection	Information is entered and maintained in an agency database. A performance review begins on the date of the letter of engagement and is completed on the date DWC issues the final performance review report.
Method of Calculation	The sum of the total number of days to complete performance reviews divided by the number of performance reviews completed during the reporting period.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Lower than target

4.1.1 op 1 Number of workers' compensation enforcement cases concluded with action

Short Definition	The number of enforcement actions that are concluded against persons and entities that have violated workers' compensation statutes or rules. Actions are orders resulting from hearings at the State Office of Administrative Hearings, orders issued without a hearing and warning letters.
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Purpose/Importance	This measure monitors the number of enforcement actions concluded by the agency against certain entities in order to demonstrate the agency's efforts toward reducing illegal practices.
Source/Collection	The source of the data is an agency database. The enforcement case is concluded on the date the case is closed in the database.
Method of Calculation	The sum of the number of cases concluded with action during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target

4.1.1 op 2 Number of quality of care reviews of health care providers, insurance carriers, utilization review agents and independent review organizations completed

Short Definition	The number of quality of care reviews completed on health care providers, insurance carriers, utilization review agents (URAs) and independent review organizations (IROs) during the reporting period.
Purpose/Importance	The Division of Workers' Compensation (DWC) is charged with monitoring the quality of health care in the workers' compensation system. A quality of care review is defined as a review of clinical evaluations, recommendations, treatment decisions, and clinical outcomes relating to health care. Quality of care reviews are conducted on health care providers who provide care or evaluations in the workers' compensation system.
Source/Collection	Information is maintained in agency automated applications.
Method of Calculation	The sum of the number of quality of care review final reports issued during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target

4.1.1 op 3 Number of complaints closed involving workers' compensation system participants

Short Definition	The number of all complaints completed within the reporting period.
Purpose/Importance	The Division of Workers' Compensation (DWC) is charged with monitoring system participants for compliance with statute and rules. A complaint is a specific allegation of a violation of the statute or rules received from internal or external sources. Included in this measure are administrative fraud allegations.
Source/Collection	Information is entered and maintained in agency automated systems. Complaints are reviewed and closed after determination to be a "low priority" or after an investigation has been completed. The closed date is the date the complaint is entered into the agency automated system.
Method of Calculation	The sum of the number of complaints closed during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target

4.1.1 op4		Number of performance reviews completed
Short Definition	The number of performance reviews completed involving workers' compensation participants.	
Purpose/Importance	The Division of Workers' Compensation (DWC) is charged with monitoring insurance carriers, employers, health care providers, and other system participants for compliance with the Texas Labor Code and DWC rules.	
Source/Collection	Information is entered and maintained in an agency database. A performance review is completed when DWC issues a final report.	
Method of Calculation	The sum of the number of performance reviews completed during the reporting period.	
Data Limitations	None	
Calculation Type	Cumulative	
New Measure	No	
Desired Performance	Higher than target	
412 ef 1		Average Number of Days to Resolve a Medical Fee Dispute
Short Definition	The average days from receipt of the medical fee dispute to the date the dispute is resolved by the Medical Fee Dispute Resolution (MFDR) section.	
Purpose/Importance	To measure the efficiency of DWC's medical fee dispute resolution process.	
Source/Collection	Data is maintained in agency automated systems. A medical fee dispute is resolved when a DWC-MFDR decision is issued or when a medical fee dispute is dismissed or withdrawn.	
Method of Calculation	The sum of the number of days from receipt of the medical fee dispute to the date a decision is issued or the dispute is dismissed or withdrawn divided by the sum of the total number of medical fee disputes resolved during the reporting period.	
Data Limitations	None	
Calculation Type	Non-cumulative	
New Measure	No	
Desired Performance	Lower than target	
4.1.2 ef 2		Average number of days to resolve disputes through dispute resolution proceedings
Short Definition	The average time to resolve disputes through the dispute resolution processes including benefit review conferences (BRC), contested case hearings (CCH) and appeals.	
Purpose/Importance	To measure the efficiency of DWC's multi-level dispute resolution process. Some disputes are resolved at a BRC, some go to a CCH and others continue through the appeals process.	
Source/Collection	Data is maintained in agency automated applications. A dispute is resolved on the later of the following dates: the date a BRC agreement is coded and entered into agency automated systems; the date a CCH decision is mailed; or the date an Appeals Panel decision is issued.	
Method of Calculation	The sum of the number of days from the date a BRC is set to the date each dispute is resolved divided by the total number of disputes resolved during the reporting period.	
Data Limitations	None	

Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Lower than target
4.1.2 ex 1	Number of Medical Fee Disputes Received
Short Definition	The number of requests for medical fee dispute resolution received by the Division of Workers' Compensation during the reporting period.
Purpose/Importance	To measure trends in the volume of requests for medical dispute resolution received.
Source/Collection	The data is maintained in the agency automated systems. Medical fee disputes are considered received on the day of the medical dispute resolution date stamp.
Method of Calculation	The sum of the total number of requests for medical fee dispute resolution received during the reporting period.
Data Limitations	None
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Lower than target
4.1.2 op 1	Number of benefit review conferences held
Short Definition	The number of benefit review conferences (BRC) held.
Purpose/Importance	To measure the number of BRCs held, which is an indicator of the number of mediation proceedings resulting from workers' compensation claim disputes.
Source/Collection	Data is reported in the agency automated applications.
Method of Calculation	The measure is calculated by counting the number of BRCs held during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Lower than target
4.1.2 op 2	Number of contested case hearings held
Short Definition	The number of contested case hearings (CCH) held.
Purpose/Importance	The measure indicates the number of CCHs held which is an indicator of the number of formal proceedings conducted.
Source/Collection	Data is reported in agency automated applications.
Method of Calculation	The measure is calculated by counting the number of CCHs held during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Lower than target

4.1.2 op 3		Number of appellate decisions issued
Short Definition	The number of decisions issued by the Division of Workers' Compensation Appeals Panel.	
Purpose/Importance	To measure the number of decisions issued by the Appeals Panel regarding contested case hearings.	
Source/Collection	Data is reported in agency automated applications.	
Method of Calculation	The sum of the number of decisions issued by the Division of Workers' Compensation Appeals Panel during the reporting period.	
Data Limitations	None	
Calculation Type	Cumulative	
New Measure	No	
Desired Performance	Lower than target	
4.1.3 ef 1		Average number of days from receipt of a Subsequent Injury Fund request for reimbursement to payment of request
Short Definition	The average number of days between receipt of a request for reimbursement and payment of the request.	
Purpose/Importance	The measure indicates the average time between receipt of a complete request to the Subsequent Injury Fund (SIF) and payment. Complete requests are those that SIF staff has determined include information necessary for processing and are entitled to reimbursement.	
Source/Collection	SIF data is collected and maintained in the agency's accounting system and in agency databases. The receipt date is the date a completed request is received and date stamped. The paid date is the date shown on the agency accounting reports.	
Method of Calculation	The sum of the total number of days from the date of receipt for each request to the paid date for each request divided by the total number of complete reimbursement requests paid during the reporting period.	
Data Limitations	None	
Calculation Type	Non-cumulative	
New Measure	No	
Desired Performance	Lower than target	
4.1.3 op 1		Number of Injured Workers Receiving Lifetime Income Benefits through SIF
Short Definition	The number of injured employees who meet the eligibility requirements set by statute for lifetime income benefits (LIBs) and are receiving payment of those benefits through the Subsequent Injury Fund (SIF).	
Purpose/Importance	To identify the long-term obligations of the SIF because these benefits must be paid for the life of the injured employee. SIF is statutorily obligated to pay LIBs to injured employees who sustain a subsequent compensable injury that, with the effects of a previous injury, results in lifetime income benefits eligibility.	
Source/Collection	SIF data is collected and maintained in the agency's accounting system.	
Method of Calculation	The sum of the number of injured employees receiving LIBs payments from the SIF during the reporting period.	
Data Limitations	Attorneys, spouses, or children receiving a portion of a LIBs payment are not included in the measure.	
Calculation Type	Non-cumulative	

New Measure	No
Desired Performance	Lower than target
4.2.1 ex 1	Statewide incidence rate of injuries and illnesses per 100 full-time employees in the private sector
Short Definition	This measure reflects the private sector injury and illness incidence rate for the state of Texas as developed by the U. S. Bureau of Labor Statistics (BLS).
Purpose/Importance	To gauge the frequency of non-fatal work-related injuries and illnesses in Texas in comparison to other states and the nation.
Source/Collection	The BLS Annual Survey of Occupational Injuries and Illnesses, which contains data from a stratified sample of private sector establishments by industry and size class is used for this measure. The Division of Workers' Compensation (DWC) collects data for the BLS survey using Occupational Safety and Health Administration standards for record-keeping and injury reporting and enters the data into the BLS system. BLS develops the incidence rate on a calendar year basis using data from the preceding calendar year.
Method of Calculation	BLS calculates the statewide incidence rate and provides it to DWC.
Data Limitations	The data used to calculate this measure is controlled by BLS.
Calculation Type	Non-cumulative
New Measure	No
Desired Performance	Lower than target
4.2.1 op 1	Number of workplace safety consultations and inspections provided to employers
Short Definition	The number of workplace safety consultations and inspections provided to employers.
Purpose/Importance	To measure the volume of consultations and inspections that DWC provides to employers to promote safe and healthy workplaces.
Source/Collection	Data is maintained on automated applications.
Method of Calculation	The sum of the number of workplace consultations and inspections initiated during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target
4.2.1 op 2	Number of Divisions of Workers' Compensation Presentations Made
Short Definition	The number of presentations made by DWC staff to external customer groups.
Purpose/Importance	This measure quantifies DWC's effort to communicate with external customer groups on the workers' compensation system.
Source/Collection	The source of the data is the file for each presentation and the monthly Speakers Bureau report. A presentation is any event where DWC staff educates agency customers on workers' compensation system and occupational safety and health matters that may include the following methods of communication: speeches, training, exhibits, seminars, teleconferences, webinars, and staff participation in industry meetings. Each presentation counts as one when it is made to a separate audience.
Method of Calculation	The sum of all presentations during the reporting period.

Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target
4.2.1 op 3 Number RTW, Provider, WPS Educational Products & Services	
Short Definition	The number of return-to-work, health care provider, and workplace safety educational products and services provided by the Division of Workers' Compensation (DWC). These products and services include newsletters, brochures and other publications distributed; web hits; persons assisted through telephone, e-mail, mail, and in-person contacts; persons attending return-to-work, health care provider and workplace safety seminars; and persons viewing audiovisual training materials (verified by the employer).
Purpose/Importance	This measure quantifies DWC's efforts aimed at returning injured employees to the workforce, assisting health care providers with the treatment of injured employees in the workers' compensation system; and assisting employers in creating and maintaining safe workplaces.
Source/Collection	Data is collected from agency presenters' reports and webinar/seminar attendance logs. Additionally, telephone, web and e-mail logs record delivery of these products and services.
Method of Calculation	The sum of the number of return-to-work, health care provider, and workplace safety educational products and services provided during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target
4.2.1 op 4 Number of workers' compensation income benefit recipients referred to the Department of Assistive and Rehabilitative Services	
Short Definition	The number of persons referred to the Department of Assistive and Rehabilitative Services (DARS) by the Division of Workers' Compensation (DWC).
Purpose/Importance	The purpose of this measure is to identify the number of injured employees referred to DARS for training/education to assist them in returning to the workforce. DWC refers an injured employee to DARS if DWC determines that an employee could be materially assisted by vocational rehabilitation or training in returning to employment or obtaining employment more nearly approximating the employee's pre-injury employment.
Source/Collection	This data is maintained in agency automated databases.
Method of Calculation	The sum of all referrals to DARS from DWC during the reporting period.
Data Limitations	None
Calculation Type	Cumulative
New Measure	No
Desired Performance	Higher than target

4.2.2 op 1	Number of Injury Records in Which Indemnity Benefits are Initiated
Short Definition	The total number of injury records in which indemnity benefits are initiated.
Purpose/Importance	The purpose of this measure is to reflect the number of indemnity payments initiated during the reporting period.
Source/Collection	Reports of indemnity payments initiated are received from insurance carriers. This measure applies only to injuries which occurred on or after January 1, 1991. Data is maintained in agency automated systems.
Method of Calculation	The sum of the number of records in which indemnity payments are initiated during the reporting period.
Data Limitations	This measure is dependent on receiving information from the carrier in a timely manner. Carriers are required to report a payment to DWC within seven days of the payment.
Calculation Type	Cumulative
New Measure	No
Desired Performance	Lower than target

C. HISTORICALLY UNDERUTILIZED BUSINESSES

Goal

TDI's purchasing policies will foster meaningful and substantive inclusion of HUBs in all phases of procurement.

Objective

To include HUBs in all phases of procurement opportunities, TDI will make a good faith effort to meet or exceed the adjusted procurement program goals through the total value of contracts, purchases, and subcontracting opportunities awarded annually by the agency in each applicable procurement category:

<u>Target</u>	
Professional Services Contracts	5.0%
All Other Services Contracts	18.6%
Commodities Contracts	21.10%

Outcome Measure

Percentage of Total Dollar Value of purchasing contracts and subcontract awarded directly or indirectly to HUBs.

Strategy

Develop and implement a plan for increasing the use of HUBs directly or indirectly through purchasing contracts and subcontracts.

Output Measures

- Number of HUB Contractors and Subcontractors responding to Bid Proposals
- Number of HUB Contracts and Subcontracts Awarded
- Dollar Value of HUB Contracts and Subcontracts
- Number of Outreach Initiatives
- Number of Contracts Evaluated for Subcontracting Opportunities
- Number of Mentor-Protégé Partnerships Sponsored by Agency

HUB Program Efforts and Accomplishments

TDI's objective is to ensure all procurement practices promote the goal of equal access for minority and woman-owned and applicable disabled veteran-owned businesses in the state of Texas. For the Fiscal Year 2015, TDI spent \$865,523 with HUB vendors, or 8.12 percent of eligible TDI purchases.

Internal Outreach Initiatives

- Enhance training to agency staff regarding the importance of the HUB program, the latest HUB-related information, agency HUB statistics, and methods of improvement.
- Communicate HUB related information through TDI's intranet.
- Include HUB Subcontracting Plans (HSP) in all agency contracts in excess of \$100,000 in which subcontracting opportunities are determined to exist. Monitor contractor compliance with HSPs after contract award.
- Seek HUB subcontracting in contracts that are less than \$100,000 when possible.
- Promote HUB usage with staff using TDI's procurement card program.
- Compile monthly reports tracking the use of HUB vendors by each operating division.
- Improve tracking and reporting of HUB procurement card and subcontracting expenditures.

External Outreach Initiatives

- Provide one-on-one instruction to minority and woman-owned businesses regarding certification, procurement policies, and procedures.
- Utilize resources of the Texas Association of African-American Chambers of Commerce and the Texas Association of Mexican-American Chambers of Commerce per the terms of the Memorandum of Cooperation and Contract agreements.
- Provide potential contractors with reference lists of certified HUB vendors who may be able to participate as subcontractors in TDI contracts.
- Encourage minority and woman-owned and applicable disabled veteran-owned utilization at pre-solicitation conferences to potential respondents. Provide instructions to contractors regarding requirements to ensure full compliance with applicable HUB Subcontracting Plans (HSP).
- Prepare and distribute purchasing, contracting, and subcontracting information in a manner that encourages participation by all businesses.
- Continue participation in the State HUB Discussion Workgroup. The workgroup meets semi-monthly to discuss and resolve issues for the betterment of the State of Texas HUB Program.
- Promote vendor outreach, education, and recruitment through active participation in economic opportunity forums sponsored by the Texas Comptroller of Public Accounts, the Texas Legislature, and other governmental, civic, and professional organizations across the state.

Mentor-Protégé Program

TDI's vision is to expand our Mentor-Protégé sponsorship role with cooperation and assistance with large corporate supplier diversity programs. TDI participates with agencies and minority chambers of commerce and minority and woman trade and business organizations to maximize state resources and to increase the effectiveness of the mentor-protégé program.

Special Deputy Receiver

Historically, TDI included its HUB vendors that participated in TDI's Special Deputy Receiver (SDR) program when accounting for required HUB reporting. This method of accounting was discontinued beginning in FY2014 as a result of State Auditor's Report (15-006) which concluded that these expenses should not be reported since they are not paid through treasury accounts directly by TDI.

Even though TDI is no longer reporting the SDR HUB expenditures with its required HUB reporting, TDI continues to follow Section 443.0135, Texas Insurance Code, which requires TDI to make good faith efforts to include HUBs in the administration of regulated companies that are placed into receiverships overseen by SDRs. Had TDI continued its prior method of accounting and reporting practices, the HUB expenditures reported by TDI would have been significantly higher.

D. STATEWIDE CAPITAL PLANNING

TDI will submit a capital project pursuant to the 2016-17 General Appropriations Act, Article IX, Section 11.03 .

E. HEALTH AND HUMAN SERVICES STRATEGIC PLANNING

The requirement under Texas Government Code, Chapter 531 does not apply to TDI.

F. AGENCY WORKFORCE PLAN

As part of the *Strategic Plan*, Texas state agencies are required to prepare a workforce plan according to guidelines established by the Texas State Auditor's Office. In addition, state agencies may include results of their most recent *Survey of Employee Engagement (SEE)*.

Overview

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 (SFMO), and provides administrative support to the Office of Injured Employee Counsel (OIEC), a separate state agency.

TDI is guided by its mission statements described in the agency's *Fiscal Year 2017-19 Strategic Plan* as follows:

Insurance Operations Mission

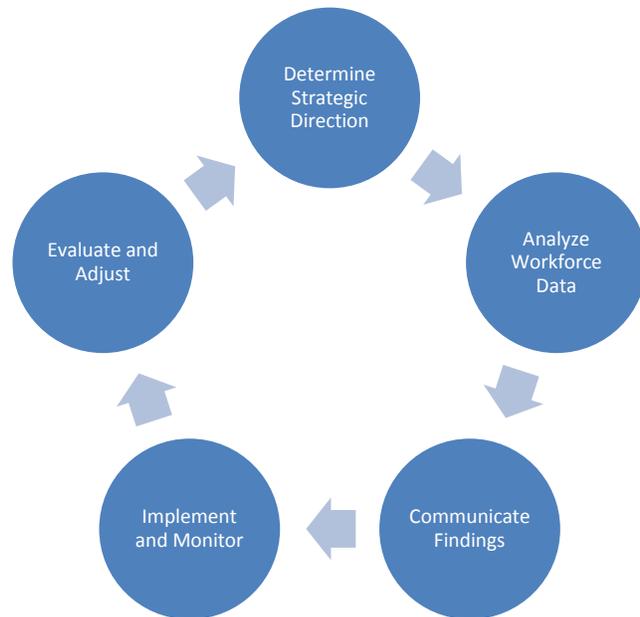
To protect insurance consumers by regulating the industry fairly and diligently, promoting a stable and competitive market, and providing information that makes a difference.

Workers' Compensation Mission

Regulate Texas workers' compensation efficiently, educate system participants, and achieve a balanced system in which everyone is treated fairly with dignity and respect.

Workforce planning at TDI is an iterative, ongoing process that includes the following elements.

- Understanding the agency's strategic direction and factors that impact workforce needs.
- Reviewing and analyzing workforce data.
- Communicating workforce plan findings and recommendations.
- Implementing initiatives to address workforce challenges and monitoring progress.
- Evaluating the success of initiatives and determining what adjustments are needed.



TDI's human resources office leads workforce planning efforts. Human resources staff review and analyze workforce data regularly and meet with management to identify training needs and other activities to prepare staff for critical positions. In addition, the agency uses the balanced scorecard, a strategic management and communication tool, to focus on strategic objectives at the agency level as well as the division level. The balanced scorecard helps communicate the agency's strategic direction and includes initiatives to address workforce gaps. It provides an additional tool for human resources and management to monitor progress on workforce planning initiatives. The agency conducts quarterly balanced scorecard meetings to communicate progress on initiatives, including those designed to address workforce challenges.

This workforce plan includes analysis of workforce data, including salary data, employee engagement survey results, and information from a workforce risk assessment initiated this spring. The agency will use the findings of the workforce analysis to identify strategies to help management address workforce needs. These strategies may become initiatives on the agency’s or a division’s balanced scorecard.

Current Workforce Profile

TDI’s workforce composition has not significantly changed in recent years. The agency continues to have a diverse, tenured workforce with employees who are highly educated and skilled.

The agency has 1,349¹ employees at Austin headquarters, 24 field offices, and 35 SFMO staff locations statewide. Field employees include financial and title examiners, fire inspectors and investigators, and windstorm inspectors. Field employees for the division of workers’ compensation include: benefit review officers, claims specialists, hearing officers, and occupational health and safety consultants.

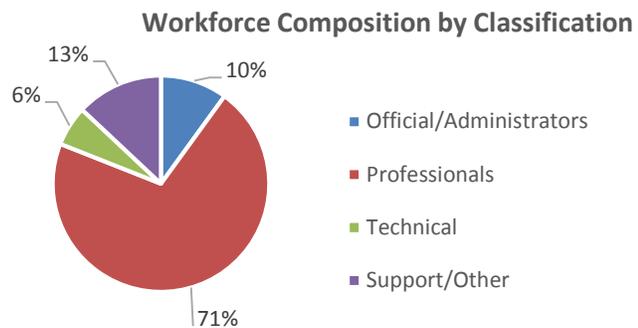
Critical Workforce Skills

TDI has a workforce that has specialized knowledge, skills, and abilities. Approximately 80 percent of the workforce is classified in the category of official/administrator or professional.

The official/administrator category includes executive staff, directors/managers, senior level actuaries, attorneys, financial examiners, and division program managers.

The professional category includes actuaries, administrative law judges, attorneys, auditors, engineers, financial examiners, insurance specialists, investigators, physicians, and systems analysts.

These positions require specialized skills and theoretical knowledge, usually acquired through college, advanced training, or work experience.



Employee Salaries

Due to the large number of employees in the job categories of official/administrator and professional, TDI’s average annual salary of \$55,800 remains above the Texas state employee average of \$45,268². The agency’s average annual salary increased eight percent over 2014 salary levels. This is consistent with Texas state employee average annual salary growth.

TDI’s human resources staff continue to work with management to review available resources and address salary challenges.

Retirement Eligible Employees

A significant number of agency employees are currently eligible to retire or will be eligible before August 31, 2021, including:

- 43 percent of TDI’s total workforce,
- 50 percent of managers, and
- 73 percent of executive staff.

¹ TDI Human Resources Information System, February 29, 2016. Unless otherwise noted, this is the source of all statistics appearing in this report.

² State Auditor’s Office. June 2016.

Since 2014, TDI has enhanced the agency's succession planning efforts. All divisions are required to have updated succession plans and TDI's human resources staff meets with division leaders twice a year to discuss the plans and workforce needs.

Ethnic Diversity

TDI's workforce is ethnically diverse and tracks closely with the statewide civilian workforce and with other Texas state agencies. Highlights of a recent analysis of the demographics of TDI's workforce follow.

As of February 29, 2016, of TDI's 1349 employees:

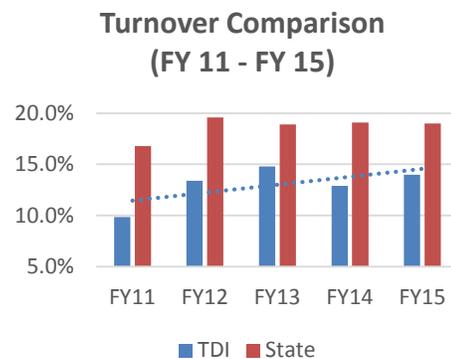
- 49 percent were minorities
- 62 percent were female
- 58 percent of TDI's managers were minority or female, or both.

Additionally, TDI has a higher percentage of African Americans, Hispanics, and females in professional positions than the average for all Texas state agencies³.

Turnover Rate

TDI's turnover rate continues to be lower than the average turnover rate for Texas state agencies. The agency's turnover rate increased to 14 percent in fiscal year 2015 as compared to 13 percent in fiscal year 2014. However, the percentage rate remains well below the fiscal year 2015 statewide turnover rate of 18 percent for classified, regular full-time and part-time employees⁴. One factor that continues to impact turnover is a competitive job market.

As of February 29, 2016, the workers' compensation division had a slightly lower FY 2016 mid-year turnover rate of 9.9 percent compared to 10.3 percent for insurance operations and 10.2 percent for the agency.



Employee Engagement

TDI's employees continue to be engaged as reflected in the results of agency's 2016 *Survey of Employee Engagement (SEE)*.⁵

TDI has participated in the SEE since 1996 and the survey response rate has trended upward since that time. The survey response rate in 2016 was 79 percent, which is considered high. High rates of response indicate employees have an investment in the agency, and they are willing to contribute toward making improvements.⁶ In 2012, the Institute for Organization Excellence began including an overall score for agency survey results. TDI's score increased 14 points in the last four years, rising from 362 in 2012 to 376 in 2016.

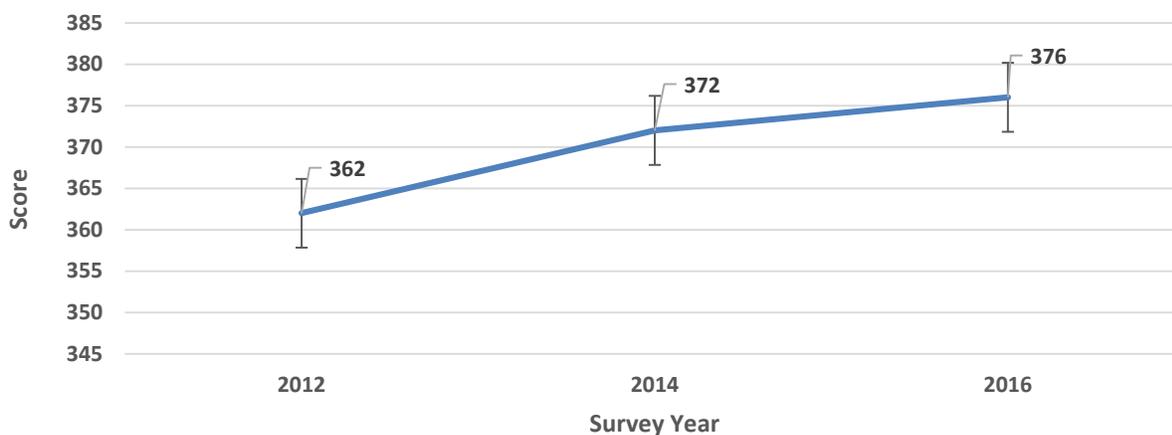
³Civil Rights Division Equal Opportunity and Minority Hiring Practices Report, January 2014. Texas Workforce Commission.

⁴An Annual Report on Classified Employee Turnover for Fiscal Year 2015, December 2015, Report No. 16-702. Texas State Auditor's Office.

⁵ Survey of Employee Engagement, 2016. University of Texas, Institute for Organizational Excellence.

⁶ TDI Executive Summary of the Survey of Employee Engagement, 2016.

SEE Overall Score



TDI employee engagement levels were identified as 50 percent highly engaged or engaged compared to 30 percent for most organizations according to Gallup Poll statistics. The 2016 survey identified three areas of strength.

Out of a possible score of 500, the three constructs scored as follows:

- Supervision – 405
- Strategic – 403
- Employee Engagement – 396

	TDI	Most Organizations
Highly Engaged or Engaged	50%	30%
Moderately Engaged	37%	50%
Disengaged	13%	20%

These high score indicate that TDI employees have a positive view of their supervisors, understand their role in achieving the agency’s missions, and believe that their ideas count and their work is valued. The three lowest scoring constructs were pay, information systems and benefits. Pay is typically the lowest scoring construct on the agency’s SEE survey results.

TDI’s human resources office meets with managers to discuss the SEE results and to encourage the development strategies for building on strengths and addressing areas with lower scores.

Future Workforce Needs

TDI does not anticipate a change in its mission or a significant change in the number of staff. Therefore, the agency must maintain the skill sets available in the current workforce to perform its core functions. These skills include:

- interpreting and enforcing statutory and regulatory requirements for insurance, workers’ compensation, fraud, arson, and fire safety,
- examining and analyzing the financial condition of insurers,
- conducting research, analysis, and review of medical quality, service, and providers,
- educating businesses, employees, fire industry professionals, insurance companies and consumers, and the public,
- resolving workers’ compensation disputes,
- performing quality assurance and auditing,
- investigating and prosecuting allegations of insurance and workers’ compensation fraud,
- conducting research and analysis related to fire investigation and fire safety,
- performing research and policy analysis,
- evaluating the design, engineering and construction of buildings, particularly in high wind areas

- providing risk management and worker safety education,
- performing information technology (IT) services, including business analysis, project management, and development, and
- providing excellent customer service.

In addition, TDI's workforce must have skill sets that enhance the efficiency, effectiveness, accountability, and transparency of the agency. This includes skills that allow the agency to improve project outcomes, develop more streamlined processes, use data analytics, improve technology, better manage risk, and communicate more effectively. Moreover, TDI's future workforce will need skills that enable the agency to better serve its customers.

TDI needs to prepare for a workforce that will be more interconnected, mobile, and more self-reliant. TDI needs to further understand these trends and, in particular, the tools needed to maintain a highly-skilled and engaged workforce. It will be critical for TDI to adapt to a workforce that expects a paperless environment, access to reliable, mobile technology, and more flexible work hours and locations.

Gap Analysis

Staffing Levels

TDI plans to request a lower authorized full-time equivalent (FTE) employee cap to be more aligned with actual budgeted positions, which reflects TDI strategic direction of having a streamlined, but highly skilled workforce.

Nevertheless, agency leadership recognizes the need to respond to external factors that may impact the insurance regulatory environment, the workers' compensation system, or duties of the SFMO. A continuing challenge is the recruitment and retention of qualified staff. Therefore, management continues to regularly evaluate whether the agency can continue to achieve agency missions and goals with the current staffing and salary levels.

Employee Knowledge and Skills

TDI identified the need to develop or enhance skills in the following areas:

- business analysis and process improvement;
- data management, assessment, and storage;
- IT resource management, application architecture, and voice and data networks;
- information security;
- risk management;
- business continuity planning;
- social media communication and work tools; and
- web administration and content management.

Tools and Technology

TDI also recognizes gaps in tools and technology needed to support a modern workforce. Like many Texas state agencies, TDI has legacy systems that hinder efficiency and increase the use of temporary or manual processes to get the job done. There is limited use of tools that provide mobility, such as tablets and cell phones. Over the years, TDI has made progress in implementing new ways of working and continues to retire legacy systems and modernize the agency's technology.

Strategies

TDI continues to use best practices to identify strategies to recruit and retain qualified staff, develop knowledge and skills, and address technology resource gaps. These efforts include:

- enhancing succession planning and knowledge transfer,
- reducing time to fill positions through careful monitoring,
- increasing the use of social media to notify candidates of job vacancies,
- supporting staff training for professional development and designations,

- supplementing pay increases with non-monetary rewards for performance,
- allowing telecommuting, when practical,
- conducting IT staff skills assessments,
- enhancing ability to accept online job applications, and
- using contract labor, when possible, particularly for technology needs that cannot be met with current staff.

TDI monitors these strategies in many ways. The human resources office provides analysis and supports management to determine strategy alternatives, such as training. In addition, the balanced scorecard provides monitoring through performance measures and discussions at regularly scheduled balanced scorecard meetings.

Many of the strategies have been successful, including enhancements to succession planning. From September 2015 to May 2016, TDI promoted 30 internal staff into 34 management and/or leadership positions. These positions were filled with staff who were trained and mentored through succession planning actions and were prepared to replace staff who separated from TDI employment. Human resources meets with agency deputy commissioners and executive staff every six months to review division succession plans. In addition, they monitor training and other activities implemented to help management ensure successor readiness.

TDI plans to work on the following strategies over the next biennium.

- Continuing analysis of IT skill needs. TDI completed an IT staff skills assessment and is using the results to identify needed resources and skills.
- Increasing recruitment of military veterans with a target goal of 20 percent. TDI is recruiting veterans by attending military and veteran job fairs.
- Identifying and conducting additional training to fill skill gaps and monitor results. TDI is conducting business analysis training to improve the outcome of agency IT projects.
- Enhancing succession planning and cross-training.
- Conducting staffing and salary analysis for specific positions identified by management.
- Benchmarking with other Texas state agencies to identify tools and technology that enhance workforce development.
- Continue working to enhance the acceptance of online job applications.
- Creating more awareness of different work styles to encourage more flexibility in work location and maximize the use of technology.

Conclusion

TDI uses information from the biennial workforce plan to help set priorities for workforce development in the coming years. Some of the strategies will become initiatives for the balanced scorecard, which are regularly monitored at the agency and division levels.

However, workforce planning is a balancing act to ensure the agency has the right number of people with the right skills while being mindful of budget constraints. The human resources office remains flexible in working with management to meet changing workforce needs. In addition, the agency will continue to work to meet the challenges that come with a wide and varying range of skills required to perform relatively diverse functions that fall under the authority of two commissioners.

G. REPORT ON CUSTOMER SERVICE

TDI submitted the agency's Report on Customer Services separately to the Governor's Office and Legislative Budget Board as required under Texas Government Code, Chapter 2114. The report has been posted on TDI's website at: <http://www.tdi.texas.gov/reports/documents/customersurvey2016.pdf>.

H. ASSESSMENT OF ADVISORY COMMITTEES

TDI submitted the agency's recommendations for changes to advisory committees separately to the Governor's Office and Legislative Budget Board on May 6, 2016.

Agency Strategic Plan | Fiscal Years 2017-21

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