

Request for

Legislative Appropriations

For Fiscal Years 2014 and 2015

*Submitted to the Governor's Office of Budget, Planning and Policy
and the Legislative Budget Board, by the*



Texas Department of Insurance

Eleanor Kitzman

Eleanor Kitzman, Commissioner of Insurance
August 30, 2012

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TEXAS DEPARTMENT OF INSURANCE
 REQUEST FOR LEGISLATIVE APPROPRIATIONS
 FISCAL YEARS 2014 AND 2015

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1. ADMINISTRATOR'S STATEMENT

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Administrator's Statement

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GOVERNANCE: TDI COMMISSONERS

The commissioner of insurance is the chief executive of the Texas Department of Insurance (TDI), and the commissioner of workers' compensation serves as the chief executive for TDI's Division of Workers' Compensation (DWC). The governor appoints both commissioners subject to Senate confirmation. The commissioner of insurance and commissioner of workers' compensation regulate the Texas insurance industry and workers' compensation system, respectively, by administering and enforcing the applicable laws. The Texas Insurance and Labor Codes fully define TDI's regulatory authority, and the agency's regulatory rules are contained within the Texas Administrative Code.

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

INSURANCE OPERATIONS

In the fall of 2012, TDI reorganized its insurance operations divisions to improve communication among related activities. The new structure combines related activities and reduces the number of commissioner direct reports from 14 to eight. The new Compliance Division (previously three divisions) comprises consumer protection, enforcement, and fraud activities. This creates a compliance continuum that allows the agency to better monitor consumer needs, adverse behavior by industry, and criminal activities resulting in fraud actions. All licensing activities now reside in the Financial Regulatory Division. The General Counsel Division handles rulemaking, chief clerk functions, and legal assistance to the entire agency. The Public Affairs Division includes government relations and public information activities. Finally, the Regulatory Policy Division handles rate and form filings for life, accident, and health insurance and for property and casualty insurance. In addition, TDI consolidated similar activities by function rather than by subject matter. For example, previously the Property and Casualty Program handled complaints about auto and homeowners rates, while the Consumer Protection Program handled complaints about claims. Now, the Compliance Division's Consumer Protection Section handles all insurance-related complaints.

In support of our mission, TDI has strengthened Texas' role in the insurance marketplace and established specific themes for the coming years:

Leading at state, national, and international levels:

TDI has increased its leadership role within the National Association of Insurance Commissioners (NAIC) and International Association of Insurance Supervisors (IAIS). TDI leads or is an active participant in 44 NAIC committees and subcommittees and in four IAIS subcommittees and work groups. Our enhanced participation will enable Texas to be at the table during development and negotiation of national and international insurance regulation standards and to ensure that regulatory policymakers consider the Texas regulatory environment.

The most effective form of consumer protection is a strong, competitive, stable insurance marketplace. Therefore, TDI reallocated resources to its financial solvency function. This will improve our ability to financially monitor insurers, to detect problems early, and to ensure that insurers pay policyholder claims on a timely basis.

Texas law established several quasi-governmental entities, such as the Texas Windstorm Insurance Association (TWIA). TWIA is under TDI's administrative supervision because the large number of Hurricane Ike claims stretched its resources. This resulted in customer service problems, questionable personnel actions, and financial irregularities. TDI has devoted significant resources and has taken a leadership role in helping TWIA identify where it needs to improve and to move toward a more effective business model.

Using data to shape policy direction and to define and measure success:

The size of the Texas insurance market and the extent of TDI's regulatory activities dictate a more comprehensive, data-driven approach to setting priorities and

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measuring progress. TDI is collecting and analyzing data about homeowners' insurance rates, life settlements, the effectiveness of fraud reporting by major insurers, issues related to funds held by the Texas Medical Liability Joint Underwriting Association and the Texas Property and Casualty Insurance Guaranty Association, and the effect of weather on property damage claims. The data will assist in decision making in these areas.

WORKERS' COMPENSATION

TDI-DWC administers the workers' compensation system, enforces the Texas Workers' Compensation Act and rules, administers the certified self-insurance program for individual employers, and resolves claim-level disputes about medical and income benefits.

The Texas workers' compensation system has undergone significant changes since the passage of House Bill (HB) 7 in 2005. Since 2005, DWC has implemented several initiatives to reduce and stabilize claim costs and improve injured employee outcomes (such as quality of care, access to care, and return-to-work outcomes). These initiatives include:

- adopting evidence-based treatment and return-to-work guidelines;
- adopting a closed pharmacy formulary – one of the first in the nation for workers' compensation;
- implementing a new enforcement structure to help align DWC enforcement activities with the rest of TDI;
- implementing changes to income benefits, including new work-search requirements for employees eligible for supplemental income benefits;
- streamlining dispute resolution processes and reducing the amount of time it takes to resolve income, medical fee, and medical necessity disputes;
- developing a performance-based oversight program to monitor health care providers and insurance carriers on key performance measures;
- implementing Medicare-based fee guidelines for professional services, inpatient and outpatient hospital services, and ambulatory surgical center services; and
- implementing a return-to-work reimbursement program for Texas employers.

As a result, Texas employers now have lower workers' compensation insurance rates, stabilized claims costs, and better return-to-work outcomes. Texas employees have improved access to quality medical care that helps them return to work quickly and safely. The Sunset Advisory Commission recently reviewed DWC and made several recommendations to align the regulatory authority of the Commissioner of Workers' Compensation with the Commissioner of Insurance; enhance DWC's enforcement authority, streamline the medical and indemnity dispute resolution processes; enhance DWC's oversight over designated doctors; and improve DWC's medical quality review process to improve oversight over medical care provided in the Texas workers' compensation system. Based on the Sunset review, the 82nd Texas Legislature passed HB 2605 in 2011. DWC expects to fully implement HB 2605 before the next legislative session.

CHALLENGES AND STRATEGIC RESPONSES

TDI has four broad strategic responses to meet the challenges identified through our strategic plan assessment. They are:

- **Regulatory Landscape:** Texas is a key driver in shaping a collaborative regulatory environment at all levels - state, national, and global.
- **Marketplace:** TDI fosters competition, attracts new capital and market entrants, and cultivates engaged, informed consumers.
- **Communication:** TDI's communication strategies are effective so that everyone, internally and externally, understands and supports what we do and why we do it.
- **Workforce and Technology:** TDI employs a highly skilled, diverse workforce that uses innovative business practices, leverages technology, anticipates changing conditions, and meets the needs of constituents.

BACKGROUND CHECKS

TDI has the following statutory authority to conduct criminal background checks:

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- Texas Insurance Code sections 801.056 and 4001.103 authorize TDI to deny an application for an authorization if the applicant fails to provide a complete set of fingerprints.
- Government Code sections 411.087 and 411.106 authorize access to an applicant's criminal history information from the Texas Department of Public Safety and the Federal Bureau of Investigations.

In addition, Chapter 53 of the Occupations Code; various sections of the Texas Insurance Code, including Section 4005; and Texas Administrative Code, Title 28, Section 1.501, provide authority to determine a person's fitness for holding a license, authorization or registration, or fitness to control licensed and authorized entities.

TDI has related policies and procedures for conducting criminal background checks. Further, TDI and the Texas Department of Public Safety have entered into a memorandum of understanding regarding staff training, requesting information, and the handling of confidential criminal histories. The purpose of these protocols is to establish guidelines for conducting criminal background checks on applicants for specific license types administered by TDI and to comply with state law. The Texas Department of Public Safety Crime Records Service (CRS) approves all TDI CRS users.

Trained and registered TDI staff may perform criminal background checks for the following purposes:

- To determine whether to grant specific license types administered by TDI, primarily insurance agents, claims adjusters and the proposed officers and directors of applicants for insurance company licenses.
- To determine whether or not to hire external applicants or allow internal final applicants to move into higher level positions.

FEDERAL HEALTH CARE REFORM

The agency's role with respect to federal health reform has been somewhat limited, with the primary cost burden for implementation in the insurance environment being borne by the health insurance industry and the federal government. TDI absorbed additional workload to bring policies sold in Texas into compliance with federal law.

TDI applied for and received three grants in 2010 under the federal law, one for consumer assistance, one for insurance exchange planning, and another for health insurance rate review. The consumer assistance grant was for \$2.8 million and spanned 18 months. With these funds, the agency created a health insurance hotline, created the Consumer Health Assistance Program (CHAP) to provide consumers with information about health insurance, and improved the agency website related to health insurance. The agency accepted a \$1 million exchange planning grant. TDI worked with the Milliman actuarial firm to gauge the market impact of the federal health reform law on the health insurance market in Texas and hosted a stakeholder meeting on exchange planning issues. These two tasks were accomplished with less than \$100,000. Finally, the agency was awarded a \$1 million grant to review rate increases under the law and to provide information to consumers on health insurance rate increases. The rate review grant is ongoing through September 2012.

BASELINE BUDGET REQUEST

TDI prepared its funding request in compliance with the policy letter dated June 4, 2012, and the instructions issued by the Legislative Budget Board and the Governor's Office of Budget, Planning, and Policy. The agency's baseline equals the sum of the fiscal year 2012 expended and the fiscal year 2013 budgeted. In general, TDI determined that its baseline budget of \$206,162,806 million and 1,586.2 full-time equivalent employees (FTEs) is sufficient to meet agency goals, with some exceptions. The exceptional items identified below represent the additional need for fiscal years 2014 and 2015.

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EXCEPTIONAL ITEMS

TDI has identified seven additional funding requests that will help the agency meet its statutory obligations and provide necessary technology resources. To perform at the high level of excellence demanded, TDI must continue to build a strong infrastructure of people, processes, and technology. TDI is engaged in a variety of efforts, and additional funding through these exceptional items are essential elements.

The exceptional items in priority order are:

- Regulatory Response Rider (\$4,400,000/40 FTEs)
- Data Center Budget Shortfall (\$667,462)
- Data Center Technology Initiatives (\$421,445)
- Obsolescence Hardware and Software Replacement (\$2,468,175)
- DWC Workers Compensation Research Institute Study (\$390,000)
- TexasSure Vehicle Verification Program Additional Funding (\$1,692,973)
- Capitol Complex Telephone System Replacement (\$1,415,751)

These requested items total \$11,455,806 and 40 FTEs over the FY 2014-15 biennium.

10 PERCENT SUPPLEMENTAL REDUCTION SCHEDULE

Agencies are required to submit a 10 percent supplemental reduction schedule for the 2014-15 biennium. To construct this 10 percent supplemental budget reduction schedule, TDI chose to set priorities within each 5 percent increment according to the regulatory priorities that the agency would follow at the lower funding levels.

TDI identified incremental reductions within its nine divisions. The first 5 percent increment eliminates 75.2 FTEs and reduces the budget by \$9,646,318. The second 5 percent increment further eliminates an additional 82.0 FTEs and reduces the agency budget again by \$9,646,318. The second 5 percent incremental reductions result in similar but more severe adverse impacts. The first 5 percent increment reduction would:

- reduce the number of engineer oversights performed;
 - limit the ability to pursue enforcement actions;
 - increase processing times for licensing, which might delay new companies entering the market;
 - impair the ability to detect financially troubled insurance companies;
 - impact service levels for fire safety inspections, outreach, investigations, and enforcement;
 - impact the ability to resolve complaints and perform medical quality reviews;
 - delay workers' compensation indemnity and medical dispute resolution services;
 - create backlog in record management, which will delay processing of open records requests, employment verification, and official actions for system participants;
- and
- delay advances of income benefits creating a financial hardship for injured employees.

The second 5 percent reduction would adversely affect the same business units, but would result in even more severe service reductions.

The combined impact of the two 5 percent reductions would impair TDI's ability to effectively regulate the insurance industry and workers' compensation system under current Texas law. TDI would likely need to seek interim approval from the Legislative Budget Board to change its performance measure targets.

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The severity of these cuts would impede TDI's timely review of at-risk companies. This could lead to more insurance insolvencies. An increase in the number of insolvent companies could result in higher costs to guaranty associations, the industry, and ultimately reduce general revenue. These cuts also affect fines and restitution recovered from enforcement and fraud cases.

TDI's funding structure precludes returning savings from the budget reductions to the state's general revenue (GR) fund because revenue to Account 36 would be reduced. Account 36 is the GR-dedicated account from which the state funds TDI and other agencies. The Texas Insurance Code requires that the insurance maintenance taxes be set with the intention of collecting the revenue needed to fund appropriations; if the Legislature appropriates fewer dollars, the revenue would be adjusted downward. With TDI's self-leveling budget structure, the reduction would not result in savings to the state and would likely result in loss of revenue because of reduced fees and taxes.

CONCLUSION

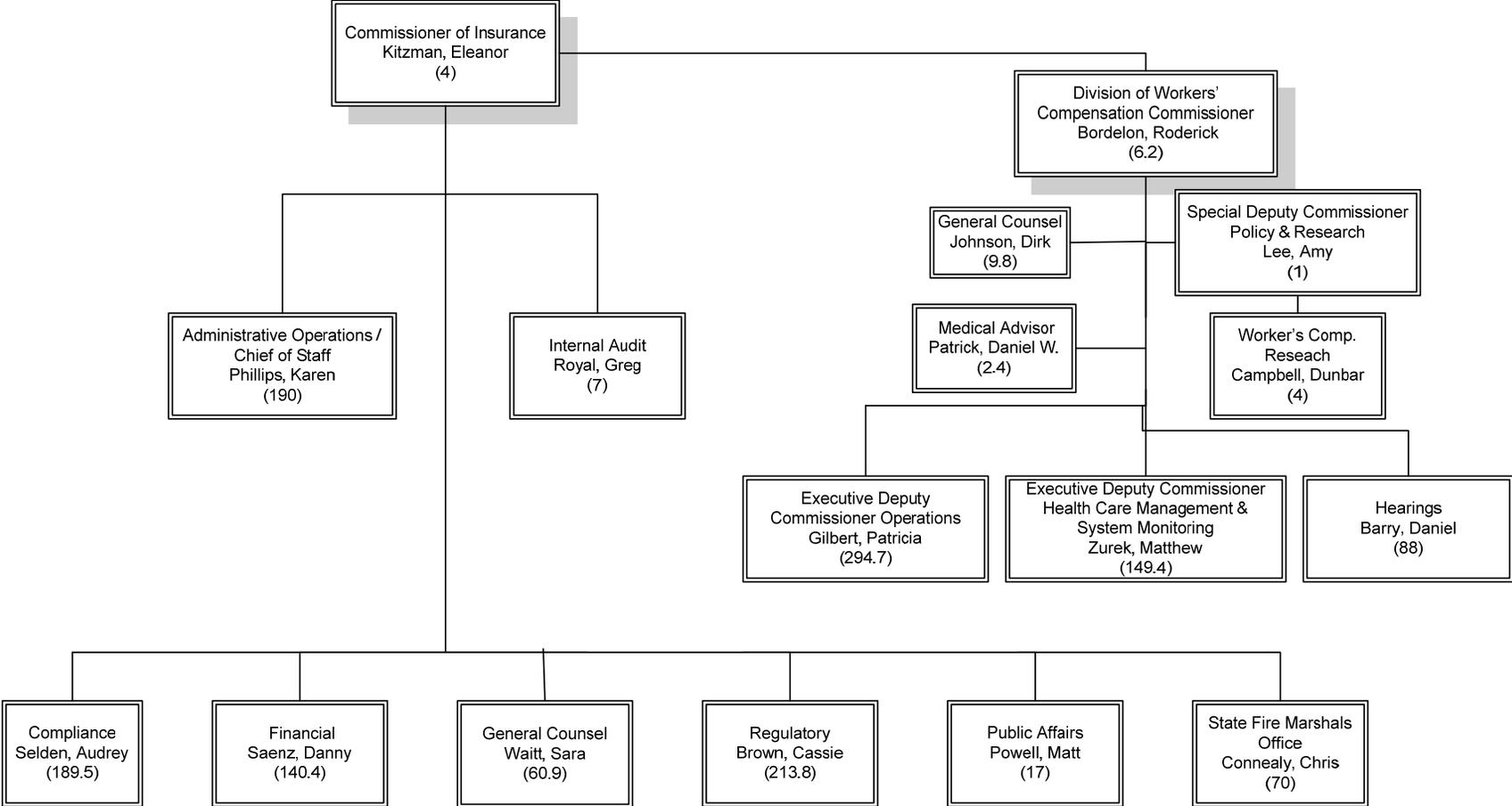
The agency requests a total of \$217.6 million and 1,626 FTEs for the 2014-2015 biennium. The approval of this baseline Legislative Appropriations Request, including rider revisions and exceptional items, will allow TDI to continue delivering services at the high level of excellence for which it has come to be recognized. A 10 percent reduction of \$19.3 million would impair the agency's effectiveness in regulating the insurance industry and workers' compensation system.

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1.A. ORGANIZATIONAL CHART

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**Texas Department of Insurance
Organizational Chart**



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2. SUMMARIES OF REQUEST

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Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt					
1 <i>Provide Insurance Consumers with Meaningful Information</i>					
1 CONSUMER EDUCATION AND OUTREACH	2,936,574	7,405,444	7,673,660	7,648,471	7,651,471
2 <i>Reduce Unfair & Illegal Insurer Practices</i>					
1 RESOLVE COMPLAINTS	3,254,477	3,129,842	3,169,084	2,944,880	2,944,880
2 INVESTIGATION AND ENFORCEMENT	2,784,424	3,104,089	3,119,862	3,248,686	3,248,686
3 INSURER FRAUD	1,475,493	1,544,974	1,653,648	1,610,782	1,610,782
4 PROVIDER AND CONSUMER FRAUD	1,336,685	1,391,528	1,497,543	1,482,556	1,482,556
5 WORKERS COMPENSATION FRAUD	161,957	200,234	274,959	262,022	262,022
3 <i>Reduce Impediments to Competition and Improve Insurance Availability</i>					
1 PROCESS RATES, FORMS & LICENSES	11,810,147	11,168,311	11,419,704	10,707,068	10,707,068
2 PROMOTE UNDERSERVED COVERAGE	174,282	162,413	189,986	172,558	172,558
3 TEXAS.GOV	435,145	465,215	380,000	380,000	380,000

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
4 CERTIFY SELF-INSURANCE	581,635	599,153	711,809	680,614	680,614
<u>4</u> <i>Administer Innovative Insurance Initiatives</i>					
1 LONG-TERM CARE	142,078	164,332	164,796	164,796	164,796
2 THREE-SHARE PROGRAMS	659,850	438,123	447,422	443,714	443,714
3 HEALTHY TEXAS	2,792,414	12,436,377	31,652,828	75,000	75,000
<u>5</u> <i>Assure Loss Control Services & Windstorm Inspections</i>					
1 LOSS CONTROL PROGRAMS	2,696,543	2,562,213	2,656,934	2,589,115	2,589,115
TOTAL, GOAL 1	\$31,241,704	\$44,772,248	\$65,012,235	\$32,410,262	\$32,413,262
<u>2</u> <i>Promote Financial Strength of Ins. Industry</i>					
<u>1</u> <i>Regulate Insurance Industry Solvency</i>					
1 INSURERS FINANCIAL CONDITION	11,602,330	12,290,263	6,920,281	9,156,455	9,156,455
TOTAL, GOAL 2	\$11,602,330	\$12,290,263	\$6,920,281	\$9,156,455	\$9,156,455
<u>3</u> <i>Reduce Loss of Life & Property Due to Fire</i>					

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Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>1</u> <i>Protect the Public from Loss of Life and Property due to fire</i>					
1 FIRE PROTECTION	4,426,790	4,301,945	4,338,098	4,025,969	4,025,969
TOTAL, GOAL 3	\$4,426,790	\$4,301,945	\$4,338,098	\$4,025,969	\$4,025,969
<u>4</u> <i>Effectively Regulate the Texas Workers' Compensation System</i>					
<u>1</u> <i>Ensure Appropriate Delivery of Workers' Compensation Benefits</i>					
1 OVERSIGHT AND ENFORCEMENT	4,728,481	5,548,535	5,573,087	5,334,634	5,334,634
2 DISPUTE RESOLUTION	13,417,172	13,379,467	15,852,452	15,431,923	13,331,923
3 SUBSEQUENT INJURY FUND ADMIN	5,430,586	5,374,591	4,519,238	4,501,921	4,501,921
<u>2</u> <i>Ensure Workers' Comp System Participants are Educated and Informed</i>					
1 HEALTH AND SAFETY SERVICES	3,666,901	3,648,542	4,026,085	3,730,776	3,730,776
2 CUSTOMER SERVICE & RECORDS ADMIN	5,123,410	5,047,349	5,634,092	5,379,518	5,379,518
TOTAL, GOAL 4	\$32,366,550	\$32,998,484	\$35,604,954	\$34,378,772	\$32,278,772
<u>5</u> <i>Indirect Administration</i>					

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>1</u> Indirect Administration					
1 CENTRAL ADMINISTRATION	10,055,255	9,568,573	10,807,582	10,167,195	10,167,195
2 INFORMATION RESOURCES	10,831,786	9,571,652	11,297,799	10,687,963	10,687,963
3 OTHER SUPPORT SERVICES	3,253,932	3,134,017	3,354,353	3,303,287	3,303,287
TOTAL, GOAL 5	\$24,140,973	\$22,274,242	\$25,459,734	\$24,158,445	\$24,158,445
<u>6</u> Regulatory Response					
<u>1</u> Regulatory Response					
1 CONTINGENCY REGULATORY RESPONSE	0	0	0	0	0
TOTAL, GOAL 6	\$0	\$0	\$0	\$0	\$0
TOTAL, AGENCY STRATEGY REQUEST	\$103,778,347	\$116,637,182	\$137,335,302	\$104,129,903	\$102,032,903
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$103,778,347	\$116,637,182	\$137,335,302	\$104,129,903	\$102,032,903

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	435,456	416,274	230,926	230,926	230,926
8042 Insurance Maint Tax Fees	34,057,925	34,553,804	39,257,360	36,811,620	36,811,620
SUBTOTAL	\$34,493,381	\$34,970,078	\$39,488,286	\$37,042,546	\$37,042,546
General Revenue Dedicated Funds:					
36 Dept Ins Operating Acct	55,911,329	54,279,756	54,256,934	55,369,700	53,269,700
5101 Subsequent Injury Fund	5,358,829	5,311,171	4,420,140	4,420,140	4,420,140
5138 Fire Prevention And Public Safety	0	100,000	100,000	0	0
SUBTOTAL	\$61,270,158	\$59,690,927	\$58,777,074	\$59,789,840	\$57,689,840
Federal Funds:					
369 Fed Recovery & Reinvestment Fund	0	90,800	0	0	0
555 Federal Funds	4,410,946	3,788,099	2,352,774	2,266,721	2,266,721
SUBTOTAL	\$4,410,946	\$3,878,899	\$2,352,774	\$2,266,721	\$2,266,721
Other Funds:					
6 State Highway Fund	0	4,225,766	4,228,766	4,225,766	4,228,766
329 Healthy TX Sm Emp Prem Stabil. Fund	999,980	3,529,491	30,299,529	0	0
444 Interagency Contracts - CJG	0	45,277	0	0	0
666 Appropriated Receipts	756,542	1,305,246	780,574	675,030	675,030
777 Interagency Contracts	1,847,340	8,991,498	1,408,299	130,000	130,000

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
SUBTOTAL	\$3,603,862	\$18,097,278	\$36,717,168	\$5,030,796	\$5,033,796
TOTAL, METHOD OF FINANCING	\$103,778,347	\$116,637,182	\$137,335,302	\$104,129,903	\$102,032,903

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
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Agency code: **454** Agency name: **Department of Insurance**

METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations -

	\$230,926	\$230,926	\$230,926	\$230,926	\$230,926
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Comments: INS - \$6,520
 DWC - \$224,406 GR in lieu of EFF Art.IX, Sec 6.26

RIDER APPROPRIATION

Art IX, Sec 6.22, Earned Federal Funds (2010-11 GAA)

	\$192,961	\$0	\$0	\$0	\$0
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Comments: Additional Earned Funds- New Grants

Art IX, Sec 6.22, Earned Federal Funds (2012-13 GAA)

	\$0	\$177,900	\$0	\$0	\$0
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Comments: Additional Earned Funds- New Grants

Art IX, Sec 8.04, Surplus Property (2010-11 GAA)- INS

	\$13,995	\$0	\$0	\$0	\$0
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Comments: Reappropriation of sale of vehicles

2.B. Summary of Base Request by Method of Finance
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METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
Agency code: 454 Agency name: Department of Insurance					
<u>GENERAL REVENUE</u>					
Art IX, Sec 8.04, Surplus Property (2012-13 GAA)- INS	\$0	\$7,448	\$0	\$0	\$0
Comments: Reappropriation of sale of vehicles					
Art IX, Sec 17.77, SB 78 Healthy Texas (2010-11 GAA)	\$17,425,000	\$0	\$0	\$0	\$0
<i>TRANSFERS</i>					
Art IX, Sec 17.77, SB 78 Healthy Texas (2010-11 GAA)	\$(17,425,000)	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations - INS	\$(1,423)	\$0	\$0	\$0	\$0
Lapsed Appropriations - DWC	\$0	\$0	\$0	\$0	\$0
<i>BASE ADJUSTMENT</i>					
Regular Appropriations Adjustment - INS Undercollection of Fees	\$(1,003)	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE</u>						
Comments: TX Online Fees - Undercollection						
TOTAL,	General Revenue Fund	\$435,456	\$416,274	\$230,926	\$230,926	\$230,926
8042	General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations - INS	\$35,858,632	\$37,218,618	\$37,218,618	\$36,811,620	\$36,811,620
	<i>RIDER APPROPRIATION</i>					
	Art IX, Sec 17.01, Data Center Reduction (COLA)	\$0	\$(122,123)	\$(151,294)	\$0	\$0
	Art IX, Sec 17.01, Data Center Reduction (Admin Fee)	\$0	\$(14,788)	\$(14,695)	\$0	\$0
	Art IX, Sec 17.75, Cont Appn HB 4341 Disct Hlthcare-INS (10-11 GAA)	\$44,875	\$0	\$0	\$0	\$0
	Comments: Change in funding per contingency rider in GAA					

2.B. Summary of Base Request by Method of Finance
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 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE</u>					
Art IX, Sec 17.77, Cont Appn SB 78 Healthy Texas - INS (10-11 GAA)	\$75,000	\$0	\$0	\$0	\$0
Comments: Change in funding per contingency rider in GAA					
Art IX, Sec 18.44,Cont Appn HB 1772 Certain Benefits - INS (2012-13 GA	\$0	\$109,195	\$100,081	\$0	\$0
Comments: Change in funding per contingency rider in GAA					
Art IX, Sec 18.50,Cont Appn HB 2277 Life Settlements - INS (2012-13 GA	\$0	\$160,154	\$186,181	\$0	\$0
Comments: Change in funding per contingency rider in GAA					
Art IX, Sec 18.52,Cont Appn HB 2408 Title - INS (2012-13 GAA)	\$0	\$535,708	\$561,063	\$0	\$0
Comments: Change in funding per contingency rider in GAA					
SB 2, 82nd Leg, SS 1, Sect. 12, Healthcare Collaboratives - INS	\$0	\$169,408	\$461,901	\$0	\$0
Comments: Change in funding per contingency rider in GAA					

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE</u>					
SB 2, 82nd Leg, SS 1, Section 20, TWIA - INS (2012-13 GAA)	\$0	\$131,370	\$121,767	\$0	\$0
Comments: Change in funding per contingency rider in GAA					
Art IX, Sec 18.61, Cont Appn SB 8 (2012-13 GAA)	\$0	\$171,094	\$480,864	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations - INS	\$(3,747,073)	\$0	\$0	\$0	\$0
Comments: Underspent due to vacancies					
Lapsed Appropriations - INS(2012-13 GAA)Regulatory Response Rider 23	\$0	\$(1,430,000)	\$(1,430,000)	\$0	\$0
Comments: Not activated					
Art IX, Sec 8.03(a), Reimbursements and Payments to the DIR (2010-11 G	\$(5,629)	\$0	\$0	\$0	\$0
Comments: Rebate DIR received					
<i>UNEXPENDED BALANCES AUTHORITY</i>					

2.B. Summary of Base Request by Method of Finance
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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015	
<u>GENERAL REVENUE</u>						
Art VIII, Rider 13 (page 8-23), GAA 10-11, UB Authority - INS	\$1,832,120	\$0	\$0	\$0	\$0	
Comments: UB Rider 13, (spending curtailed with fear of 5% reduction)						
Art VIII, Rider 13 (page 8-21), GAA 12-13, UB Authority - INS	\$0	\$(2,144,626)	\$2,144,626	\$0	\$0	
Comments: UB Rider 13, (Underspent due to vacancies)						
Art IX, Sec 18.15, Payments to the DIR (2012-13 GAA)- INS	\$0	\$(59,112)	\$59,112	\$0	\$0	
Comments: Rebates received increases UB						
Art IX, Sec 18.61, Cont Appn SB 8 (2012-13 GAA)	\$0	\$(171,094)	\$(480,864)	\$0	\$0	
Comments: Did not pass						
TOTAL, General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	\$34,057,925	\$34,553,804	\$39,257,360	\$36,811,620	\$36,811,620	
TOTAL, ALL GENERAL REVENUE	\$34,493,381	\$34,970,078	\$39,488,286	\$37,042,546	\$37,042,546	

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: **454** Agency name: **Department of Insurance**

METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
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GENERAL REVENUE FUND - DEDICATED

36 GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036

REGULAR APPROPRIATIONS

Regular Appropriations - INS & DWC

	\$59,091,722	\$59,471,172	\$57,371,171	\$55,369,700	\$53,269,700
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Comments: INS EXP 2011 \$19,854,411, Est 2012 \$20,730,775, Bud 2013 \$20,730,774,
 DWC Exp 2011 \$39,237,311 Est 2012 \$38,740,397, Bud 2013 \$36,640,397

RIDER APPROPRIATION

Art IX, Sec 17.01, Data Center Reduction (COLA)

	\$0	\$(215,641)	\$(267,148)	\$0	\$0
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Art IX, Sec 17.01, Data Center Reduction (Admin Fee)

	\$0	\$(26,111)	\$(25,950)	\$0	\$0
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Art IX, Sec 17.75, Cont Appn HB 4341 Disct Hlthcare - INS (2010-11 GAA)

	\$43,062	\$0	\$0	\$0	\$0
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Comments: Change in funding per contingency rider in GAA

Art IX, Sec 9.05, Texas Online Occupational Licenses - INS (10-11 GAA)

	\$56,148	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE FUND - DEDICATED</u>					
Comments: Additional collections					
Art IX, Sec 18.44,Cont Appn HB 1772 Certain Benefits - INS (2012-13 GA	\$0	\$59,916	\$54,914	\$0	\$0
Comments: Change in funding per contingency rider in GAA					
Art IX, Sec 18.50,Cont Appn HB 2277 Life Settlements - INS (2012-13 GA	\$0	\$43,678	\$0	\$0	\$0
Comments: Change in funding per contingency rider in GAA					
SB 2, 82nd Leg, SS 1,Sect. 12, Healthcare Collaboratives - INS (2012-1	\$0	\$254,112	\$692,851	\$0	\$0
Comments: Change in funding per contingency rider in GAA					
Art IX, Sec 18.78,Cont Appn SB 1291 Self Directed - INS (2012-13 GAA)	\$0	\$0	\$(7,421,489)	\$0	\$0
Comments: Change in funding per contingency rider in GAA					
Art IX, Sec 18.61, Cont Appn SB 8 (2012-13 GAA)	\$0	\$256,640	\$721,296	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE FUND - DEDICATED</u>					
Art IX, Sec 18.45, Cont Appn HB 1853/SB 1748(2012-13 GAA)	\$0	\$141,977	\$134,914	\$0	\$0
Art IX, Sec 9.05, Texas Online Occupational Licenses - INS (12-13 GAA)	\$0	\$85,215	\$0	\$0	\$0
Comments: Additional collections					
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations - INS	\$(1,570,661)	\$0	\$0	\$0	\$0
Comments: Underspent due to vacancies					
Lapsed Appropriations - DWC	\$(4,897,327)	\$0	\$0	\$0	\$0
Comments: Underspent due to vacancies					
Lapsed Appropriations - INS Regulatory Response Rider (2012-13 GAA)	\$0	\$(770,000)	\$(770,000)	\$0	\$0
Comments: Not Activated					

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE FUND - DEDICATED</u>					
Art IX, Sec 18.45, Cont Appn HB 1853/SB 1748(2012-13 GAA)	\$0	\$(141,977)	\$(134,914)	\$0	\$0
Comments: Did not pass					
Art IX, Sec 18.61, Cont Appn SB 8 (2012-13 GAA)	\$0	\$(256,640)	\$(721,296)	\$0	\$0
Comments: Did not pass					
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Art VIII, Rider 13(page 8-23) UB Authority - INS (2010-11 GAA)	\$968,169	\$0	\$0	\$0	\$0
Comments: UB Rider 13, (spending curtailed with fear of 5% reduction)					
Art VIII, Rider 13(page 8-23) UB Authority - DWC (2010-11 GAA)	\$2,220,216	\$0	\$0	\$0	\$0
Comments: UB Rider 13, (spending curtailed with fear of 5% reduction)					
Art VIII, Rider 13(page 8-21) UB Authority - INS (2012-13 GAA)	\$0	\$(834,607)	\$834,607	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE FUND - DEDICATED</u>					
Comments: UB Rider 13, (Underspent due to vacancies)					
Art VIII, Rider 13(page 8-21) UB Authority - DWC (2012-13 GAA)	\$0	\$(1,728,364)	\$1,728,364	\$0	\$0
Comments: UB Rider 13, (Underspent due to vacancies)					
Art IX, Sec 18.15, Payments to the DIR (2012-13 GAA)- INS	\$0	\$(32,442)	\$32,442	\$0	\$0
Comments: Rebate received will increase UB					
Art IX, Sec 18.15, Payments to the DIR (2012-13 GAA)- DWC	\$0	\$(127,172)	\$127,172	\$0	\$0
Comments: Rebate received will increase UB					
Art VIII, Rider 25 (page 23) Medical Fee Disputes - DWC (2012-13 GAA)	\$0	\$(1,900,000)	\$1,900,000	\$0	\$0
TOTAL, GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036	\$55,911,329	\$54,279,756	\$54,256,934	\$55,369,700	\$53,269,700

5101 GR Dedicated - Subsequent Injury Account No. 5101

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE FUND - DEDICATED</u>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations - DWC	\$4,420,140	\$4,420,140	\$4,420,140	\$4,420,140	\$4,420,140
Art VIII, Rider 14 - Additional Subsequent Injury Funds	\$2,741,318	\$0	\$0	\$0	\$0
Art VIII, Rider 14 - Additional Subsequent Injury Funds	\$0	\$891,031	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations - DWC Rider Appropriation	\$(1,802,615)	\$0	\$0	\$0	\$0
Comments: The lapse is due to two main reasons: 1) the request was based on an actuarial estimate that was not realized; and (2) a court case over approximately \$1,000,000 that was pending.					
Regular Appropriations - DWC Base	\$(14)	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>GENERAL REVENUE FUND - DEDICATED</u>						
TOTAL,	GR Dedicated - Subsequent Injury Account No. 5101	\$5,358,829	\$5,311,171	\$4,420,140	\$4,420,140	\$4,420,140
<u>5138</u>	GR Dedicated - Fire Prevention and Public Safety Account No. 5138 <i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations - INS	\$0	\$100,000	\$100,000	\$0	\$0
TOTAL,	GR Dedicated - Fire Prevention and Public Safety Account No. 5138	\$0	\$100,000	\$100,000	\$0	\$0
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED	\$61,270,158	\$59,690,927	\$58,777,074	\$59,789,840	\$57,689,840
TOTAL,	GR & GR-DEDICATED FUNDS	\$95,763,539	\$94,661,005	\$98,265,360	\$96,832,386	\$94,732,386
<u>FEDERAL FUNDS</u>						
<u>369</u>	Federal American Recovery and Reinvestment Fund <i>RIDER APPROPRIATION</i>					
	ADC Replacement and Equipment Purchase, 16.803.0 SU-Recovery Act (ARRA)	\$0	\$90,800	\$0	\$0	\$0
TOTAL,	Federal American Recovery and Reinvestment Fund	\$0	\$90,800	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: **454** Agency name: **Department of Insurance**

METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
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FEDERAL FUNDS

555 Federal Funds

REGULAR APPROPRIATIONS

Regular Appropriations - DWC

	\$2,254,623	\$2,266,721	\$2,266,721	\$2,266,721	\$2,266,721
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RIDER APPROPRIATION

Art IX, Sec 8.02, Federal Funds - INS - Fire Safety & Prev. (2010-11 G

	\$155,740	\$0	\$0	\$0	\$0
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Comments: Federal Grant awarded in 2010

Art IX, Sec 8.02, Federal Funds - INS - FHR (2010-11 GAA)

	\$2,001,330	\$0	\$0	\$0	\$0
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Art IX, Sec 8.02, Federal Funds - INS - FHR (2012-13 GAA)

	\$0	\$1,316,547	\$86,053	\$0	\$0
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Art IX, Sec 8.02, Federal Funds - INS - Asst. to Fire Fighters

	\$285,048	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>FEDERAL FUNDS</u>					
Art IX, Sec 8.02, Federal Funds - INS - Fire Safety & Prev. (2012-13 G	\$0	\$285,048	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations - INS - Fed Funds Safe Exit (Coverdell)	\$(133,240)	\$0	\$0	\$0	\$0
Lapsed Appropriations - INS - Fed Funds Assistance to Fire Fighters	\$(64,168)	\$0	\$0	\$0	\$0
Lapsed Appropriations - DWC - Fed Funds	\$(88,387)	\$(80,217)	\$0	\$0	\$0
TOTAL, Federal Funds	\$4,410,946	\$3,788,099	\$2,352,774	\$2,266,721	\$2,266,721
TOTAL, ALL FEDERAL FUNDS	\$4,410,946	\$3,878,899	\$2,352,774	\$2,266,721	\$2,266,721

OTHER FUNDS

6 State Highway Fund No. 006
REGULAR APPROPRIATIONS

2.B. Summary of Base Request by Method of Finance
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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>OTHER FUNDS</u>						
	Capital Rider - TexasSure	\$0	\$4,225,766	\$4,228,766	\$4,225,766	\$4,228,766
TOTAL,	State Highway Fund No. 006	\$0	\$4,225,766	\$4,228,766	\$4,225,766	\$4,228,766
<u>329</u>	Healthy Texas Small Employer Premium Stabilization Fund					
	<i>TRANSFERS</i>					
	Art IX, Sec 17.77, SB 78 Healthy Texas - Ins (2010-11 GAA)	\$17,425,000	\$0	\$0	\$0	\$0
	<i>UNEXPENDED BALANCES AUTHORITY</i>					
	Art IX, Sec 17.77, Healthy Texas - INS (2010-11 GAA) UB Authority	\$17,404,000	\$0	\$0	\$0	\$0
	Art VIII, Rider 22, pg. 22, UB Authority - INS (2012-13 GAA)	\$(33,829,020)	\$33,829,020	\$0	\$0	\$0
	Art VIII, Rider 22, pg. 22, UB Authority - INS (2012-13 GAA)	\$0	\$(30,299,529)	\$30,299,529	\$0	\$0

2.B. Summary of Base Request by Method of Finance
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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>OTHER FUNDS</u>						
TOTAL,	Healthy Texas Small Employer Premium Stabilization Fund	\$999,980	\$3,529,491	\$30,299,529	\$0	\$0
<u>444</u>	Interagency Contracts - Criminal Justice Grants					
	<i>TRANSFERS</i>					
	Equipment Purchase and Arson Canine Replacement	\$0	\$45,277	\$0	\$0	\$0
TOTAL,	Interagency Contracts - Criminal Justice Grants	\$0	\$45,277	\$0	\$0	\$0
<u>666</u>	Appropriated Receipts					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations -	\$689,116	\$689,116	\$689,116	\$675,030	\$675,030
	Comments: INS - EXP 2011 \$218,430, EST 2012 \$218,430, Bud 2013 \$218,430 DWC EXP 2011 \$470,686, EST 2012 \$470,686, BUD 2013 \$470,686					
	<i>RIDER APPROPRIATION</i>					
	Art IX, Sec 17.08, Appropriation of Fines - INS (2010-11 GAA)	\$266,500	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>OTHER FUNDS</u>					
Comments: Fines collected by Enforcement reappropriated to the Three Share Assistance Program					
Art IX, Sec 8.08, Seminars & conferences - INS (2010-11 GAA)	\$27,833	\$0	\$0	\$0	\$0
Comments: Conference Fee Collections					
Art IX, Sec 8.08, Seminars & conferences - INS (2012-13 GAA)	\$0	\$34,125	\$0	\$0	\$0
Comments: Conference Fee Collections					
<i>LAPSED APPROPRIATIONS</i>					
Lapsed Appropriations - INS	\$(148,104)	\$0	\$0	\$0	\$0
Comments: Underspending of additional collections					
Lapsed Appropriations - DWC	\$(154,835)	\$0	\$0	\$0	\$0
Comments: Lapse due to undercollection					
<i>UNEXPENDED BALANCES AUTHORITY</i>					

2.B. Summary of Base Request by Method of Finance
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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>OTHER FUNDS</u>					
Art IX, Sec 8.01, Acceptance of Gift of Money - DWC (2010-11 GAA)	\$600,420	\$0	\$0	\$0	\$0
Comments: TMIC Grant					
Art IX, Sec 8.01, Acceptance of Gift of Money - DWC (2010-11 GAA)	\$(529,408)	\$0	\$0	\$0	\$0
Comments: TMIC Grant					
Art IX, Sec 8.08, Seminars & conferences - INS (2010-11 GAA)	\$10,277	\$0	\$0	\$0	\$0
Comments: Move forward additional revenue for conferences for future expenditures					
Art IX, Sec 8.08, Seminars & conferences - INS (2012-13 GAA)	\$0	\$(10,480)	\$0	\$0	\$0
Comments: Move forward additional revenue for conferences for future expenditures					
Art IX, Sec 8.08, Seminars & conferences - DWC (2010-11 GAA)	\$52,198	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>OTHER FUNDS</u>					
Comments: Move forward additional revenue for conferences for future expenditures					
Art IX, Sec 8.08, Seminars & conferences - DWC (2012-13 GAA)	\$0	\$(9,378)	\$0	\$0	\$0
Comments: Move forward additional revenue for conferences for future expenditures					
Art IX, Sec 8.08, Seminars & conferences - INS (2012-13 GAA)	\$0	\$10,480	\$10,480	\$0	\$0
Comments: Move forward additional revenue for conferences for future expenditures					
Art IX, Sec 8.08, Seminars & conferences - DWC (2012-13 GAA)	\$0	\$46,975	\$9,378	\$0	\$0
Comments: Move forward additional revenue for conferences for future expenditures					
Art IX, Sec 8.03, Reimbursements and Payments - INS (2012-13 GAA)	\$0	\$15,000	\$71,600	\$0	\$0
Comments: TWIA Ombudsman Program from HB3 start May 2012					

2.B. Summary of Base Request by Method of Finance
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 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>OTHER FUNDS</u>						
Art IX, Sec 8.08, Seminars & conferences - INS (2010-11 GAA)		\$ (10,480)	\$ 0	\$ 0	\$ 0	\$ 0
Comments: Move forward additional revenue for conferences for future expenditures						
Art IX, Sec 8.08, Seminars & conferences - DWC (2010-11 GAA)		\$ (46,975)	\$ 0	\$ 0	\$ 0	\$ 0
Comments: Move forward additional revenue for conferences for future expenditures						
Art IX, Sec 8.01, Acceptance of Gift of Money - DWC (2012-13 GAA)		\$ 0	\$ 529,408	\$ 0	\$ 0	\$ 0
Comments: TMIC Grant						
TOTAL,	Appropriated Receipts	\$756,542	\$1,305,246	\$780,574	\$675,030	\$675,030
<u>777</u>	Interagency Contracts					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations - Hobby	\$ 57,600	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000

2.B. Summary of Base Request by Method of Finance
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 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>OTHER FUNDS</u>					
Regular Appropriations - Hobby (HHSC Grant - Healthy Texas)	\$0	\$4,900,000	\$4,900,000	\$0	\$0
Comments: HHSC IAC for Healthy Texas Initiative					
<i>RIDER APPROPRIATION</i>					
Art IX, Sec 14.01, (d) Appropriation Transfers - Hobby (2010-11 GAA)	\$72,691	\$0	\$0	\$0	\$0
Comments: Additional IAC awarded from DADS					
Art IX, Sec 14.01, (f) Appropriation Transfers - Hobby (2012-13 GAA)	\$0	\$8,831,498	\$1,278,299	\$0	\$0
Comments: Additional IAC awarded from HHSC					
Art IX, Sec 14.01, (f) Appropriation Transfers - Hobby (2012-13 GAA)	\$0	\$30,000	\$0	\$0	\$0
Comments: Additional IAC awarded from DADS- MIPPA related activities					
Art IX, Sec 4.03 Grants - HHSC Grant Healthy Texas	\$4,900,000	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					

2.B. Summary of Base Request by Method of Finance

8/30/2012 6:25:35PM

83rd Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
<u>OTHER FUNDS</u>						
Lapsed Appropriations - Hobby						
		\$ (3,182,951)	\$ 0	\$ 0	\$ 0	\$ 0
Comments: HHSC IAC, underspent due to newly developed program, new positions remain vacant						
Cut in Federal Funding for HHSC Grant (Healthy Texas)						
		\$ 0	\$ (4,900,000)	\$ (4,900,000)	\$ 0	\$ 0
TOTAL,	Interagency Contracts					
		\$ 1,847,340	\$ 8,991,498	\$ 1,408,299	\$ 130,000	\$ 130,000
TOTAL, ALL	OTHER FUNDS					
		\$ 3,603,862	\$ 18,097,278	\$ 36,717,168	\$ 5,030,796	\$ 5,033,796
GRAND TOTAL		\$ 103,778,347	\$ 116,637,182	\$ 137,335,302	\$ 104,129,903	\$ 102,032,903

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/30/2012 6:25:35PM

Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table - (2012-13 GAA)	1,693.0	1,639.5	1,639.5	1,586.2	1,586.2
Regular Appropriations - INS - Regulatory Response Rider	0.0	40.0	40.0	0.0	0.0
Art IX, Sec 18.78 Cont Appn SB 1291 Self Directed - INS(2012-13	0.0	0.0	(85.8)	0.0	0.0
RIDER APPROPRIATION					
Art IX, Sec 17.75 Cont Appn HB 4341-Discrt Hlthcare-INS (2010-11 GAA)	2.0	0.0	0.0	0.0	0.0
Art IX, Sec 17.77 Cont Appn SB 78-Healthy Texas-INS (2010-11 GAA)	0.5	0.0	0.0	0.0	0.0
Art IX, Sec 18.44 Cont Appn HB 1772 Certain Benefits- INS (2012-13 GAA	0.0	3.0	3.0	0.0	0.0
Art IX, Sec 18.50 Cont Appn HB 2277 Life Settlements- INS (2012-13 GAA	0.0	3.0	3.0	0.0	0.0
Art IX, Sec 18.52 Cont Appn HB 2408 Title- INS (2012-13 GAA)	0.0	8.5	8.5	0.0	0.0
82nd Leg, SS 1, SB 2, Sec 12, Healthcare Collaboratives- INS (2012-13	0.0	8.0	16.0	0.0	0.0
82nd Leg, SS 1, SB 2, Sec 20, TWIA - INS (2012-13 GAA)	0.0	2.0	2.0	0.0	0.0

2.B. Summary of Base Request by Method of Finance
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/30/2012 6:25:35PM

Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2011	Est 2012	Bud 2013	Req 2014	Req 2015
Art IX, Sec 18.45 Cont Appn HB 1853/SB1748 (2012-13 GAA)	0.0	2.5	3.0	0.0	0.0
Art IX, Sec 18.61 Cont Appn SB 8 (2012-13 GAA)	0.0	6.0	13.0	0.0	0.0
LAPSED APPROPRIATIONS					
Unauthorized Number Over (Below)Cap - INS	(90.8)	(134.5)	(82.3)	0.0	0.0
Unauthorized Number Over (Below)Cap - DWC	(133.3)	(90.1)	(53.6)	0.0	0.0
Unauthorized Number Over (Below)Cap - INS	0.0	(40.0)	(40.0)	0.0	0.0
Art IX, Sec 18.45 Cont Appn HB 1853/SB 1748 (2012-13 GAA)	0.0	(2.5)	(3.0)	0.0	0.0
Art IX, Sec 18.61 Cont Appn SB 8 (2012-13 GAA)	0.0	(6.0)	(13.0)	0.0	0.0
TOTAL, ADJUSTED FTES	1,471.4	1,439.4	1,450.3	1,586.2	1,586.2
NUMBER OF 100% FEDERALLY FUNDED FTEs	9.9	12.6	0.3	0.0	0.0

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2.C. Summary of Base Request by Object of Expense

8/30/2012 6:25:36PM

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)**454 Department of Insurance**

OBJECT OF EXPENSE	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1001 SALARIES AND WAGES	\$71,787,786	\$70,580,560	\$74,246,167	\$72,890,980	\$72,890,980
1002 OTHER PERSONNEL COSTS	\$3,616,473	\$2,431,735	\$2,285,780	\$2,281,400	\$2,281,400
2001 PROFESSIONAL FEES AND SERVICES	\$7,543,093	\$11,381,155	\$10,622,073	\$10,730,045	\$8,633,045
2002 FUELS AND LUBRICANTS	\$147,986	\$133,180	\$117,460	\$117,460	\$117,460
2003 CONSUMABLE SUPPLIES	\$461,590	\$569,580	\$575,865	\$564,717	\$564,717
2004 UTILITIES	\$1,072,201	\$1,114,820	\$1,099,230	\$1,079,730	\$1,079,730
2005 TRAVEL	\$1,708,651	\$2,230,018	\$1,551,638	\$1,476,734	\$1,476,734
2006 RENT - BUILDING	\$3,263,827	\$3,387,260	\$3,528,130	\$3,519,195	\$3,519,195
2007 RENT - MACHINE AND OTHER	\$726,807	\$746,852	\$736,110	\$727,733	\$727,733
2009 OTHER OPERATING EXPENSE	\$12,390,711	\$23,651,697	\$42,186,468	\$10,355,528	\$10,355,528
3001 CLIENT SERVICES	\$2,598	\$10,000	\$0	\$0	\$0
4000 GRANTS	\$630,685	\$343,065	\$386,381	\$386,381	\$386,381
5000 CAPITAL EXPENDITURES	\$425,939	\$57,260	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$103,778,347	\$116,637,182	\$137,335,302	\$104,129,903	\$102,032,903
OOE Total (Riders)					
Grand Total	\$103,778,347	\$116,637,182	\$137,335,302	\$104,129,903	\$102,032,903

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2.D. Summary of Base Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/30/2012 6:25:36PM

454 Department of Insurance

Goal/ Objective / Outcome	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt					
1 Provide Insurance Consumers with Meaningful Information					
KEY 1 % of Calls Answered by the TDI Consumer Help Line Call Center	91.00%	93.00%	90.00%	90.00 %	90.00 %
2 Reduce Unfair & Illegal Insurer Practices					
1 Percent of Enforcement Cases Concluded within 365 Days	64.00	60.00	60.00	60.00	60.00
2 Percent of Insurer Fraud Referrals Resulting in Legal Action	46.00	67.00	65.00	65.00	65.00
3 Percent of WC Insurance Fraud Referral W/Legal Action	157.00%	15.00%	55.00%	55.00 %	55.00 %
3 Reduce Impediments to Competition and Improve Insurance Availability					
1 Percent of Company, TPA and PF License Apps Completed within 60 Days	94.00%	95.00%	95.00%	95.00 %	95.00 %
KEY 2 Percent of Agent License Filings Completed within 15 Days	97.00%	96.00%	96.00%	96.00 %	96.00 %
KEY 3 Percent of Statutory Rate and Form Filings Completed within 90 Days	90.00%	90.00%	87.00%	87.00 %	87.00 %
KEY 4 Percent Personal Auto/Res Property Form Filings Completed in 60 Days	94.00%	91.00%	94.00%	94.00 %	94.00 %
KEY 5 % of Autos in Underserved Mrkt w/Personal or Comm. Liability Insurance	75.00%	75.00%	75.00%	75.00 %	75.00 %
KEY 6 Percent of Licensees Who Renew Online	78.00%	82.00%	82.00%	82.00 %	82.00 %
4 Administer Innovative Insurance Initiatives					
1 % of Small Employers Participating in Innovative Insurance Initiatives	5.00%	5.00%	5.00%	5.00 %	5.00 %
5 Assure Loss Control Services & Windstorm Inspections					

2.D. Summary of Base Request Objective Outcomes
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

8/30/2012 6:25:36PM

454 Department of Insurance

Goal/ Objective / Outcome	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1 Percent of Insurers Providing Adequate Loss Control Programs	96.00%	99.00%	99.00%	99.00%	99.00%
2 % of Windstorm Inspections That Result in an "Approved" Status Code	35.00%	35.00%	35.00%	35.00%	35.00%
2 Promote Financial Strength of Ins. Industry <i>1 Regulate Insurance Industry Solvency</i>					
1 Percent of Identified Companies Reviewed	97.00%	97.00%	97.00%	97.00%	97.00%
KEY 2 Percent of Special Deputy Receiver Collections Expended on Asset Admin	2.28%	15.00%	15.00%	15.00%	15.00%
KEY 3 Average Days from Company "At Risk" Identification to Solvency Action	3.00	11.00	21.00	21.00	21.00
KEY 4 % of Companies Rehabilitated after TDI Solvency-Related Intervention	23.00%	18.00%	18.00%	18.00%	18.00%
3 Reduce Loss of Life & Property Due to Fire <i>1 Protect the Public from Loss of Life and Property due to fire</i>					
1 % of SFMO Criminal Referrals Resulting in Enforcement/Legal Action	68.00%	60.00%	60.00%	60.00%	60.00%
KEY 2 % of Fire Sfty Registrations, Licenses, Permits Issued w/in 20 Days	96.00%	99.00%	99.00%	99.00%	99.00%

2.D. Summary of Base Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/30/2012 6:25:36PM

454 Department of Insurance

Goal/ Objective / Outcome	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4 Effectively Regulate the Texas Workers' Compensation System					
1 Ensure Appropriate Delivery of Workers' Compensation Benefits					
1 % of WC Enforcement Cases Concluded within 365 Days					
	63.00%	90.00%	65.00%	65.00%	65.00%
KEY 2 Percent of Medical Bills Processed Timely					
	98.00%	95.00%	95.00%	95.00%	95.00%
KEY 3 % of Med Fee Disputes Resolved or Upheld Upon Appeal					
	33.00%	90.00%	90.00%	90.00%	90.00%
KEY 4 Payments from the Subsequent Injury Fund					
	5,026,758.00	6,234,220.00	6,900,000.00	6,900,000.00	6,900,000.00
2 Ensure Workers' Comp System Participants are Educated and Informed					
KEY 1 Percent of TIBs Recipients Returning to Work Within 90 Days of Injury					
	56.00%	54.00%	54.00%	54.00%	54.00%

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2.E. Summary of Exceptional Items Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME : 6:25:36PM

Agency code: 454

Agency name: Department of Insurance

Priority	Item	2014			2015			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Reinstate Regulatory Response Rider	\$2,200,000	\$2,200,000	40.0	\$2,200,000	\$2,200,000	40.0	\$4,400,000	\$4,400,000
2	Additional Funds for Data Center	\$293,716	\$293,716		\$373,746	\$373,746		\$667,462	\$667,462
3	Agency Initiatives for Data Center	\$214,627	\$214,627		\$206,818	\$206,818		\$421,445	\$421,445
4	Restore Obsolescence Project	\$1,221,375	\$1,221,375		\$1,246,800	\$1,246,800		\$2,468,175	\$2,468,175
5	Fund Workers' Comp Comparison Study	\$195,000	\$195,000		\$195,000	\$195,000		\$390,000	\$390,000
6	TexasSure Funding to TDI		\$770,164			\$922,809			\$1,692,973
7	Replace Cap Complex Phone System	\$1,415,751	\$1,415,751		\$0	\$0		\$1,415,751	\$1,415,751
Total, Exceptional Items Request		\$5,540,469	\$6,310,633	40.0	\$4,222,364	\$5,145,173	40.0	\$9,762,833	\$11,455,806
Method of Financing									
	General Revenue	\$3,141,813	\$3,141,813		\$2,198,282	\$2,198,282		\$5,340,095	\$5,340,095
	General Revenue - Dedicated	2,398,656	2,398,656		2,024,082	2,024,082		4,422,738	4,422,738
	Federal Funds								
	Other Funds		770,164			922,809			1,692,973
		\$5,540,469	\$6,310,633		\$4,222,364	\$5,145,173		\$9,762,833	\$11,455,806
Full Time Equivalent Positions				40.0					40.0
Number of 100% Federally Funded FTEs				0.0					0.0

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2.F. Summary of Total Request by Strategy
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/30/2012

TIME : 6:25:36PM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
1 Promote Consumer Access to Affordable Insur Products W/in a Fair M						
<i>1 Provide Insurance Consumers with Meaningful Information</i>						
1 CONSUMER EDUCATION AND OUTREACH	\$7,648,471	\$7,651,471	\$810,135	\$963,611	\$8,458,606	\$8,615,082
<i>2 Reduce Unfair & Illegal Insurer Practices</i>						
1 RESOLVE COMPLAINTS	2,944,880	2,944,880	50,842	51,900	2,995,722	2,996,780
2 INVESTIGATION AND ENFORCEMENT	3,248,686	3,248,686	41,278	42,137	3,289,964	3,290,823
3 INSURER FRAUD	1,610,782	1,610,782	20,434	20,860	1,631,216	1,631,642
4 PROVIDER AND CONSUMER FRAUD	1,482,556	1,482,556	18,064	18,441	1,500,620	1,500,997
5 WORKERS COMPENSATION FRAUD	262,022	262,022	4,384	4,476	266,406	266,498
<i>3 Reduce Impediments to Competition and Improve Insurance Availabi</i>						
1 PROCESS RATES, FORMS & LICENSES	10,707,068	10,707,068	173,043	176,646	10,880,111	10,883,714
2 PROMOTE UNDERSERVED COVERAGE	172,558	172,558	0	0	172,558	172,558
3 TEXAS.GOV	380,000	380,000	0	0	380,000	380,000
4 CERTIFY SELF-INSURANCE	680,614	680,614	9,645	9,846	690,259	690,460
<i>4 Administer Innovative Insurance Initiatives</i>						
1 LONG-TERM CARE	164,796	164,796	0	0	164,796	164,796
2 THREE-SHARE PROGRAMS	443,714	443,714	0	0	443,714	443,714
3 HEALTHY TEXAS	75,000	75,000	0	0	75,000	75,000
<i>5 Assure Loss Control Services & Windstorm Inspections</i>						
1 LOSS CONTROL PROGRAMS	2,589,115	2,589,115	37,437	38,216	2,626,552	2,627,331
TOTAL, GOAL 1	\$32,410,262	\$32,413,262	\$1,165,262	\$1,326,133	\$33,575,524	\$33,739,395

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/30/2012

TIME : 6:25:36PM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
2 Promote Financial Strength of Ins. Industry						
<i>1 Regulate Insurance Industry Solvency</i>						
1 INSURERS FINANCIAL CONDITION	\$9,156,455	\$9,156,455	\$79,205	\$80,855	\$9,235,660	\$9,237,310
TOTAL, GOAL 2	\$9,156,455	\$9,156,455	\$79,205	\$80,855	\$9,235,660	\$9,237,310
3 Reduce Loss of Life & Property Due to Fire						
<i>1 Protect the Public from Loss of Life and Property due to fire</i>						
1 FIRE PROTECTION	4,025,969	4,025,969	58,035	59,243	4,084,004	4,085,212
TOTAL, GOAL 3	\$4,025,969	\$4,025,969	\$58,035	\$59,243	\$4,084,004	\$4,085,212
4 Effectively Regulate the Texas Workers' Compensation System						
<i>1 Ensure Appropriate Delivery of Workers' Compensation Benefits</i>						
1 OVERSIGHT AND ENFORCEMENT	5,334,634	5,334,634	269,532	271,084	5,604,166	5,605,718
2 DISPUTE RESOLUTION	15,431,923	13,331,923	219,300	223,863	15,651,223	13,555,786
3 SUBSEQUENT INJURY FUND ADMIN	4,501,921	4,501,921	0	0	4,501,921	4,501,921
<i>2 Ensure Workers' Comp System Participants are Educated and Inform</i>						
1 HEALTH AND SAFETY SERVICES	3,730,776	3,730,776	61,292	62,568	3,792,068	3,793,344
2 CUSTOMER SERVICE & RECORDS ADMIN	5,379,518	5,379,518	109,606	111,888	5,489,124	5,491,406
TOTAL, GOAL 4	\$34,378,772	\$32,278,772	\$659,730	\$669,403	\$35,038,502	\$32,948,175

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/30/2012

TIME : 6:25:36PM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
5 Indirect Administration						
1 Indirect Administration						
1 CENTRAL ADMINISTRATION	\$10,167,195	\$10,167,195	\$116,172	\$118,590	\$10,283,367	\$10,285,785
2 INFORMATION RESOURCES	10,687,963	10,687,963	1,996,590	654,569	12,684,553	11,342,532
3 OTHER SUPPORT SERVICES	3,303,287	3,303,287	35,639	36,380	3,338,926	3,339,667
TOTAL, GOAL 5	\$24,158,445	\$24,158,445	\$2,148,401	\$809,539	\$26,306,846	\$24,967,984
6 Regulatory Response						
1 Regulatory Response						
1 CONTINGENCY REGULATORY RESPONSE	0	0	2,200,000	2,200,000	2,200,000	2,200,000
TOTAL, GOAL 6	\$0	\$0	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000
TOTAL, AGENCY STRATEGY REQUEST	\$104,129,903	\$102,032,903	\$6,310,633	\$5,145,173	\$110,440,536	\$107,178,076
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$104,129,903	\$102,032,903	\$6,310,633	\$5,145,173	\$110,440,536	\$107,178,076

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/30/2012
 TIME : 6:25:36PM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
General Revenue Funds:						
1 General Revenue Fund	\$230,926	\$230,926	\$0	\$0	\$230,926	\$230,926
8042 Insurance Maint Tax Fees	36,811,620	36,811,620	3,141,813	2,198,282	39,953,433	39,009,902
	\$37,042,546	\$37,042,546	\$3,141,813	\$2,198,282	\$40,184,359	\$39,240,828
General Revenue Dedicated Funds:						
36 Dept Ins Operating Acct	55,369,700	53,269,700	2,398,656	2,024,082	57,768,356	55,293,782
5101 Subsequent Injury Fund	4,420,140	4,420,140	0	0	4,420,140	4,420,140
5138 Fire Prevention And Public Safety	0	0	0	0	0	0
	\$59,789,840	\$57,689,840	\$2,398,656	\$2,024,082	\$62,188,496	\$59,713,922
Federal Funds:						
369 Fed Recovery & Reinvestment Fund	0	0	0	0	0	0
555 Federal Funds	2,266,721	2,266,721	0	0	2,266,721	2,266,721
	\$2,266,721	\$2,266,721	\$0	\$0	\$2,266,721	\$2,266,721
Other Funds:						
6 State Highway Fund	4,225,766	4,228,766	770,164	922,809	4,995,930	5,151,575
329 Healthy TX Sm Emp Prem Stabil. Fund	0	0	0	0	0	0
444 Interagency Contracts - CJG	0	0	0	0	0	0
666 Appropriated Receipts	675,030	675,030	0	0	675,030	675,030
777 Interagency Contracts	130,000	130,000	0	0	130,000	130,000
	\$5,030,796	\$5,033,796	\$770,164	\$922,809	\$5,800,960	\$5,956,605
TOTAL, METHOD OF FINANCING	\$104,129,903	\$102,032,903	\$6,310,633	\$5,145,173	\$110,440,536	\$107,178,076

2.F. Summary of Total Request by Strategy
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/30/2012

TIME : 6:25:36PM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2014	Base 2015	Exceptional 2014	Exceptional 2015	Total Request 2014	Total Request 2015
FULL TIME EQUIVALENT POSITIONS	1,586.2	1,586.2	40.0	40.0	1,626.2	1,626.2

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2.G. Summary of Total Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/30/2012
 Time: 6:25:37PM

Agency code: 454

Agency name: Department of Insurance

Goal/ Objective / Outcome

		BL 2014	BL 2015	Excp 2014	Excp 2015	Total Request 2014	Total Request 2015
1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt						
1	<i>Provide Insurance Consumers with Meaningful Information</i>						
KEY	1 % of Calls Answered by the TDI Consumer Help Line Call Center	90.00%	90.00%			90.00%	90.00 %
2	<i>Reduce Unfair & Illegal Insurer Practices</i>						
	1 Percent of Enforcement Cases Concluded within 365 Days	60.00	60.00			60.00	60.00
	2 Percent of Insurer Fraud Referrals Resulting in Legal Action	65.00	65.00			65.00	65.00
	3 Percent of WC Insurance Fraud Referral W/Legal Action	55.00%	55.00%			55.00%	55.00 %
3	<i>Reduce Impediments to Competition and Improve Insurance Availability</i>						
	1 Percent of Company, TPA and PF License Apps Completed within 60 Days	95.00%	95.00%			95.00%	95.00 %
KEY	2 Percent of Agent License Filings Completed within 15 Days	96.00%	96.00%			96.00%	96.00 %
KEY	3 Percent of Statutory Rate and Form Filings Completed within 90 Days	87.00%	87.00%			87.00%	87.00 %

2.G. Summary of Total Request Objective Outcomes
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/30/2012
Time: 6:25:37PM

Agency code: 454

Agency name: Department of Insurance

Goal/ Objective / Outcome

		BL 2014	BL 2015	Excp 2014	Excp 2015	Total Request 2014	Total Request 2015
KEY	4 Percent Personal Auto/Res Property Form Filings Completed in 60 Days	94.00%	94.00%			94.00%	94.00 %
KEY	5 % of Autos in Underserved Mrkt w/Personal or Comm. Liability Insurance	75.00%	75.00%			75.00%	75.00 %
KEY	6 Percent of Licensees Who Renew Online	82.00%	82.00%			82.00%	82.00 %
4	<i>Administer Innovative Insurance Initiatives</i>						
	1 % of Small Employers Participating in Innovative Insurance Initiatives	5.00%	5.00%			5.00%	5.00 %
5	<i>Assure Loss Control Services & Windstorm Inspections</i>						
	1 Percent of Insurers Providing Adequate Loss Control Programs	99.00%	99.00%			99.00%	99.00 %
	2 % of Windstorm Inspections That Result in an "Approved" Status Code	35.00%	35.00%			35.00%	35.00 %
2	Promote Financial Strength of Ins. Industry						
1	<i>Regulate Insurance Industry Solvency</i>						
	1 Percent of Identified Companies Reviewed	97.00%	97.00%			97.00%	97.00 %

2.G. Summary of Total Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/30/2012
 Time: 6:25:37PM

Agency code: 454

Agency name: Department of Insurance

Goal/ Objective / Outcome

		BL 2014	BL 2015	Excp 2014	Excp 2015	Total Request 2014	Total Request 2015
KEY	2 Percent of Special Deputy Receiver Collections Expended on Asset Admin	15.00%	15.00%			15.00%	15.00 %
KEY	3 Average Days from Company "At Risk" Identification to Solvency Action	21.00	21.00			21.00	21.00
KEY	4 % of Companies Rehabilitated after TDI Solvency-Related Intervention	18.00%	18.00%			18.00%	18.00 %
3	Reduce Loss of Life & Property Due to Fire						
1	<i>Protect the Public from Loss of Life and Property due to fire</i>						
	1 % of SFMO Criminal Referrals Resulting in Enforcement/Legal Action	60.00%	60.00%			60.00%	60.00 %
KEY	2 % of Fire Sfty Registrations, Licenses, Permits Issued w/in 20 Days	99.00%	99.00%			99.00%	99.00 %
4	Effectively Regulate the Texas Workers' Compensation System						
1	<i>Ensure Appropriate Delivery of Workers' Compensation Benefits</i>						
	1 % of WC Enforcement Cases Concluded within 365 Days	65.00%	65.00%			65.00%	65.00 %
KEY	2 Percent of Medical Bills Processed Timely	95.00%	95.00%			95.00%	95.00 %

2.G. Summary of Total Request Objective Outcomes
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/30/2012
 Time: 6:25:37PM

Agency code: 454

Agency name: Department of Insurance

Goal/ Objective / Outcome

	BL 2014	BL 2015	Excp 2014	Excp 2015	Total Request 2014	Total Request 2015
KEY 3 % of Med Fee Disputes Resolved or Upheld Upon Appeal	90.00%	90.00%			90.00%	90.00 %
KEY 4 Payments from the Subsequent Injury Fund	6,900,000.00	6,900,000.00			6,900,000.00	6,900,000.00
2 <i>Ensure Workers' Comp System Participants are Educated and Informed</i>						
KEY 1 Percent of TIBs Recipients Returning to Work Within 90 Days of Injury	54.00%	54.00%			54.00%	54.00 %

3. STRATEGY REQUESTS

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454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Provide Insurance Consumers with Meaningful Information Service Categories:
 STRATEGY: 1 Educate Consumers and Industry by Providing Outreach and Information Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
KEY 1	Number of Inquiries Answered	768,034.00	990,000.00	650,000.00	650,000.00	650,000.00
KEY 2	Number of Consumer Information Publications Distributed	7,232,789.00	9,400,000.00	5,500,000.00	5,500,000.00	5,500,000.00
	3 Number of Consumer Information Presentations Made	739.00	700.00	650.00	650.00	650.00
	4 Number of TDI Calls to Insurance Industry for Data	27.00	23.00	23.00	23.00	23.00
Explanatory/Input Measures:						
	1 Percent of Premiums Expended on Insurer Overhead Costs	20.00	21.00	21.00	21.00	21.00
	2 % of Vehicles W/ Personal or Commercial Automobile Liability Insurance	80.00	80.00	80.00	80.00	80.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,273,440	\$2,295,405	\$2,653,001	\$2,546,541	\$2,546,541
1002	OTHER PERSONNEL COSTS	\$126,051	\$100,612	\$90,998	\$90,998	\$90,998
2001	PROFESSIONAL FEES AND SERVICES	\$200,746	\$4,066,667	\$4,449,036	\$4,539,466	\$4,542,466
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$11,264	\$11,782	\$11,999	\$11,999	\$11,999
2004	UTILITIES	\$16,047	\$16,425	\$4,357	\$1,585	\$1,585
2005	TRAVEL	\$22,019	\$48,802	\$32,617	\$32,617	\$32,617
2006	RENT - BUILDING	\$4,969	\$3,704	\$5,913	\$5,913	\$5,913

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Provide Insurance Consumers with Meaningful Information Service Categories:
 STRATEGY: 1 Educate Consumers and Industry by Providing Outreach and Information Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2007	RENT - MACHINE AND OTHER	\$18,149	\$16,176	\$20,298	\$20,298	\$20,298
2009	OTHER OPERATING EXPENSE	\$263,889	\$845,871	\$405,441	\$399,054	\$399,054
TOTAL, OBJECT OF EXPENSE		\$2,936,574	\$7,405,444	\$7,673,660	\$7,648,471	\$7,651,471
Method of Financing:						
8042	Insurance Maint Tax Fees	\$1,863,007	\$2,066,936	\$2,503,317	\$2,331,924	\$2,331,924
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,863,007	\$2,066,936	\$2,503,317	\$2,331,924	\$2,331,924
Method of Financing:						
36	Dept Ins Operating Acct	\$821,072	\$866,656	\$668,675	\$808,535	\$808,535
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$821,072	\$866,656	\$668,675	\$808,535	\$808,535
Method of Financing:						
555	Federal Funds					
	93.525.000 ACA-St Plann'g&Estbl Grnts Exchngs	\$96,425	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$96,425	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (FEDERAL FUNDS)		\$96,425	\$0	\$0	\$0	\$0

Method of Financing:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Provide Insurance Consumers with Meaningful Information	Service Categories:		
STRATEGY:	1	Educate Consumers and Industry by Providing Outreach and Information	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
6	State Highway Fund	\$0	\$4,225,766	\$4,228,766	\$4,225,766	\$4,228,766
666	Appropriated Receipts	\$38,496	\$99,086	\$155,686	\$165,030	\$165,030
777	Interagency Contracts	\$117,574	\$147,000	\$117,216	\$117,216	\$117,216
SUBTOTAL, MOF (OTHER FUNDS)		\$156,070	\$4,471,852	\$4,501,668	\$4,508,012	\$4,511,012
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$7,648,471	\$7,651,471
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,936,574	\$7,405,444	\$7,673,660	\$7,648,471	\$7,651,471
FULL TIME EQUIVALENT POSITIONS:		43.9	42.8	48.9	50.5	50.5

STRATEGY DESCRIPTION AND JUSTIFICATION:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Provide Insurance Consumers with Meaningful Information	Service Categories:		
STRATEGY:	1	Educate Consumers and Industry by Providing Outreach and Information	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Statute (Tex. Ins. Code, Ch. 38) directs the Texas Department of Insurance (TDI) to collect and analyze market data and provide information/reports to elected officials, consumers, and industry; to collect consumer complaints data and distribute information to the public (Sections 521.001-.002, 521.004, 521.052, and 521.054-.055); and to provide requested assistance to the Legislature (Tex. Gov. Code, §301.028). Data for statutorily mandated reports are collected through agency statistical plans/special data calls (e.g., Legislative Report on Market Conditions).

TDI supports competition by educating consumers via its toll free Consumer Help Line, website, publications, and presentations (Tex. Ins. Code, §521.051). Information provided includes company complaints/financial data, publications on auto, homeowners, life, and health insurance; in addition to price comparison guides on auto, homeowners, long-term care, and Medicare supplement insurance.

This strategy coordinates with agency strategies 1.3.2 Promote Underserved Coverage; 1.2.1 Resolve Complaints; 1.2.2 Investigation and Enforcement; 1.2.3 Insurer Fraud; and 1.2.4 Provider and Consumer Fraud. Strategy 1.1.1 contributes to statewide goal 07 and benchmark 01 by assisting market competition, helping consumers with purchasing decisions, and providing legislators/agency leadership with information for decision-making.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Legislation, market trends, population and demographic changes, and the information needs of stakeholders impact this strategy. Changes in state or federal laws may expand or decrease regulation. As product variety continues to increase and market conditions change, both policymakers and consumers face greater challenges. Policymakers, whose decisions affect available products, need data and analysis for public policy decisions. Consumers face challenges in selecting policies that most cost-effectively meet their needs, increasing the agency's role in consumer education. As the population ages and becomes more diverse, TDI will ensure its information is available in appropriate languages and formats. Internal factors include the increased degree of automation and the need to use technology that is compatible with what is used by the industry, consumers, and other parties. Market conditions may also change rapidly, and the agency must balance the need to provide comprehensive data with the need to provide it quickly. Changing market conditions also require the agency to manage resources to ensure that data collected, analyzed, and distributed reflects the information needs of consumers, legislators, and other interested parties.

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices Service Categories:
 STRATEGY: 1 Respond Promptly and Act on Complaints Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
KEY 1	Number of Complaints Resolved	21,875.00	17,000.00	21,500.00	21,500.00	21,500.00
2	Dollar Amount Returned to Consumers through Complaint Resolution	25,604,745.00	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00
3	Number of Complaints Against Health Maintenance Organizations Resolved	755.00	750.00	750.00	750.00	750.00
Efficiency Measures:						
KEY 1	Average Response Time (in Days) to Complaints	32.00	29.00	29.00	29.00	29.00
2	Avg Response Time (in Days) for HMO Complaint Resolution	5.00	8.00	10.00	10.00	10.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,613,677	\$2,656,065	\$2,917,086	\$2,711,452	\$2,711,452
1002	OTHER PERSONNEL COSTS	\$149,945	\$100,266	\$107,040	\$107,040	\$107,040
2001	PROFESSIONAL FEES AND SERVICES	\$313,017	\$5,531	\$3,659	\$3,659	\$3,659
2003	CONSUMABLE SUPPLIES	\$14,384	\$16,444	\$14,162	\$13,591	\$13,591
2004	UTILITIES	\$13,685	\$7,300	\$3,307	\$1,963	\$1,963
2005	TRAVEL	\$11,707	\$23,240	\$15,857	\$15,857	\$15,857
2006	RENT - BUILDING	\$4,977	\$2,109	\$0	\$0	\$0

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices Service Categories:
 STRATEGY: 1 Respond Promptly and Act on Complaints Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2007	RENT - MACHINE AND OTHER	\$19,854	\$19,290	\$20,304	\$20,304	\$20,304
2009	OTHER OPERATING EXPENSE	\$113,231	\$299,597	\$87,669	\$71,014	\$71,014
TOTAL, OBJECT OF EXPENSE		\$3,254,477	\$3,129,842	\$3,169,084	\$2,944,880	\$2,944,880
Method of Financing:						
8042	Insurance Maint Tax Fees	\$1,799,667	\$1,829,112	\$2,377,637	\$2,039,948	\$2,039,948
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,799,667	\$1,829,112	\$2,377,637	\$2,039,948	\$2,039,948
Method of Financing:						
36	Dept Ins Operating Acct	\$996,540	\$1,003,865	\$791,447	\$904,932	\$904,932
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$996,540	\$1,003,865	\$791,447	\$904,932	\$904,932
Method of Financing:						
555	Federal Funds					
	93.519.000 ACA - Consumer Assist Prog Grants	\$458,270	\$296,865	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$458,270	\$296,865	\$0	\$0	\$0
SUBTOTAL, MOF (FEDERAL FUNDS)		\$458,270	\$296,865	\$0	\$0	\$0

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	1	Respond Promptly and Act on Complaints	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,944,880	\$2,944,880
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,254,477	\$3,129,842	\$3,169,084	\$2,944,880	\$2,944,880
FULL TIME EQUIVALENT POSITIONS:		58.0	55.4	62.2	62.0	62.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Department of Insurance (TDI) is directed by statute to facilitate the resolution of consumer complaints and assist consumers in recovering valid claims (Tex. Ins. Code §§521.002 and 843.282). The agency maintains a complaint resolution process to resolve complaints from the public and while doing so, to educate consumers about insurance coverages and policies. To assure that insurers are promoting certain insurance products in a fair and equitable manner, TDI also reviews advertising for long-term care, Medicare supplement, and other products (§§31.002, 101.102, 541.051-53, and 541.061).

While assisting with complaints and questions, TDI is able to detect possible deceptive or fraudulent practices by agents or other regulated entities as described in strategies 1.2.2 Investigation and Enforcement and 1.2.3 Insurer Fraud. In addition, this strategy contributes to the statewide goal 07 and benchmark 01 by encouraging fair competition in the insurance industry.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	1	Respond Promptly and Act on Complaints	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Changes in the economy, natural disasters or other catastrophes, market changes, industry compliance, and publicity about insurance issues may lead to increased consumer complaints. However, for the past eight fiscal years, with the exception of FY 2009 and 2010 following Hurricane Ike, TDI received fewer complaints than projected. This downward trend is consistent with a national trend across state insurance regulatory agencies. At the same time, TDI is receiving more complex consumer complaints, reflecting the development of new and more sophisticated insurance products. Technology and automation impact this strategy as well. In FY 2012, TDI converted from an in-house complaints tracking database to the Sircon for States (Sircon) complaints module. Sircon is an enterprise system that was specifically designed to facilitate sharing of agent and company licensing, complaint, and enforcement case information more efficiently within a state insurance regulatory agency. TDI's "paperless" complaints process allows TDI to process complaints more efficiently.

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7 1
OBJECTIVE:	2 Reduce Unfair & Illegal Insurer Practices	Service Categories:	
STRATEGY:	2 Investigate Trade Practices and Bring Enforcement Actions as Needed	Service: 17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
1	Number of Enforcement Cases Concluded with Action	1,121.00	900.00	450.00	450.00	450.00
2	Dollar Amount of Penalties Assessed for Statute and Rule Violations	17,022,195.00	3,200,000.00	3,500,000.00	3,500,000.00	3,500,000.00
3	Dollar Amount of Restitution Assessed for Statute and Rule Violations	101,666,250.00	35,000,000.00	10,500,000.00	10,500,000.00	10,500,000.00
4	Number of Quality Assurance Examinations Conducted	38.00	35.00	35.00	35.00	35.00
Efficiency Measures:						
1	Average Cost Per QA Examination Conducted	1,651.00	6,000.00	6,000.00	6,000.00	6,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,552,129	\$2,664,757	\$2,735,888	\$2,863,997	\$2,863,997
1002	OTHER PERSONNEL COSTS	\$113,722	\$99,347	\$75,859	\$75,859	\$75,859
2001	PROFESSIONAL FEES AND SERVICES	\$11,414	\$105,889	\$159,000	\$159,000	\$159,000
2003	CONSUMABLE SUPPLIES	\$15,571	\$14,288	\$22,605	\$22,605	\$22,605
2004	UTILITIES	\$3,264	\$2,731	\$84	\$0	\$0
2005	TRAVEL	\$1,103	\$29,582	\$20,832	\$20,832	\$20,832
2007	RENT - MACHINE AND OTHER	\$16,766	\$16,871	\$17,162	\$17,162	\$17,162
2009	OTHER OPERATING EXPENSE	\$70,455	\$170,624	\$88,432	\$89,231	\$89,231

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7 1
OBJECTIVE:	2 Reduce Unfair & Illegal Insurer Practices	Service Categories:	
STRATEGY:	2 Investigate Trade Practices and Bring Enforcement Actions as Needed	Service: 17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, OBJECT OF EXPENSE		\$2,784,424	\$3,104,089	\$3,119,862	\$3,248,686	\$3,248,686
Method of Financing:						
8042	Insurance Maint Tax Fees	\$1,792,083	\$2,004,155	\$2,340,708	\$2,250,397	\$2,250,397
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,792,083	\$2,004,155	\$2,340,708	\$2,250,397	\$2,250,397
Method of Financing:						
36	Dept Ins Operating Acct	\$992,341	\$1,099,934	\$779,154	\$998,289	\$998,289
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$992,341	\$1,099,934	\$779,154	\$998,289	\$998,289
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,248,686	\$3,248,686
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,784,424	\$3,104,089	\$3,119,862	\$3,248,686	\$3,248,686
FULL TIME EQUIVALENT POSITIONS:		47.1	44.4	50.5	59.1	59.1
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	2	Investigate Trade Practices and Bring Enforcement Actions as Needed	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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The Texas Department of Insurance (TDI) is directed by statute (Tex. Ins. Code §31.002; and Ch. 82, Subchapter B) to ensure insurance laws are executed and to take action against entities engaged in unfair/illegal practices. TDI investigates possible deceptive/ fraudulent practices or other violations by regulated entities and resolves violations of state law or rules, through warning letters, consent orders, and informal settlements. Violations are also resolved through contested case proceedings before the State Office of Administrative Hearings (SOAH). The Commissioner enters a final order based on the proposal of the SOAH administrative law judge. Resolutions may include cessation of illegal conduct, license revocations, fines, and/or restitution.

TDI also conducts examinations of the state's HMOs, workers' compensation networks, Commercial Exclusive Provider Benefit Plans, Health Care Collaboratives, IROs and URAs in order to monitor compliance with Texas' quality of care guidelines and network access and availability. Network access and availability is monitored and evaluated through the review of access plans submitted by the above listed regulated entities on an annual basis as required by reporting requirements; and on an ad hoc basis as regulated entities request to expand and contract their approved service areas.

This strategy contributes to the statewide goal 07 and benchmark 01 by investigating and enforcing Texas statutes, which supports fair rates and practices by insurance companies and other regulated entities.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Legislation, economic changes, and market forces affect this strategy. Changes in economy or market forces may lead to increased enforcement activity. For example, high reinsurance rates and weather concerns may result in companies restricting their writing insurance policies, and TDI is required to monitor those practices to ensure compliance with Texas law. New legislation may create additional industry requirements, which invoke TDI's compliance and enforcement duties. Internal factors affecting this strategy include agency practices to achieve swift and efficient resolution of compliance issues. Opportunity for informal resolution of actions, and concern for particular issues such as availability of insurance at reasonable rates, non-discrimination, and unauthorized insurance activities affects TDI's enforcement efforts.

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	2 Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	3 Investigate Insurer Fraud and Refer Violations for Prosecution	Service: 34	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
KEY 1	# of Alleged Insurer Fraud Referrals to State and Federal Prosecutors	71.00	70.00	62.00	62.00	62.00
Efficiency Measures:						
1	Average Number of Days Per Insurer Fraud Case Referred	377.00	500.00	300.00	300.00	300.00
Explanatory/Input Measures:						
1	Number of Reports of Insurer Fraud Received	717.00	700.00	902.00	902.00	902.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,249,800	\$1,332,674	\$1,485,852	\$1,444,424	\$1,444,424
1002	OTHER PERSONNEL COSTS	\$31,932	\$28,661	\$26,400	\$26,400	\$26,400
2001	PROFESSIONAL FEES AND SERVICES	\$62,423	\$16,565	\$17,427	\$17,427	\$17,427
2003	CONSUMABLE SUPPLIES	\$6,610	\$7,134	\$8,546	\$7,896	\$7,896
2004	UTILITIES	\$8,881	\$8,160	\$8,350	\$7,000	\$7,000
2005	TRAVEL	\$58,642	\$47,555	\$53,715	\$51,415	\$51,415
2006	RENT - BUILDING	\$999	\$557	\$329	\$329	\$329
2007	RENT - MACHINE AND OTHER	\$8,219	\$8,194	\$8,698	\$8,698	\$8,698
2009	OTHER OPERATING EXPENSE	\$47,987	\$95,474	\$44,331	\$47,193	\$47,193

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7 1
OBJECTIVE:	2 Reduce Unfair & Illegal Insurer Practices	Service Categories:	
STRATEGY:	3 Investigate Insurer Fraud and Refer Violations for Prosecution	Service: 34	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, OBJECT OF EXPENSE		\$1,475,493	\$1,544,974	\$1,653,648	\$1,610,782	\$1,610,782
Method of Financing:						
8042	Insurance Maint Tax Fees	\$894,515	\$958,317	\$1,232,365	\$1,111,377	\$1,111,377
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$894,515	\$958,317	\$1,232,365	\$1,111,377	\$1,111,377
Method of Financing:						
36	Dept Ins Operating Acct	\$495,325	\$525,950	\$410,219	\$493,013	\$493,013
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$495,325	\$525,950	\$410,219	\$493,013	\$493,013
Method of Financing:						
555	Federal Funds					
	93.519.000 ACA - Consumer Assist Prog Grants	\$77,155	\$49,535	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$77,155	\$49,535	\$0	\$0	\$0
SUBTOTAL, MOF (FEDERAL FUNDS)		\$77,155	\$49,535	\$0	\$0	\$0
Method of Financing:						
666	Appropriated Receipts	\$2,139	\$4,672	\$4,672	\$0	\$0
777	Interagency Contracts	\$6,359	\$6,500	\$6,392	\$6,392	\$6,392

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7 1
OBJECTIVE:	2 Reduce Unfair & Illegal Insurer Practices	Service Categories:	
STRATEGY:	3 Investigate Insurer Fraud and Refer Violations for Prosecution	Service: 34	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
SUBTOTAL, MOF (OTHER FUNDS)		\$8,498	\$11,172	\$11,064	\$6,392	\$6,392
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,610,782	\$1,610,782
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,475,493	\$1,544,974	\$1,653,648	\$1,610,782	\$1,610,782
FULL TIME EQUIVALENT POSITIONS:		24.2	23.7	25.0	27.2	27.2

STRATEGY DESCRIPTION AND JUSTIFICATION:

Statutes (Tex. Ins. Code, §701, Subchapter C) directs the Texas Department of Insurance (TDI) to investigate cases involving fraud committed by those in the insurance industry and those conducting unauthorized insurance business and when appropriate initiate legal action. TDI evaluates and investigates potentially fraudulent insurance activities reported by staff, the general public, the insurance industry, and other regulatory or law enforcement agencies. The Fraud Unit is a law enforcement agency (Tex. Crim. Proc. Code, Art. 2.12(28)) and has access to crime databases. It may make arrests, execute search warrants and subpoenas, refer cases to district attorneys, and participate in state and federal criminal investigation task forces. Cases may culminate in referrals to district attorneys and federal prosecutors for criminal prosecution.

This strategy protects consumers and ensures that the insurance industry maintains integrity in its business practices. In order to reduce fraud, the program works with strategy 1.1.1 Consumer Education and Outreach.

This strategy contributes to statewide goal 07 and benchmark 01. Eliminating and deterring fraud reduces unfair and illegal practices, which encourages fair competition in the insurance industry. It protects consumers' insurance assets from financial loss related to the purchase of fraudulent products.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	3	Investigate Insurer Fraud and Refer Violations for Prosecution	Service:	34	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Fraud victimizes insurance consumers when agents convert premiums, unauthorized insurers sell fake coverage, or company employees use company assets for personal gain, causing a company to fail. State and federal legislation affects this strategy. The 80th TX Leg. created the TX Residential Mortgage Fraud Task Force to take a proactive stance towards tracking and prosecuting mortgage fraud statewide. TDI participates in this task force. The 82nd TX Leg. provided funding for the criminal investigation of life settlement fraud through HB 2277. TDI also supports a Governor's Ex. Order to prevent and eliminate fraud, waste and abuse. Insurance fraud committed by those within the industry is addressed by the National Association of Insurance Commissioners, which maintains an anti-fraud task force that recommends model laws relating to insurance fraud. As states enact tougher fraud laws, insurance consumers and taxpayers will benefit. Economic trends affect the amount and type of fraudulent activities occurring in the state. The regulatory climate may lead to voids in the marketplace, which are filled by fraudulent operators. TDI participated in the TX Committee on Insurance Fraud to enhance fraud awareness. Memorandums of Understanding with the Dallas, Harris, and Bexar County District Attorney's Offices allow TDI to support special prosecutors and investigators in insurance fraud investigations and prosecution. Continued funding for access to national and statewide insurer databases, internal TDI databases, and case management systems are essential.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	4	Investigate Provider/Consumer Fraud & Refer Violations for Prosecution	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
	1 Dollar Amt of Restitution for Consumer/Provider Fraud Cases Referred	0.60	1.00	1.00	1.00	1.00
KEY	2 Number of Referrals of Alleged Consumer & Provider Fraud	109.00	110.00	110.00	110.00	110.00
Efficiency Measures:						
	1 Avg Number of Days Per Consumer or Provider Fraud Case Referred	326.00	310.00	265.00	265.00	265.00
Explanatory/Input Measures:						
	1 Number of Reports of Consumer and Provider Fraud Received	8,394.00	9,500.00	7,959.00	7,959.00	7,959.00
	2 Estimated \$ Amount (in Millions) of Consumer & Provider Fraud Referred	2,135.00	26,000.00	1,750.00	1,750.00	1,750.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,057,113	\$1,147,552	\$1,324,598	\$1,321,530	\$1,321,530
1002	OTHER PERSONNEL COSTS	\$27,532	\$30,241	\$24,240	\$24,240	\$24,240
2001	PROFESSIONAL FEES AND SERVICES	\$61,790	\$16,565	\$17,427	\$17,427	\$17,427
2003	CONSUMABLE SUPPLIES	\$7,622	\$7,819	\$7,974	\$7,324	\$7,324
2004	UTILITIES	\$8,032	\$8,151	\$8,350	\$7,000	\$7,000

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7 0
OBJECTIVE:	2 Reduce Unfair & Illegal Insurer Practices	Service Categories:	
STRATEGY:	4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution	Service: NA	Income: NA Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2005	TRAVEL	\$45,067	\$47,555	\$53,715	\$51,415	\$51,415
2006	RENT - BUILDING	\$5,018	\$4,558	\$329	\$329	\$329
2007	RENT - MACHINE AND OTHER	\$9,247	\$8,605	\$7,690	\$7,690	\$7,690
2009	OTHER OPERATING EXPENSE	\$115,264	\$120,482	\$53,220	\$45,601	\$45,601
TOTAL, OBJECT OF EXPENSE		\$1,336,685	\$1,391,528	\$1,497,543	\$1,482,556	\$1,482,556
Method of Financing:						
8042	Insurance Maint Tax Fees	\$787,470	\$837,212	\$1,107,383	\$1,022,554	\$1,022,554
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$787,470	\$837,212	\$1,107,383	\$1,022,554	\$1,022,554
Method of Financing:						
36	Dept Ins Operating Acct	\$436,051	\$459,485	\$368,616	\$453,610	\$453,610
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$436,051	\$459,485	\$368,616	\$453,610	\$453,610
Method of Financing:						
555	Federal Funds					
	93.519.000 ACA - Consumer Assist Prog Grants	\$76,549	\$49,534	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$76,549	\$49,534	\$0	\$0	\$0

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7 0
OBJECTIVE:	2 Reduce Unfair & Illegal Insurer Practices	Service Categories:	
STRATEGY:	4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution	Service: NA	Income: NA Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
SUBTOTAL, MOF (FEDERAL FUNDS)		\$76,549	\$49,534	\$0	\$0	\$0
Method of Financing:						
666	Appropriated Receipts	\$30,257	\$38,797	\$15,152	\$0	\$0
777	Interagency Contracts	\$6,358	\$6,500	\$6,392	\$6,392	\$6,392
SUBTOTAL, MOF (OTHER FUNDS)		\$36,615	\$45,297	\$21,544	\$6,392	\$6,392
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$1,482,556	\$1,482,556
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,336,685	\$1,391,528	\$1,497,543	\$1,482,556	\$1,482,556
FULL TIME EQUIVALENT POSITIONS:		20.0	19.7	22.1	24.7	24.7

STRATEGY DESCRIPTION AND JUSTIFICATION:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	4	Investigate Provider/Consumer Fraud & Refer Violations for Prosecution	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Statutes (Tex. Ins. Code, §701, Subchapter C) direct the Texas Department of Insurance (TDI) to investigate possible provider and consumer fraud and refer violations for prosecution as appropriate. TDI's Fraud Unit receives, evaluates, and investigates reports of fraud from the industry, general public and regulatory and law enforcement agencies. TDI's Fraud Unit is a law enforcement agency (Tex. Crim. Proc. Code, Art. 2.12(28)) and has access to national and regional crime databases. The program may make arrests, execute search warrants and subpoenas, refer cases to district attorneys, and participate in joint state and federal criminal investigation task forces. TDI provides technical assistance to the industry and prosecutors of fraud cases. TDI provides speakers for insurance industry groups (particularly companies' special investigations units) and advises industry officials regarding relevant statutes and fraud prevention procedures.

Insurance fraud is an offense that proves costly to insurance companies and consumers alike. This strategy works to ensure that the insurance industry maintains effective anti-fraud business practices. In addition, the program works with strategy 1.1.1 Consumer Education and Outreach to educate the public about fraudulent activities, reduce the number of fraud cases committed, and increase detection. This strategy contributes to the statewide goal 07 and benchmark 01 by eliminating or deterring fraud, which reduces unfair and illegal practices and insurance costs related to fraudulent claims.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	4	Investigate Provider/Consumer Fraud & Refer Violations for Prosecution	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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State and federal legislation affects this strategy. At the national level, claimant insurance fraud is addressed by the Coalition Against Insurance Fraud, and the National Insurance Crime Bureau (NICB), and provider fraud is addressed by the National Health Care Anti-fraud Association. As fraud reduction efforts increase, all insurance consumers and taxpayers will benefit. The 82nd Texas Legislature provided funding for the criminal investigation of health care fraud through SB 7. The Fraud Unit is actively pursuing these investigations. TDI continues to support the Governor’s Executive Order, RP36, relating to preventing and eliminating fraud, waste and abuse. A downturn in the economy and a tight market creates an optimal climate for fraudulent operators. An increase in fraudulent activities usually causes an increase in fraud reports to TDI. Additionally, the Fraud Unit’s liaison initiative with insurance industry officials and statutory requirements increase the number of claimant fraud cases reported. TDI participated in the “Texas Committee on Insurance Fraud” to enhance fraud awareness. Memorandums of understanding with the Bexar, Dallas, and Harris County District Attorney’s Offices, allow TDI continues to support special prosecutors and investigators and assists in investigations and prosecution of insurance fraud. Continued funding for access to national and statewide databases and expanded use of TDI databases and case management systems are essential to the success of this strategy.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	5	Investigate Workers' Comp Fraud & Refer Violations for Prosecution	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
	1 # of Alleged WC Ins Fraud Referrals to State or Federal Prosecutors	7.00	32.00	40.00	40.00	40.00
	2 Dollar Amount of Restitution for WC Fraud Cases Referred	0.02	0.06	0.20	0.20	0.20
Efficiency Measures:						
	1 Average Number of Days Per WC Insurance Fraud Case Referred	264.00	367.00	200.00	200.00	200.00
Explanatory/Input Measures:						
	1 Number of Reports of WC Insurance Fraud Received	2,013.00	2,100.00	1,592.00	1,592.00	1,592.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$128,924	\$159,087	\$231,069	\$218,132	\$218,132
1002	OTHER PERSONNEL COSTS	\$4,010	\$1,860	\$2,640	\$2,640	\$2,640
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$452	\$452	\$452	\$452
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$1,070	\$883	\$791	\$791	\$791
2004	UTILITIES	\$2,180	\$2,598	\$3,606	\$3,606	\$3,606
2005	TRAVEL	\$4,297	\$8,115	\$8,115	\$8,115	\$8,115

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	5	Investigate Workers' Comp Fraud & Refer Violations for Prosecution	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2006	RENT - BUILDING	\$14,671	\$12,291	\$21,468	\$21,468	\$21,468
2007	RENT - MACHINE AND OTHER	\$4,168	\$2,808	\$2,808	\$2,808	\$2,808
2009	OTHER OPERATING EXPENSE	\$2,637	\$12,140	\$4,010	\$4,010	\$4,010
TOTAL, OBJECT OF EXPENSE		\$161,957	\$200,234	\$274,959	\$262,022	\$262,022
Method of Financing:						
36	Dept Ins Operating Acct	\$161,957	\$200,234	\$274,959	\$262,022	\$262,022
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$161,957	\$200,234	\$274,959	\$262,022	\$262,022
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$262,022	\$262,022
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$161,957	\$200,234	\$274,959	\$262,022	\$262,022
FULL TIME EQUIVALENT POSITIONS:		2.7	3.5	5.0	4.5	4.5

STRATEGY DESCRIPTION AND JUSTIFICATION:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	5	Investigate Workers' Comp Fraud & Refer Violations for Prosecution	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Statutes (Tex. Ins. Code, §701, Subchapter C) direct TDI to investigate possible workers' compensation claimant, provider and premium insurance fraud and refer violations for prosecution as appropriate. TDI's Fraud Unit receives, evaluates, and investigates reports of fraud from the industry, general public and regulatory/law enforcement agencies. TDI's Fraud Unit is a law enforcement agency (Tex. Crim. Proc. Code, Art. 2.12(28)) and has access to national/regional crime databases. The Fraud Unit may make arrests, execute search warrants and subpoenas, refer cases to district attorneys, and participate in joint state and federal criminal investigation task forces. TDI provides technical assistance to the industry and prosecutors on fraud cases. TDI provides speakers for insurance industry groups (particularly companies' special investigations units) and advises industry officials regarding relevant statutes/fraud prevention procedures. Insurance fraud is an offense that proves costly to insurance companies and consumers alike. This strategy works to ensure that the insurance industry maintains effective anti-fraud business practices. In addition, the program works with strategy 1.1.1 Consumer Education and Outreach to educate the public about fraudulent activities, reduce the number of fraud cases committed, and increase detection. This strategy contributes to the statewide goal 07 and benchmark 01 by eliminating or deterring fraud, which reduces unfair and illegal practices and, insurance costs related to fraudulent claims.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

State and federal legislation affects this strategy. Anti-fraud efforts are addressed at the national level. Claimant insurance fraud is addressed by the Coalition against Insurance Fraud and the National Insurance Crime Bureau (NICB), and provider fraud is addressed by the National Health Care Anti-fraud Association. As fraud reduction efforts increase, all insurance consumers and taxpayers will benefit. On a statewide level, TDI continues to support a Governor's Executive Order relating to preventing and eliminating fraud, waste and abuse. Changes in the economy have an effect on the volume of fraudulent activities since a downturn in the economy and a tight market creates an optimal climate for fraudulent operators. An increase in fraudulent activities usually causes an increase in fraud reports to TDI. Additionally, the Fraud Unit's liaison initiative with insurance industry officials and statutory requirements increase the number of claimant fraud cases reported. TDI participated in the Texas Committee on Insurance Fraud to enhance fraud awareness. Memorandums of understanding, with the Bexar, Dallas, and Harris County District Attorney's Offices that allow TDI to support special prosecutors and investigators and assist in investigations and prosecution of insurance fraud. Continued funding for and access to national and statewide databases is essential to this strategy. The maintenance, enhancement and expanded use of existing TDI databases and case management systems are also essential to the success of this strategy.

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 3 Reduce Impediments to Competition and Improve Insurance Availability Service Categories:
 STRATEGY: 1 Process Rates, Forms & Licenses Promptly Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
1	Number of Life/Health Filings Completed	20,145.00	21,785.00	21,785.00	21,785.00	21,785.00
2	Number of HMO Form Filings Completed	1,481.00	1,500.00	1,500.00	1,500.00	1,500.00
3	Number of Property and Casualty Rate and Form Filings Completed	16,850.00	17,500.00	16,000.00	16,000.00	16,000.00
Explanatory/Input Measures:						
1	Total of Number Licensed Agents	372,771.00	394,000.00	394,000.00	394,000.00	394,000.00
2	Number of Regulated Companies and Other Carriers	1,925.00	1,950.00	1,950.00	1,950.00	1,950.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$9,930,393	\$9,735,802	\$10,510,687	\$9,912,346	\$9,912,346
1002	OTHER PERSONNEL COSTS	\$520,798	\$294,120	\$339,125	\$324,965	\$324,965
2001	PROFESSIONAL FEES AND SERVICES	\$744,531	\$107,732	\$47,743	\$47,743	\$47,743
2003	CONSUMABLE SUPPLIES	\$58,459	\$66,884	\$61,556	\$59,653	\$59,653
2004	UTILITIES	\$33,157	\$21,085	\$8,617	\$4,789	\$4,789
2005	TRAVEL	\$29,742	\$51,532	\$39,149	\$39,149	\$39,149
2006	RENT - BUILDING	\$8,734	\$4,218	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$70,489	\$70,932	\$70,663	\$72,026	\$72,026
2009	OTHER OPERATING EXPENSE	\$413,844	\$816,006	\$342,164	\$246,397	\$246,397

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	1	Process Rates, Forms & Licenses Promptly	Service:	17	Income: A.2
					Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, OBJECT OF EXPENSE		\$11,810,147	\$11,168,311	\$11,419,704	\$10,707,068	\$10,707,068
Method of Financing:						
8042	Insurance Maint Tax Fees	\$6,768,985	\$6,616,426	\$8,503,185	\$7,417,670	\$7,417,670
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$6,768,985	\$6,616,426	\$8,503,185	\$7,417,670	\$7,417,670
Method of Financing:						
36	Dept Ins Operating Acct	\$3,748,231	\$3,631,272	\$2,830,466	\$3,289,398	\$3,289,398
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$3,748,231	\$3,631,272	\$2,830,466	\$3,289,398	\$3,289,398
Method of Financing:						
555	Federal Funds					
	93.511.000 ACA-Grnts St Hlth Ins Premium Revw	\$381,051	\$326,202	\$86,053	\$0	\$0
	93.519.000 ACA - Consumer Assist Prog Grants	\$911,880	\$594,411	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$1,292,931	\$920,613	\$86,053	\$0	\$0
SUBTOTAL, MOF (FEDERAL FUNDS)		\$1,292,931	\$920,613	\$86,053	\$0	\$0

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	1	Process Rates, Forms & Licenses Promptly	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$10,707,068	\$10,707,068
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$11,810,147	\$11,168,311	\$11,419,704	\$10,707,068	\$10,707,068
FULL TIME EQUIVALENT POSITIONS:		204.4	186.4	204.4	226.9	226.9

STRATEGY DESCRIPTION AND JUSTIFICATION:

Statutes require the agency to review rate and policy form filings for property, casualty, credit, life, accident and health, annuity, workers' compensation networks, and HMO coverages (Tex. Ins. Code, Ch. 5, 2251, 2301, 1811,1701, 20A, 37, 843, 1271, 1272, 1305, 1111A, 1153). TDI also reviews/approves applications for agents, adjusters, insurers, third party administrators, utilization review agents, independent review organizations, workers' compensation health care networks and self-insured groups as well as other specialized risk-bearing entities (Tex. Ins. Code, Ch. 801, 822, 841, 1111A, 4001, 4101, 4151, 4152, 4201, 4202). After licensure, TDI reviews subsequent filings submitted in connection with moving books, records, contracting with life settlement entities, withdrawing from lines of business, and expanding service areas.

Form filings consist of policy forms, certificates of insurance, applications, rules, riders, evidence or outline of coverages, actuarial memorandum, amendments and endorsements. Rate filings consist of rates, actuarial memorandum and support, rating plans, rating methodologies, and rating manuals. Licensing and registration of insurers and other risk-bearing entities consist of applications, business plans, and background checks.

Strategy 1.3.1 provides information to support strategies 1.2.2, 1.2.3, and 1.3.2. This strategy contributes to the statewide goal 07 and benchmark 01 by assisting the agency in regulating the industry and in examining rates for appropriateness.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	1	Process Rates, Forms & Licenses Promptly	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

State and federal legislation, changes in the economy and market trends impact this strategy. Federal health care reform legislation has impacted the number and types of filings reviewed. State legislation has increased the number of rate and form filings in the automobile and residential property markets and authorized new policy forms, which have increased complexity of these filings. State legislation has also provided carriers the opportunity to design new health coverages.

In response to changes in economy market trends and state statutes, insurers have developed more complex products. Changes in market conditions can also affect the type of coverages offered and the rates charged. Mergers and consolidations, particularly in the HMO market, have resulted in fewer form filings. Economic conditions, including costs of medical services, building materials, repair services and other cost factors associated with claims also affect rates and the types of coverages offered.

Internal factors affecting this strategy include the increased degree of automation necessary to track and review filings, although the impact of automation on the review process is less significant. Due to the variety of lines of insurance, as well as the variety of coverages offered within individual lines, the cost-effective use of staff resources requires significant cross-training to ensure timely processing of filings. In addition, competitive private sector salaries affect the agency's ability to attract and retain qualified staff, such as actuaries.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	2	Promote Coverage in Underserved Markets	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$153,277	\$147,607	\$174,650	\$157,222	\$157,222
1002	OTHER PERSONNEL COSTS	\$15,320	\$8,780	\$10,800	\$10,800	\$10,800
2001	PROFESSIONAL FEES AND SERVICES	\$660	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$670	\$938	\$953	\$953	\$953
2004	UTILITIES	\$485	\$197	\$0	\$0	\$0
2005	TRAVEL	\$0	\$412	\$412	\$412	\$412
2007	RENT - MACHINE AND OTHER	\$962	\$968	\$919	\$919	\$919
2009	OTHER OPERATING EXPENSE	\$2,908	\$3,511	\$2,252	\$2,252	\$2,252
TOTAL, OBJECT OF EXPENSE		\$174,282	\$162,413	\$189,986	\$172,558	\$172,558
Method of Financing:						
8042	Insurance Maint Tax Fees	\$112,170	\$104,862	\$142,539	\$119,533	\$119,533
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$112,170	\$104,862	\$142,539	\$119,533	\$119,533
Method of Financing:						
36	Dept Ins Operating Acct	\$62,112	\$57,551	\$47,447	\$53,025	\$53,025
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$62,112	\$57,551	\$47,447	\$53,025	\$53,025

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	2	Promote Coverage in Underserved Markets	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$172,558	\$172,558
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$174,282	\$162,413	\$189,986	\$172,558	\$172,558
FULL TIME EQUIVALENT POSITIONS:		2.6	2.5	2.4	3.2	3.2

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Department of Insurance (TDI) is directed by statute (Tex. Ins. Code, Arts. 2004.001-.007) to improve insurance availability by identifying underserved markets, creating incentives, and implementing requirements for insurers to write automobile and residential property insurance in underserved markets.

The Texas Automobile Insurance Plan Association has incentive programs to encourage companies to move policyholders from the assigned risk program to the voluntary market based on underserved areas identified by TDI (Tex. Ins. Code, Art. 2151.153). The Commissioner is authorized to establish a Fair Access to Insurance Requirements (FAIR) plan (Tex. Ins. Code, Art. 2211), which is an insurer of last resort.

Other strategies support coverage in underserved areas by providing consumer education and market analysis, resolving consumer complaints, and enforcing regulations against unfair trade practices that may result in insurance availability problems (Tex. Ins. Code, Arts. 544.002 and 544.051). Success in enforcement actions will reduce illegal refusal by the industry to write insurance for certain segments of the population and certain geographical areas.

This strategy contributes to statewide goal 07 and benchmark 01 in that incentive programs comply with statutes regulating the industry in underserved areas and help to reduce rates paid by those in underserved areas.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	2	Promote Coverage in Underserved Markets	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The primary external factors affecting this strategy are market conditions and legislation. Texas Insurance Code Article 21.49A established the Fair Access to Insurance Requirements (FAIR) Plan to address availability problems in the homeowners market. The 78th Texas Legislature passed SB14 relating to form filings for residential property and automobile authorizes the use of new policy forms. TDI believes this flexibility in forms will increase the availability of insurance, in general, and also encourage companies to write in underserved areas.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	7
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	3	Support Texas.GOV	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$435,145	\$465,215	\$380,000	\$380,000	\$380,000
TOTAL, OBJECT OF EXPENSE		\$435,145	\$465,215	\$380,000	\$380,000	\$380,000
Method of Financing:						
1	General Revenue Fund	\$5,517	\$6,520	\$6,520	\$6,520	\$6,520
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$5,517	\$6,520	\$6,520	\$6,520	\$6,520
Method of Financing:						
36	Dept Ins Operating Acct	\$429,628	\$458,695	\$373,480	\$373,480	\$373,480
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$429,628	\$458,695	\$373,480	\$373,480	\$373,480
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$380,000	\$380,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$435,145	\$465,215	\$380,000	\$380,000	\$380,000
FULL TIME EQUIVALENT POSITIONS:						

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	7
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	3	Support Texas.GOV	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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STRATEGY DESCRIPTION AND JUSTIFICATION:

In 2000, the Texas Department of Insurance (TDI) began on-line agent license renewals as a pilot project of the Electronic Government Task Force, authorized by the 76th Legislature. This Texas e-government initiative (Gov. Code, §Ch.2054, Subchapter I) was established to provide the citizens of Texas access to Texas governmental services 24 hours a day, seven days a week, and 365 days a year.

TDI prints and mails out renewal notices as required by the Texas Insurance Code, Ch. 4003; however, licensees have the option to renew their license(s) online by submitting payment through a third-party system, including, but not limited to Texas.Gov, Sircon, and the National Insurance Producer Registry. The online payment is sent through ePay, Global Payment Services (the bank that handles the state's credit card transactions), and the Comptroller. The Comptroller processes the payments and sends a credit card (ePay) file to TDI daily.

Strategy 1.3.3 provides information to support strategy 1.3.1 Process Rates, Forms and Licenses. This strategy contributes to statewide goal 07 and benchmark 07 by providing on-line access for professional license renewals.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Online services increase customer convenience, access to government services, and allows for automated error-checking. The number of licensees renewing online is hard to predict due to many external factors. However, the continued growth in Texas' population, the number of agents remaining active in the insurance industry, the steady recruitment of new agents, and the continued evolution of the online service industry are contributing factors. This development provides an infrastructure upon which subsequent programs and services can be added so TDI can continue to progress in the online technology era and be a positive change in the way government does business in Texas.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	4	Regulate Private Employers that Qualify to Self-Ins w/in the WC System	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Efficiency Measures:						
1	Average Cost Per Certified Self-Insured Certificate Holder	19,184.00	18,350.00	19,000.00	19,000.00	19,000.00
Explanatory/Input Measures:						
1	% Market Share of Self-insurance to Total WC Insurance Market	17.00	8.00	9.00	9.00	10.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$472,793	\$492,663	\$579,305	\$548,110	\$548,110
1002	OTHER PERSONNEL COSTS	\$24,112	\$17,120	\$17,040	\$17,040	\$17,040
2003	CONSUMABLE SUPPLIES	\$4,049	\$3,596	\$3,560	\$3,560	\$3,560
2004	UTILITIES	\$2,681	\$2,701	\$5,184	\$5,184	\$5,184
2005	TRAVEL	\$8,752	\$10,785	\$10,785	\$10,785	\$10,785
2006	RENT - BUILDING	\$37,461	\$24,582	\$47,198	\$47,198	\$47,198
2007	RENT - MACHINE AND OTHER	\$10,697	\$5,616	\$6,140	\$6,140	\$6,140
2009	OTHER OPERATING EXPENSE	\$21,090	\$42,090	\$42,597	\$42,597	\$42,597
TOTAL, OBJECT OF EXPENSE		\$581,635	\$599,153	\$711,809	\$680,614	\$680,614
Method of Financing:						
36	Dept Ins Operating Acct	\$581,635	\$599,153	\$711,809	\$680,614	\$680,614

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	4	Regulate Private Employers that Qualify to Self-Ins w/in the WC System	Service:	17	Income: A.2
					Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$581,635	\$599,153	\$711,809	\$680,614	\$680,614
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$680,614	\$680,614
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$581,635	\$599,153	\$711,809	\$680,614	\$680,614
FULL TIME EQUIVALENT POSITIONS:		9.5	9.8	11.0	10.3	10.3

STRATEGY DESCRIPTION AND JUSTIFICATION:

The agency is directed by statute to ensure certified self-insuring employers meet statutory financial, claims administration, and safety requirements through an ongoing process of qualifying, renewing, and revoking certification (Tex. Labor Code, §§ 407.001 – 407.133). The Division of Workers’ Compensation administers a regulatory program for private sector employers who qualify to self-insure. The program serves as an alternative to commercial workers’ compensation coverage and, as a result, helps to moderate general insurance rates charged by insurance companies in Texas. The costs of regulation are directly paid by the active certified self-insurers in the form of a regulatory fee.

This strategy coordinates with agency strategy 1.3.1 Process Rates, Forms and Licenses to ensure the processes for certification of group self-insurers and private employer self-insurers are consistent. Strategy 1.3.4 contributes to statewide goal 07 and benchmark 05 by establishing a clear process for employer certification to self-insure workers’ compensation liabilities and by monitoring the ability of certified employers to cover those liabilities.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	4	Regulate Private Employers that Qualify to Self-Ins w/in the WC System	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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The availability of “large deductible” workers’ compensation insurance policies, which enable employers to directly self-fund claims below the deductible, affects participation in the program. In addition, the availability and cost of commercial workers’ compensation insurance affect the self-insurance program. The risk of assessment by the guaranty association to cover the liabilities of an impaired certified self-insurer may also limit participation in the program. The effectiveness of the program is contingent on the public awareness of the program, including presentation of the program on the agency’s web site.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	1	Support the State's Long-term Care Partnership Initiatives	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$136,532	\$158,789	\$158,790	\$158,790	\$158,790
1002	OTHER PERSONNEL COSTS	\$3,720	\$2,120	\$2,400	\$2,400	\$2,400
2003	CONSUMABLE SUPPLIES	\$512	\$429	\$606	\$606	\$606
2007	RENT - MACHINE AND OTHER	\$721	\$726	\$1,067	\$1,067	\$1,067
2009	OTHER OPERATING EXPENSE	\$593	\$2,268	\$1,933	\$1,933	\$1,933
TOTAL, OBJECT OF EXPENSE		\$142,078	\$164,332	\$164,796	\$164,796	\$164,796
Method of Financing:						
8042	Insurance Maint Tax Fees	\$142,078	\$164,332	\$164,796	\$164,796	\$164,796
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$142,078	\$164,332	\$164,796	\$164,796	\$164,796
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$164,796	\$164,796
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$142,078	\$164,332	\$164,796	\$164,796	\$164,796
FULL TIME EQUIVALENT POSITIONS:		2.6	3.0	3.0	3.0	3.0

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	1	Support the State's Long-term Care Partnership Initiatives	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Department of Insurance (TDI) is directed by statute (SB22, 80th Texas Legislature) to create a long-term care insurance partnership (LTCP) program to reduce future reliance on Medicaid. Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission (HHSC) (Human Resources Code §32.106), and to the commissioner of insurance (Tex. Ins. Code §1651.107). TDI in consultation with the HHSC is charged with adopting minimum standards for a long-term care benefit plan that may qualify as an approved plan under the LTCP. TDI is charged with ensuring that anyone selling LTCP policies receives training and demonstrates evidence of understanding long-term care and how it relates to other public and private coverage of long-term care.

This strategy contributes to statewide goal 07 and benchmark 0

This strategy supports agency strategies 1.1.1 Consumer Education and Outreach; 1.3.1 Process Rates, Forms and Licenses; and 1.3.2 Promote Underserved Coverage to reduce impediments to competition and improve insurance availability in the long-term care market by: reviewing the actuarial memorandum and rates to ensure assumptions used are reasonable and appropriate and that rates comply with Texas law; educating consumers; and licensing agents.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Implementation of the LTCP is a joint effort between TDI, HHSC, and the Department of Aging and Disability Services (DADS). TDI regulates the insurers, their policy forms, advertising, and agents. Additionally, rates are required to be filed and are subject to review. HHSC with assistance/cooperation from TDI and DADS is charged with implementing a public awareness and education campaign designed to educate the public on the need to plan for future long-term care expense needs, the limits of Medicaid eligibility and benefits, the value and availability of long-term care insurance; and encourage individuals to proactively prepare to address their long-term care needs, including giving consideration to obtain long-term care insurance.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	2	Administer Three-Share Grant Program	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$28,140	\$92,387	\$58,708	\$55,000	\$55,000
1002	OTHER PERSONNEL COSTS	\$240	\$420	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$246	\$205	\$370	\$370	\$370
2007	RENT - MACHINE AND OTHER	\$331	\$339	\$652	\$652	\$652
2009	OTHER OPERATING EXPENSE	\$208	\$1,707	\$1,311	\$1,311	\$1,311
4000	GRANTS	\$630,685	\$343,065	\$386,381	\$386,381	\$386,381
TOTAL, OBJECT OF EXPENSE		\$659,850	\$438,123	\$447,422	\$443,714	\$443,714
Method of Financing:						
36	Dept Ins Operating Acct	\$393,350	\$438,123	\$447,422	\$443,714	\$443,714
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$393,350	\$438,123	\$447,422	\$443,714	\$443,714
Method of Financing:						
666	Appropriated Receipts	\$266,500	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$266,500	\$0	\$0	\$0	\$0

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	2	Administer Three-Share Grant Program	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015	
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)						\$443,714	\$443,714
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)						\$659,850	\$438,123
FULL TIME EQUIVALENT POSITIONS:						0.5	1.7
						1.0	1.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The agency is directed by statute (81th Tex. Leg. HB 1, Art. 8, Rider 15) to award through a competitive application process, grants to local government entities for the research, planning and development of three-share premium assistance programs. TDI provides technical assistance and project oversight to grantees, with the long-term goal of increasing access to private healthcare coverage for the uninsured through the provisions of affordable benefit plans. The three-share programs use a combination of employer, employee, and public funds with each participant contributing one-third of the premium.

This strategy supports strategy 1.1.1 Consumer Education and Outreach by issuing a competitive Request for Proposal and awarding the three-share premium assistance grant funds to a consortium of local government entities. TDI provides on-going technical assistance to grantees and oversees project activities to ensure the grantees comply with the contractual requirements. This strategy supports strategy 1.3.2 Promote Underserved Coverage by encouraging fair competition in the health coverage market and identifying underserved markets and implementing legislative incentives for insurers to write business in those same underserved markets.

This strategy contributes to statewide goal 7 and benchmark 0.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	2	Administer Three-Share Grant Program	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Tex. Health and Safety Code Ch. 75 authorizes the establishment of regional or local health care programs for employees of small employers and states that a governing body operating the health care program is not an insurer or health maintenance organization and is not subject to regulation by the Texas Department of Insurance.

As directed by the Legislature, TDI has administered grants for appropriated funds to qualified programs.

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4 Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	3 Promote the Healthy Texas program	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$295,278	\$233,527	\$173,984	\$74,250	\$74,250
1002	OTHER PERSONNEL COSTS	\$3,380	\$3,360	\$0	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$1,300,231	\$1,899,749	\$100,000	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$200	\$350	\$774	\$0	\$0
2005	TRAVEL	\$7,219	\$12,828	\$12,623	\$0	\$0
2006	RENT - BUILDING	\$1,225	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$1,363	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$1,184,881	\$10,286,563	\$31,364,084	\$750	\$750
TOTAL, OBJECT OF EXPENSE		\$2,792,414	\$12,436,377	\$31,652,828	\$75,000	\$75,000
Method of Financing:						
8042	Insurance Maint Tax Fees	\$75,385	\$75,388	\$75,000	\$75,000	\$75,000
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$75,385	\$75,388	\$75,000	\$75,000	\$75,000
Method of Financing:						
329	Healthy TX Sm Emp Prem Stabil. Fund	\$999,980	\$3,529,491	\$30,299,529	\$0	\$0
777	Interagency Contracts	\$1,717,049	\$8,831,498	\$1,278,299	\$0	\$0

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	3	Promote the Healthy Texas program	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
SUBTOTAL, MOF (OTHER FUNDS)		\$2,717,029	\$12,360,989	\$31,577,828	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$75,000	\$75,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,792,414	\$12,436,377	\$31,652,828	\$75,000	\$75,000
FULL TIME EQUIVALENT POSITIONS:		3.5	3.7	4.3	1.0	1.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Healthy Texas (Tex. Ins. Code, Ch. 1508) established a statewide health insurance program to help reduce the number of uninsured Texans. With more than 25 million citizens in the state of Texas, approximately 6 million have no health insurance coverage. TDI's surveys of employer coverage decisions have shown that cost is the most significant factor limiting business owners from providing insurance coverage for their employees. Healthy Texas is designed to bridge the affordability gap for uninsured small businesses.

This strategy coordinates with strategy 1.4.2 Three-Share Programs. This strategy contributes to statewide goal 7 and benchmark 0.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	3	Promote the Healthy Texas program	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Healthy Texas is designed to pay for 80 percent of the costs if an individual's total claims fall between \$5,000 and \$75,000 in a calendar year. The health plan will cover 100 percent of claims below the \$5,000 threshold and above \$75,000, up to the annual benefit limit. The health plan also covers the remaining 20 percent of costs between the \$5,000 and \$75,000.

For small business owners to participate in Healthy Texas, the employer must: qualify as a small business with 2 to 50 employees; not have provided group insurance 12 months prior to Healthy Texas application; and pay at least 50 percent of the premium costs for employees. In addition, at least 30 percent of employees must receive annual wages at or below 300 percent of the federal poverty level; and at least 60 percent of eligible employees must elect to participate in the program.

Legislation, economic changes, and market forces affect this strategy. Regional and local health care programs (e.g., Three-Share), state consumer choice benefit plans, and federal health reforms will work in conjunction with the Healthy Texas program to address the health care concerns of Texas small employers and small business employees. Changes to the economic climate and private market would also impact employer eligibility and program participation. Competing agency priorities and resource constraints could also impact the strategy as TDI staff must simultaneously implement Healthy Texas and federal health care reform.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	5	Assure Loss Control Services & Windstorm Inspections	Service Categories:		
STRATEGY:	1	Inspect Loss Control Programs & Assure Code & Schedule Compliance	Service:	NA	Income: NA Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
KEY 1	Number of Windstorm Inspections Completed	9,343.00	7,500.00	7,500.00	7,500.00	7,500.00
KEY 2	Number of Inspections of Insurer Loss Control Programs Completed	202.00	200.00	200.00	200.00	200.00
Efficiency Measures:						
KEY 1	Average Cost Per Windstorm Inspection	82.00	83.00	83.00	83.00	83.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,208,638	\$2,085,331	\$2,242,022	\$2,174,203	\$2,174,203
1002	OTHER PERSONNEL COSTS	\$117,191	\$89,636	\$81,840	\$81,840	\$81,840
2001	PROFESSIONAL FEES AND SERVICES	\$10,069	\$83	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$12,765	\$13,663	\$12,531	\$12,531	\$12,531
2004	UTILITIES	\$23,368	\$36,551	\$9,031	\$9,031	\$9,031
2005	TRAVEL	\$154,446	\$150,596	\$150,596	\$150,596	\$150,596
2006	RENT - BUILDING	\$76,332	\$77,692	\$83,968	\$83,968	\$83,968
2007	RENT - MACHINE AND OTHER	\$17,637	\$17,748	\$16,362	\$16,362	\$16,362
2009	OTHER OPERATING EXPENSE	\$76,097	\$90,913	\$60,584	\$60,584	\$60,584
TOTAL, OBJECT OF EXPENSE		\$2,696,543	\$2,562,213	\$2,656,934	\$2,589,115	\$2,589,115

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	5	Assure Loss Control Services & Windstorm Inspections	Service Categories:		
STRATEGY:	1	Inspect Loss Control Programs & Assure Code & Schedule Compliance	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Method of Financing:						
8042	Insurance Maint Tax Fees	\$1,735,522	\$1,654,293	\$1,993,391	\$1,793,506	\$1,793,506
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,735,522	\$1,654,293	\$1,993,391	\$1,793,506	\$1,793,506
Method of Financing:						
36	Dept Ins Operating Acct	\$961,021	\$907,920	\$663,543	\$795,609	\$795,609
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$961,021	\$907,920	\$663,543	\$795,609	\$795,609
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,589,115	\$2,589,115
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,696,543	\$2,562,213	\$2,656,934	\$2,589,115	\$2,589,115
FULL TIME EQUIVALENT POSITIONS:		45.6	44.3	45.8	52.0	52.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	5	Assure Loss Control Services & Windstorm Inspections	Service Categories:		
STRATEGY:	1	Inspect Loss Control Programs & Assure Code & Schedule Compliance	Service:	NA	Income: NA Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Statutes direct The Texas Department of Insurance (TDI) to provide: windstorm inspection for coastal structures as required for coverage through Windstorm Insurance Association and oversight of non-TDI inspectors who provide inspections, training, and education on building code requirements (Tex. Ins. Code, Art. 2210); evaluation of loss control programs provided to commercial policyholders (Tex. Ins. Code, Arts. 1903.001; 1903.051; 1952.058); enforce amusement ride inspections (Tex. Occ. Code, § 2151.001 - 2151.153); and certify inspectors for state Voluntary Inspection Program for homeowners needing to provide proof of insurability (Tex. Ins. Code, Art. 2003.101).

The strategy addresses the need to reduce insured losses through safety precautions, resulting cost reductions, property losses, injuries, and loss of life. TDI evaluates insurers' loss control programs for quality/effective services. Coastal construction is inspected to assure compliance with codes and determine eligibility for wind/hail insurance.

Strategy 1.5.1 contributes to statewide goal 07 and benchmark 01 by reducing costs that may increase rates and financial exposure to general revenue fund. This strategy supports strategies 1.1.1 Consumer Education and Outreach by educating consumers about loss prevention/safety and 1.3.2 Promote Underserved Coverage by providing recourse for homeowners needing proof of insurability and benefiting businesses in underserved areas.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Legislation, market conditions, population changes, and weather patterns may impact this strategy. Since the adoption of the International Residential Code and International Building Code as the standard(s) for windstorm certification, TDI has provided training for engineers, builders, architects, and homeowners to promote compliance with building code requirements. Except after significant wind events such as Hurricanes Rita and Ike, the market reflects decreasing requests for TDI inspections in favor of inspections by private sector entities. As a result, TDI has increased its emphasis on oversight of non-TDI inspections and expanded training related to building requirements for property owners and building trade professionals. Population growth and coastal development has increased the number of insured residences in windstorm prone areas, and many meteorologists believe increased hurricane activity will continue in the near future.

454 Department of Insurance

GOAL: 2 Promote Financial Strength of Ins. Industry Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Regulate Insurance Industry Solvency Service Categories:
 STRATEGY: 1 Analyze the Financial Condition of Insurers and Take Solvency Action Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
	1 Number of Reviews of Annual and Interim Financial Statements Completed	1,790.00	800.00	750.00	750.00	750.00
Explanatory/Input Measures:						
KEY 1	Dollar Amount (in Millions) of Insurance Company Insolvencies	0.00	12.00	50.00	50.00	50.00
	2 Number of Entities Receiving TDI Solvency-related Intervention	2.00	8.00	4.00	5.00	5.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$9,987,050	\$10,331,433	\$5,905,169	\$8,205,827	\$8,205,827
1002	OTHER PERSONNEL COSTS	\$367,678	\$247,231	\$138,238	\$148,018	\$148,018
2001	PROFESSIONAL FEES AND SERVICES	\$43,938	\$3,040	\$2,670	\$2,670	\$2,670
2003	CONSUMABLE SUPPLIES	\$44,001	\$42,701	\$44,875	\$41,625	\$41,625
2004	UTILITIES	\$21,779	\$47,401	\$16,228	\$7,456	\$7,456
2005	TRAVEL	\$619,761	\$927,207	\$268,764	\$228,064	\$228,064
2006	RENT - BUILDING	\$52,194	\$53,028	\$65,306	\$65,306	\$65,306
2007	RENT - MACHINE AND OTHER	\$71,781	\$72,232	\$61,919	\$61,919	\$61,919
2009	OTHER OPERATING EXPENSE	\$394,148	\$565,990	\$417,112	\$395,570	\$395,570

454 Department of Insurance

GOAL:	2	Promote Financial Strength of Ins. Industry	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Regulate Insurance Industry Solvency	Service Categories:		
STRATEGY:	1	Analyze the Financial Condition of Insurers and Take Solvency Action	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, OBJECT OF EXPENSE		\$11,602,330	\$12,290,263	\$6,920,281	\$9,156,455	\$9,156,455
Method of Financing:						
8042	Insurance Maint Tax Fees	\$7,449,957	\$7,854,502	\$5,098,228	\$6,256,179	\$6,256,179
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$7,449,957	\$7,854,502	\$5,098,228	\$6,256,179	\$6,256,179
Method of Financing:						
36	Dept Ins Operating Acct	\$4,125,309	\$4,310,761	\$1,697,053	\$2,775,276	\$2,775,276
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$4,125,309	\$4,310,761	\$1,697,053	\$2,775,276	\$2,775,276
Method of Financing:						
666	Appropriated Receipts	\$27,064	\$125,000	\$125,000	\$125,000	\$125,000
SUBTOTAL, MOF (OTHER FUNDS)		\$27,064	\$125,000	\$125,000	\$125,000	\$125,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$9,156,455	\$9,156,455
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$11,602,330	\$12,290,263	\$6,920,281	\$9,156,455	\$9,156,455
FULL TIME EQUIVALENT POSITIONS:		165.8	161.5	96.9	124.5	124.5

454 Department of Insurance

GOAL:	2	Promote Financial Strength of Ins. Industry	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Regulate Insurance Industry Solvency	Service Categories:		
STRATEGY:	1	Analyze the Financial Condition of Insurers and Take Solvency Action	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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STRATEGY DESCRIPTION AND JUSTIFICATION:

TDI is directed by statute to monitor the financial stability of insurers by analyzing their financial statement filings (Texas Insurance Code (TIC) §§401.051, 401.002, 404.001 and 802.001), reviewing actuarial opinions, providing actuarial expertise and reserve analysis (TIC §§404.001, 425.055, 425.054 and 802.002), reviewing holding company transactions and risk sharing contracts (TIC Ch 823, §§492.002 and 493.002). This is also supported by on-site examinations (TIC §401.051, §751.152).

TDI uses various intervention strategies to address insurers with financial problems including holding informal insurer management conferences, requiring insurers to file corrective business plans, placing insurers under administrative oversight, and taking formal administrative action to rehabilitate troubled companies such as issuing orders that place companies in conservation (TIC §§401.051, 404.001, 443.001 and 441.001). TDI conducts additional follow-up monitoring of companies released from rehabilitation. When rehabilitation is not possible, TDI appoints Special Deputy Receivers (SDRs) to liquidate insolvent companies. TDI analyzes the business plans, budgets, and expenses of all SDRs to assure that they appropriately manage the estates (TIC §443.001). TDI also monitors the guaranty associations to ascertain that claims are paid in a timely manner (TIC, Ch. 2602, and §§462,001 and 463.001).

This strategy contributes to the statewide goal 07 and benchmark 01 by encouraging the financial health of the industry.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	2	Promote Financial Strength of Ins. Industry	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Regulate Insurance Industry Solvency	Service Categories:		
STRATEGY:	1	Analyze the Financial Condition of Insurers and Take Solvency Action	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Changes in federal legislation may preempt state regulations and TDI's ability to regulate certain segments of the insurance industry. Many external factors affect insurers including the general health of the economy, changes in investment yields and the volatility of financial markets, adverse trends in claims due to catastrophic or unexpected losses, and an increasing number of acquisitions, mergers and reorganizations. These factors affect the complexity of TDI's analysis as well as the amount of time required to perform that analysis. The health of the economy also affects TDI's ability to carry out this strategy as recruitment/retention of qualified staff replacements can be difficult. Adequate computer resources are critical to the success of this strategy. The automation of data and the development of automated programs, as well as access to the NAIC database, will continue to be important to the financial analysis process.

454 Department of Insurance

GOAL: 3 Reduce Loss of Life & Property Due to Fire Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:
 STRATEGY: 1 Provide Fire Protection through Education, Enforcement and Engineering Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
	1 # of Individuals Attending SFMO Fire Prevention/Safety Presentations	16,571.00	1,850.00	11,250.00	11,250.00	11,250.00
KEY	2 Number of Fire Investigations Completed	412.00	450.00	507.00	507.00	507.00
	3 Number of Samples Analyzed in the Arson Lab	2,707.00	2,300.00	2,300.00	2,300.00	2,300.00
	4 Number of SFMO Criminal Referrals to Prosecution	65.00	60.00	110.00	110.00	110.00
KEY	5 Number of SFMO Registrations, Licenses, & Permits Issued	12,537.00	12,500.00	11,700.00	11,700.00	11,700.00
	6 Number of Licensing Investigations or Inspections Conducted	584.00	300.00	550.00	550.00	550.00
	7 Number of Buildings Inspected or Reinspected for Fire Safety Hazards	5,492.00	5,000.00	4,650.00	4,650.00	4,650.00
	8 # of Communities Accepting a SFMO Fire Prevention Program	39.00	40.00	40.00	40.00	40.00
Efficiency Measures:						
	1 Average Cost Per Fire Safety Inspection	145.00	145.00	145.00	145.00	145.00
	2 Average Time to Complete Fire Investigations	130.00	165.00	150.00	150.00	150.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$3,268,629	\$2,925,581	\$3,490,104	\$3,277,975	\$3,277,975

454 Department of Insurance

GOAL: 3 Reduce Loss of Life & Property Due to Fire Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:
 STRATEGY: 1 Provide Fire Protection through Education, Enforcement and Engineering Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1002	OTHER PERSONNEL COSTS	\$161,743	\$115,861	\$120,000	\$120,000	\$120,000
2001	PROFESSIONAL FEES AND SERVICES	\$42,899	\$118,013	\$3,500	\$3,500	\$3,500
2002	FUELS AND LUBRICANTS	\$130,301	\$116,500	\$101,500	\$101,500	\$101,500
2003	CONSUMABLE SUPPLIES	\$34,235	\$46,905	\$43,454	\$43,454	\$43,454
2004	UTILITIES	\$45,794	\$62,932	\$45,420	\$45,420	\$45,420
2005	TRAVEL	\$124,432	\$169,959	\$169,959	\$169,959	\$169,959
2006	RENT - BUILDING	\$125	\$7,822	\$7,693	\$7,693	\$7,693
2007	RENT - MACHINE AND OTHER	\$23,526	\$23,976	\$25,329	\$25,329	\$25,329
2009	OTHER OPERATING EXPENSE	\$177,117	\$657,136	\$331,139	\$231,139	\$231,139
5000	CAPITAL EXPENDITURES	\$417,989	\$57,260	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$4,426,790	\$4,301,945	\$4,338,098	\$4,025,969	\$4,025,969
Method of Financing:						
1	General Revenue Fund	\$12,572	\$7,448	\$0	\$0	\$0
8042	Insurance Maint Tax Fees	\$2,684,393	\$2,436,278	\$3,179,675	\$2,788,829	\$2,788,829
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,696,965	\$2,443,726	\$3,179,675	\$2,788,829	\$2,788,829

Method of Financing:

454 Department of Insurance

GOAL: 3 Reduce Loss of Life & Property Due to Fire Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:
 STRATEGY: 1 Provide Fire Protection through Education, Enforcement and Engineering Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
36	Dept Ins Operating Acct	\$1,486,445	\$1,337,094	\$1,058,423	\$1,237,140	\$1,237,140
5138	Fire Prevention And Public Safety	\$0	\$100,000	\$100,000	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,486,445	\$1,437,094	\$1,158,423	\$1,237,140	\$1,237,140
Method of Financing:						
369	Fed Recovery & Reinvestment Fund					
	16.803.000 Byrne Justice Grants - Stimulus	\$0	\$90,800	\$0	\$0	\$0
CFDA Subtotal, Fund	369	\$0	\$90,800	\$0	\$0	\$0
555	Federal Funds					
	16.742.000 Coverdell Forensic Sciences Grant	\$220,880	\$0	\$0	\$0	\$0
	97.044.000 Assistance to Firefighters Grant	\$22,500	\$285,048	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$243,380	\$285,048	\$0	\$0	\$0
SUBTOTAL, MOF (FEDERAL FUNDS)		\$243,380	\$375,848	\$0	\$0	\$0
Method of Financing:						
444	Interagency Contracts - CJG	\$0	\$45,277	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$45,277	\$0	\$0	\$0

454 Department of Insurance

GOAL:	3	Reduce Loss of Life & Property Due to Fire	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Protect the Public from Loss of Life and Property due to fire	Service Categories:		
STRATEGY:	1	Provide Fire Protection through Education, Enforcement and Engineering	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$4,025,969	\$4,025,969
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,426,790	\$4,301,945	\$4,338,098	\$4,025,969	\$4,025,969
FULL TIME EQUIVALENT POSITIONS:		68.6	66.2	71.0	74.7	74.7

STRATEGY DESCRIPTION AND JUSTIFICATION:

State Fire Marshal's Office (SFMO) is directed by statute (TX.Ins.Code, Ch. 6001-03, and Occupations Code, Title 13, Subtitle D, Ch. 2154) to license companies and individuals and enforce regulations pertaining to the sales, service, and installation of fire alarms, extinguishers, sprinklers, and the sales, storage and public display of fireworks. SFMO inspects fire standard compliant cigarettes/responds to related complaints (Health and Safety Code, Ch. 796).

SFMO conducts fire safety inspections of public buildings (TX. Gov. Code, §417.008), inspections of state owned and leased buildings (TX. Gov. Code, §417.0081), and inspections of retail service stations for potential violations of flammable liquid storage tanks (TX. Health & Safety Code, Ch. 753). Upon request, SFMO investigates fires and assists the prosecution of related criminal offenses (TX. Gov. Code, Ch. 417.006-07). Statute (Tex. Gov. Code, §417.004) authorizes TDI to provide engineering assistance to local governments and investigate firefighter line-of-duty deaths (TX. Gov. Code, §417.0075). Statute (Tex. Gov. Code, §§417.0051-52) authorizes SFMO to provide fire prevention education to Texans and maintain TX Fire Incident Reporting System. SFMO maintains the statewide Juvenile Firesetter Intervention Program, a Know Your Way Out Plan utilizing Have an Exit Strategy program, and the development and distribution of school fire safety curriculum.

Strategy 3.1.1 contributes to the statewide goal 07 and benchmark 01 by helping lower insurance premiums through the reduction of risks associated with fire.

454 Department of Insurance

GOAL:	3	Reduce Loss of Life & Property Due to Fire	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Protect the Public from Loss of Life and Property due to fire	Service Categories:		
STRATEGY:	1	Provide Fire Protection through Education, Enforcement and Engineering	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

SFMO is impacted by external factors such as demographic changes and the capabilities of local jurisdictions. The delivery of fire prevention, investigation, inspection, and education services continues to be impacted by increases in the state population and its demographic composition. Increases in population and the growth of cities and local municipalities not only exposes more people to the risk of preventable fires, but could redefine the types of services currently required of the SFMO. The State Fire Marshal continually assesses its service delivery plan to ensure that it remains an effective fire prevention resource for Texas. A key component of inspections and investigations is the need for reliable state-owned vehicles for transport of equipment and personnel to perform mission critical functions, as well as professional training as recommended by the Texas Forensic Science Commission. In addition, SFMO will work to implement a systematic method whereby its resources are leveraged in a manner designed to enhance local official's ability to provide needed services in their communities. The SFMO continues to work with local communities to provide training and assist in enforcing laws and regulations.

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	1	Oversee Activities of System Participants and Take Enforcement Action	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
	1 # of Workers' Compensation Enforcement Cases Concluded with Action	458.00	220.00	220.00	220.00	220.00
	2 \$ of Penalties Assessed for Violations for WC Statues and Rules	2,159,000.00	975,000.00	750,000.00	750,000.00	750,000.00
	3 \$ Returned to WC System Participants through Complaint Resolution	748,318.00	410,000.00	400,000.00	400,000.00	400,000.00
KEY	4 Number of Quality of Care Reviews Completed	124.00	97.00	97.00	97.00	97.00
KEY	5 # of Complaints Closed Involving WC System Participants	3,714.00	6,308.00	6,308.00	6,308.00	6,308.00
	6 Number of Performance Reviews Completed	69.00	65.00	65.00	65.00	65.00
Efficiency Measures:						
KEY	1 AVG # Days Per Q of C Reviews of Provider Carriers/URAS/IROS Completed	26.00	189.00	180.00	180.00	180.00
KEY	2 AVG # of Days to Close a Complaint Involving WC System	91.00	75.00	120.00	120.00	120.00
	3 Average Number of Days to Complete a Performance Review	104.00	130.00	180.00	180.00	180.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$3,565,371	\$4,006,403	\$4,643,637	\$4,405,184	\$4,405,184

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:
 STRATEGY: 1 Oversee Activities of System Participants and Take Enforcement Action Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1002	OTHER PERSONNEL COSTS	\$168,663	\$125,604	\$133,920	\$133,920	\$133,920
2001	PROFESSIONAL FEES AND SERVICES	\$523,734	\$916,765	\$107,500	\$107,500	\$107,500
2003	CONSUMABLE SUPPLIES	\$27,568	\$18,342	\$16,632	\$16,632	\$16,632
2004	UTILITIES	\$19,357	\$25,197	\$40,350	\$40,350	\$40,350
2005	TRAVEL	\$8,641	\$49,658	\$65,633	\$65,633	\$65,633
2006	RENT - BUILDING	\$258,301	\$212,714	\$364,964	\$364,964	\$364,964
2007	RENT - MACHINE AND OTHER	\$73,255	\$48,481	\$47,508	\$47,508	\$47,508
2009	OTHER OPERATING EXPENSE	\$83,591	\$145,371	\$152,943	\$152,943	\$152,943
TOTAL, OBJECT OF EXPENSE		\$4,728,481	\$5,548,535	\$5,573,087	\$5,334,634	\$5,334,634
Method of Financing:						
36	Dept Ins Operating Acct	\$4,626,631	\$4,915,127	\$5,469,087	\$5,230,634	\$5,230,634
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$4,626,631	\$4,915,127	\$5,469,087	\$5,230,634	\$5,230,634
Method of Financing:						
666	Appropriated Receipts	\$101,850	\$633,408	\$104,000	\$104,000	\$104,000
SUBTOTAL, MOF (OTHER FUNDS)		\$101,850	\$633,408	\$104,000	\$104,000	\$104,000

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:
 STRATEGY: 1 Oversee Activities of System Participants and Take Enforcement Action Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$5,334,634	\$5,334,634
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,728,481	\$5,548,535	\$5,573,087	\$5,334,634	\$5,334,634
FULL TIME EQUIVALENT POSITIONS:		69.1	78.9	85.0	79.8	79.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Department of Insurance Division of Workers' Compensation (DWC) regulates delivery of quality medical care and ensures compliance with the Texas Workers' Compensation Act. Delivery of quality medical care is mandated through policies relating to payment of medical services/delivery of medical benefits to ensure timely and appropriate care and reimbursement. DWC performs medical quality reviews of health care providers, insurance carriers, peer review/designated doctors, and independent review organizations. DWC processes/approves applications of treating doctors who qualify to determine maximum medical improvement/impairment rating, maintains Designated Doctor List, and provides educational outreach.

DWC uses data to conduct performance reviews/investigations, identify outreach, and place insurance carriers/health care providers into performance tiers. DWC resolves complaints, reports complaint data, and refers matters for investigation and enforcement action. DWC investigates allegations of noncompliance, makes referrals to authorities, and assesses penalties/sanctions. Violations are resolved through warning letters, consent orders, informal settlements, or contested case proceedings before State Office of Administrative Hearings (SOAH).

Strategy coordinates with agency strategies 1.2.1, 1.3.1, 1.3.4, 4.1.2, 4.2.1, and 4.2.2. Strategy 4.1.1 contributes to statewide goal 07 and benchmark 05 by ensuring timely access to quality care.

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	1	Oversee Activities of System Participants and Take Enforcement Action	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Future court decisions could affect the activities performed in this strategy. Increased use of technology for data collection and analysis continues to be important to the medical quality review process. The availability and quality of data provided to the DWC may affect the DWC's monitoring activities. Internal factors impacting this strategy include the use of automation to collect, analyze, and disseminate performance information and to conduct investigations.

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	2	Resolve Indemnity, Medical Fee and Medical Necessity Disputes	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015	
Output Measures:							
	1	Number of Benefit Review Conferences Held	10,009.00	14,250.00	15,900.00	15,900.00	15,900.00
	2	Number of Contested Case Hearings Held	4,255.00	6,000.00	5,900.00	5,900.00	5,900.00
	3	Number of Appellate Decisions Issued	2,053.00	2,400.00	2,400.00	2,400.00	2,400.00
Efficiency Measures:							
KEY	1	Average Number of Days to Resolve a Medical Fee Dispute	1,620.00	1,420.00	300.00	300.00	300.00
KEY	2	Avg # of Days to Resolve Indemnity Disputes Via Resolution Proceedings	104.00	140.00	135.00	135.00	135.00
Explanatory/Input Measures:							
	1	Number of Initial Benefit Review Conferences Set	11,618.00	12,500.00	14,200.00	14,200.00	14,200.00
	2	Number of Medical Fee Disputes Received	4,520.00	5,800.00	5,800.00	5,800.00	5,800.00
Objects of Expense:							
1001	SALARIES AND WAGES		\$10,787,606	\$10,204,009	\$11,504,768	\$10,884,239	\$10,884,239
1002	OTHER PERSONNEL COSTS		\$677,593	\$405,131	\$401,760	\$401,760	\$401,760
2001	PROFESSIONAL FEES AND SERVICES		\$93,404	\$309,195	\$1,950,000	\$2,150,000	\$50,000
2002	FUELS AND LUBRICANTS		\$30	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES		\$68,093	\$121,780	\$117,346	\$117,346	\$117,346

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	2	Resolve Indemnity, Medical Fee and Medical Necessity Disputes	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2004	UTILITIES	\$84,898	\$87,371	\$39,932	\$39,932	\$39,932
2005	TRAVEL	\$271,933	\$245,327	\$247,847	\$247,847	\$247,847
2006	RENT - BUILDING	\$974,099	\$1,418,312	\$1,016,828	\$1,016,828	\$1,016,828
2007	RENT - MACHINE AND OTHER	\$60,917	\$169,626	\$168,428	\$168,428	\$168,428
2009	OTHER OPERATING EXPENSE	\$398,599	\$418,716	\$405,543	\$405,543	\$405,543
TOTAL, OBJECT OF EXPENSE		\$13,417,172	\$13,379,467	\$15,852,452	\$15,431,923	\$13,331,923
Method of Financing:						
36	Dept Ins Operating Acct	\$13,366,652	\$13,307,467	\$15,780,452	\$15,359,923	\$13,259,923
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$13,366,652	\$13,307,467	\$15,780,452	\$15,359,923	\$13,259,923
Method of Financing:						
666	Appropriated Receipts	\$50,520	\$72,000	\$72,000	\$72,000	\$72,000
SUBTOTAL, MOF (OTHER FUNDS)		\$50,520	\$72,000	\$72,000	\$72,000	\$72,000

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	2	Resolve Indemnity, Medical Fee and Medical Necessity Disputes	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$15,431,923	\$13,331,923
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$13,417,172	\$13,379,467	\$15,852,452	\$15,431,923	\$13,331,923
FULL TIME EQUIVALENT POSITIONS:		252.4	237.6	250.1	286.3	286.3

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Department of Insurance Division of Workers' Compensation (DWC) provides dispute resolution services relating to indemnity, medical fee, and medical necessity disputes, to system participants including injured employees, insurance carriers, health care providers, employers, pharmacy processing agents, and sub-claimants. For indemnity disputes, DWC provides a multi-tiered administrative system consisting of benefit review conferences (BRC), contested case hearings (CCH), and appeals panel reviews. For medical fee disputes, DWC provides informal dispute resolution, conducts BRCs, and provides for appeals through the State Office of Administrative Hearings. For medical necessity disputes, DWC conducts CCHs as an appeal process for Independent Review Organization decisions.

For disputes that occurred prior to 1/1/1991, DWC conducts pre-hearing conferences, issues award recommendations, approves Compromise Settlement Agreements, and performs other regulatory functions [V.T.C.S., Arts. 8306, 8307, 8309; SB1 (1989 Act) Art. 17, §17.18].

Strategy 4.1.2 coordinates with agency strategies 1.2.1 Resolve Complaints and 4.1.1 Oversight and Enforcement. Strategy 4.1.2 contributes to the statewide goal 07 and benchmark 05 by resolving disputes effectively and efficiently.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	2	Resolve Indemnity, Medical Fee and Medical Necessity Disputes	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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The volume of DWC's dispute resolution services depends on the number of claims filed by injured employees and the number of claims or issues disputed. Changes in agency rules and statutory changes may affect this strategy.

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:
 STRATEGY: 3 Administer Subsequent Injury Fund Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
KEY 1	# of Injured Workers Receiving Lifetime Income Benefits through SIF	37.00	42.00	43.00	43.00	43.00
Efficiency Measures:						
1	Avg Days from Receipt of SIF Request for Reimbursement to Payment	67.00	62.00	62.00	62.00	62.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$54,863	\$37,578	\$70,628	\$53,311	\$53,311
1002	OTHER PERSONNEL COSTS	\$3,340	\$1,440	\$1,440	\$1,440	\$1,440
2001	PROFESSIONAL FEES AND SERVICES	\$68	\$14,997	\$17,500	\$17,500	\$17,500
2003	CONSUMABLE SUPPLIES	\$452	\$278	\$211	\$211	\$211
2004	UTILITIES	\$384	\$360	\$612	\$612	\$612
2005	TRAVEL	\$0	\$510	\$510	\$510	\$510
2006	RENT - BUILDING	\$5,466	\$3,278	\$5,572	\$5,572	\$5,572
2007	RENT - MACHINE AND OTHER	\$1,697	\$749	\$749	\$749	\$749
2009	OTHER OPERATING EXPENSE	\$5,364,316	\$5,315,401	\$4,422,016	\$4,422,016	\$4,422,016
TOTAL, OBJECT OF EXPENSE		\$5,430,586	\$5,374,591	\$4,519,238	\$4,501,921	\$4,501,921

Method of Financing:

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:
 STRATEGY: 3 Administer Subsequent Injury Fund Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
36	Dept Ins Operating Acct	\$71,757	\$63,420	\$99,098	\$81,781	\$81,781
5101	Subsequent Injury Fund	\$5,358,829	\$5,311,171	\$4,420,140	\$4,420,140	\$4,420,140
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$5,430,586	\$5,374,591	\$4,519,238	\$4,501,921	\$4,501,921
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$4,501,921	\$4,501,921
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$5,430,586	\$5,374,591	\$4,519,238	\$4,501,921	\$4,501,921
FULL TIME EQUIVALENT POSITIONS:		1.3	1.1	1.3	1.3	1.3

STRATEGY DESCRIPTION AND JUSTIFICATION:

Tex. Labor Code §403.006 requires the Texas Department of Insurance Division of Workers' Compensation (DWC) to maintain the Subsequent Injury Fund (SIF), a general revenue dedicated account. The SIF is liable for the timely payment of authorized lifetime income benefits to injured employees who meet the statutory criteria due to a second work-related injury (Tex. Labor Code, §408.162). The SIF is also liable for insurance carrier reimbursement of overpayments made pursuant to a DWC interlocutory order or decision that is later reversed or modified (Tex. Labor Code, §§410.209 and 413.055), multiple employment claims (Tex. Labor Code, §408.042), certain pharmaceutical claims (Tex. Labor Code, §413.0141), and overpayments made pursuant to a designated doctor opinion that is later reversed or modified (Tex. Labor Code §408.0041).

This strategy coordinates with agency strategy 4.1.2 Dispute Resolution. Strategy 4.1.3 contributes to statewide goal 07 and benchmark 05 by ensuring eligible injured employees receive lifetime income benefits in accordance with the Texas Labor Code and by effectively distributing reimbursements to eligible insurance carriers for overpayment of benefits.

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	3	Administer Subsequent Injury Fund	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The amount of SIF payments is dependent on the number and amount of claims filed by injured employees who meet the statutory criteria due to a second work-related injury and the number of requests for reimbursement submitted by insurance carriers. The financial condition of the SIF may be affected by changes in statute regarding the types of payments and reimbursements that may be made from the SIF and by the number and amount of death benefits insurance carriers pay to the SIF when they are unable to identify an eligible beneficiary.

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed Service Categories:
 STRATEGY: 1 Provide Educational Services&WPS Consultations to System Participants Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
KEY 1	Number of Consultations and Inspections Provided to Employers	3,187.00	3,000.00	3,000.00	3,000.00	3,000.00
2	Number of Divisions of Workers' Compensation Presentations Made	287.00	334.00	250.00	250.00	250.00
3	# RTW, Provider, WPS Educational Products & Services	6,108,882.00	5,419,500.00	3,500,000.00	3,500,000.00	3,500,000.00
4	Number of WC Income Benefit Recipients Referred to DARS	21,188.00	26,500.00	20,000.00	20,000.00	20,000.00
Efficiency Measures:						
1	Average Cost Per Consultation and Inspection	869.00	850.00	850.00	850.00	850.00
Explanatory/Input Measures:						
1	Incidence of Injuries/Illness per 100 FTEs in the Private Sector	2.90	2.70	3.50	3.50	3.50
KEY 2	Number of Workplace Safety Hazards Identified	7,670.00	7,500.00	7,500.00	7,500.00	7,500.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,620,290	\$2,655,616	\$3,148,812	\$2,948,567	\$2,948,567
1002	OTHER PERSONNEL COSTS	\$110,289	\$85,138	\$84,960	\$84,960	\$84,960
2001	PROFESSIONAL FEES AND SERVICES	\$2,212	\$2,701	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$8,907	\$25,704	\$25,557	\$22,207	\$22,207

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed Service Categories:
 STRATEGY: 1 Provide Educational Services&WPS Consultations to System Participants Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2004	UTILITIES	\$19,734	\$30,436	\$30,304	\$30,304	\$30,304
2005	TRAVEL	\$217,280	\$248,452	\$231,948	\$219,448	\$219,448
2006	RENT - BUILDING	\$348,347	\$314,291	\$317,363	\$308,428	\$308,428
2007	RENT - MACHINE AND OTHER	\$67,688	\$48,489	\$47,424	\$39,047	\$39,047
2009	OTHER OPERATING EXPENSE	\$261,606	\$227,715	\$139,717	\$77,815	\$77,815
3001	CLIENT SERVICES	\$2,598	\$10,000	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$7,950	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$3,666,901	\$3,648,542	\$4,026,085	\$3,730,776	\$3,730,776
Method of Financing:						
36	Dept Ins Operating Acct	\$1,425,764	\$1,338,755	\$1,664,300	\$1,464,055	\$1,464,055
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,425,764	\$1,338,755	\$1,664,300	\$1,464,055	\$1,464,055
Method of Financing:						
555	Federal Funds					
	17.005.001 OSHA BUREAU OF LABOR STATISTICS	\$168,120	\$179,824	\$198,819	\$198,819	\$198,819
	17.504.001 OSHA Consultation Agreements	\$1,937,115	\$1,932,269	\$1,983,441	\$1,983,441	\$1,983,441
	17.504.002 OSHA Consultation Agreements	\$61,001	\$74,411	\$84,461	\$84,461	\$84,461
CFDA Subtotal, Fund	555	\$2,166,236	\$2,186,504	\$2,266,721	\$2,266,721	\$2,266,721

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	2	Ensure Workers' Comp System Participants are Educated and Informed	Service Categories:		
STRATEGY:	1	Provide Educational Services&WPS Consultations to System Participants	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
SUBTOTAL, MOF (FEDERAL FUNDS)		\$2,166,236	\$2,186,504	\$2,266,721	\$2,266,721	\$2,266,721
Method of Financing:						
	666 Appropriated Receipts	\$74,901	\$123,283	\$95,064	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$74,901	\$123,283	\$95,064	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,730,776	\$3,730,776
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,666,901	\$3,648,542	\$4,026,085	\$3,730,776	\$3,730,776
FULL TIME EQUIVALENT POSITIONS:		64.9	66.2	69.9	78.3	78.3
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	2	Ensure Workers' Comp System Participants are Educated and Informed	Service Categories:		
STRATEGY:	1	Provide Educational Services&WPS Consultations to System Participants	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Statute (Tex. Labor Code Ch. 411, 413 and Tex. Ins. Code Article 5.76-3 §8) directs the Texas Department of Insurance Division of Workers' Compensation (DWC) to promote safe/healthy workplaces and help employees return to work (RTW). DWC provides outreach to increase effectiveness of health/safety programs. DWC conducts inspections, consultations and investigations of employers and insurance companies to help develop effective health/safety programs, identify and control workplace hazards, and understand state/federal regulations. DWC compiles/analyzes data on occupational injuries, illnesses and fatalities by industry, case characteristics, and demographics. DWC maintains a bilingual hotline to report suspected violations.

DWC provides RTW education to system participants (Tex. Labor Code Ch. 413). DWC assists injured employees to RTW (Tex. Labor Code §413.025). RTW guidelines (Tex. Labor Code §413.011) provide benchmarks for expected lost time durations for injuries/illnesses. DWC administers an RTW program for employers with 50 or less employees to reimburse/advance certain expenses for accommodations that help injured employees return to work as early as possible (Tex. Labor Code §413.022).

Strategy coordinates with agency strategies 4.1.1 , 4.1.2 , and 4.2.2. Strategy 4.2.1 contributes to statewide goal 07 and benchmark 05 by assisting employers/employees in providing safe workplaces, reducing workplace injuries, and establishing clear standards for expected lost time durations.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The agency's ability to appropriately focus its safety education and outreach efforts depends on the receipt of accurate injury and employment data. Consultations and inspections are dependent on a number of external factors including the number of insurance companies writing workers' compensation insurance; the number of employers in the Rejected Risk program; and the number of employers requesting Occupational Safety and Health Consultation (OSHCON) services. Changes to state and federal laws, court rulings, and federal funding of grant programs may require program adjustments.

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	2	Ensure Workers' Comp System Participants are Educated and Informed	Service Categories:		
STRATEGY:	2	Provide Customer Assistance & Records Admin for System Participants	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Output Measures:						
1	Number of Injury Records in Which Indemnity Benefits are Initiated	63,049.00	65,800.00	65,800.00	65,800.00	65,800.00
Explanatory/Input Measures:						
1	Number of Documents Received Electronically by the DWC	5,288,510.00	4,500,000.00	4,500,000.00	4,500,000.00	4,500,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$3,855,104	\$3,571,551	\$4,173,524	\$3,918,950	\$3,918,950
1002	OTHER PERSONNEL COSTS	\$293,307	\$162,497	\$189,600	\$189,600	\$189,600
2001	PROFESSIONAL FEES AND SERVICES	\$52,742	\$18,817	\$0	\$0	\$0
2002	FUELS AND LUBRICANTS	\$13	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$51,664	\$67,647	\$65,439	\$65,439	\$65,439
2004	UTILITIES	\$38,537	\$51,238	\$38,251	\$38,251	\$38,251
2005	TRAVEL	\$39,793	\$21,210	\$28,860	\$28,860	\$28,860
2006	RENT - BUILDING	\$551,828	\$879,197	\$834,416	\$834,416	\$834,416
2007	RENT - MACHINE AND OTHER	\$74,431	\$80,776	\$81,076	\$81,076	\$81,076
2009	OTHER OPERATING EXPENSE	\$165,991	\$194,416	\$222,926	\$222,926	\$222,926
TOTAL, OBJECT OF EXPENSE		\$5,123,410	\$5,047,349	\$5,634,092	\$5,379,518	\$5,379,518

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	2	Ensure Workers' Comp System Participants are Educated and Informed	Service Categories:		
STRATEGY:	2	Provide Customer Assistance & Records Admin for System Participants	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Method of Financing:						
36	Dept Ins Operating Acct	\$4,958,595	\$4,838,349	\$5,425,092	\$5,170,518	\$5,170,518
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$4,958,595	\$4,838,349	\$5,425,092	\$5,170,518	\$5,170,518
Method of Financing:						
666	Appropriated Receipts	\$164,815	\$209,000	\$209,000	\$209,000	\$209,000
SUBTOTAL, MOF (OTHER FUNDS)		\$164,815	\$209,000	\$209,000	\$209,000	\$209,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$5,379,518	\$5,379,518
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$5,123,410	\$5,047,349	\$5,634,092	\$5,379,518	\$5,379,518
FULL TIME EQUIVALENT POSITIONS:		122.5	113.9	125.0	137.4	137.4
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	2	Ensure Workers' Comp System Participants are Educated and Informed	Service Categories:		
STRATEGY:	2	Provide Customer Assistance & Records Admin for System Participants	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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The Texas Department of Insurance Division of Workers' Compensation (DWC) is directed by statute to receive, collect and maintain information on every compensable injury that is reported to DWC. DWC also provides information and reports to qualified individuals, insurance carriers, and employers. (Tex. Labor Code Ch. 402, 406, 408, and 409). The information received is maintained in paper, microfiche, microfilm, and electronic format and as required by records retention schedules established under Ch. 441.185 Tex. Gov't. Code.

DWC is charged with educating system participants regarding their rights and responsibilities, how to interact within the workers' compensation system, and best practices for return-to-work/workplace safety programs (Tex. Labor Code Ch. 402). DWC also has a duty to provide education to healthcare providers about rules and procedures (Tex. Labor Code 413). DWC provides educational and training materials through various methods, including making the materials available on its website.

This strategy supports agency strategies 4.1.1 Oversight and Enforcement, 4.1.2 Dispute Resolution, 4.1.3 Subsequent Injury Fund Administration, and 4.2.1 Health and Safety Services. Strategy 4.2.2 contributes to statewide goal 07 and benchmark 05 by efficiently maintaining records and effectively educating system participants regarding the workers' compensation system.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Legislative changes and information needs of system participants impact this strategy. Changes in state law and agency rules may expand or decrease the functions performed under this strategy, based on the information required to be received and maintained by the agency, and based on the effect that rule and policy changes have on system participants. The use of technology can have a major impact on this strategy. Increasing the ability to process and store information electronically is a key goal for the agency. Identifying and implementing alternate methods of providing educational materials and training to system participants through technology can also augment the agency's ability to inform the public.

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	1	Central Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$8,412,920	\$7,642,103	\$8,987,413	\$8,426,252	\$8,426,252
1002	OTHER PERSONNEL COSTS	\$370,567	\$265,864	\$224,600	\$224,600	\$224,600
2001	PROFESSIONAL FEES AND SERVICES	\$226,756	\$444,985	\$460,083	\$387,119	\$387,119
2003	CONSUMABLE SUPPLIES	\$39,627	\$31,954	\$35,160	\$35,160	\$35,160
2004	UTILITIES	\$40,576	\$32,904	\$35,687	\$35,687	\$35,687
2005	TRAVEL	\$47,454	\$101,206	\$102,974	\$98,493	\$98,493
2006	RENT - BUILDING	\$440,173	\$160,255	\$433,701	\$433,701	\$433,701
2007	RENT - MACHINE AND OTHER	\$88,483	\$63,285	\$64,714	\$64,714	\$64,714
2009	OTHER OPERATING EXPENSE	\$388,699	\$826,017	\$463,250	\$461,469	\$461,469
TOTAL, OBJECT OF EXPENSE		\$10,055,255	\$9,568,573	\$10,807,582	\$10,167,195	\$10,167,195
Method of Financing:						
1	General Revenue Fund	\$372,142	\$402,306	\$224,406	\$224,406	\$224,406
8042	Insurance Maint Tax Fees	\$3,136,016	\$3,386,025	\$4,291,607	\$3,929,190	\$3,929,190
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$3,508,158	\$3,788,331	\$4,516,013	\$4,153,596	\$4,153,596

Method of Financing:

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	1	Central Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
36	Dept Ins Operating Acct	\$6,547,097	\$5,780,242	\$6,291,569	\$6,013,599	\$6,013,599
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$6,547,097	\$5,780,242	\$6,291,569	\$6,013,599	\$6,013,599
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$10,167,195	\$10,167,195
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$10,055,255	\$9,568,573	\$10,807,582	\$10,167,195	\$10,167,195
FULL TIME EQUIVALENT POSITIONS:		139.2	152.1	137.5	148.3	148.3

STRATEGY DESCRIPTION AND JUSTIFICATION:

Central Administration is comprised of two Commissioners' administrative support activities, Financial Services (FS), Project Management Office (PMO), and Human Resources (HR), and provides leadership direction, oversight, and support for TDI programs.

The Commissioners' areas ensure activities are compliant with all statutory and regulatory requirements as well as consistent with TDI goals, objectives, purpose, and policies. In addition, these areas ensure agency accountability and integrity; provide assistance and information to the Legislature, the public and the media. FS manages budget and planning functions, including the LAR, the Strategic Plan, the operating budget, performance measure reports, and business planning. FS also monitors the agency's compliance with certain Article IX provisions of the General Appropriations Act and provides administrative support to the Office of Injured Employee Counsel. PMO establishes tools and templates for agency wide project management, monitors active high level projects, and measures project success. HR ensures compliance with employment laws, implements professional development training, maintains payroll records, and manages other personnel activities. Additionally, HR leads the agency's recruitment and succession planning activities and promotes a positive working environment.

TDI strives to maintain a highly serviceable Central Administration to better allow agency programs time to focus on the effective and efficient regulation of the Texas insurance market and workers' compensation system.

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	1	Central Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Federal health care reform legislation will have an impact on agency operations, funding, and workload. As TDI services expand to meet the insurance and workers' compensation needs of Texans, administrative resources are critical for communicating direction and policy, establishing new programs, recruiting and hiring additional employees, and managing budgetary and planning activities.

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Resources	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$4,671,479	\$4,544,309	\$5,407,249	\$4,966,521	\$4,966,521
1002	OTHER PERSONNEL COSTS	\$221,275	\$166,380	\$148,560	\$148,560	\$148,560
2001	PROFESSIONAL FEES AND SERVICES	\$3,833,536	\$3,324,699	\$3,284,576	\$3,275,082	\$3,275,082
2003	CONSUMABLE SUPPLIES	\$21,196	\$33,076	\$35,971	\$35,971	\$35,971
2004	UTILITIES	\$656,305	\$634,830	\$764,935	\$764,935	\$764,935
2005	TRAVEL	\$24,243	\$24,010	\$24,010	\$24,010	\$24,010
2006	RENT - BUILDING	\$285,300	\$85,871	\$158,801	\$158,801	\$158,801
2007	RENT - MACHINE AND OTHER	\$48,401	\$37,849	\$38,094	\$38,094	\$38,094
2009	OTHER OPERATING EXPENSE	\$1,070,051	\$720,628	\$1,435,603	\$1,275,989	\$1,275,989
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$10,831,786	\$9,571,652	\$11,297,799	\$10,687,963	\$10,687,963
Method of Financing:						
8042	Insurance Maint Tax Fees	\$3,728,047	\$3,403,614	\$4,804,917	\$4,195,998	\$4,195,998
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$3,728,047	\$3,403,614	\$4,804,917	\$4,195,998	\$4,195,998

Method of Financing:

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Resources	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
36	Dept Ins Operating Acct	\$7,103,739	\$6,168,038	\$6,492,882	\$6,491,965	\$6,491,965
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$7,103,739	\$6,168,038	\$6,492,882	\$6,491,965	\$6,491,965
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$10,687,963	\$10,687,963
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$10,831,786	\$9,571,652	\$11,297,799	\$10,687,963	\$10,687,963
FULL TIME EQUIVALENT POSITIONS:		82.7	81.0	86.0	87.4	87.4

STRATEGY DESCRIPTION AND JUSTIFICATION:

Information Technology Services (ITS) provides automation and computer support for all TDI agency programs as well as for the Office of Injured Employee Counsel (OIEC) and ensures the agency's infrastructure and networked computer systems are fully operational. ITS responsibilities include application development, quality assurance, direct customer support, project management, systems analysis, planning and monitoring of the operational budget, data center services, desk side software support, office automation support, and telephone systems support. These responsibilities are performed for both Austin headquarter locations as well as mobile workers, and 29 field and support office locations across the state. Innovations in hardware, software, and the increased need to provide around the clock access to agency information, data, and systems to the public may affect this strategy.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Resources	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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Innovations in hardware, software, and the increased need to provide around the clock access to agency information, data, and systems to the public may affect this strategy. TDI agency programs and OIEC recognize the evolution of the workforce and constituents. TDI's hardware, software, and applications must meet the needs of agency staff and the public. TDI must ensure security of the agency's data and systems. The introduction of new technologies may require training, and hiring additional resources with new skill sets to develop, maintain, and support TDI's systems.

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	3	Other Support Services	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,464,340	\$1,460,331	\$1,669,223	\$1,618,157	\$1,618,157
1002	OTHER PERSONNEL COSTS	\$104,065	\$80,046	\$64,320	\$64,320	\$64,320
2001	PROFESSIONAL FEES AND SERVICES	\$18,923	\$8,710	\$1,500	\$1,500	\$1,500
2002	FUELS AND LUBRICANTS	\$17,642	\$16,680	\$15,960	\$15,960	\$15,960
2003	CONSUMABLE SUPPLIES	\$32,425	\$36,778	\$44,793	\$44,793	\$44,793
2004	UTILITIES	\$33,057	\$36,252	\$36,625	\$36,625	\$36,625
2005	TRAVEL	\$12,120	\$11,477	\$12,717	\$12,717	\$12,717
2006	RENT - BUILDING	\$193,608	\$122,781	\$164,281	\$164,281	\$164,281
2007	RENT - MACHINE AND OTHER	\$39,388	\$33,116	\$26,743	\$26,743	\$26,743
2009	OTHER OPERATING EXPENSE	\$1,338,364	\$1,327,846	\$1,318,191	\$1,318,191	\$1,318,191
TOTAL, OBJECT OF EXPENSE		\$3,253,932	\$3,134,017	\$3,354,353	\$3,303,287	\$3,303,287
Method of Financing:						
1	General Revenue Fund	\$45,225	\$0	\$0	\$0	\$0
8042	Insurance Maint Tax Fees	\$1,088,630	\$1,162,352	\$1,442,612	\$1,314,719	\$1,314,719
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,133,855	\$1,162,352	\$1,442,612	\$1,314,719	\$1,314,719

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	3	Other Support Services	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Method of Financing:						
36	Dept Ins Operating Acct	\$2,120,077	\$1,971,665	\$1,911,741	\$1,988,568	\$1,988,568
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$2,120,077	\$1,971,665	\$1,911,741	\$1,988,568	\$1,988,568
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,303,287	\$3,303,287
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,253,932	\$3,134,017	\$3,354,353	\$3,303,287	\$3,303,287
FULL TIME EQUIVALENT POSITIONS:		40.3	40.0	42.0	42.8	42.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy consists of the Procurement and General Services Office. The Purchasing and Contract Administration section of this office processes all agency purchasing and contracting transactions, coordinates the agency's Historically Underutilized Business (HUB) program and is responsible for the administration of all agency contracts. The Staff Services sections of the office provide and coordinate facility-related and operational support consisting of seven primary functions: Facilities Management, Mail Services, Copy Center Services, Records Retention, Property Management, Warehouse Services, and Safety and Risk Management.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	3	Other Support Services	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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TDI maintains two headquarters facilities and 29 field and other support offices. Procurement and General Services must coordinate support activities to meet the needs of staff housed at various locations. This includes providing services for a separate state agency, the Office of Injured Employee Counsel, which receives various administrative services from TDI. Moreover, the mail, copy center and facility management activities operate from both headquarters. Relocating the headquarters locations to a common or nearby location would impact this strategy. A relocation of staff would require significant resources from facilities management; however, once completed, it could result in processing efficiencies and benefit the agency overall. Implementation of imaging and workflow solutions could positively impact this strategy by improving processing timeframes for mail services and by providing staff electronic access to agency contracts.

454 Department of Insurance

GOAL:	6	Regulatory Response	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Regulatory Response	Service Categories:		
STRATEGY:	1	Contingency Regulatory Response	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Objects of Expense:						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0	\$0	\$0
Method of Financing:						
8042	Insurance Maint Tax Fees	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$0	\$0	\$0
Method of Financing:						
36	Dept Ins Operating Acct	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$0	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$0	\$0	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:		0.0	0.0	0.0	0.0	0.0

454 Department of Insurance

GOAL:	6	Regulatory Response	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Regulatory Response	Service Categories:		
STRATEGY:	1	Contingency Regulatory Response	Service: NA	Income: NA	Age: NA

CODE	DESCRIPTION	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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STRATEGY DESCRIPTION AND JUSTIFICATION:

State Regulatory Response Contingency Strategy allows TDI to respond to the following regulatory issues: a significant change in insurance regulatory environment, demands for federal healthcare reform implementation, a weather related disaster in the state of Texas, a public health crisis, such as a pandemic, a fire that has been declared as a disaster situation in the State of Texas, and non-weather related disasters.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The Regulatory Response Rider will only be activated if there is a natural or health disaster or if there are significant changes to the regulatory environment such as New Legislation or economic changes.

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$103,778,347	\$116,637,182	\$137,335,302	\$104,129,903	\$102,032,903
METHODS OF FINANCE (INCLUDING RIDERS):				\$104,129,903	\$102,032,903
METHODS OF FINANCE (EXCLUDING RIDERS):	\$103,778,347	\$116,637,182	\$137,335,302	\$104,129,903	\$102,032,903
FULL TIME EQUIVALENT POSITIONS:	1,471.4	1,439.4	1,450.3	1,586.2	1,586.2

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**3.B. RIDER REVISIONS AND ADDITIONS
REQUEST**

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3.B. Rider Revisions and Additions Request

Agency Code: 454	Agency Name:	Prepared By: Jacqueline Canady	Date: August 30, 2012	Request Level:																																										
Current Rider Number	Page Number in 2012-13 GAA	Proposed Rider Language																																												
2	VIII-21	<p>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right;"><u>2012- 2014</u></th> <th style="text-align: right;"><u>2013- 2015</u></th> </tr> </thead> <tbody> <tr> <td>a. Acquisition of Information Resource Technologies</td> <td></td> <td></td> </tr> <tr> <td>(1) Data Center Consolidation</td> <td style="text-align: right;">\$ 3,318,710 \$3,269,092</td> <td style="text-align: right;">\$ 3,219,474 \$3,269,092</td> </tr> <tr> <td>(2) TexasSure Vehicle Insurance Verification</td> <td style="text-align: right;">\$ 4,225,766</td> <td style="text-align: right;">\$ 4,228,766</td> </tr> <tr> <td>Total, Acquisition of Information Resource Technologies</td> <td style="text-align: right;">\$ 7,544,476 \$7,494,858</td> <td style="text-align: right;">\$ 7,448,240 \$7,497,858</td> </tr> <tr> <td>Total, Capital Budget</td> <td style="text-align: right;">\$7,544,476 \$7,494,858</td> <td style="text-align: right;">\$7,448,240 \$7,497,858</td> </tr> <tr> <td colspan="3">Method of Financing (Capital Budget):</td> </tr> <tr> <td colspan="3">General Revenue Fund</td> </tr> <tr> <td>Insurance Companies Maintenance Tax and Insurance Department Fees</td> <td style="text-align: right;">\$ 1,199,926 \$1,268,138</td> <td style="text-align: right;">\$ 1,164,046 \$1,268,138</td> </tr> <tr> <td colspan="3">General Revenue Fund - Dedicated</td> </tr> <tr> <td>Texas Department of Insurance Operating Fund Account No. 036</td> <td style="text-align: right;">\$ 2,118,784 \$2,000,954</td> <td style="text-align: right;">\$ 2,055,428 \$2,000,954</td> </tr> <tr> <td>Other Funds</td> <td></td> <td></td> </tr> <tr> <td>State Highway Fund No. 006</td> <td style="text-align: right;">\$ 4,225,766</td> <td style="text-align: right;">\$ 4,228,766</td> </tr> <tr> <td>Total, Method of Financing</td> <td style="text-align: right;">\$ 7,544,476 \$7,494,858</td> <td style="text-align: right;">\$ 7,448,240 \$7,497,858</td> </tr> </tbody> </table> <p><i>Updated fiscal years and modified the split between 2014 & 2015 for the data center and the method of finance (MOF).</i></p>				<u>2012- 2014</u>	<u>2013- 2015</u>	a. Acquisition of Information Resource Technologies			(1) Data Center Consolidation	\$ 3,318,710 \$3,269,092	\$ 3,219,474 \$3,269,092	(2) TexasSure Vehicle Insurance Verification	\$ 4,225,766	\$ 4,228,766	Total, Acquisition of Information Resource Technologies	\$ 7,544,476 \$7,494,858	\$ 7,448,240 \$7,497,858	Total, Capital Budget	\$7,544,476 \$7,494,858	\$7,448,240 \$7,497,858	Method of Financing (Capital Budget):			General Revenue Fund			Insurance Companies Maintenance Tax and Insurance Department Fees	\$ 1,199,926 \$1,268,138	\$ 1,164,046 \$1,268,138	General Revenue Fund - Dedicated			Texas Department of Insurance Operating Fund Account No. 036	\$ 2,118,784 \$2,000,954	\$ 2,055,428 \$2,000,954	Other Funds			State Highway Fund No. 006	\$ 4,225,766	\$ 4,228,766	Total, Method of Financing	\$ 7,544,476 \$7,494,858	\$ 7,448,240 \$7,497,858
	<u>2012- 2014</u>	<u>2013- 2015</u>																																												
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3.B. Rider Revisions and Additions Request (continued)

3	VIII-22	<p>Appropriation Source, Rehabilitation of Insurance Companies. Of the amounts appropriated above, \$125,000 each year of the biennium is from fees that the Department of Insurance shall collect from companies that are successfully rehabilitated by the department. Fees collected and appropriated above shall be in amounts sufficient to cover, yet not exceed, costs of rehabilitating those companies. Any such fees collected in excess of \$125,000 each year of the biennium are also hereby appropriated for the biennium beginning September 1, 2014 <u>2013</u>, for the sole purpose of the rehabilitation of other insurance companies pursuant to 441.203 of the Texas Insurance Code (estimated to be \$0).</p> <p><i>Updated fiscal years.</i></p>
4	VIII-22	<p>State Support for NAIC Activities. The agency is prohibited from using resources in support of the National Association of Insurance Commissioners in the absence of NAIC accreditation of the Department of Insurance for compliance with NAIC Financial Regulation Standards. The prohibition would be effective immediately upon loss of accreditation. The only exceptions to this prohibition shall be limited to expenditures necessary for (1) continued departmental use of the NAIC database for monitoring financial solvency of companies doing business in Texas; (2) solvency-related training; and (3) efforts to regain accreditation. The prohibition on using resources does not apply in the event that the Commissioner voluntarily determines not to participate in the state insurance department accreditation program.</p> <p><i>No changes.</i></p>
5	VIII-22	<p>Liquidation Oversight and Title Examiner Full-Time-Equivalent Positions. In addition to the "Number of Full-Time-Equivalents (FTE)" positions authorized above, an additional 38.5 FTE positions are authorized for each year of the 2012-13 <u>2014-15</u> biennium to support liquidation oversight and title examiner activities. These positions are excluded from the FTE cap.</p> <p><i>Updated fiscal years.</i></p>
6	VIII-22	<p>Appropriations Limited to Revenue Collections. The application of special provisions limiting appropriations to revenue collections elsewhere in this Article shall be consistent with relevant statutory provisions governing the agency's assessment of tax rates and fees. As provided by the Texas Insurance Code and the Texas Labor Code, the Commissioners shall take into account unexpended funds in the preceding year when adjusting rates of assessment necessary to pay all expenses of regulating insurance and conducting the operations of the State Fire Marshal and the Office of Injured Employee Counsel during the succeeding year.</p> <p><i>No changes.</i></p>
7	VIII-22	<p>Travel Cap. Out of the funds appropriated above, expenditures for out-of-state travel by the Department of Insurance are limited to \$597,475 <u>\$168,697</u> in fiscal year 2012 <u>2014</u> and \$597,475 <u>\$168,697</u> in fiscal year 2013 <u>2015</u>. Of these amounts, \$428,778 in fiscal year 2012 and \$428,778 in fiscal year 2013 shall be utilized solely for out-of-state travel for the purpose of financial examinations. Notwithstanding any other provisions in this act, travel expenditures associated with federal programs and paid out of federal funds are exempt from this limitation.</p> <p><i>Updated fiscal years. Updated not to exceed amount. Pursuant to SB1291, 82nd Legislature, Regular Session, expenditures related to financial examinations are outside the appropriations process and are self-directed.</i></p>

3.B. Rider Revisions and Additions Request (continued)

8	VIII-22	<p>Limit on Estimated Appropriations. Excluding appropriations for the Texas Online Texas.Gov Authority, the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203) and Insurance Department Fees (Object Code 3215), and General Revenue Fund-Dedicated-Texas Department of Insurance Operating Fund Account No. Fund 36 shall not exceed \$96,666,340 \$91,807,840 in fiscal year 2012 -2014 or \$94,766,309 \$89,707,840 in fiscal year 2013- 2015.</p> <p><i>Updated to reflect FY2014/2015 MOF and name for electronic processing.</i></p>
9	VIII-22	<p>State Support for NCOIL Activities. Funds appropriated above include funds from the General Revenue - Insurance Companies Maintenance Tax, Insurance Department Fees and General Revenue Fund-Dedicated for payment of state dues for the National Conference of Insurance Legislators.</p> <p><i>No changes.</i></p>
10	VIII-22	<p>Crash Records Information System. Included in Strategy D.2.1, Traffic Safety, at the Department of Transportation is \$750,000 for fiscal year 2012 2014 and \$750,000 for fiscal year 2013 2015 from General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees for on-going maintenance of the Crash Records Information System.</p> <p><i>Updated fiscal years.</i></p>
11	VIII-22	<p>Increase Consumer Choice. Out of amounts appropriated above, the Department of Insurance shall contract with the Office of Public Insurance Counsel in the amount of \$191,670 each fiscal year from the GR Dedicated-Texas Department of Insurance Operating Fund Account No. 036 to provide consumers with insurance information to make informed decisions.</p> <p><i>No changes.</i></p>
12	VIII-23	<p>Consumer Information Report. The Department of Insurance shall submit a report quarterly to the Legislature and the public no later than the 90th day after the last day of the quarter covered by the report the following information for each insurer that writes property and casualty-casualty insurance, including workers' compensation insurance, in the state: market share, profits and losses, average rate, and average loss ratio. The report shall include the change in rate over the previous 12, 24, and 36 months.</p> <p><i>Corrected misspelled word.</i></p>
13	VIII-23	<p>Appropriation of Unexpended Balances. Any unexpended balances as of August 31, 2012 2014, not to exceed 5 percent for any item of appropriation above <u>unless granted elsewhere in this act</u> are hereby appropriated for the same purposes, in the same strategies, for the fiscal year beginning September 1, 2012 2014.</p> <p><i>Updated fiscal years. This change will allow the agency more flexibility regarding unexpended balances authority in reference to Article IX, Sec. 14.05, IX-60.</i></p>

3.B. Rider Revisions and Additions Request (continued)

14	VIII-23	<p>Subsequent Injury Fund. Amounts appropriated above in Strategy D.1.3, Subsequent Injury Fund Administration, include an estimated \$4,420,140 in fiscal year 2012 2014 and \$4,420,140 in fiscal year 2013 2015 out of the GR Dedicated - Subsequent Injury Account No. 5101 for payment of liabilities pursuant to Labor Code, Chapter 403. In the event that actual liabilities exceed the estimated amounts, the Division of Workers' Compensation shall furnish information supporting the estimated additional liabilities to the Comptroller of Public Accounts. If the Comptroller finds that there are sufficient balances in the GR Dedicated - Subsequent Injury Account No. 5101 to support the payment of projected liabilities, a finding of fact to that effect shall be issued and a contingent appropriation shall be made available for the intended purposes.</p> <p><i>Updated fiscal years.</i></p>
15	VIII-23	<p>Three-Share Premium Assistance Programs.</p> <p>a. Amounts appropriated above to the Department of Insurance of \$422,375 \$443,714 in fiscal year 2012 2014 and \$422,375 \$443,714 in fiscal year 2013 2015 in General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees in Strategy A.4.2, Three-Share Assistance Programs, and 1.0 Full-Time-Equivalents (FTE) position each fiscal year included above in the "Number of Full-Time-Equivalents (FTE)" is for the purpose of awarding, through a competitive application process, grants to local government entities for the research, planning, development, and continuation of "three-share" premium assistance programs to increase access to private healthcare coverage for the uninsured, and providing technical assistance to grant recipients. The agency shall consider the following factors in selecting recipients of grant funds:</p> <ul style="list-style-type: none"> (1) proposals to match grant awards with local funds (2) percentage of uninsured in the applicable area (3) existing efforts in pursuing "three-share" premium assistance programs (4) healthcare use and delivery factors affecting the area's healthcare infrastructure and capacity. <p>b. In addition to amounts appropriated above, out of funds collected from health insurers for fines, penalties, and sanctions and deposited to General Revenue, the Texas Department of Insurance is appropriated, out of amounts collected in excess of those contained in the Comptroller's Biennial Revenue Estimate (estimated to be \$0), an amount not to exceed \$1,500,000 in each year of the biennium for the Three Share Premium Assistance Program. <u>Any unexpended and unobligated balances remaining as of August 31, 2013 in the appropriation made herein are hereby appropriated for the fiscal year beginning September 1, 2013 for the same purpose. In addition any unexpended and unobligated balances remaining as of August 31, 2014 in the appropriation made herein are hereby appropriated for the fiscal year beginning September 1, 2014 for the same purpose.</u></p> <p>The agency shall report a summary of the grants awarded to local government entities to the Legislative Budget Board and the Governor no later than January 1, 2013 2015.</p> <p><i>Updated fiscal years and baseline requested amounts. In addition, added unexpended balance language for penalty money to allow flexibility for paying out grant dollars, due to the uncertainty of when a penalty will be assessed in a given year.</i></p>

3.B. Rider Revisions and Additions Request (continued)

16	VIII-23	<p>Division of Workers' Compensation Reporting Requirement. The Division of Workers' Compensation shall include information collected about on-the-job injuries and occupational diseases, compliance with notice requirements regarding whether employers carry workers' compensation insurance from non-subscribing employers and administrative penalties levied against non-complying employers under the provisions of the Labor Code § 411.032 and Texas Administrative Code, Title 28, Insurance §§ 110.1, 110.101, and 160.2 in its biennial report submitted to the Legislature.</p> <p><i>No changes.</i></p>
17	VIII-23	<p>Sunset Contingency. Funds appropriated above for fiscal year 2013 for the Texas Department of Insurance are made contingent on the continuation of the Texas Department of Insurance by the Eighty-second Legislature. In the event that the agency is not continued, the funds appropriated for fiscal year 2012 or as much thereof as may be necessary are to be used to provide for the phase out of the agency operations.</p> <p><i>Delete: Agency is no longer under Sunset Review per the passing of HB2605/HB1951.</i></p>
18	VIII-24	<p>Contingency for Healthcare Payment and Delivery Reform Pilot Program.22 In addition to amounts appropriated above to the Texas Department of Insurance and contingent on enactment of House Bill 3790 or Senate Bill 1811, or similar legislation that would create a Payment and Delivery Reform Advisory Committee to prioritize healthcare cost and quality outcomes and related measurement methodologies for use in public and private payment and delivery reform demonstrations and pilots, by the Eight-second Legislature, Regular Session, the Texas Department of Insurance is appropriated in Strategy A.1.1, Consumer Education and Outreach, \$350,000 for fiscal year 2012 and \$550,000 for fiscal year 2013 in General Revenue—Insurance Companies Maintenance Tax and Insurance Department Fees. The number of "Full Time Equivalents (FTE)" is increased by 1.0 FTE in fiscal years 2012-13 for the purpose of supporting the Committee and awarding grants in accordance with the provisions of the bill.</p> <p>The agency shall develop grant application requirements, process, and award criteria and should report that information to the Legislative Budget Board and the Governor no later than January 1, 2012. The agency shall report a summary of the grants awarded to interested entities to the Legislative Budget Board and the Governor no later than January 1, 2013.</p> <p><i>Legislation not enacted.</i></p>
19	VIII-24	<p>Estimation of Cost Related to an Insurance Exchange. Out of funds appropriated above to the Texas Department of Insurance, the department shall analyze the cost to the state of maintaining each of the health benefits if required by Texas state statute or rule and if the state will be responsible for paying for such health benefits in a health insurance exchange operating in the state. The department shall report the results of their analysis to the Governor and the Legislative Budget Board not later 90 days after federal rules are finalized or December 31, 2012, whichever is earlier. The report shall include any rationale for and future costs to the state of maintaining any given mandated health benefits.</p> <p><i>Delete: Rider should be deleted due to the report being completed no later than 90 days after federal rules are finalized or December 31, 2012, whichever is earlier.</i></p>

3.B. Rider Revisions and Additions Request (continued)

20	VIII-24	<p>Self-Leveling Agency Fee Change Notification Requirements.</p> <p>a. Upon completion of actions to increase fees to cover an increase in appropriations and other necessary costs, the Texas Department of Insurance shall furnish copies of the agency's minutes and other information supporting the estimated revenues to be generated for the biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the increased appropriations shall be made available for the intended purposes.</p> <p>b. Upon completion of actions to decrease fees or upon receiving information that actual and/or projected revenue collections will be insufficient to offset appropriations and other necessary costs, the Texas Department of Insurance shall immediately provide notification to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts. The Comptroller of Public Accounts shall reduce the appropriation authority provided by this Act to be within the amount of revenue expected to be available unless the agency completes actions to increase revenues and receives a finding of fact from the Comptroller of Public Accounts pursuant to the requirements of subsection (a) above.</p> <p><i>No Changes.</i></p>
21	VIII-24	<p>TexasSure. Amounts appropriated above in Strategy A.1.1, Consumer Education and Outreach, include \$4,225,766 in fiscal year 2012 <u>2014</u> and \$4,228,766 in fiscal year 2013 <u>2015</u> out of the State Highway Fund No. 006 for the purpose of on-going maintenance of the TexasSure Motor Vehicle Financial Responsibility Verification program from fees collected pursuant to Transportation Code § 502.1715.</p> <p><i>Updated fiscal years.</i></p>
22	VIII-24	<p>Appropriation of Unexpended Balances: Healthy Texas Program. Any unexpended balances remaining as of August 31, 2011-2013, from the Healthy Texas Small Employer Premium Stabilization Fund, in an amount not to exceed \$34,829,000 <u>\$13,000,000</u> are appropriated for the same purposes for the fiscal year beginning September 1, 2011 <u>2013</u> to wind down the program and pay for claims run out. Any unexpended balances remaining as of August 31, 2012, from the Healthy Texas Small Employer Premium Stabilization Fund, in an amount not to exceed \$34,829,000, are appropriated for the same purposes for the fiscal year beginning September 1, 2012.</p> <p><i>Updated fiscal years. Modified the unexpended balance language for premium stabilization funds to allow flexibility for paying out final claim dollars.</i></p>

3.B. Rider Revisions and Additions Request (continued)

23	VIII-25	<p>Contingency Appropriation: State Regulatory Response.</p> <p>a. Amounts appropriated above to the Department of Insurance not to exceed \$1,430,000 in General Revenue Insurance Companies Maintenance Tax and Insurance Department Fees and \$770,000 in General Revenue Dedicated Fund 36 each year in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full-Time-Equivalents (FTE) positions each fiscal year included above in the "Number of Full-Time-Equivalents (FTE)" are contingent upon a finding of fact by the Commissioner of Insurance that additional resources are needed by the Department of Insurance due to:</p> <p>(1) a significant change in insurance regulatory environment, demands for federal healthcare reform implementation, a weather related disaster in the state of Texas, a public health crisis, such as a pandemic, a fire that has been declared as a disaster situation in the State of Texas, and non-weather related disasters.</p> <p>b. None of the funds appropriated above in Strategy F.1.1, Contingency Regulatory Response, may be expended and none of the 40.0 Full-Time-Equivalents (FTE) positions each fiscal year included above in the "Number of Full-Time-Equivalents (FTE)" may be used by the Department of Insurance unless the Commissioner of Insurance files a finding of fact with the Governor and the Legislative Budget Board and neither the Governor nor the Legislative Budget Board issues a written disapproval not later than:</p> <p>(1) the 10th day after the date the staff of the Legislative Budget Board concludes its review of the findings of fact and forwards those findings of fact along with the conclusions or comments of the Legislative Budget Board staff to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and</p> <p>(2) within 10 business days of the receipt of the finding of fact by the Governor.</p> <p>c. The appropriations above in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full-Time-Equivalents (FTE) positions each fiscal year included above in the "Number of Full-Time-Equivalents (FTE)" are also contingent upon the Department of Insurance maintaining a sufficient fund balance in General Revenue Dedicated Fund 36 to cover these contingency appropriations and related employee benefits, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the revenues are/will be available to fund the increased appropriations.</p> <p>d. Funds appropriated above in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full-Time-Equivalents (FTE) positions each fiscal year included above in the "Number of Full-Time-Equivalents (FTE)" may only be used to address issues included in the finding of fact submitted to the Governor and the Legislative Budget Board pursuant to subsection (b) above, and apply only to the 2012-2013 biennium unless otherwise appropriated. It is the intent of the Legislature that these funds not be included in base level funding requests for the 2014-2015 biennium.</p> <p>e. Notwithstanding transfer limits under Section 14.01, Article IX of this Act, at the discretion of the agency, amounts appropriated above may be transferred to another appropriation item in an amount not to exceed \$1,430,000 in General Revenue Insurance Companies Maintenance Tax and Insurance Department Fees and \$770,000 in General Revenue Dedicated Fund 36 each year in Strategy F.1.1, Contingency Regulatory Response.</p> <p><i>Funding of this rider was excluded from the approved Base level funding. The agency will request restoration of this rider via an exceptional item request.</i></p>
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3.B. Rider Revisions and Additions Request (continued)

24	VIII-25	<p>24. Fire Safety Cigarette's Penalties. Out of amounts appropriated above in Strategy C.1.1, Fire Protection, to the Texas Department of Insurance, \$100,000 in each year of the biennium from General Revenue - Dedicated Fire Prevention and Public Safety Account No. 5138 is appropriated for purposes of supporting fire safety and prevention programs at the office of the state fire marshal.</p> <p><i>Delete: No additional penalty revenue is anticipated.</i></p>
25	VIII-25	<p>25. Medical Fee Disputes. Out of the amounts appropriated above to the Department of Insurance, \$2,100,000 for fiscal year 2012 <u>2014</u> in Strategy D.1.2, Dispute Resolution, out of General Revenue - Dedicated Fund 36 is appropriated for the purpose of financing the cost of appeals of medical disputes, including appeals handled at the State Office of Administrative Hearings. Any unexpended balance as of August 31, 2012 <u>2014</u>, is hereby appropriated for the same purpose, for the fiscal year beginning September 1, 2012 <u>2014</u>.</p> <p><i>Updated fiscal years.</i></p>

4. EXCEPTIONAL ITEM REQUEST

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4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:38PM**

Agency code: **454**

Agency name:
Department of Insurance

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2014</u>	<u>Excp 2015</u>
	Item Name: Reinstatement Regulatory Response Rider		
	Item Priority: 1		
	Includes Funding for the Following Strategy or Strategies: 06-01-01 Contingency Regulatory Response		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,000,000	2,000,000
2009	OTHER OPERATING EXPENSE	200,000	200,000
	TOTAL, OBJECT OF EXPENSE	\$2,200,000	\$2,200,000
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	676,038	676,038
8042	Insurance Maint Tax Fees	1,523,962	1,523,962
	TOTAL, METHOD OF FINANCING	\$2,200,000	\$2,200,000
	FULL-TIME EQUIVALENT POSITIONS (FTE):	40.00	40.00

DESCRIPTION / JUSTIFICATION:

The Texas Dept. of Insurance (TDI) is requesting restoration of the State Regulatory Response Contingency Rider. Approval of this exceptional item will allow TDI to respond to the following regulatory issues: a significant change in insurance regulatory environment, demands for federal healthcare reform implementation, a weather related disaster in Texas, a public health crisis, such as a pandemic, a fire that has been declared as a disaster situation in Texas, and non-weather related disasters.

TDI is requesting \$2,200,000 for 2014 and \$2,200,000 for 2015 and 40 Full-Time-Equivalents (FTEs). TDI is requesting the appropriations to be restored to the Strategy F.1.1, Contingency Regulatory Response.

The agency is requesting the funds and FTEs to be used with the following conditions:

- A. A finding of fact by the Commissioner of Insurance (COI) declares that additional resources are needed by TDI for reasons stated above.
- B. None of the funds appropriated above in Strategy F.1.1, may be expended and none of the 40.0 (FTEs) each fiscal year included above may be used by TDI unless the COI files a finding of fact with the Governor and the Legislative Budget Board (LBB) and neither the Governor nor the LBB issues a written disapproval not later than:
 - a. the 10th day after the date the staff of the LBB concludes its review of the findings of fact and forwards those findings of fact along with the conclusions or comments of the LBB staff to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and
 - b. within 10 business days of the receipt of the finding of fact by the Governor.
- C. Notwithstanding transfer limits of the General Appropriations Act, at the discretion of the agency, amounts appropriated above may be transferred to another appropriation item in an amount not to exceed \$2,200,000 in each year in Strategy F.1.1, Contingency Regulatory Response.

4.A. Exceptional Item Request Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
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Agency code: **454**

Agency name:

Department of Insurance

CODE DESCRIPTION

Excp 2014

Excp 2015

EXTERNAL/INTERNAL FACTORS:

The Regulatory Rider will only be activated if there is a natural or health disaster or if there are significant changes to the regulatory environment such as New Legislation or economic changes.

The appropriations above in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full-Time-Equivalents (FTE) positions each fiscal year included above in the "Number of Full-Time-Equivalents (FTE)" are also contingent upon the Department of Insurance maintaining a sufficient fund balance in General Revenue-Dedicated Fund 36 to cover these contingency appropriations and related employee benefits, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the revenues are/will be available to fund the increased appropriations.

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:38PM**

Agency code: **454**

Agency name:
Department of Insurance

CODE	DESCRIPTION	Excp 2014	Excp 2015
	Item Name: Additional Funding for Baseline Data Center Services		
	Item Priority: 2		
	Includes Funding for the Following Strategy or Strategies: 05-01-02 Information Resources		
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	293,716	373,746
TOTAL, OBJECT OF EXPENSE		\$293,716	\$373,746
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	179,778	228,763
8042	Insurance Maint Tax Fees	113,938	144,983
TOTAL, METHOD OF FINANCING		\$293,716	\$373,746

DESCRIPTION / JUSTIFICATION:

Funding for this exceptional item will allow TDI to support the agency's information resources activities for strategy 5.1.2. The funding will allow TDI to maintain current contracted service levels with the Data Center. Department of Information Resources (DIR) estimates the FY 2014 contracted services will be \$3,562,808 and the FY 2015 will be \$3,642,838. This exceeds TDI's FY 2014/FY 2015 appropriations by \$293,716 and \$373,746 respectively.

EXTERNAL/INTERNAL FACTORS:

As of July 1, 2012, the Data Center Services contract is with CapGemini and Xerox. The Data Center Services contract provides TDI, as a participating agency, data center (server operations), disaster recovery, and bulk print and mail services. The contract included transition of legacy agency data center operations to the service provider, consolidation of these operations to the state data centers and transformation of services for greater consistency, efficiency, and value. While TDI is fully consolidated into the data centers, some services are maintained in TDI's legacy data centers.

Without additional funding TDI will be forced to reduce the level of support services provided by the Data Center which will negatively impact performance measures. Service hours will be reduced and as a result, employees may experience increased outages or work stoppages. Delays in service requests will impact productivity for all agency staff and will have a direct impact on response time to the public.

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
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DATE: **8/30/2012**
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Agency code: **454**

Agency name:
Department of Insurance

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2014</u>	<u>Excp 2015</u>
	Item Name: Implement Agency Initiatives for Data Center Services		
	Item Priority: 3		
	Includes Funding for the Following Strategy or Strategies: 05-01-02 Information Resources		
 OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	214,627	206,818
	TOTAL, OBJECT OF EXPENSE	\$214,627	\$206,818
 METHOD OF FINANCING:			
36	Dept Ins Operating Acct	131,370	126,590
8042	Insurance Maint Tax Fees	83,257	80,228
	TOTAL, METHOD OF FINANCING	\$214,627	\$206,818

DESCRIPTION / JUSTIFICATION:

Funding for this exceptional item will allow TDI to support the agency's information resources activities for strategy 5.1.2. TDI is requesting funds to continue the agency's existing and planned technology needs.

Specifically TDI needs additional funds to procure software licenses, additional servers, and ongoing maintenance and support. These procurements are needed to decrease congestion for databases and network traffic, increase website reliability, increase internet security, and allow for electronic processing of forms.

This will allow the agency to decrease processing times and improve interaction with the public.

EXTERNAL/INTERNAL FACTORS:

If funding is not approved for this exceptional item, TDI may experience website outages for consumers, increased security risks when transferring data from laptops or other external sources, and negatively impact public satisfaction with the processing time required for forms.

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME: 6:25:38PM

Agency code: 454

Agency name:
Department of Insurance

CODE	DESCRIPTION	Excp 2014	Excp 2015
	Item Name: Restore Obsolence Project		
	Item Priority: 4		
	Includes Funding for the Following Strategy or Strategies:		
	01-01-01 Educate Consumers and Industry by Providing Outreach and Information		
	01-02-01 Respond Promptly and Act on Complaints		
	01-02-02 Investigate Trade Practices and Bring Enforcement Actions as Needed		
	01-02-03 Investigate Insurer Fraud and Refer Violations for Prosecution		
	01-02-04 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution		
	01-02-05 Investigate Workers' Comp Fraud & Refer Violations for Prosecution		
	01-03-01 Process Rates, Forms & Licenses Promptly		
	01-03-04 Regulate Private Employers that Qualify to Self-Ins w/in the WC System		
	01-05-01 Inspect Loss Control Programs & Assure Code & Schedule Compliance		
	02-01-01 Analyze the Financial Condition of Insurers and Take Solvency Action		
	03-01-01 Provide Fire Protection through Education, Enforcement and Engineering		
	04-01-01 Oversee Activities of System Participants and Take Enforcement Action		
	04-01-02 Resolve Indemnity, Medical Fee and Medical Necessity Disputes		
	04-02-01 Provide Educational Services&WPS Consultations to System Participants		
	04-02-02 Provide Customer Assistance & Records Admin for System Participants		
	05-01-01 Central Administration		
	05-01-02 Information Resources		
	05-01-03 Other Support Services		

OBJECTS OF EXPENSE:

2009	OTHER OPERATING EXPENSE	1,221,375	1,246,800
	TOTAL, OBJECT OF EXPENSE	1,221,375	1,246,800

METHOD OF FINANCING:

36	Dept Ins Operating Acct	781,424	797,691
8042	Insurance Maint Tax Fees	439,951	449,109
	TOTAL, METHOD OF FINANCING	1,221,375	1,246,800

DESCRIPTION / JUSTIFICATION:

Funding for this exceptional item will allow TDI to support the agency's information resources activities.

4.A. Exceptional Item Request Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
TIME: **6:25:38PM**

Agency code: **454**

Agency name:

Department of Insurance

CODE	DESCRIPTION	Excp 2014	Excp 2015
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TDI is requesting funds to fulfill requirements for the agency's obsolescence plan. TDI's obsolescence plan encompasses the replacement of deteriorated or functionally obsolete hardware for all aspects of the agency's technical infrastructure including monitors, desktops, laptops and specialty high-end desktop computers. TDI's plan also includes updating software to keep pace with current software technology, remaining compatible with outside entities, and ensuring the use of versions of software for which support is available.

The agency's need for computing power continues to grow and change as the technology changes. In order to accommodate this change, it is more cost effective to replace older hardware on a regular basis with newer, more powerful and less expensive equipment than it is to upgrade or expand existing systems.

EXTERNAL/INTERNAL FACTORS:

Keeping current, supported software in the hands of agency staff that directly or indirectly perform regulatory functions contributes to meeting the performance measures of the agency. TDI must continually be in a position to modify software in automated systems in response to changes in legislation governing insurance regulation, changes in the marketplace, or changes in public demand.

Approving the funding for technology will allow TDI to implement new technology that enables staff to improve efficiency and effectiveness in carrying out regulatory functions.

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:38PM**

Agency code: **454**

Agency name:
Department of Insurance

CODE	DESCRIPTION	Excp 2014	Excp 2015
	Item Name: Fund Workers' Compensation Comparison Study Item Priority: 5 Includes Funding for the Following Strategy or Strategies: 04-01-01 Oversee Activities of System Participants and Take Enforcement Action		
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	195,000	195,000
TOTAL, OBJECT OF EXPENSE		\$195,000	\$195,000
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	195,000	195,000
TOTAL, METHOD OF FINANCING		\$195,000	\$195,000

DESCRIPTION / JUSTIFICATION:

Funding for this exceptional item will cover the cost of Texas' participation in the Workers' Compensation Research Institute's (WCRI) annual CompScope™ multi-state benchmarking program and allow TDI access to all of WCRI's reports as well as the ability to request ad hoc data analyses on specific issues when needed. WCRI is an independent, not-for-profit research organization that provides high-quality, objective information about public policy issues involving workers' compensation systems. It provides information obtained through studies and data collection efforts, which conform to recognized scientific methods.

The benchmarking program provides annually the opportunity both to examine the changes in performance of individual state systems and to make meaningful interstate comparisons. Understanding how Texas's workers' compensation outcomes compare with other states helps Texas to better evaluate the outcomes of legislative reforms and assess the relative health of the Texas workers' compensation system overall. By identifying incremental changes in system performance - trends that may signal either improvement or possible deterioration in system performance - goals for system performance can be set, improvements accomplished, and crises avoided.

Texas' participation in the CompScope™ benchmarking program will allow Texas' workers' compensation system to be compared on a variety of claim-level income benefit and medical cost and utilization performance measures with the workers' compensation systems in 15 other states: California, Florida, Illinois, Indiana, Iowa, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, North Carolina, Pennsylvania, Virginia, and Wisconsin. In combination, these states represent more than 50 percent of the nation's workers' compensation benefit payments.

EXTERNAL/INTERNAL FACTORS:

4.A. Exceptional Item Request Schedule
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Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:38PM

Agency code: 454

Agency name:

Department of Insurance

CODE	DESCRIPTION	Excp 2014	Excp 2015
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WCRI provides new, objective analyses that address how Texas' workers' compensation system is performing; how the system compares with other state systems; how the system can better meet injured employees' needs; factors driving system costs; and the impact of legislative changes on system outcomes.

An updated evaluation of the Texas workers' compensation system will help identify possible system issues and ensure efficient and timely delivery of workers' compensation benefits as compared to other state systems. DWC uses this study to provide information to the Legislature regarding how Texas compares with other states in terms of workers' compensation outcomes. DWC does not have the capability of obtaining detailed information and data on other state workers' compensation systems without the use of this study.

In the prior biennium, DWC has held open vacancies to cover the cost of the WCRI report due to its crucial nature. These positions need to be filled to efficiently operate the workers' compensation division. Without the additional funding, the performance measures will be negatively impacted.

4.A. Exceptional Item Request Schedule
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DATE: **8/30/2012**
 TIME: **6:25:38PM**

Agency code: **454**

Agency name:
Department of Insurance

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2014</u>	<u>Excp 2015</u>
	Item Name: TexasSure Funding to TDI		
	Item Priority: 6		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Educate Consumers and Industry by Providing Outreach and Information		
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	770,164	922,809
	TOTAL, OBJECT OF EXPENSE	\$770,164	\$922,809
METHOD OF FINANCING:			
6	State Highway Fund	770,164	922,809
	TOTAL, METHOD OF FINANCING	\$770,164	\$922,809

DESCRIPTION / JUSTIFICATION:

Funding for this exceptional item will allow TDI to maintain current services for the TexasSure Vehicle Insurance Verification Program. Without funding, TDI will be required to decrease the current level of services for this program.

Specifically, TDI needs additional funding to pay for current contracted maintenance and operational costs, and increased postage costs. The projected cost for FY 2014 is \$4,995,930 and for FY 2015 is \$5,151,575. The increase for FY 2014 is \$770,164 and for FY 2015 is \$922,809.

EXTERNAL/INTERNAL FACTORS:

HB 1670 (79th Legislature) added Subchapter N to Ch. 601 in the Texas Transportation Code to appropriate funds from State Highway Fund No. 006 for the purpose of on-going maintenance of the TexasSure Motor Vehicle Financial Responsibility Verification program.

TDI, and the implementing agencies, entered into a contract with HDI Solutions, LLC to administer the Financial Responsibility Verification Program. The TexasSure system matches insurance policy submissions and registration records on a weekly basis. Law Enforcement and DMV Tax Assessor Collector offices use the system as a tool in determining a vehicle's insured status. The TexasSure vendor sends 25,000 notices weekly to Texas consumers with an unmatched record. Texas consumers may respond to the notices by submitting a web, integrated voice response (IVR), or call center response.

The increase in funds will allow TexasSure to continue to operate as currently implemented. Without the increase in funding, TDI and the implementing agencies will not have the ability to pay contracted development and operational costs. As a result, the TexasSure system will need to be evaluated to determine which operational piece(s) will be removed (matching or customer notices and call center).

4.A. Exceptional Item Request Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:38PM**

Agency code: **454**

Agency name:
Department of Insurance

CODE	DESCRIPTION	Excp 2014	Excp 2015
	Item Name: Capitol Complex Telephone System Replacement		
	Item Priority: 7		
	Includes Funding for the Following Strategy or Strategies: 05-01-02 Information Resources		
OBJECTS OF EXPENSE:			
5000	CAPITAL EXPENDITURES	1,415,751	0
	TOTAL, OBJECT OF EXPENSE	\$1,415,751	\$0
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	435,046	0
8042	Insurance Maint Tax Fees	980,705	0
	TOTAL, METHOD OF FINANCING	\$1,415,751	\$0

DESCRIPTION / JUSTIFICATION:

Funding for this exceptional item will allow TDI to support the agency's information resources activities for strategy 5.1.2. Approval of this exceptional item, allows TDI to replace the existing Capitol Complex Telephone System (CCTS) with an upgraded call processing system. This system uses the voice over internet protocol (VoIP) technology.

A VoIP system is a more enhanced technology option including unified communications, advanced call center functions and mobility/teleworker enhancements, improved business collaboration capabilities, more efficient management and administration of the call processing system.

The CTTS system lacks many of the options and features available within most current business telephone systems and call center operations today.

EXTERNAL/INTERNAL FACTORS:

4.A. Exceptional Item Request Schedule
83rd Regular Session, Agency Submission, Version 1
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DATE: **8/30/2012**
TIME: **6:25:38PM**

Agency code: **454**

Agency name:
Department of Insurance

CODE	DESCRIPTION	Excp 2014	Excp 2015
	<p>The current CCTS equipment was brought online in 1985 and is far beyond its lifecycle. The CCTS does not meet the agency's current technology needs.</p> <p>In DIR's "Technology Brief" dated March 2012, they address the positive impact that a VoIP system would have on an agency. DIR is working with agencies to migrate from their current system to a VoIP system.</p> <p>TDI is moving forward in all technology fronts with the exception of the telephone system. In fact, due to the advances in technology, integration and functionality, the systems are now referred to as Communications Managers. They no longer just provide dial tone and allow users to make and receive voice calls, but fully integrate with all other methods of communication to unify these platforms. The CCTS cannot integrate with any of TDI's communications systems.</p> <p>TDI currently has projects under way to replace the agency's email system and pilot several mobile device platforms. The technology that will be missing to unify these communications systems will be the proposed Communications Manager. The implementation of this solution will put the agency on a current and supported platform.</p> <p>By continuing to use the CCTS, TDI will be losing productivity through the inefficiencies of the diverse systems.</p>		

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4.B. Exceptional Items Strategy Allocation Schedule

83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**

TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Reinstatement Regulatory Response Rider			
Allocation to Strategy: 6-1-1 Contingency Regulatory Response			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,000,000	2,000,000
2009	OTHER OPERATING EXPENSE	200,000	200,000
TOTAL, OBJECT OF EXPENSE		\$2,200,000	\$2,200,000
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	676,038	676,038
8042	Insurance Maint Tax Fees	1,523,962	1,523,962
TOTAL, METHOD OF FINANCING		\$2,200,000	\$2,200,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		40.0	40.0

4.B. Exceptional Items Strategy Allocation Schedule

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**

TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Additional Funding for Baseline Data Center Services			
Allocation to Strategy: 5-1-2 Information Resources			
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	293,716	373,746
TOTAL, OBJECT OF EXPENSE		\$293,716	\$373,746
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	179,778	228,763
8042	Insurance Maint Tax Fees	113,938	144,983
TOTAL, METHOD OF FINANCING		\$293,716	\$373,746

4.B. Exceptional Items Strategy Allocation Schedule

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**

TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Implement Agency Initiatives for Data Center Services			
Allocation to Strategy: 5-1-2 Information Resources			
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	214,627	206,818
TOTAL, OBJECT OF EXPENSE		\$214,627	\$206,818
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	131,370	126,590
8042	Insurance Maint Tax Fees	83,257	80,228
TOTAL, METHOD OF FINANCING		\$214,627	\$206,818

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	39,971	40,802
TOTAL, OBJECT OF EXPENSE		\$39,971	\$40,802
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	12,283	12,538
8042	Insurance Maint Tax Fees	27,688	28,264
TOTAL, METHOD OF FINANCING		\$39,971	\$40,802

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 1-2-1 Respond Promptly and Act on Complaints			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	50,842	51,900
TOTAL, OBJECT OF EXPENSE		\$50,842	\$51,900
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	15,623	15,948
8042	Insurance Maint Tax Fees	35,219	35,952
TOTAL, METHOD OF FINANCING		\$50,842	\$51,900

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	41,278	42,137
TOTAL, OBJECT OF EXPENSE		\$41,278	\$42,137
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	12,684	12,948
8042	Insurance Maint Tax Fees	28,594	29,189
TOTAL, METHOD OF FINANCING		\$41,278	\$42,137

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	20,434	20,860
TOTAL, OBJECT OF EXPENSE		\$20,434	\$20,860
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	6,279	6,410
8042	Insurance Maint Tax Fees	14,155	14,450
TOTAL, METHOD OF FINANCING		\$20,434	\$20,860

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	18,064	18,441
TOTAL, OBJECT OF EXPENSE		\$18,064	\$18,441
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	5,551	5,667
8042	Insurance Maint Tax Fees	12,513	12,774
TOTAL, METHOD OF FINANCING		\$18,064	\$18,441

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 1-2-5 Investigate Workers' Comp Fraud & Refer Violations for Prosecution			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	4,384	4,476
TOTAL, OBJECT OF EXPENSE		\$4,384	\$4,476
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	4,384	4,476
TOTAL, METHOD OF FINANCING		\$4,384	\$4,476

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	173,043	176,646
TOTAL, OBJECT OF EXPENSE		\$173,043	\$176,646
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	53,173	54,282
8042	Insurance Maint Tax Fees	119,870	122,364
TOTAL, METHOD OF FINANCING		\$173,043	\$176,646

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	9,645	9,846
TOTAL, OBJECT OF EXPENSE		\$9,645	\$9,846
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	9,645	9,846
TOTAL, METHOD OF FINANCING		\$9,645	\$9,846

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 1-5-1		Inspect Loss Control Programs & Assure Code & Schedule Compliance	
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	37,437	38,216
TOTAL, OBJECT OF EXPENSE		\$37,437	\$38,216
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	11,504	11,743
8042	Insurance Maint Tax Fees	25,933	26,473
TOTAL, METHOD OF FINANCING		\$37,437	\$38,216

Agency code: 454 Agency name: Department of Insurance

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	79,205	80,855
TOTAL, OBJECT OF EXPENSE		\$79,205	\$80,855
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	24,339	24,846
8042	Insurance Maint Tax Fees	54,866	56,009
TOTAL, METHOD OF FINANCING		\$79,205	\$80,855

4.B. Exceptional Items Strategy Allocation Schedule

83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**

TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	58,035	59,243
TOTAL, OBJECT OF EXPENSE		\$58,035	\$59,243
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	17,834	18,205
8042	Insurance Maint Tax Fees	40,201	41,038
TOTAL, METHOD OF FINANCING		\$58,035	\$59,243

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	74,532	76,084
TOTAL, OBJECT OF EXPENSE		\$74,532	\$76,084
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	74,532	76,084
TOTAL, METHOD OF FINANCING		\$74,532	\$76,084

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	219,300	223,863
TOTAL, OBJECT OF EXPENSE		\$219,300	\$223,863
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	219,300	223,863
TOTAL, METHOD OF FINANCING		\$219,300	\$223,863

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	61,292	62,568
TOTAL, OBJECT OF EXPENSE		\$61,292	\$62,568
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	61,292	62,568
TOTAL, METHOD OF FINANCING		\$61,292	\$62,568

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	109,606	111,888
TOTAL, OBJECT OF EXPENSE		\$109,606	\$111,888
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	109,606	111,888
TOTAL, METHOD OF FINANCING		\$109,606	\$111,888

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 5-1-1 Central Administration			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	116,172	118,590
TOTAL, OBJECT OF EXPENSE		\$116,172	\$118,590
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	74,329	75,876
8042	Insurance Maint Tax Fees	41,843	42,714
TOTAL, METHOD OF FINANCING		\$116,172	\$118,590

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 5-1-2 Information Resources			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	72,496	74,005
TOTAL, OBJECT OF EXPENSE		\$72,496	\$74,005
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	44,751	45,683
8042	Insurance Maint Tax Fees	27,745	28,322
TOTAL, METHOD OF FINANCING		\$72,496	\$74,005

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Restore Obsolence Project			
Allocation to Strategy: 5-1-3 Other Support Services			
OBJECTS OF EXPENSE:			
2009	OTHER OPERATING EXPENSE	35,639	36,380
TOTAL, OBJECT OF EXPENSE		\$35,639	\$36,380
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	24,315	24,820
8042	Insurance Maint Tax Fees	11,324	11,560
TOTAL, METHOD OF FINANCING		\$35,639	\$36,380

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Fund Workers' Compensation Comparison Study			
Allocation to Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action			
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	195,000	195,000
TOTAL, OBJECT OF EXPENSE		\$195,000	\$195,000
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	195,000	195,000
TOTAL, METHOD OF FINANCING		\$195,000	\$195,000

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: TexasSure Funding to TDI			
Allocation to Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information			
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	770,164	922,809
TOTAL, OBJECT OF EXPENSE		\$770,164	\$922,809
METHOD OF FINANCING:			
6	State Highway Fund	770,164	922,809
TOTAL, METHOD OF FINANCING		\$770,164	\$922,809

4.B. Exceptional Items Strategy Allocation Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:39PM**

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2014	Excp 2015
Item Name: Capitol Complex Telephone System Replacement			
Allocation to Strategy: 5-1-2 Information Resources			
OBJECTS OF EXPENSE:			
5000	CAPITAL EXPENDITURES	1,415,751	0
TOTAL, OBJECT OF EXPENSE		\$1,415,751	\$0
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	435,046	0
8042	Insurance Maint Tax Fees	980,705	0
TOTAL, METHOD OF FINANCING		\$1,415,751	\$0

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 1
 OBJECTIVE: 1 Provide Insurance Consumers with Meaningful Information Service Categories:
 STRATEGY: 1 Educate Consumers and Industry by Providing Outreach and Information Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
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OBJECTS OF EXPENSE:

2001 PROFESSIONAL FEES AND SERVICES	770,164	922,809
2009 OTHER OPERATING EXPENSE	39,971	40,802
Total, Objects of Expense	\$810,135	\$963,611

METHOD OF FINANCING:

6 State Highway Fund	770,164	922,809
36 Dept Ins Operating Acct	12,283	12,538
8042 Insurance Maint Tax Fees	27,688	28,264
Total, Method of Finance	\$810,135	\$963,611

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolescence Project
 TexasSure Funding to TDI

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 1
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices Service Categories:
 STRATEGY: 1 Respond Promptly and Act on Complaints Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
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OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	50,842	51,900
Total, Objects of Expense	\$50,842	\$51,900

METHOD OF FINANCING:

36 Dept Ins Operating Acct	15,623	15,948
8042 Insurance Maint Tax Fees	35,219	35,952
Total, Method of Finance	\$50,842	\$51,900

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 1
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices Service Categories:
 STRATEGY: 2 Investigate Trade Practices and Bring Enforcement Actions as Needed Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
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OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	41,278	42,137
Total, Objects of Expense	\$41,278	\$42,137

METHOD OF FINANCING:

36 Dept Ins Operating Acct	12,684	12,948
8042 Insurance Maint Tax Fees	28,594	29,189
Total, Method of Finance	\$41,278	\$42,137

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 1
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices Service Categories:
 STRATEGY: 3 Investigate Insurer Fraud and Refer Violations for Prosecution Service: 34 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
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OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	20,434	20,860
Total, Objects of Expense	\$20,434	\$20,860

METHOD OF FINANCING:

36 Dept Ins Operating Acct	6,279	6,410
8042 Insurance Maint Tax Fees	14,155	14,450
Total, Method of Finance	\$20,434	\$20,860

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 0
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices Service Categories:
 STRATEGY: 4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution Service: NA Income: NA Age: NA

CODE DESCRIPTION	Excp 2014	Excp 2015
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OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	18,064	18,441
Total, Objects of Expense	\$18,064	\$18,441

METHOD OF FINANCING:

36 Dept Ins Operating Acct	5,551	5,667
8042 Insurance Maint Tax Fees	12,513	12,774
Total, Method of Finance	\$18,064	\$18,441

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 0
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices Service Categories:
 STRATEGY: 5 Investigate Workers' Comp Fraud & Refer Violations for Prosecution Service: NA Income: NA Age: NA

CODE DESCRIPTION	Excp 2014	Excp 2015
-------------------------	------------------	------------------

OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	4,384	4,476
Total, Objects of Expense	\$4,384	\$4,476

METHOD OF FINANCING:

36 Dept Ins Operating Acct	4,384	4,476
Total, Method of Finance	\$4,384	\$4,476

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolescence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 1
 OBJECTIVE: 3 Reduce Impediments to Competition and Improve Insurance Availability Service Categories:
 STRATEGY: 1 Process Rates, Forms & Licenses Promptly Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
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OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	173,043	176,646
Total, Objects of Expense	\$173,043	\$176,646

METHOD OF FINANCING:

36 Dept Ins Operating Acct	53,173	54,282
8042 Insurance Maint Tax Fees	119,870	122,364
Total, Method of Finance	\$173,043	\$176,646

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 5
 OBJECTIVE: 3 Reduce Impediments to Competition and Improve Insurance Availability Service Categories:
 STRATEGY: 4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
OBJECTS OF EXPENSE:		
2009 OTHER OPERATING EXPENSE	9,645	9,846
Total, Objects of Expense	\$9,645	\$9,846
METHOD OF FINANCING:		
36 Dept Ins Operating Acct	9,645	9,846
Total, Method of Finance	\$9,645	\$9,846

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolescence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 0
 OBJECTIVE: 5 Assure Loss Control Services & Windstorm Inspections Service Categories:
 STRATEGY: 1 Inspect Loss Control Programs & Assure Code & Schedule Compliance Service: NA Income: NA Age: NA

CODE DESCRIPTION	Excp 2014	Excp 2015
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OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	37,437	38,216
Total, Objects of Expense	\$37,437	\$38,216

METHOD OF FINANCING:

36 Dept Ins Operating Acct	11,504	11,743
8042 Insurance Maint Tax Fees	25,933	26,473
Total, Method of Finance	\$37,437	\$38,216

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 2 Promote Financial Strength of Ins. Industry Statewide Goal/Benchmark: 7 - 1
 OBJECTIVE: 1 Regulate Insurance Industry Solvency Service Categories:
 STRATEGY: 1 Analyze the Financial Condition of Insurers and Take Solvency Action Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
-------------------------	------------------	------------------

OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	79,205	80,855
Total, Objects of Expense	\$79,205	\$80,855

METHOD OF FINANCING:

36 Dept Ins Operating Acct	24,339	24,846
8042 Insurance Maint Tax Fees	54,866	56,009
Total, Method of Finance	\$79,205	\$80,855

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 3 Reduce Loss of Life & Property Due to Fire Statewide Goal/Benchmark: 7 - 1
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:
 STRATEGY: 1 Provide Fire Protection through Education, Enforcement and Engineering Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
-------------------------	------------------	------------------

OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	58,035	59,243
Total, Objects of Expense	\$58,035	\$59,243

METHOD OF FINANCING:

36 Dept Ins Operating Acct	17,834	18,205
8042 Insurance Maint Tax Fees	40,201	41,038
Total, Method of Finance	\$58,035	\$59,243

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 - 5
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:
 STRATEGY: 1 Oversee Activities of System Participants and Take Enforcement Action Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
-------------------------	------------------	------------------

OBJECTS OF EXPENSE:

2001 PROFESSIONAL FEES AND SERVICES	195,000	195,000
2009 OTHER OPERATING EXPENSE	74,532	76,084
Total, Objects of Expense	\$269,532	\$271,084

METHOD OF FINANCING:

36 Dept Ins Operating Acct	269,532	271,084
Total, Method of Finance	\$269,532	\$271,084

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolescence Project
 Fund Workers' Compensation Comparison Study

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 - 5
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:
 STRATEGY: 2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
OBJECTS OF EXPENSE:		
2009 OTHER OPERATING EXPENSE	219,300	223,863
Total, Objects of Expense	\$219,300	\$223,863
METHOD OF FINANCING:		
36 Dept Ins Operating Acct	219,300	223,863
Total, Method of Finance	\$219,300	\$223,863

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolescence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 - 5
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed Service Categories:
 STRATEGY: 1 Provide Educational Services&WPS Consultations to System Participants Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
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OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	61,292	62,568
Total, Objects of Expense	\$61,292	\$62,568

METHOD OF FINANCING:

36 Dept Ins Operating Acct	61,292	62,568
Total, Method of Finance	\$61,292	\$62,568

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolescence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 - 5
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed Service Categories:
 STRATEGY: 2 Provide Customer Assistance & Records Admin for System Participants Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
-------------------------	------------------	------------------

OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	109,606	111,888
Total, Objects of Expense	\$109,606	\$111,888

METHOD OF FINANCING:

36 Dept Ins Operating Acct	109,606	111,888
Total, Method of Finance	\$109,606	\$111,888

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolescence Project

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 5 Indirect Administration Statewide Goal/Benchmark: 7 - 0
 OBJECTIVE: 1 Indirect Administration Service Categories:
 STRATEGY: 1 Central Administration Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2014	Exp 2015
-------------------------	-----------------	-----------------

OBJECTS OF EXPENSE:

2009 OTHER OPERATING EXPENSE	116,172	118,590
Total, Objects of Expense	\$116,172	\$118,590

METHOD OF FINANCING:

36 Dept Ins Operating Acct	74,329	75,876
8042 Insurance Maint Tax Fees	41,843	42,714
Total, Method of Finance	\$116,172	\$118,590

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 5 Indirect Administration Statewide Goal/Benchmark: 7 - 0
 OBJECTIVE: 1 Indirect Administration Service Categories:
 STRATEGY: 2 Information Resources Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2014	Excp 2015
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OBJECTS OF EXPENSE:

2001 PROFESSIONAL FEES AND SERVICES	508,343	580,564
2009 OTHER OPERATING EXPENSE	72,496	74,005
5000 CAPITAL EXPENDITURES	1,415,751	0
Total, Objects of Expense	\$1,996,590	\$654,569

METHOD OF FINANCING:

36 Dept Ins Operating Acct	790,945	401,036
8042 Insurance Maint Tax Fees	1,205,645	253,533
Total, Method of Finance	\$1,996,590	\$654,569

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Additional Funding for Baseline Data Center Services
 Implement Agency Initiatives for Data Center Services
 Restore Obsolescence Project
 Capitol Complex Telephone System Replacement

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 5 Indirect Administration Statewide Goal/Benchmark: 7 - 0
 OBJECTIVE: 1 Indirect Administration Service Categories:
 STRATEGY: 3 Other Support Services Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2014	Exp 2015
OBJECTS OF EXPENSE:		
2009 OTHER OPERATING EXPENSE	35,639	36,380
Total, Objects of Expense	\$35,639	\$36,380
METHOD OF FINANCING:		
36 Dept Ins Operating Acct	24,315	24,820
8042 Insurance Maint Tax Fees	11,324	11,560
Total, Method of Finance	\$35,639	\$36,380

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore Obsolence Project

4.C. Exceptional Items Strategy Request
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:39PM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 6 Regulatory Response Statewide Goal/Benchmark: 7 - 0
 OBJECTIVE: 1 Regulatory Response Service Categories:
 STRATEGY: 1 Contingency Regulatory Response Service: NA Income: NA Age: NA

CODE DESCRIPTION	Excp 2014	Excp 2015
-------------------------	------------------	------------------

OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	2,000,000	2,000,000
2009 OTHER OPERATING EXPENSE	200,000	200,000
Total, Objects of Expense	\$2,200,000	\$2,200,000

METHOD OF FINANCING:

36 Dept Ins Operating Acct	676,038	676,038
8042 Insurance Maint Tax Fees	1,523,962	1,523,962
Total, Method of Finance	\$2,200,000	\$2,200,000

FULL-TIME EQUIVALENT POSITIONS (FTE):	40.0	40.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Reinstate Regulatory Response Rider

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5. CAPITAL BUDGET

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5.A. Capital Budget Project Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME : **6:25:39PM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2012	Bud 2013	BL 2014	BL 2015
5005 Acquisition of Information Resource Technologies					
<i>1/1 SUPPORT DATA CENTER SERVICE</i>					
<i>CONTRACT</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	2001 PROFESSIONAL FEES AND SERVICES	\$3,318,710	\$3,219,474	\$3,269,092	\$3,269,092
	Capital Subtotal OOE, Project 1	\$3,318,710	\$3,219,474	\$3,269,092	\$3,269,092
	Subtotal OOE, Project 1	\$3,318,710	\$3,219,474	\$3,269,092	\$3,269,092
TYPE OF FINANCING					
<u>Capital</u>					
General	CA 36 Dept Ins Operating Acct	\$2,118,784	\$1,883,828	\$2,000,954	\$2,000,954
General	CA 8042 Insurance Maint Tax Fees	\$1,199,926	\$1,335,646	\$1,268,138	\$1,268,138
	Capital Subtotal TOF, Project 1	\$3,318,710	\$3,219,474	\$3,269,092	\$3,269,092
	Subtotal TOF, Project 1	\$3,318,710	\$3,219,474	\$3,269,092	\$3,269,092
<i>2/2 TEXASSURE VEHICLE INSURANCE</i>					
<i>VERIFICATION(1250)</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	2001 PROFESSIONAL FEES AND SERVICES	\$3,845,014	\$3,848,766	\$3,845,766	\$3,848,766
General	2009 OTHER OPERATING EXPENSE	\$380,752	\$380,000	\$380,000	\$380,000
	Capital Subtotal OOE, Project 2	\$4,225,766	\$4,228,766	\$4,225,766	\$4,228,766
	Subtotal OOE, Project 2	\$4,225,766	\$4,228,766	\$4,225,766	\$4,228,766
TYPE OF FINANCING					

5.A. Capital Budget Project Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME : **6:25:39PM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE				Est 2012	Bud 2013	BL 2014	BL 2015	
<u>Capital</u>								
General	CA	6	State Highway Fund	\$4,225,766	\$4,228,766	\$4,225,766	\$4,228,766	
Capital Subtotal TOF, Project				2	\$4,225,766	\$4,228,766	\$4,225,766	\$4,228,766
Subtotal TOF, Project				2	\$4,225,766	\$4,228,766	\$4,225,766	\$4,228,766
<i>3/3 Obsolescence Hardware and Software Replacement and Network Security</i>								
OBJECTS OF EXPENSE								
<u>Capital</u>								
General	2009	OTHER OPERATING EXPENSE		\$0	\$0	\$0	\$0	
Capital Subtotal OOE, Project				3	\$0	\$0	\$0	\$0
Subtotal OOE, Project				3	\$0	\$0	\$0	\$0
TYPE OF FINANCING								
<u>Capital</u>								
General	CA	36	Dept Ins Operating Acct	\$0	\$0	\$0	\$0	
General	CA	8042	Insurance Maint Tax Fees	\$0	\$0	\$0	\$0	
Rider	CA	36	Dept Ins Operating Acct	\$0	\$0	\$0	\$0	
Rider	CA	8042	Insurance Maint Tax Fees	\$0	\$0	\$0	\$0	
Capital Subtotal TOF, Project				3	\$0	\$0	\$0	\$0
Subtotal TOF, Project				3	\$0	\$0	\$0	\$0

4/4 Capitol Complex Telephone System Replacement

OBJECTS OF EXPENSE

Capital

5.A. Capital Budget Project Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME : **6:25:39PM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

		OOE / TOF / MOF CODE	Est 2012	Bud 2013	BL 2014	BL 2015
General	5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0
		Capital Subtotal OOE, Project	4	\$0	\$0	\$0
		Subtotal OOE, Project	4	\$0	\$0	\$0
TYPE OF FINANCING						
<u>Capital</u>						
General	CA	36 Dept Ins Operating Acct	\$0	\$0	\$0	\$0
General	CA	8042 Insurance Maint Tax Fees	\$0	\$0	\$0	\$0
		Capital Subtotal TOF, Project	4	\$0	\$0	\$0
		Subtotal TOF, Project	4	\$0	\$0	\$0
		Capital Subtotal, Category	5005	\$7,544,476	\$7,448,240	\$7,494,858
		Informational Subtotal, Category	5005			\$7,497,858
		Total, Category	5005	\$7,544,476	\$7,448,240	\$7,494,858
AGENCY TOTAL -CAPITAL			\$7,544,476	\$7,448,240	\$7,494,858	\$7,497,858
AGENCY TOTAL -INFORMATIONAL						
AGENCY TOTAL			\$7,544,476	\$7,448,240	\$7,494,858	\$7,497,858

5.A. Capital Budget Project Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME : **6:25:39PM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2012

Bud 2013

BL 2014

BL 2015

METHOD OF FINANCING:

Capital

General	6	State Highway Fund	\$4,225,766	\$4,228,766	\$4,225,766	\$4,228,766
General	36	Dept Ins Operating Acct	\$2,118,784	\$1,883,828	\$2,000,954	\$2,000,954
General	8042	Insurance Maint Tax Fees	\$1,199,926	\$1,335,646	\$1,268,138	\$1,268,138
Rider	36	Dept Ins Operating Acct	\$0	\$0	\$0	\$0
Rider	8042	Insurance Maint Tax Fees	\$0	\$0	\$0	\$0

Total, Method of Financing-Capital

\$7,544,476

\$7,448,240

\$7,494,858

\$7,497,858

Total, Method of Financing

\$7,544,476

\$7,448,240

\$7,494,858

\$7,497,858

TYPE OF FINANCING:

Capital

General	CA	CURRENT APPROPRIATIONS	\$7,544,476	\$7,448,240	\$7,494,858	\$7,497,858
Rider	CA	CURRENT APPROPRIATIONS	\$0	\$0	\$0	\$0

Total, Type of Financing-Capital

\$7,544,476

\$7,448,240

\$7,494,858

\$7,497,858

Total, Type of Financing

\$7,544,476

\$7,448,240

\$7,494,858

\$7,497,858

5.B. Capital Budget Project Information
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME: 6:25:40PM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	1	Project Name:	DATA CENTER CONSOL (349, 3149)

PROJECT DESCRIPTION

General Information

In accordance with, HB 1516, 79th Leg. Regular Session; TDI, is one of the 27 participating agencies, transitioned data center services. The Data Center Services contract provides TDI, as a participating agency, data center (server operations), disaster recovery, and bulk print and mail services. The contract includes transition of legacy agency data center operations to the service provider, consolidation of these operations to the state data centers and transformation of services for greater consistency, efficiency, and value.

TDI resources monitor contractor's level of support and ensure that contractor and TDI's responsibilities are met, in accordance with the contract and the Service Responsibility Matrices.

As of July 1, 2012, the Data Center Services contract is with CapGemini and Xerox.

Number of Units / Average Unit Cost	0				
Estimated Completion Date					
Additional Capital Expenditure Amounts Required		2016		2017	
		0		0	
Type of Financing	CA	CURRENT APPROPRIATIONS			
Projected Useful Life					
Estimated/Actual Project Cost	\$0				
Length of Financing/ Lease Period					
<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					Total over project life
	2014	2015	2016	2017	
	0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation:

Project Location:

Beneficiaries:

Frequency of Use and External Factors Affecting Use:

5.B. Capital Budget Project Information
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME: 6:25:40PM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	2	Project Name:	TEXASSURE VEHICLE INS VERIF (1250)

PROJECT DESCRIPTION

General Information

The 79th Texas Legislature passed Senate Bill 1670, which directed TDI, in consultation with TxDMV and other agencies, to “establish a program for verification of whether owners of motor vehicles have established financial responsibility.” The agencies established TexasSure, a secure database that matches the records of registered passenger vehicles in Texas to personal auto insurance policy data submitted by Texas insurance companies.

On September 1, 2012, TexasSure funds were transferred to TDI from TxDMV to streamline efficiency and oversight of the invoice and payment processes.

This capitol budget project funds the on-going maintenance and operational costs for the TexasSure Motor Vehicle Financial Responsibility Verification Program from fees collected pursuant to Transportation Code §502.1715.

Number of Units / Average Unit Cost	0						
Estimated Completion Date							
Additional Capital Expenditure Amounts Required							
	<table border="0"> <tr> <td></td> <td align="center">2016</td> <td align="center">2017</td> </tr> <tr> <td></td> <td align="center">0</td> <td align="center">0</td> </tr> </table>		2016	2017		0	0
	2016	2017					
	0	0					
Type of Financing	CA CURRENT APPROPRIATIONS						
Projected Useful Life							
Estimated/Actual Project Cost	\$0						
Length of Financing/ Lease Period							

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					Total over project life
2014	2015	2016	2017		
0	0	0	0		0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation:

Project Location:

Beneficiaries:

Frequency of Use and External Factors Affecting Use:

5.B. Capital Budget Project Information
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME: 6:25:40PM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	3	Project Name:	Obsolescence and Network Security

PROJECT DESCRIPTION

General Information

TDI's obsolescence plan encompasses the replacement of deteriorated or functionally obsolete hardware for all aspects of the agency's technical infrastructure including specialty high-end desktops, monitors, desktop, and laptop computers. TDI's plan also includes updating software to keep pace with current software technology, remaining compatible with outside entities, and ensuring the use of versions of software for which support is available.

Number of Units / Average Unit Cost 0

Estimated Completion Date

Additional Capital Expenditure Amounts Required	2016	2017
	0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life

Estimated/Actual Project Cost \$0

Length of Financing/ Lease Period

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

	2014	2015	2016	2017	Total over project life
	0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation:

Project Location:

Beneficiaries:

Frequency of Use and External Factors Affecting Use:

5.B. Capital Budget Project Information
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME: 6:25:40PM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	4	Project Name:	CCTS Replacement

PROJECT DESCRIPTION

General Information

This project covers the TDI's replacement of existing Capitol Complex Telephone System (CCTS) with an upgraded call processing system. This system uses the voice over internet protocol (VoIP) technology.

A VoIP system is a more enhanced technology option including unified communications, advanced call center functions and mobility/teleworker enhancements, improved business collaboration capabilities, more efficient management and administration of the call processing system.

Implementation would include replacing all CCTS telephones with VoIP telephones, and all necessary equipment to transition from analog to digital.

Number of Units / Average Unit Cost	0			
Estimated Completion Date				
Additional Capital Expenditure Amounts Required		2016	2017	
		0	0	
Type of Financing	CA	CURRENT APPROPRIATIONS		
Projected Useful Life				
Estimated/Actual Project Cost	\$0			
Length of Financing/ Lease Period				

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					Total over project life
	2014	2015	2016	2017	
	0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation:

Project Location:

Beneficiaries:

Frequency of Use and External Factors Affecting Use:

Agency code: 454 Agency name: Department of Insurance

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2012	Bud 2013	BL 2014	BL 2015	
5005 Acquisition of Information Resource Technologies						
<i>1/1 DATA CENTER CONSOL (349, 3149)</i>						
<u>GENERAL BUDGET</u>						
Capital	5-1-2	INFORMATION RESOURCES	3,318,710	3,219,474	\$3,269,092	\$3,269,092
		TOTAL, PROJECT	\$3,318,710	\$3,219,474	\$3,269,092	\$3,269,092
<i>2/2 TEXASSURE VEHICLE INS VERIF (1250)</i>						
<u>GENERAL BUDGET</u>						
Capital	1-1-1	CONSUMER EDUCATION AND OUTREACH	4,225,766	4,228,766	4,225,766	4,228,766
		TOTAL, PROJECT	\$4,225,766	\$4,228,766	\$4,225,766	\$4,228,766
<i>3/3 Obsolescence and Network Security</i>						
<u>GENERAL BUDGET</u>						
Capital	5-1-1	CENTRAL ADMINISTRATION	0	0	0	0
	5-1-2	INFORMATION RESOURCES	0	0	0	0
	5-1-3	OTHER SUPPORT SERVICES	0	0	0	0
	1-1-1	CONSUMER EDUCATION AND OUTREACH	0	0	0	0
	1-2-3	INSURER FRAUD	0	0	0	0
	1-2-1	RESOLVE COMPLAINTS	0	0	0	0
	1-2-2	INVESTIGATION AND ENFORCEMENT	0	0	0	0
	1-2-4	PROVIDER AND CONSUMER FRAUD	0	0	0	0
	1-2-5	WORKERS COMPENSATION FRAUD	0	0	0	0
	1-3-1	PROCESS RATES, FORMS & LICENSES	0	0	0	0

5.C. Capital Budget Allocation to Strategies (Baseline)
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:40PM**

Agency code: **454** Agency name: **Department of Insurance**

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	Est 2012	Bud 2013	BL 2014	BL 2015
Capital	1-3-4	CERTIFY SELF-INSURANCE	0	0	\$0	\$0
	1-5-1	LOSS CONTROL PROGRAMS	0	0	0	0
	2-1-1	INSURERS FINANCIAL CONDITION	0	0	0	0
	3-1-1	FIRE PROTECTION	0	0	0	0
	4-1-1	OVERSIGHT AND ENFORCEMENT	0	0	0	0
	4-1-2	DISPUTE RESOLUTION	0	0	0	0
	4-2-1	HEALTH AND SAFETY SERVICES	0	0	0	0
	4-2-2	CUSTOMER SERVICE & RECORDS ADMIN	0	0	0	0
		TOTAL, PROJECT	\$0	\$0	\$0	\$0
<i>4/4</i>	<i>CCTS Replacement</i>					
<u>GENERAL BUDGET</u>						
Capital	5-1-2	INFORMATION RESOURCES	0	0	0	0
		TOTAL, PROJECT	\$0	\$0	\$0	\$0
		TOTAL CAPITAL, ALL PROJECTS	\$7,544,476	\$7,448,240	\$7,494,858	\$7,497,858
		TOTAL INFORMATIONAL, ALL PROJECTS				
		TOTAL, ALL PROJECTS	\$7,544,476	\$7,448,240	\$7,494,858	\$7,497,858

454 Department of Insurance

Category Code/Name		Est 2012	Bud 2013	BL 2014	BL 2015
<i>Project Sequence/Name</i>					
Goal/Obj/Str	Strategy Name	Est 2012	Bud 2013	BL 2014	BL 2015
5005 Acquisition of Information Resource Technologies					
1 DATA CENTER CONSOL (349, 3149)					
OOE					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	3,318,710	3,219,474	3,269,092	3,269,092
TOTAL, OOE's		\$3,318,710	\$3,219,474	3,269,092	3,269,092
MOF					
GENERAL REVENUE FUNDS					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	1,199,926	1,335,646	1,268,138	1,268,138
TOTAL, GENERAL REVENUE FUNDS		\$1,199,926	\$1,335,646	1,268,138	1,268,138
GR DEDICATED					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	2,118,784	1,883,828	2,000,954	2,000,954
TOTAL, GR DEDICATED		\$2,118,784	\$1,883,828	2,000,954	2,000,954
TOTAL, MOFs		\$3,318,710	\$3,219,474	3,269,092	3,269,092

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2012	Bud 2013	BL 2014	BL 2015
2 TEXASSURE VEHICLE INS VERIF (1250)					
OOE					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	3,845,014	3,848,766	3,845,766	3,848,766
2009	OTHER OPERATING EXPENSE	380,752	380,000	380,000	380,000
TOTAL, OOE's		\$4,225,766	\$4,228,766	4,225,766	4,228,766
MOF					
OTHER FUNDS					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
6	State Highway Fund	4,225,766	4,228,766	4,225,766	4,228,766
TOTAL, OTHER FUNDS		\$4,225,766	\$4,228,766	4,225,766	4,228,766
TOTAL, MOF's		\$4,225,766	\$4,228,766	4,225,766	4,228,766

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2012	Bud 2013	BL 2014	BL 2015
3 Obsolescence and Network Security					
OOE					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
1-2-1 RESOLVE COMPLAINTS					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
1-2-2 INVESTIGATION AND ENFORCEMENT					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
1-2-3 INSURER FRAUD					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
1-2-4 PROVIDER AND CONSUMER FRAUD					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
1-2-5 WORKERS COMPENSATION FRAUD					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2012	Bud 2013	BL 2014	BL 2015
3 Obsolescence and Network Security					
1-3-1 PROCESS RATES, FORMS & LICENSES					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
1-3-4 CERTIFY SELF-INSURANCE					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
1-5-1 LOSS CONTROL PROGRAMS					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
2-1-1 INSURERS FINANCIAL CONDITION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
3-1-1 FIRE PROTECTION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
4-1-1 OVERSIGHT AND ENFORCEMENT					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
4-1-2 DISPUTE RESOLUTION					
<u>General Budget</u>					

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2012	Bud 2013	BL 2014	BL 2015
3 Obsolescence and Network Security					
2009	OTHER OPERATING EXPENSE	0	0	0	0
4-2-1 HEALTH AND SAFETY SERVICES					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
4-2-2 CUSTOMER SERVICE & RECORDS ADMIN					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
5-1-3 OTHER SUPPORT SERVICES					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	0	0	0	0
TOTAL, OOE's		\$0	\$0	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					

454 Department of Insurance

Category Code/Name		Est 2012	Bud 2013	BL 2014	BL 2015
<i>Project Sequence/Name</i>					
Goal/Obj/Str	Strategy Name	Est 2012	Bud 2013	BL 2014	BL 2015
3 Obsolescence and Network Security					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
1-2-1 RESOLVE COMPLAINTS					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
1-2-2 INVESTIGATION AND ENFORCEMENT					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
1-2-3 INSURER FRAUD					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
1-2-4 PROVIDER AND CONSUMER FRAUD					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
1-3-1 PROCESS RATES, FORMS & LICENSES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
1-5-1 LOSS CONTROL PROGRAMS					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
2-1-1 INSURERS FINANCIAL CONDITION					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0

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Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2012	Bud 2013	BL 2014	BL 2015
3 Obsolescence and Network Security					
3-1-1 FIRE PROTECTION					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
5-1-3 OTHER SUPPORT SERVICES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
TOTAL, GENERAL REVENUE FUNDS		\$0	\$0	0	0
GR DEDICATED					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	0	0	0
1-2-1 RESOLVE COMPLAINTS					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	0	0	0
1-2-2 INVESTIGATION AND ENFORCEMENT					
<u>General Budget</u>					

454 Department of Insurance

Category Code/Name		Est 2012	Bud 2013	BL 2014	BL 2015
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
3 Obsolescence and Network Security					
36	Dept Ins Operating Acct	0	0	0	0
1-2-3 INSURER FRAUD					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	0	0	0
1-2-4 PROVIDER AND CONSUMER FRAUD					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	0	0	0
1-2-5 WORKERS COMPENSATION FRAUD					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	0	0	0
1-3-1 PROCESS RATES, FORMS & LICENSES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	0	0	0
1-3-4 CERTIFY SELF-INSURANCE					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	0	0	0
1-5-1 LOSS CONTROL PROGRAMS					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	0	0	0
2-1-1 INSURERS FINANCIAL CONDITION					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	0	0	0

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Category Code/Name	Est 2012	Bud 2013	BL 2014	BL 2015
<i>Project Sequence/Name</i>				
Goal/Obj/Str Strategy Name	Est 2012	Bud 2013	BL 2014	BL 2015
3 Obsolescence and Network Security				
3-1-1 FIRE PROTECTION				
<u>General Budget</u>				
36 Dept Ins Operating Acct	0	0	0	0
4-1-1 OVERSIGHT AND ENFORCEMENT				
<u>General Budget</u>				
36 Dept Ins Operating Acct	0	0	0	0
4-1-2 DISPUTE RESOLUTION				
<u>General Budget</u>				
36 Dept Ins Operating Acct	0	0	0	0
4-2-1 HEALTH AND SAFETY SERVICES				
<u>General Budget</u>				
36 Dept Ins Operating Acct	0	0	0	0
4-2-2 CUSTOMER SERVICE & RECORDS ADMIN				
<u>General Budget</u>				
36 Dept Ins Operating Acct	0	0	0	0
5-1-1 CENTRAL ADMINISTRATION				
<u>General Budget</u>				
36 Dept Ins Operating Acct	0	0	0	0
5-1-2 INFORMATION RESOURCES				
<u>General Budget</u>				
36 Dept Ins Operating Acct	0	0	0	0
5-1-3 OTHER SUPPORT SERVICES				

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Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2012	Bud 2013	BL 2014	BL 2015
3 Obsolescence and Network Security					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	0	0	0
	TOTAL, GR DEDICATED	\$0	\$0	0	0
	TOTAL, MOFs	\$0	\$0	0	0

454 Department of Insurance

Category Code/Name		Est 2012	Bud 2013	BL 2014	BL 2015
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
4 CCTS Replacement					
OOE					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	0	0	0	0
TOTAL, OOE's		\$0	\$0	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
TOTAL, GENERAL REVENUE FUNDS		\$0	\$0	0	0
GR DEDICATED					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	0	0	0
TOTAL, GR DEDICATED		\$0	\$0	0	0
TOTAL, MOF's		\$0	\$0	0	0

454 Department of Insurance

	Est 2012	Bud 2013	BL 2014	BL 2015
CAPITAL				
<u>General Budget</u>				
GENERAL REVENUE FUNDS	\$1,199,926	\$1,335,646	1,268,138	1,268,138
GR DEDICATED	\$2,118,784	\$1,883,828	2,000,954	2,000,954
OTHER FUNDS	\$4,225,766	\$4,228,766	4,225,766	4,228,766
TOTAL, GENERAL BUDGET	7,544,476	7,448,240	7,494,858	7,497,858
TOTAL, ALL PROJECTS	\$7,544,476	\$7,448,240	7,494,858	7,497,858

454 Department of Insurance

Category Code / Category Name <i>Project Number / Name</i>	Excp 2014	Excp 2015
OOE / TOF / MOF CODE		
5005 Acquisition of Information Resource Technologies		
<u>1 DATA CENTER CONSOL (349, 3149)</u>		
Objects of Expense		
2001 PROFESSIONAL FEES AND SERVICES	508,343	580,564
Subtotal OOE, Project 1	508,343	580,564
Type of Financing		
CA 36 Dept Ins Operating Acct	311,148	355,353
CA 8042 Insurance Maint Tax Fees	197,195	225,211
Subtotal TOF, Project 1	508,343	580,564
<u>3 Obsolescence and Network Security</u>		
Objects of Expense		
2009 OTHER OPERATING EXPENSE	1,221,375	1,246,800
Subtotal OOE, Project 3	1,221,375	1,246,800
Type of Financing		
CA 36 Dept Ins Operating Acct	781,424	797,691
CA 8042 Insurance Maint Tax Fees	439,951	449,109
Subtotal TOF, Project 3	1,221,375	1,246,800
<u>4 CCTS Replacement</u>		
Objects of Expense		
5000 CAPITAL EXPENDITURES	1,415,751	0
Subtotal OOE, Project 4	1,415,751	0
Type of Financing		
CA 36 Dept Ins Operating Acct	435,046	0
CA 8042 Insurance Maint Tax Fees	980,705	0

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Category Code / Category Name <i>Project Number / Name</i>		Excp 2014	Excp 2015
OOE / TOF / MOF CODE			
Subtotal TOF, Project	4	1,415,751	0
Subtotal Category	5005	3,145,469	1,827,364
AGENCY TOTAL		3,145,469	1,827,364
METHOD OF FINANCING:			
36 Dept Ins Operating Acct		1,527,618	1,153,044
8042 Insurance Maint Tax Fees		1,617,851	674,320
Total, Method of Financing		3,145,469	1,827,364
TYPE OF FINANCING:			
CA CURRENT APPROPRIATIONS		3,145,469	1,827,364
Total, Type of Financing		3,145,469	1,827,364

454 Department of Insurance

Category Code/Name

Project Number/Name

Goal/Obj/Str	Strategy Name	Excp 2014	Excp 2015
5005 Acquisition of Information Resource Technologies			
1	DATA CENTER CONSOL (349, 3149)		
5 1 2	INFORMATION RESOURCES	508,343	580,564
TOTAL, PROJECT		508,343	580,564
3 Obsolescence and Network Security			
5 1 1	CENTRAL ADMINISTRATION	116,172	118,590
5 1 2	INFORMATION RESOURCES	72,496	74,005
5 1 3	OTHER SUPPORT SERVICES	35,639	36,380
1 1 1	CONSUMER EDUCATION AND OUTREACH	39,971	40,802
1 2 3	INSURER FRAUD	20,434	20,860
1 2 1	RESOLVE COMPLAINTS	50,842	51,900
1 2 2	INVESTIGATION AND ENFORCEMENT	41,278	42,137
1 2 4	PROVIDER AND CONSUMER FRAUD	18,064	18,441
1 2 5	WORKERS COMPENSATION FRAUD	4,384	4,476
1 3 1	PROCESS RATES, FORMS & LICENSES	173,043	176,646
1 3 4	CERTIFY SELF-INSURANCE	9,645	9,846
1 5 1	LOSS CONTROL PROGRAMS	37,437	38,216
2 1 1	INSURERS FINANCIAL CONDITION	79,205	80,855
3 1 1	FIRE PROTECTION	58,035	59,243
4 1 1	OVERSIGHT AND ENFORCEMENT	74,532	76,084
4 1 2	DISPUTE RESOLUTION	219,300	223,863
4 2 1	HEALTH AND SAFETY SERVICES	61,292	62,568
4 2 2	CUSTOMER SERVICE & RECORDS ADMIN	109,606	111,888
TOTAL, PROJECT		1,221,375	1,246,800
4 CCTS Replacement			

454 Department of Insurance

Category Code/Name

Project Number/Name

Goal/Obj/Str	Strategy Name	Excp 2014	Excp 2015
5 1 2	INFORMATION RESOURCES	1,415,751	0
	TOTAL, PROJECT	1,415,751	0
	TOTAL, ALL PROJECTS	3,145,469	1,827,364

6. SUPPORTING SCHEDULES

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6.A. Historically Underutilized Business Supporting Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/30/2012**
 Time: **6:25:41PM**

Agency Code: **454** Agency: **Department of Insurance**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2010 - 2011 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2010			Total Expenditures FY 2010		HUB Expenditures FY 2011			Total Expenditures FY 2011	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	FY 2011		
11.9%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
26.1%	Building Construction	0.0 %	0.0%	0.0%	\$0	\$2,665	0.0 %	0.0%	0.0%	\$0	\$0	
57.2%	Special Trade Construction	33.7 %	33.8%	0.1%	\$3,169	\$9,387	0.9 %	0.9%	0.0%	\$210	\$23,510	
20.0%	Professional Services	0.1 %	0.9%	0.8%	\$2,837	\$327,948	0.5 %	0.5%	0.0%	\$3,180	\$608,136	
33.0%	Other Services	37.5 %	37.6%	0.1%	\$2,557,365	\$6,804,988	27.5 %	27.5%	0.0%	\$2,166,296	\$7,885,885	
12.6%	Commodities	15.1 %	15.1%	0.0%	\$405,689	\$2,680,720	27.0 %	27.0%	0.0%	\$666,468	\$2,471,699	
	Total Expenditures		30.2%		\$2,969,060	\$9,825,708		25.8%		\$2,836,154	\$10,989,230	

B. Assessment of Fiscal Year 2010 - 2011 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained or exceeded two of the three, or 66.6 percent, of the applicable statewide HUB procurement goals in FY 2010.

The agency attained or exceeded one of the three, or 33.3 percent, of the applicable statewide HUB procurement goals in FY 2011.

Applicability:

TDI's functions do not include construction, therefore, "Heavy Construction," "Building Construction," and "Special Trade Construction" categories are not applicable to the agency. However, TDI did incur incidental construction expenses associated with building maintenance through the special trade category.

Factors Affecting Attainment:

Professional Services. The contracts established under the professional service category were for actuarial service contracts. TDI continues to competitively bid these services, but has found that there are few HUB actuarial firms certified in Texas that can provide the specialized actuarial services required by the agency.

Other Services. Several of the contracts established under the "Other Services" category were specialized contracts with low HUB participation, such as proprietary maintenance contracts.

"Good-Faith" Efforts:

TDI made the following good faith efforts in FY 2010 and 2011. One HUB forum was sponsored in FY 2010 and 2011, respectively. The forums primary objective was to fulfill TDI's procurement needs and to locate professional services needed to implement the Special Deputy Receiver Program. TDI participated in several forums sponsored by organizations and businesses and governmental entities to locate businesses that would provide goods and services for the agency. In addition, TDI attended quarterly HUB Discussion Group meetings. TDI distributed brochures and other informational items regarding HUB and the procurement process and

6.A. Historically Underutilized Business Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/30/2012**
Time: **6:25:41PM**

Agency Code: **454** Agency: **Department of Insurance**

ensured that contract specifications, terms, and conditions did not impose unreasonable or unnecessary requirements for contractors. A statewide Mentor Protégé Program was promoted and resulted in maintaining active mentor protégé relationship with a HUB and non-HUB vendors.

6.B. Current Biennium One-time Expenditure Schedule - Strategy Allocation 2012-13 Biennium

Agency Code: 454	Agency Name: Texas Department of Insurance	Prepared By: Jacqueline Canady	Date: August 30, 2012		
PROJECT ITEM: Changes due to new legislation					
ALLOCATION TO STRATEGY: 02-01-01					
Code	Strategy Allocation	Estimated 2012	Budgeted 2013	Requested 2014	Requested 2015
1001	Objects of Expense: Salaries	\$3,867,896	\$0	\$1,933,948	\$1,933,948
	Total, Objects of Expense	\$3,867,896	\$0	\$1,933,948	\$1,933,948
36	Method of Financing: General Revenue Dedicated 36	\$3,867,896	\$0	\$1,933,948	\$1,933,948
	Total, Method of Financing	\$3,867,896	\$0	\$1,933,948	\$1,933,948

Description of Item for 2012-13

In the 82nd Legislative Session, SB 1291 changed the funding for financial examination related functions to a self directed budget. The transfer took place in 2013. In 2012, new legislation was passed to regulate health care collaboratives. The funding was phased in over the 2012-2013 biennium, this one-time schedule shows the net impact of these two contingency riders.

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6.C. FEDERAL FUNDS SUPPORTING SCHEDULE
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:41PM**

Agency code:	454	Agency name:	Department of Insurance					
CFDA NUMBER/ STRATEGY				Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
16.742.000		Coverdell Forensic Sciences Grant						
3 - 1 - 1		FIRE PROTECTION		220,880	0	0	0	0
TOTAL, ALL STRATEGIES				\$220,880	\$0	\$0	\$0	\$0
ADDL FED FNDS FOR EMPL BENEFITS				0	0	0	0	0
TOTAL, FEDERAL FUNDS				\$220,880	\$0	\$0	\$0	\$0
ADDL GR FOR EMPL BENEFITS				\$0	\$0	\$0	\$0	\$0
16.803.000		Byrne Justice Grants - Stimulus						
3 - 1 - 1		FIRE PROTECTION		0	90,800	0	0	0
TOTAL, ALL STRATEGIES				\$0	\$90,800	\$0	\$0	\$0
ADDL FED FNDS FOR EMPL BENEFITS				0	0	0	0	0
TOTAL, FEDERAL FUNDS				\$0	\$90,800	\$0	\$0	\$0
ADDL GR FOR EMPL BENEFITS				\$0	\$0	\$0	\$0	\$0
17.005.001		OSHA BUREAU OF LABOR STATISTICS						
4 - 2 - 1		HEALTH AND SAFETY SERVICES		168,120	179,824	198,819	198,819	198,819
TOTAL, ALL STRATEGIES				\$168,120	\$179,824	\$198,819	\$198,819	\$198,819
ADDL FED FNDS FOR EMPL BENEFITS				0	0	0	0	0
TOTAL, FEDERAL FUNDS				\$168,120	\$179,824	\$198,819	\$198,819	\$198,819
ADDL GR FOR EMPL BENEFITS				\$0	\$0	\$0	\$0	\$0
17.504.001		OSHA Consultation Agreements						
4 - 2 - 1		HEALTH AND SAFETY SERVICES		1,937,115	1,932,269	1,983,441	1,983,441	1,983,441

6.C. FEDERAL FUNDS SUPPORTING SCHEDULE
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME: 6:25:41PM

Agency code: 454		Agency name: Department of Insurance			
CFDA NUMBER/ STRATEGY	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, ALL STRATEGIES	\$1,937,115	\$1,932,269	\$1,983,441	\$1,983,441	\$1,983,441
ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
TOTAL, FEDERAL FUNDS	\$1,937,115	\$1,932,269	\$1,983,441	\$1,983,441	\$1,983,441
ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
17.504.002 OSHA Consultation Agreements					
4 - 2 - 1 HEALTH AND SAFETY SERVICES	61,001	74,411	84,461	84,461	84,461
TOTAL, ALL STRATEGIES	\$61,001	\$74,411	\$84,461	\$84,461	\$84,461
ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
TOTAL, FEDERAL FUNDS	\$61,001	\$74,411	\$84,461	\$84,461	\$84,461
ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
93.511.000 ACA-Grnts St Hlth Ins Premium Revw					
1 - 3 - 1 PROCESS RATES, FORMS & LICENSES	381,051	326,202	86,053	0	0
TOTAL, ALL STRATEGIES	\$381,051	\$326,202	\$86,053	\$0	\$0
ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
TOTAL, FEDERAL FUNDS	\$381,051	\$326,202	\$86,053	\$0	\$0
ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
93.519.000 ACA - Consumer Assist Prog Grants					
1 - 2 - 1 RESOLVE COMPLAINTS	458,270	296,865	0	0	0
1 - 2 - 3 INSURER FRAUD	77,155	49,535	0	0	0
1 - 2 - 4 PROVIDER AND CONSUMER FRAUD	76,549	49,534	0	0	0
1 - 3 - 1 PROCESS RATES, FORMS & LICENSES	911,880	594,411	0	0	0

6.C. FEDERAL FUNDS SUPPORTING SCHEDULE
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:41PM**

Agency code:	454	Agency name:	Department of Insurance					
CFDA NUMBER/ STRATEGY				Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
TOTAL, ALL STRATEGIES				\$1,523,854	\$990,345	\$0	\$0	\$0
ADDL FED FNDS FOR EMPL BENEFITS				0	0	0	0	0
TOTAL, FEDERAL FUNDS				\$1,523,854	\$990,345	\$0	\$0	\$0
ADDL GR FOR EMPL BENEFITS				\$0	\$0	\$0	\$0	\$0
93.525.000			ACA-St Plann'g&Estbl Grnts Exchngs					
1 - 1 - 1			CONSUMER EDUCATION AND OUTREACH	96,425	0	0	0	0
TOTAL, ALL STRATEGIES				\$96,425	\$0	\$0	\$0	\$0
ADDL FED FNDS FOR EMPL BENEFITS				0	0	0	0	0
TOTAL, FEDERAL FUNDS				\$96,425	\$0	\$0	\$0	\$0
ADDL GR FOR EMPL BENEFITS				\$0	\$0	\$0	\$0	\$0
97.044.000			Assistance to Firefighters Grant					
3 - 1 - 1			FIRE PROTECTION	22,500	285,048	0	0	0
TOTAL, ALL STRATEGIES				\$22,500	\$285,048	\$0	\$0	\$0
ADDL FED FNDS FOR EMPL BENEFITS				0	0	0	0	0
TOTAL, FEDERAL FUNDS				\$22,500	\$285,048	\$0	\$0	\$0
ADDL GR FOR EMPL BENEFITS				\$0	\$0	\$0	\$0	\$0

6.C. FEDERAL FUNDS SUPPORTING SCHEDULE
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
 TIME: **6:25:41PM**

Agency code:	454	Agency name:	Department of Insurance					
CFDA NUMBER/ STRATEGY				Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
<u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u>								
16.742.000	Coverdell Forensic Sciences Grant			220,880	0	0	0	0
16.803.000	Byrne Justice Grants - Stimulus			0	90,800	0	0	0
17.005.001	OSHA BUREAU OF LABOR STATISTICS			168,120	179,824	198,819	198,819	198,819
17.504.001	OSHA Consultation Agreements			1,937,115	1,932,269	1,983,441	1,983,441	1,983,441
17.504.002	OSHA Consultation Agreements			61,001	74,411	84,461	84,461	84,461
93.511.000	ACA-Grnts St Hlth Ins Premium Revw			381,051	326,202	86,053	0	0
93.519.000	ACA - Consumer Assist Prog Grants			1,523,854	990,345	0	0	0
93.525.000	ACA-St Plann'g&Estbl Grnts Exchns			96,425	0	0	0	0
97.044.000	Assistance to Firefighters Grant			22,500	285,048	0	0	0
TOTAL, ALL STRATEGIES				\$4,410,946	\$3,878,899	\$2,352,774	\$2,266,721	\$2,266,721
TOTAL , ADDL FED FUNDS FOR EMPL BENEFITS				0	0	0	0	0
TOTAL, FEDERAL FUNDS				<u>\$4,410,946</u>	<u>\$3,878,899</u>	<u>\$2,352,774</u>	<u>\$2,266,721</u>	<u>\$2,266,721</u>
TOTAL, ADDL GR FOR EMPL BENEFITS				\$0	\$0	\$0	\$0	\$0

Agency code: 454	Agency name: Department of Insurance					
CFDA NUMBER/ STRATEGY		Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015

SUMMARY OF SPECIAL CONCERNS/ISSUES

Assumptions and Methodology:

U.S. Department of Homeland Security - FEMA Grant
Assistance to Firefighters Grant Program - Fire Safety & Prevention

The grant term ends August 2010, and is not expected to continue past the termination date.

Potential Loss:

OSHA Federal Grants:

N/A for the OSHA grants.

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6.D. Federal Funds Tracking Schedule

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
TIME : 6:25:42PM

Agency code: 454

Agency name: **Department of Insurance**

Federal FY	Award Amount	Expended SFY 2009	Expended SFY 2010	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Budgeted SFY 2014	Estimated SFY 2015	Total	Difference from Award
CFDA 16.742.000 Coverdell Forensic Sciences Grant										
2011	\$220,880	\$0	\$0	\$220,880	\$0	\$0	\$0	\$0	\$220,880	\$0
Total	\$220,880	\$0	\$0	\$220,880	\$0	\$0	\$0	\$0	\$220,880	\$0
<hr/>										
Empl. Benefit Payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

6.D. Federal Funds Tracking Schedule

DATE: 8/30/2012

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME : 6:25:42PM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2009	Expended SFY 2010	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Budgeted SFY 2014	Estimated SFY 2015	Total	Difference from Award
CFDA 16.803.000 Byrne Justice Grants - Stimulus										
2012	\$90,800	\$0	\$0	\$0	\$90,800	\$0	\$0	\$0	\$90,800	\$0
Total	\$90,800	\$0	\$0	\$0	\$90,800	\$0	\$0	\$0	\$90,800	\$0
<hr/>										
Empl. Benefit Payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

6.D. Federal Funds Tracking Schedule

DATE: 8/30/2012

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME : 6:25:42PM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2009	Expended SFY 2010	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Budgeted SFY 2014	Estimated SFY 2015	Total	Difference from Award
CFDA 17.005.001 OSHA BUREAU OF LABOR STATISTICS										
2009	\$283,100	\$221,414	\$61,686	\$0	\$0	\$0	\$0	\$0	\$283,100	\$0
2010	\$289,600	\$0	\$235,705	\$35,101	\$0	\$0	\$0	\$0	\$270,806	\$18,794
2011	\$291,600	\$0	\$0	\$226,062	\$27,872	\$0	\$0	\$0	\$253,934	\$37,666
2012	\$275,000	\$0	\$0	\$0	\$242,947	\$27,737	\$0	\$0	\$270,684	\$4,316
2013	\$278,500	\$0	\$0	\$0	\$0	\$255,292	\$23,208	\$0	\$278,500	\$0
2014	\$278,500	\$0	\$0	\$0	\$0	\$0	\$255,292	\$23,208	\$278,500	\$0
2015	\$278,500	\$0	\$0	\$0	\$0	\$0	\$0	\$255,292	\$255,292	\$23,208
Total	\$1,974,800	\$221,414	\$297,391	\$261,163	\$270,819	\$283,029	\$278,500	\$278,500	\$1,890,816	\$83,984

Empl. Benefit Payment

\$51,910 \$50,009 \$48,926 \$51,540 \$51,540 \$51,540 \$51,540 \$357,005

6.D. Federal Funds Tracking Schedule

DATE: 8/30/2012

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2009	Expended SFY 2010	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Budgeted SFY 2014	Estimated SFY 2015	Total	Difference from Award
CFDA 17.504.001 OSHA Consultation Agreements										
2009	\$2,628,000	\$2,051,776	\$576,224	\$0	\$0	\$0	\$0	\$0	\$2,628,000	\$0
2010	\$2,628,000	\$0	\$2,278,438	\$349,562	\$0	\$0	\$0	\$0	\$2,628,000	\$0
2011	\$2,628,000	\$0	\$0	\$2,245,489	\$382,511	\$0	\$0	\$0	\$2,628,000	\$0
2012	\$2,628,000	\$0	\$0	\$0	\$2,473,879	\$154,121	\$0	\$0	\$2,628,000	\$0
2013	\$2,628,000	\$0	\$0	\$0	\$0	\$2,409,000	\$219,000	\$0	\$2,628,000	\$0
2014	\$2,628,000	\$0	\$0	\$0	\$0	\$0	\$2,409,000	\$219,000	\$2,628,000	\$0
2015	\$2,628,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,409,000	\$2,409,000	\$219,000
Total	\$18,396,000	\$2,051,776	\$2,854,662	\$2,595,051	\$2,856,390	\$2,563,121	\$2,628,000	\$2,628,000	\$18,177,000	\$219,000
Empl. Benefit Payment		\$381,666	\$418,150	\$431,983	\$426,978	\$426,978	\$426,978	\$426,978	\$2,939,711	

6.D. Federal Funds Tracking Schedule

DATE: 8/30/2012

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME : 6:25:42PM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2009	Expended SFY 2010	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Budgeted SFY 2014	Estimated SFY 2015	Total	Difference from Award
CFDA 17.504.002 OSHA Consultation Agreements										
2009	\$113,620	\$94,588	\$19,032	\$0	\$0	\$0	\$0	\$0	\$113,620	\$0
2010	\$113,620	\$0	\$84,477	\$29,143	\$0	\$0	\$0	\$0	\$113,620	\$0
2011	\$113,620	\$0	\$0	\$76,062	\$6,247	\$0	\$0	\$0	\$82,309	\$31,311
2012	\$113,620	\$0	\$0	\$0	\$87,734	\$17,908	\$0	\$0	\$105,642	\$7,978
2013	\$113,620	\$0	\$0	\$0	\$0	\$104,152	\$9,468	\$0	\$113,620	\$0
2014	\$113,620	\$0	\$0	\$0	\$0	\$0	\$104,152	\$9,468	\$113,620	\$0
2015	\$113,620	\$0	\$0	\$0	\$0	\$0	\$0	\$104,152	\$104,152	\$9,468
Total	\$795,340	\$94,588	\$103,509	\$105,205	\$93,981	\$122,060	\$113,620	\$113,620	\$746,583	\$48,757

Empl. Benefit Payment	\$21,510	\$21,366	\$18,543	\$19,955	\$22,728	\$22,728	\$22,728	\$149,558
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6.D. Federal Funds Tracking Schedule

DATE: 8/30/2012

83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

TIME : 6:25:42PM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2009	Expended SFY 2010	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Budgeted SFY 2014	Estimated SFY 2015	Total	Difference from Award
CFDA 93.511.000 ACA-Grnts St Hlth Ins Premium Revw										
2011	\$1,000,000	\$0	\$0	\$448,371	\$439,692	\$94,886	\$0	\$0	\$982,949	\$17,051
Total	\$1,000,000	\$0	\$0	\$448,371	\$439,692	\$94,886	\$0	\$0	\$982,949	\$17,051
<hr/>										
Empl. Benefit Payment		\$0	\$0	\$29,781	\$60,252	\$4,649	\$0	\$0	\$94,682	

6.D. Federal Funds Tracking Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME : 6:25:42PM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2009	Expended SFY 2010	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Budgeted SFY 2014	Estimated SFY 2015	Total	Difference from Award
CFDA 93.519.000 ACA - Consumer Assist Prog Grants										
2011	\$2,792,180	\$0	\$0	\$1,664,135	\$1,120,624	\$0	\$0	\$0	\$2,784,759	\$7,421
Total	\$2,792,180	\$0	\$0	\$1,664,135	\$1,120,624	\$0	\$0	\$0	\$2,784,759	\$7,421
Empl. Benefit Payment										
		\$0	\$0	\$71,233	\$70,550	\$0	\$0	\$0	\$141,783	

6.D. Federal Funds Tracking Schedule

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
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Agency code: **454**

Agency name: **Department of Insurance**

Federal FY	Award Amount	Expended SFY 2009	Expended SFY 2010	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Budgeted SFY 2014	Estimated SFY 2015	Total	Difference from Award
CFDA 93.525.000 ACA-St Plann'g&Estbl Grnts Exchngs										
2011	\$1,000,000	\$0	\$0	\$96,425	\$0	\$0	\$0	\$0	\$96,425	\$903,575
Total	\$1,000,000	\$0	\$0	\$96,425	\$0	\$0	\$0	\$0	\$96,425	\$903,575
<hr/>										
Empl. Benefit Payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

6.D. Federal Funds Tracking Schedule

DATE: 8/30/2012

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME : 6:25:42PM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2009	Expended SFY 2010	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Budgeted SFY 2014	Estimated SFY 2015	Total	Difference from Award
CFDA 97.044.000 Assistance to Firefighters Grant										
2010	\$566,500	\$0	\$410,760	\$22,500	\$0	\$0	\$0	\$0	\$433,260	\$133,240
2011	\$285,048	\$0	\$0	\$0	\$285,048	\$0	\$0	\$0	\$285,048	\$0
Total	\$851,548	\$0	\$410,760	\$22,500	\$285,048	\$0	\$0	\$0	\$718,308	\$133,240

Empl. Benefit Payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
<u>1</u> General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3103 Limited Sales & Use Tax-State	521	457	521	521	521
3105 Discounts for Sales Tax-State	3	3	3	3	3
3175 Professional Fees	94,648	63,707	79,950	64,790	79,950
3206 Insurance Companies Fees	108,690	121,973	105,163	107,763	105,163
3210 Insurance Agents Licenses	308,153	590,724	243,757	282,466	270,042
3215 Insurance Dept Fees - Misc	12,778	(12,403)	0	0	0
3221 Unauthorized Insurance Penalty	0	0	0	0	0
3222 Ins Penalty Lieu of Suspension	3,315,319	3,884,138	3,755,186	3,706,867	3,796,516
3557 Health Care Facilities Fees	40,482	20,424	35,453	25,453	35,453
3714 Judgments	7,075	11,629	7,500	7,500	7,500
3726 Fed Receipts-Indir Cost Recovery	0	0	0	0	0
3727 Fees - Administrative Services	302,220	253,616	302,220	254,327	302,649
3733 Workers Compensation Penalties	0	975,000	948,000	948,000	948,000
3750 Sale of Furniture & Equipment	0	0	0	0	0
3770 Administrative Penalties	0	12,804,656	0	0	0
3773 Insurance and Damages	0	0	0	0	0
3775 Returned Check Fees	1,120	1,200	1,200	1,200	1,200
3777 Default Fund - Warrant Voided	0	0	0	0	0
3779 Repayment of Imprest Advances	0	0	0	0	0
3780 Repayment of Travel Advances	0	0	0	0	0
3781 Prepmnt of Petty Cash Advance	0	0	0	0	0
3795 Other Misc Government Revenue	9,738	936	2,000	2,000	2,000
3839 Sale of Motor Vehicle/Boat/Aircraft	55,980	29,790	7,500	7,500	7,500
3852 Interest on Local Deposits-St Agy	222	0	0	0	0
Subtotal: Actual/Estimated Revenue	4,256,949	18,745,850	5,488,453	5,408,390	5,556,497
Total Available	\$4,256,949	\$18,745,850	\$5,488,453	\$5,408,390	\$5,556,497
DEDUCTIONS:					
Expended/Budgeted/Requested	(5,517)	(6,520)	(6,520)	(6,520)	(6,520)

6.E. Estimated Revenue Collections Supporting Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
Article IX Sec 8.04 Surplus Prop	(12,572)	(7,448)	0	0	0
Other(balances swept by Agy 902)	(4,238,860)	(18,731,882)	(5,481,933)	(5,401,870)	(5,549,977)
Total, Deductions	\$(4,256,949)	\$(18,745,850)	\$(5,488,453)	\$(5,408,390)	\$(5,556,497)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

The Department assumes fee rates will remain the same.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
36 Dept Ins Operating Acct					
Beginning Balance (Unencumbered):	\$62,282,268	\$72,109,635	\$87,582,268	\$80,778,221	\$80,967,168
Estimated Revenue:					
3149 Amusement Ride Inspection	217,871	278,730	250,000	250,000	250,000
3175 Professional Fees	2,446,312	2,662,625	2,487,729	2,726,399	2,541,834
3206 Insurance Companies Fees	412,014	338,056	309,450	309,525	309,525
3210 Insurance Agents Licenses	15,727,143	16,493,538	15,737,430	17,000,826	15,779,916
3211 Tx Work Comp Self - Ins App Fees	2,000	0	0	0	0
3212 Tx Work Comp Self - Ins Reg Fees	762,256	767,113	765,000	765,000	765,000
3213 Catastrophe Prop Ins Pool Fees	6,545	6,847	6,800	6,800	6,800
3214 Insur Maint Tax/Fee Coll-Comptrollr	54,425,501	54,521,445	53,031,442	50,935,006	50,201,681
3215 Insurance Dept Fees - Misc	1,023,962	1,036,219	967,225	953,030	932,368
3216 Insurance Dept Exam/Audit Fees	13,500,361	27,701,014	5,348,079	5,425,142	5,445,855
3219 Workers Comp Comm-Ins Co Maint Tax	1,558,886	1,500,262	1,350,000	1,350,000	1,350,000
3220 W/C Res & Oversight CNCL/Maint Tax	9,973	3,843	0	0	0
3727 Fees - Administrative Services	67,920	13,250	132,500	55,250	176,250
3733 Workers Compensation Penalties	2,013,411	0	0	0	0
3750 Sale of Furniture & Equipment	0	0	0	0	0
3765 Supplies/Equipment/Services	0	0	0	0	0
3773 Insurance and Damages	0	0	0	0	0
3777 Default Fund - Warrant Voided	23,779	7,457	7,000	7,000	7,000
3780 Repayment of Travel Advances	0	0	0	0	0
3795 Other Misc Government Revenue	42,646	5,196	5,000	5,000	5,000
3799 Local Acct Balances into Treas	0	0	0	0	0
3802 Reimbursements-Third Party	0	0	0	0	0
3839 Sale of Motor Vehicle/Boat/Aircraft	0	0	0	0	0
3969 Op Tfers In/Out From GR Agy 902	0	0	0	0	0
3973 Other-Within Fund/Account, Btw Agys	0	0	0	0	0
Subtotal: Actual/Estimated Revenue	92,240,580	105,335,595	80,397,655	79,788,978	77,771,229
Total Available	\$154,522,848	\$177,445,230	\$167,979,923	\$160,567,199	\$158,738,397

DEDUCTIONS:

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
Expended/Budgeted/Requested	(55,812,119)	(53,836,835)	(53,468,365)	(55,275,738)	(53,175,738)
Art IX Sec 17.75 HB4341 Disct Hlth	(43,062)	0	0	0	0
Art IX Sec 17.77 SB78 Healthy Tx	0	0	0	0	0
Art IX Sec 18.44 Cont Appn HB1772 C	0	(59,916)	(54,914)	0	0
Art IX Sec 18.50 Cont Appn HB2277 L	0	(43,678)	0	0	0
Art IX Sec 9.05 Tx Online	(56,148)	(85,215)	0	0	0
82nd SS1, SB2, Sec 12 Hlthcare	0	(254,112)	(692,851)	0	0
Transfer Emp Benefits (oasi, ers,)	(12,969,455)	(12,073,275)	(11,112,994)	(11,376,885)	(11,653,342)
Benefit Replacement Pay	(318,593)	(291,724)	(248,568)	(223,711)	(201,340)
SB1291 Pmt from St Appn to local ac	0	0	(8,957,797)	0	0
82nd Leg Art 1-31 Rider 17 Reimburs	0	(10,354,206)	0	0	0
Art IX 13.10/15.04 State Alloc Cost	(1,260,492)	(1,609,038)	(1,608,000)	(1,608,000)	(1,608,000)
Unemployment Reimbursement	0	0	0	0	0
Worker's Comp Reimb. (GAA)	(42,950)	(19,396)	(20,000)	(20,000)	(20,000)
Art 1-36 Tx Facilities Comm	(1,030,083)	(1,030,083)	(1,030,083)	(1,030,083)	(1,030,083)
Art VIII-23&15 OIEC	(10,195,835)	(9,660,335)	(9,701,664)	(9,745,858)	(9,792,980)
Art VIII-98&80 Lease Pmts	(640,031)	(503,597)	(255,406)	(275,845)	(325,941)
Transfer to Comptroller(TIC 201.052	(44,445)	(41,553)	(51,060)	(43,911)	(47,485)
Total, Deductions	\$(82,413,213)	\$(89,862,963)	\$(87,201,702)	\$(79,600,031)	\$(77,854,909)
Ending Fund/Account Balance	\$72,109,635	\$87,582,267	\$80,778,221	\$80,967,168	\$80,883,488

REVENUE ASSUMPTIONS:

The Department assumes there will not be changes to the current fee rate structure. The Department assumes a slight increase in revenues for 3210 Agents License Fees. The Commissioner of Insurance annually sets assessment rates for object codes 3214 and 3216 (examination overhead assessment). In setting the assessment rates, the Department takes into consideration appropriations, other revenue sources and fund balance. SB 1291 of the 82nd Legislature caused the decrease in revenue in 2013 and after for 3216.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
444 Interagency Contracts - CJG					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3725 State Grants Pass-thru Revenue	0	45,277	0	0	0
Subtotal: Actual/Estimated Revenue	0	45,277	0	0	0
Total Available	\$0	\$45,277	\$0	\$0	\$0
DEDUCTIONS:					
Art IX 14.01 Appr Trfs - GAA Gov Of	0	(45,277)	0	0	0
Total, Deductions	\$0	\$(45,277)	\$0	\$0	\$0
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
<u>666</u> Appropriated Receipts					
Beginning Balance (Unencumbered):	\$662,895	\$629,764	\$19,858	\$0	\$0
Estimated Revenue:					
3206 Insurance Companies Fees	27,064	125,000	125,000	125,000	125,000
3210 Insurance Agents Licenses	0	0	0	0	0
3222 Ins Penalty Lieu of Suspension	266,500	0	0	0	0
3719 Fees/Copies or Filing of Records	246,759	356,022	358,904	382,262	382,262
3722 Conf, Semin, & Train Regis Fees	112,793	116,954	125,318	100,000	100,000
3733 Workers Compensation Penalties	0	0	0	0	0
3740 Grants/Donations	0	0	0	0	0
3750 Sale of Furniture & Equipment	0	0	0	0	0
3752 Sale of Publications/Advertising	9,396	24,138	21,668	21,694	21,694
3754 Other Surplus/Salvage Property	0	0	0	0	0
3773 Insurance and Damages	942	0	0	0	0
3802 Reimbursements-Third Party	2,610,621	2,582,368	2,689,151	2,756,585	2,808,796
3805 Subrogation Recoveries	0	0	0	0	0
Subtotal: Actual/Estimated Revenue	3,274,075	3,204,482	3,320,041	3,385,541	3,437,752
Total Available	\$3,936,970	\$3,834,246	\$3,339,899	\$3,385,541	\$3,437,752
DEDUCTIONS:					
Expended/Budgeted/Requested	(386,177)	(689,116)	(689,116)	(603,430)	(603,430)
Art IX Sec 8.08 Seminars & Conf	(32,853)	(71,722)	(19,858)	(100,000)	(100,000)
Art IX Sec 8.03 Reim. & Pays	0	(15,000)	(71,600)	(71,600)	(71,600)
Art IX Sec 8.03 Rider 5 Title Exam	(2,117,592)	(2,108,742)	(2,151,804)	(2,195,364)	(2,239,431)
Art IX Sec 17.08 Appn of Fines	(266,500)	0	0	0	0
Transfer Emp Benefits (oasi, ers,)	(421,399)	(390,420)	(398,539)	(407,064)	(416,015)
Benefit Replacement Pay	(11,674)	(9,980)	(8,982)	(8,084)	(7,276)
Art IX Sec 8.01 TMIC Grant	(71,012)	(529,408)	0	0	0
Total, Deductions	\$(3,307,207)	\$(3,814,388)	\$(3,339,899)	\$(3,385,542)	\$(3,437,752)
Ending Fund/Account Balance	\$629,763	\$19,858	\$0	\$(1)	\$0

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
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REVENUE ASSUMPTIONS:

Assumes revenues will be collected to sustain current appropriated receipt funding levels. The Department assumes that revenue reimbursements from Liquidation and Title Allocated accounts equal estimated disbursements including matching and BRP benefits.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
<u>777</u> Interagency Contracts					
Beginning Balance (Unencumbered):	\$686,981	\$0	\$0	\$0	\$0
Estimated Revenue:					
3971 Federal Pass-Through Rev/Exp Codes	1,217,627	4,132,766	1,440,813	130,000	130,000
Subtotal: Actual/Estimated Revenue	1,217,627	4,132,766	1,440,813	130,000	130,000
Total Available	\$1,904,608	\$4,132,766	\$1,440,813	\$130,000	\$130,000
DEDUCTIONS:					
Expended/Budgeted/Requested DSHS	0	0	0	0	0
Expended/Budgeted/Requested - DADS	(57,600)	(130,000)	(130,000)	(130,000)	(130,000)
Art IX Sec 14.01 Appr Trfs- DADS	(72,691)	(30,000)	0	0	0
Art IX 14.01 Appr Trfs - DSHS	(1,717,049)	(3,931,498)	(1,278,299)	0	0
Transfer Emp Benefits (oasi, ers,)	(55,246)	(39,985)	(31,628)	0	0
Benefit Replacement Pay	(2,023)	(1,284)	(886)	0	0
Total, Deductions	\$(1,904,609)	\$(4,132,767)	\$(1,440,813)	\$(130,000)	\$(130,000)
Ending Fund/Account Balance	\$(1)	\$(1)	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
888 Earned Federal Funds					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3702 Fed Receipts-Earned Federal Funds	451,869	424,645	330,007	330,007	330,007
3971 Federal Pass-Through Rev/Exp Codes	58,727	35,975	26,449	0	0
Subtotal: Actual/Estimated Revenue	510,596	460,620	356,456	330,007	330,007
Total Available	\$510,596	\$460,620	\$356,456	\$330,007	\$330,007
DEDUCTIONS:					
Expended/Budgeted/Requested	(224,406)	(224,406)	(224,406)	(224,406)	(224,406)
Art IX Sec 6.22 Earned Federal	(192,961)	(177,900)	0	0	0
Transfer Emp Benefits (oasi, ers,)	0	(45,847)	(47,037)	(48,286)	(49,598)
Benefit Replacement Pay	(1,459)	(1,027)	(924)	(832)	(749)
Swept by Comptroller	(91,770)	(11,440)	(84,089)	(56,483)	(55,254)
Total, Deductions	\$(510,596)	\$(460,620)	\$(356,456)	\$(330,007)	\$(330,007)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
<u>5101</u> Subsequent Injury Fund					
Beginning Balance (Unencumbered):	\$60,250,316	\$63,229,231	\$64,055,061	\$64,734,921	\$65,414,781
Estimated Revenue:					
3777 Default Fund - Warrant Voided	0	35,269	0	0	0
3869 Workers'CompDeathBenefits to State	8,337,744	6,101,732	5,100,000	5,100,000	5,100,000
Subtotal: Actual/Estimated Revenue	8,337,744	6,137,001	5,100,000	5,100,000	5,100,000
Total Available	\$68,588,060	\$69,366,232	\$69,155,061	\$69,834,921	\$70,514,781
DEDUCTIONS:					
Expended/Budgeted/Requested	(4,420,126)	(4,420,140)	(4,420,140)	(4,420,140)	(4,420,140)
Art VIII Rider 14 SIF	(938,703)	(891,031)	0	0	0
Total, Deductions	\$(5,358,829)	\$(5,311,171)	\$(4,420,140)	\$(4,420,140)	\$(4,420,140)
Ending Fund/Account Balance	\$63,229,231	\$64,055,061	\$64,734,921	\$65,414,781	\$66,094,641

REVENUE ASSUMPTIONS:

The Department assumes the projected revenue for 2012 will be at the 2010 collection level.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
<u>5138</u> Fire Prevention And Public Safety					
Beginning Balance (Unencumbered):	\$0	\$207,002	\$107,002	\$7,002	\$7,002
Estimated Revenue:					
3727 Fees - Administrative Services	207,002	0	0	0	0
Subtotal: Actual/Estimated Revenue	207,002	0	0	0	0
Total Available	\$207,002	\$207,002	\$107,002	\$7,002	\$7,002
DEDUCTIONS:					
Expended/Budgeted/Requested	0	(100,000)	(100,000)	0	0
Total, Deductions	\$0	\$(100,000)	\$(100,000)	\$0	\$0
Ending Fund/Account Balance	\$207,002	\$107,002	\$7,002	\$7,002	\$7,002

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
8042 Insurance Maint Tax Fees					
Beginning Balance (Unencumbered):	\$37,662,593	\$38,657,048	\$41,911,958	\$38,341,034	\$38,315,903
Estimated Revenue:					
3203 Insurance Comp Maintenance Tax	68,836,620	80,424,673	78,851,569	80,058,890	80,383,400
3215 Insurance Dept Fees - Misc	240,528	226,813	225,000	225,000	225,000
Subtotal: Actual/Estimated Revenue	69,077,148	80,651,486	79,076,569	80,283,890	80,608,400
Total Available	\$106,739,741	\$119,308,534	\$120,988,527	\$118,624,924	\$118,924,303
DEDUCTIONS:					
Expended/Budgeted/Requested	(34,057,925)	(33,447,969)	(37,826,367)	(36,905,582)	(36,905,582)
82nd SS1, SB2, Sec 12 Collabratives	0	(169,408)	(461,901)	0	0
82nd Leg SS1, SB Sec 20 TWIA	0	(131,370)	(121,767)	0	0
Art IX Sec 18.44 Cont Appn HB1772 C	0	(109,195)	(100,081)	0	0
Art IX Sec 18.50 Cont Appn HB2277 L	0	(160,154)	(186,181)	0	0
Art IX Sec 18.52 HB 2408 Title	0	(535,708)	(561,063)	0	0
Art IX Sec 17.75 HB4341 Disct Hlth	(44,875)	0	0	0	0
Art IX Sec 17.77 SB78 Healthy Tx	(75,000)	0	0	0	0
Transfer Emp Benefits (oasi, ers,)	(10,044,681)	(10,022,561)	(10,216,515)	(10,418,937)	(10,630,240)
Benefit Replacement Pay	(203,044)	(195,066)	(175,559)	(158,004)	(142,203)
Art IX 11.18/13.10 State Alloc Cost	(735,559)	(1,007,569)	(1,007,000)	(1,007,000)	(1,007,000)
Unemployment Reimbursement	0	(8,167)	(8,200)	(8,200)	(8,200)
81st Leg SB1011 Trsf to fund 5064	0	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Art 1-4, I-4 Attorney General	(4,086,514)	(4,172,745)	(4,172,745)	(4,172,745)	(4,172,745)
Art II-41&47 Dept of Health Srvs	(6,015,646)	(7,616,765)	(7,616,766)	(7,616,766)	(7,616,766)
Art III-213&227 Tx Forest Srv	(7,140,404)	(15,982,843)	(16,059,500)	(16,059,500)	(16,059,500)
Art IV-31&32 Comptroller Judiciary	(1,097,511)	(1,089,794)	(1,158,418)	(1,158,418)	(1,158,418)
Art V-27&29 Comm on Fire Protect	(2,789,266)	0	0	0	0
Art VII -20, Crash Records Info	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
Transfer to Comptroller(TIC 201.052	(1,042,268)	(997,262)	(1,225,429)	(1,053,870)	(1,139,650)
Total, Deductions	\$(68,082,693)	\$(77,396,576)	\$(82,647,492)	\$(80,309,022)	\$(80,590,304)
Ending Fund/Account Balance	\$38,657,048	\$41,911,958	\$38,341,035	\$38,315,902	\$38,333,999

6.E. Estimated Revenue Collections Supporting Schedule
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2011	Exp 2012	Exp 2013	Bud 2014	Est 2015
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REVENUE ASSUMPTIONS:

The Department assumes the appropriated FY2013 funding level for agencies 241,302,303,454,576 and 601 plus fringe benefits for object 3203 (maintenance taxes) for FY2014 and 2015. The Department also included other funding requirements such as reimbursement of statewide allocated costs and costs associated with the Comptroller tax function. The Department takes into consideration estimated fund balances and combined revenues and deductions in fund 8042 and account 0036 exclusive of DWC. The Commissioner sets maintenance tax rates annually. The Department did not include the \$3.05 million deducted by the Comptroller as required by chapter 252 of the Texas Insurance Code.

CONTACT PERSON:

Joe Meyer

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6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern
Texas Department of Insurance

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2014-15 GAA BILL PATTERN	\$	829,929,919
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Texas Department of Insurance - All Funds

Estimated Beginning Balance in FY 2012	\$	134,580,828
Estimated Revenues FY 2012	\$	45,846,420
Estimated Revenues FY 2013	\$	206,089,790
FY 2012-13 Total	\$	386,517,037
Estimated Beginning Balance in FY 2014	\$	378,793,179
Estimated Revenues FY 2014	\$	213,024,675
Estimated Revenues FY 2015	\$	238,112,065
FY 2014-15 Total	\$	829,929,919

Constitutional or Statutory Creation and Use of Funds:

See tabs Page 2, Page 3, and Page 4.

Method of Calculation and Revenue Assumptions:

See tabs Page 2, Page 3, and Page 4.

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern
Texas Department of Insurance

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2014-15 GAA BILL PATTERN	\$	802,299,335
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Catastrophe Reserve Trust Fund

Estimated Beginning Balance in FY 2012		\$ 129,924,026.51	
Estimated Revenues FY 2012		\$ 45,656,479.03	
Estimated Revenues FY 2013		\$ 189,966,395.84	
	FY 2012-13 Total	\$ 365,546,901.38	
Estimated Beginning Balance in FY 2014		\$ 365,546,901.38	
Estimated Revenues FY 2014		\$ 205,943,895.80	
Estimated Revenues FY 2015		\$ 230,808,538.24	
	FY 2014-15 Total	\$ 802,299,335.43	

Constitutional or Statutory Creation and Use of Funds:

The Texas Legislature established the Catastrophe Reserve Trust Fund (CRTF) in 1993 as part of the state’s overall plan for funding catastrophic losses caused by windstorm and hail damage for designated areas on the Texas Gulf Coast (designated catastrophe area). In the event of a major storm affecting the Texas coast, the Texas Windstorm Insurance Association (TWIA) would use the CRTF to pay certain losses. See Tex. Ins. Code Chapter 2210.

Chapter 2210 of the Insurance Code requires that the TDI adopt rules to keep and maintain the CRTF and that the Comptroller administer the fund in accordance with the statute and the rules adopted by the Commissioner of Insurance. The rules regarding the procedures for payments to, disbursements from, and the maintenance of the CRTF became effective on August 21, 2000. The commissioner incorporated those rules regarding the CRTF and other loss funding mechanisms in 28 TAC Chapter 5, Subchapter E, Division 3, effective February 3, 2011. Under Texas law, in the event of a catastrophic storm, losses on policies issued through TWIA are paid by a sequential combination of TWIA’s available assets, the CRTF, any available reinsurance, and the proceeds of public securities issued on behalf of TWIA. These public securities will be funded from TWIA income, member insurer assessments, and policyholder surcharges. Thus, the CRTF is an integral part of the Texas statutory method of funding catastrophic windstorm losses. A change to the Insurance Code that would permit disbursements from the CRTF for reasons other than losses caused by a catastrophic storm may leave TWIA’s policyholders without adequate protection from potential losses. Further, without the CRTF, TWIA would be more likely to need to resort to the class 2 and class 3 public securities for loss funding, resulting in assessments on member insurers and premium surcharges on all policyholders of policies that cover insured property located in the designated catastrophe area. Another major coastal storm like Hurricane Katrina or Ike could create insurance industry-wide property losses of many billions of dollars.

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern

Texas Department of Insurance

The availability of the CRTF to pay for TWIA's catastrophic losses is critical to TDI, the State of Texas, policyholders, TWIA, and its members. In October 1998, the IRS issued a Technical Advice Memorandum adverse to the CRTF. The IRS found that the CRTF was subject to federal taxes because the CRTF was not an integral part of the State in that the State did not provide seed money for the CRTF and did not contribute financially to its current operations. In 1999, the Texas legislature enacted House Bill 2253, which amended Article 21.49 of the Insurance Code. House Bill 2253 clarified the legislature's original intent that the CRTF was a state fund and not subject to federal taxation. The bill specifically stated that all money, including investment income, is state money with legal title in TDI. The Texas legislature also included TDI Rider 10 in the General Appropriations Act. In Rider 10, the legislature appropriated to the Texas Department of Insurance \$2 million in 2000 and \$2 million in 2001 out of the Texas Department of Insurance Operating Fund Account to be transferred each year to the CRTF for maintaining the CRTF. The legislature expressly stated that the amount appropriated constituted the state's contribution to the funding of the CRTF. To the extent that any monies are removed from the CRTF for purposes other than losses due to a catastrophic storm, there may be federal tax implications to the CRTF. In June of 2010, TWIA received informal notification that the IRS would be issuing a favorable ruling regarding the tax status of TWIA. This ruling was received in August 2010 and stated that TWIA's income is excluded from gross income, meaning that it is tax-exempt.

Fiscal Year (FY) 2012

The FY 2012 revenue estimate is composed of deposits made by TWIA, estimated interest earned, and the estimated management fee. The annual rate used for the CRTF management fees was 0.0006, based on the published fee schedule of the Texas Treasury Safekeeping Trust Company (TTSTC), applied to the average daily balance of the fund during the fiscal year. The assumed average annual investment yield was 0.1142%, based on the average yield actually paid in May of 2012, applied to the average daily balance of the fund during the fiscal year.

General Assumptions Applicable to FY 2013 through FY 2015

- No hurricanes strike Texas in FYs 2013 – 2015
- TWIA pays the same amount for reinsurance in FYs 2013 – 2015, as it did in 2012
- TWIA will not be subject to Federal income taxes in 2012 and thereafter
- The annual average growth in exposures (both inflationary increases in coverage limits and numbers of policyholders insured) is 3 percent
- Average rates are increased 5 percent effective January 1 of each year
- The non-hurricane loss experience and the expenses of TWIA will approximate recent historical averages

Fiscal Year 2013

The deposits to the CRTF consist of the projected 2012 operating profit of TWIA plus the statutory 15 percent surcharges on the premiums of certain noncompliant structures (§2210.259). The latter are estimated based on the average deposits for surcharges in fiscal years 2011 and 2012 and adjusted for assumed subsequent rate increases. It was further assumed that any inflationary increases in the amount of coverage on policies subject to the surcharge would be offset by attrition in the number of policies subject to the surcharge. It was assumed that the 2012 operating profit was deposited in the CRTF on July 1, 2013, and the statutory premium surcharges were deposited at approximately the 29th day of the month. The annual rate used for the CRTF management fee was 0.0002, based on the published fee schedules of the TTSTC, applied to the average daily balance of the fund during the fiscal year.

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern
Texas Department of Insurance

The assumed average annual investment yield applied to the average daily balance of the fund during the fiscal year was 0.1142%, based on the assumption the average annual yield would remain the same as that actually paid in May 2012.

Fiscal Year 2014

The deposits to the CRTF consist of the projected 2013 operating profit of TWIA plus the statutory 15 percent surcharges on the premiums of certain noncompliant structures (§2210.259). The latter are estimated based on the average deposits for surcharges in fiscal years 2011 and 2012 and adjusted for assumed subsequent rate increases. It was further assumed that any inflationary increases in the amount of coverage on policies subject to the surcharge would be offset by attrition in the number of policies subject to the surcharge. It was assumed that the 2013 operating profit was deposited in the CRTF on July 1, 2013, and the statutory premium surcharges were deposited at approximately the 29th day of the month. The annual rate used for the CRTF management fee was 0.0002, based on the published fee schedules of the TTSTC, applied to the average daily balance of the fund during the fiscal year. The assumed average annual investment yield applied to the average daily balance of the fund during the fiscal year was 0.1142%, based on the assumption the average annual yield would remain the same as that actually paid in May 2012.

Fiscal Year 2015

The deposits to the CRTF consist of the projected 2014 operating profit of TWIA plus the statutory 15 percent surcharges on the premiums of certain noncompliant structures (§2210.259). The latter are estimated based on the average deposits for surcharges in fiscal years 2011 and 2012 and adjusted for assumed subsequent rate increases. It was further assumed that any inflationary increases in the amount of coverage on policies subject to the surcharge would be offset by attrition in the number of policies subject to the surcharge. It was assumed that the 2014 operating profit was deposited in the CRTF on July 1, 2014, and the statutory premium surcharges were deposited at approximately the 29th day of the month. The annual rate used for the CRTF management fees was 0.0002, based on the published fee schedules of the TTSTC, applied to the average daily balance of the fund during the fiscal year. The assumed average annual investment yield applied to the average daily balance of the fund during the fiscal year was 0.1142%, based on the assumption the average annual yield would remain the same as that actually paid in May 2012.

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern
Texas Department of Insurance

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2014-15 GAA BILL PATTERN	\$	4,240,239
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Abandoned Property / Liquidation Operating Fund (1999)

Estimated Beginning Balance in FY 2012	\$	4,656,801
Estimated Revenues FY 2012	\$	189,941
Estimated Revenues FY 2013	\$	488,698
FY 2012-13 Total	\$	5,335,440
Estimated Beginning Balance in FY 2014	\$	4,076,017
Estimated Revenues FY 2014	\$	161,872
Estimated Revenues FY 2015	\$	2,350
FY 2014-15 Total	\$	4,240,239

Constitutional or Statutory Creation and Use of Funds:

TIC Chapter 443 - These are non-appropriated funds representing unclaimed amounts from financially troubled insurers that have been placed in receivership under a court sanctioned process. The court may declare such funds abandoned if no claim is made on the amounts. Pursuant to statute, these funds can be used to: (1) operate insurance company receivership liquidations where the insolvent estate's funds are inadequate to pay for the costs of administration, and (2) pay for expenses related to insurance receiverships that cannot be allocated to any receivership estate.

Method of Calculation and Revenue Assumptions:

Revenue estimates include interest earned, reimbursements and unclaimed assets from estates. Revenue estimates for 2012 are based on actual interest received and projected through fiscal year end. Revenue estimates for 2013 and 2014 are based on prior year's interest assuming no change in the rate, and adjusted for the projected transfer of abandonments and expenditures. Revenue estimates for 2015 are based on prior years' interest assuming no change in the rate and transfer of unclaimed funds. The actual amount of revenue could vary significantly from the estimate due to the varying amounts of reimbursements and unclaimed property from year to year. Estimated 2014 beginning balance was calculated using projected expenditures based on 2012 actual.

Development of a methodology to project expenditures for inclusion in the GAA is dependent on predicting the cash needs of newly created estates that have insufficient assets for their administration. Development of a methodology to project revenues for inclusion in the GAA is dependent on predicting the amount of unclaimed property that will become abandoned.

**6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern
Texas Department of Insurance**

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2014-15 GAA BILL PATTERN	\$	23,390,345
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Examination Self Directed Budget Account

Estimated Beginning Balance in FY 2012	\$	-
Estimated Revenues FY 2012		
Estimated Revenues FY 2013	\$	15,634,696
FY 2012-13 Total	\$	15,634,696
Estimated Beginning Balance in FY 2014	\$	9,170,261
Estimated Revenues FY 2014	\$	6,918,907
Estimated Revenues FY 2015	\$	7,301,177
FY 2014-15 Total	\$	23,390,345

Constitutional or Statutory Creation and Use of Funds:

Pursuant to SB 1291, which amended Chapter 401 by adding Subchapter F, all employees of the Actuarial Office and Financial Examinations will be moved to self directed budget. Examination costs by statute {Section 401(2)} are defined as salary, travel, or other personnel expenses associated with the examination of insurers and other entities by staff of these two areas, both of which are part of the Financial Regulation Division.

Method of Calculation and Revenue Assumptions:

1. Assumes staffing levels will remain constant during the period.
2. Interest rate credit of .5% for trust fund account.
3. Majority of revenue will be collected from direct billings to insurers and other entities being examined. All indirect salary and travel will be reimbursed through examination overhead assessments.
4. 5% growth rate for FY 2014 and FY 2015 to fund merit raises, promotions, and certifications in accordance to Section's career ladder.
5. FY 2013 revenue includes \$9,045,261 estimated transfer from fund 0036 for initial funding of the self directed account.

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

1 Property and Casualty Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: The reduced funding would eliminate 9.3 FTEs and decrease the agency budget by \$1,192,540. This reduction would affect critical activities of Property and Casualty including reducing professional fees for data entry of closed claim reports; on-site audits for loss control; Commercial Property Oversight inspections; and impacting timely processing of filings. Reduced WC Classification & Premium Calculation staff could result in requiring insurers to enter information on a web form and electronically transmit it to TDI; may decrease the agency's ability to ensure compliance of insurer's statutorily required loss control programs; and make insurers more responsible for assigning rating class codes due to elimination of TDI's oversight of these assignments.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$42,467	\$42,467	\$84,934	\$42,467	\$42,467	\$84,934
General Revenue Funds Total	\$42,467	\$42,467	\$84,934	\$42,467	\$42,467	\$84,934

Gr Dedicated

36 Dept Ins Operating Acct	\$18,838	\$18,838	\$37,676	\$18,838	\$18,838	\$37,676
Gr Dedicated Total	\$18,838	\$18,838	\$37,676	\$18,838	\$18,838	\$37,676

Strategy: 1-2-1 Respond Promptly and Act on Complaints

General Revenue Funds

8042 Insurance Maint Tax Fees	\$826	\$826	\$1,652	\$826	\$826	\$1,652
General Revenue Funds Total	\$826	\$826	\$1,652	\$826	\$826	\$1,652

Gr Dedicated

36 Dept Ins Operating Acct	\$367	\$367	\$734	\$367	\$367	\$734
Gr Dedicated Total	\$367	\$367	\$734	\$367	\$367	\$734

Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed

General Revenue Funds

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
8042 Insurance Maint Tax Fees	\$1,322	\$1,322	\$2,644	\$1,322	\$1,322	\$2,644	
General Revenue Funds Total	\$1,322	\$1,322	\$2,644	\$1,322	\$1,322	\$2,644	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$587	\$587	\$1,174	\$587	\$587	\$1,174	
Gr Dedicated Total	\$587	\$587	\$1,174	\$587	\$587	\$1,174	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$329	\$329	\$658	\$329	\$329	\$658	
General Revenue Funds Total	\$329	\$329	\$658	\$329	\$329	\$658	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$146	\$146	\$292	\$146	\$146	\$292	
Gr Dedicated Total	\$146	\$146	\$292	\$146	\$146	\$292	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$178	\$178	\$356	\$178	\$178	\$356	
General Revenue Funds Total	\$178	\$178	\$356	\$178	\$178	\$356	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$79	\$79	\$158	\$79	\$79	\$158	
Gr Dedicated Total	\$79	\$79	\$158	\$79	\$79	\$158	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$183,197	\$183,197	\$366,394	\$183,197	\$183,197	\$366,394	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
General Revenue Funds Total	\$183,197	\$183,197	\$366,394	\$183,197	\$183,197	\$366,394	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$81,267	\$81,267	\$162,534	\$81,267	\$81,267	\$162,534	
Gr Dedicated Total	\$81,267	\$81,267	\$162,534	\$81,267	\$81,267	\$162,534	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$56,295	\$56,295	\$112,590	\$56,295	\$56,295	\$112,590	
General Revenue Funds Total	\$56,295	\$56,295	\$112,590	\$56,295	\$56,295	\$112,590	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$24,973	\$24,973	\$49,946	\$24,973	\$24,973	\$49,946	
Gr Dedicated Total	\$24,973	\$24,973	\$49,946	\$24,973	\$24,973	\$49,946	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$18,759	\$18,759	\$37,518	\$18,759	\$18,759	\$37,518	
General Revenue Funds Total	\$18,759	\$18,759	\$37,518	\$18,759	\$18,759	\$37,518	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$8,322	\$8,322	\$16,644	\$8,322	\$8,322	\$16,644	
Gr Dedicated Total	\$8,322	\$8,322	\$16,644	\$8,322	\$8,322	\$16,644	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$548	\$548	\$1,096	\$548	\$548	\$1,096	
General Revenue Funds Total	\$548	\$548	\$1,096	\$548	\$548	\$1,096	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$243	\$243	\$486	\$243	\$243	\$486	
Gr Dedicated Total	\$243	\$243	\$486	\$243	\$243	\$486	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$46,481	\$46,481	\$92,962	\$46,481	\$46,481	\$92,962	
General Revenue Funds Total	\$46,481	\$46,481	\$92,962	\$46,481	\$46,481	\$92,962	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$20,620	\$20,620	\$41,240	\$20,620	\$20,620	\$41,240	
Gr Dedicated Total	\$20,620	\$20,620	\$41,240	\$20,620	\$20,620	\$41,240	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$48,811	\$48,811	\$97,622	\$48,811	\$48,811	\$97,622	
General Revenue Funds Total	\$48,811	\$48,811	\$97,622	\$48,811	\$48,811	\$97,622	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$21,653	\$21,653	\$43,306	\$21,653	\$21,653	\$43,306	
Gr Dedicated Total	\$21,653	\$21,653	\$43,306	\$21,653	\$21,653	\$43,306	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$13,829	\$13,829	\$27,658	\$13,829	\$13,829	\$27,658	
General Revenue Funds Total	\$13,829	\$13,829	\$27,658	\$13,829	\$13,829	\$27,658	
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
36 Dept Ins Operating Acct	\$6,134	\$6,134	\$12,268	\$6,134	\$6,134	\$12,268	
Gr Dedicated Total	\$6,134	\$6,134	\$12,268	\$6,134	\$6,134	\$12,268	
Item Total	\$596,271	\$596,271	\$1,192,542	\$596,271	\$596,271	\$1,192,542	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				9.3	9.3		

2 Fire Safe Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: The reduced funding would eliminate 4.7 FTEs in the State Fire Marshal's Office and decrease the agency budget by \$757,226. This reduction would critically impair fire safety activities including service levels to local fire service, law enforcement agencies, and rural communities who rely on SFMO expertise for fire safety inspections, outreach, investigations, and enforcement.

Fire and arson investigations, building inspections, licensing, field staff travel to provide services, fire fighter fatality investigations, and training for staff would all be critically impacted.

In addition, SFMO would be unable to fulfill Sunset Advisory Commission recommendations regarding inspections of state leased buildings and forensic and fire science training and certification due to lack of resources. The reduction would impact four SFMO performance measures, relating to law enforcement, inspections, and investigations.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$24,708	\$24,708	\$49,416	\$24,708	\$24,708	\$49,416
General Revenue Funds Total	\$24,708	\$24,708	\$49,416	\$24,708	\$24,708	\$49,416

Gr Dedicated

36 Dept Ins Operating Acct	\$10,961	\$10,961	\$21,922	\$10,961	\$10,961	\$21,922
Gr Dedicated Total	\$10,961	\$10,961	\$21,922	\$10,961	\$10,961	\$21,922

Strategy: 1-2-1 Respond Promptly and Act on Complaints

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$525	\$525	\$1,050	\$525	\$525	\$1,050	
General Revenue Funds Total	\$525	\$525	\$1,050	\$525	\$525	\$1,050	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$233	\$233	\$466	\$233	\$233	\$466	
Gr Dedicated Total	\$233	\$233	\$466	\$233	\$233	\$466	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$840	\$840	\$1,680	\$840	\$840	\$1,680	
General Revenue Funds Total	\$840	\$840	\$1,680	\$840	\$840	\$1,680	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$372	\$372	\$744	\$372	\$372	\$744	
Gr Dedicated Total	\$372	\$372	\$744	\$372	\$372	\$744	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$209	\$209	\$418	\$209	\$209	\$418	
General Revenue Funds Total	\$209	\$209	\$418	\$209	\$209	\$418	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$93	\$93	\$186	\$93	\$93	\$186	
Gr Dedicated Total	\$93	\$93	\$186	\$93	\$93	\$186	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
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Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
8042 Insurance Maint Tax Fees	\$113	\$113	\$226	\$113	\$113	\$226	
General Revenue Funds Total	\$113	\$113	\$226	\$113	\$113	\$226	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$50	\$50	\$100	\$50	\$50	\$100	
Gr Dedicated Total	\$50	\$50	\$100	\$50	\$50	\$100	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$12,987	\$12,987	\$25,974	\$12,987	\$12,987	\$25,974	
General Revenue Funds Total	\$12,987	\$12,987	\$25,974	\$12,987	\$12,987	\$25,974	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,761	\$5,761	\$11,522	\$5,761	\$5,761	\$11,522	
Gr Dedicated Total	\$5,761	\$5,761	\$11,522	\$5,761	\$5,761	\$11,522	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$231	\$231	\$462	\$231	\$231	\$462	
General Revenue Funds Total	\$231	\$231	\$462	\$231	\$231	\$462	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$103	\$103	\$206	\$103	\$103	\$206	
Gr Dedicated Total	\$103	\$103	\$206	\$103	\$103	\$206	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$11,913	\$11,913	\$23,826	\$11,913	\$11,913	\$23,826	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
General Revenue Funds Total	\$11,913	\$11,913	\$23,826	\$11,913	\$11,913	\$23,826	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,284	\$5,284	\$10,568	\$5,284	\$5,284	\$10,568	
Gr Dedicated Total	\$5,284	\$5,284	\$10,568	\$5,284	\$5,284	\$10,568	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$141,451	\$141,451	\$282,902	\$141,451	\$141,451	\$282,902	
General Revenue Funds Total	\$141,451	\$141,451	\$282,902	\$141,451	\$141,451	\$282,902	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$62,749	\$62,749	\$125,498	\$62,749	\$62,749	\$125,498	
Gr Dedicated Total	\$62,749	\$62,749	\$125,498	\$62,749	\$62,749	\$125,498	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$29,517	\$29,517	\$59,034	\$29,517	\$29,517	\$59,034	
General Revenue Funds Total	\$29,517	\$29,517	\$59,034	\$29,517	\$29,517	\$59,034	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$13,093	\$13,093	\$26,186	\$13,093	\$13,093	\$26,186	
Gr Dedicated Total	\$13,093	\$13,093	\$26,186	\$13,093	\$13,093	\$26,186	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$30,995	\$30,995	\$61,990	\$30,995	\$30,995	\$61,990	
General Revenue Funds Total	\$30,995	\$30,995	\$61,990	\$30,995	\$30,995	\$61,990	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$13,750	\$13,750	\$27,500	\$13,750	\$13,750	\$27,500	
Gr Dedicated Total	\$13,750	\$13,750	\$27,500	\$13,750	\$13,750	\$27,500	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$8,781	\$8,781	\$17,562	\$8,781	\$8,781	\$17,562	
General Revenue Funds Total	\$8,781	\$8,781	\$17,562	\$8,781	\$8,781	\$17,562	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,895	\$3,895	\$7,790	\$3,895	\$3,895	\$7,790	
Gr Dedicated Total	\$3,895	\$3,895	\$7,790	\$3,895	\$3,895	\$7,790	
Item Total	\$378,614	\$378,614	\$757,228	\$378,614	\$378,614	\$757,228	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				4.7	4.7		

3 Injured Employee Customer Service

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

Item Comment: The reduction would eliminate 23.3 FTEs and reduce the agency budget by \$1,910,230. It would impact DWC's Field Operations (FO), Records Management and Support (RMS), and Self-Insurance (SI), as well as administrative, executive, and legal support. FO reductions would increase the time to process inquiries and complaints, official actions, and requests for dispute proceedings. FO reductions may impact monitoring of system participants for violations. It would delay scheduling of designated doctor exam requests, affect offices, and convert field offices to hearings-only sites. It would extend customer wait-time, delay data entry, and affect availability of claim and system information.

The RMS reduction would delay creating 6,900 claim records, processing 80,000 records, and 13,000 official actions per month. In addition, the reduction would create a delay of 10 days for 200 requests for claim information and 100 requests for employer verifications per week; this may result in non-compliance with the Public Information Act.

Delayed access to information could impact treatment/actions, timeframes for benefit payments, and the injured employee's return to work. It would inhibit DWC's ability to provide records and reports to carriers, injured employees, attorneys, and internal customers. It would also jeopardize efficiency initiatives.

The SI reduction would increase processing time, result in lapses in certification dates and cause outdated financial information to be used on applications. It would impact support for the Texas Certified Self-Insurer Guaranty Association and affect security deposits required by the Certified Self-Insurers due to outdated claims information.

Tex. Labor Code, Ch. 408 requires DWC to perform certain administrative functions for individual claims. This reduction would impact these administrative functions. If funding is reduced, the Legislature could consider shifting specific claims administration functions from DWC to the carriers.

Strategy: 1-2-5 Investigate Workers' Comp Fraud & Refer Violations for Prosecution

Gr Dedicated

36 Dept Ins Operating Acct	\$255	\$255	\$510	\$255	\$255	\$510
Gr Dedicated Total	\$255	\$255	\$510	\$255	\$255	\$510

Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly

Gr Dedicated

36 Dept Ins Operating Acct	\$28,845	\$28,845	\$57,690	\$28,845	\$28,845	\$57,690
Gr Dedicated Total	\$28,845	\$28,845	\$57,690	\$28,845	\$28,845	\$57,690

Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action

Gr Dedicated

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/30/2012
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
36 Dept Ins Operating Acct	\$36,954	\$36,954	\$73,908	\$36,954	\$36,954	\$73,908	
Gr Dedicated Total	\$36,954	\$36,954	\$73,908	\$36,954	\$36,954	\$73,908	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$301,963	\$301,963	\$603,926	\$301,963	\$301,963	\$603,926	
Gr Dedicated Total	\$301,963	\$301,963	\$603,926	\$301,963	\$301,963	\$603,926	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$24,717	\$24,717	\$49,434	\$24,717	\$24,717	\$49,434	
Gr Dedicated Total	\$24,717	\$24,717	\$49,434	\$24,717	\$24,717	\$49,434	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,083	\$1,083	\$2,166	\$1,083	\$1,083	\$2,166	
Gr Dedicated Total	\$1,083	\$1,083	\$2,166	\$1,083	\$1,083	\$2,166	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$212,905	\$212,905	\$425,810	\$212,905	\$212,905	\$425,810	
Gr Dedicated Total	\$212,905	\$212,905	\$425,810	\$212,905	\$212,905	\$425,810	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$219,571	\$219,571	\$439,142	\$219,571	\$219,571	\$439,142	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$219,571	\$219,571	\$439,142	\$219,571	\$219,571	\$439,142	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$95,529	\$95,529	\$191,058	\$95,529	\$95,529	\$191,058	
Gr Dedicated Total	\$95,529	\$95,529	\$191,058	\$95,529	\$95,529	\$191,058	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$33,293	\$33,293	\$66,586	\$33,293	\$33,293	\$66,586	
Gr Dedicated Total	\$33,293	\$33,293	\$66,586	\$33,293	\$33,293	\$66,586	
Item Total	\$955,115	\$955,115	\$1,910,230	\$955,115	\$955,115	\$1,910,230	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				23.3	23.3		

4 Enforcement Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction would eliminate 11.5 FTEs within the Enforcement section, and decrease the agency budget by \$1,849,386. This reduction would impact the division's resources to pursue enforcement actions against title agencies, insurers, agents, workers' compensation carriers, and nonsubscribers. It would extend the length of time to resolve enforcement action. The reduction in staff may reduce fines and penalties by \$500,000.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$54,151	\$54,151	\$108,302	\$54,151	\$54,151	\$108,302	
General Revenue Funds Total	\$54,151	\$54,151	\$108,302	\$54,151	\$54,151	\$108,302	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$24,022	\$24,022	\$48,044	\$24,022	\$24,022	\$48,044	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$24,022	\$24,022	\$48,044	\$24,022	\$24,022	\$48,044	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,150	\$1,150	\$2,300	\$1,150	\$1,150	\$2,300	
General Revenue Funds Total	\$1,150	\$1,150	\$2,300	\$1,150	\$1,150	\$2,300	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$510	\$510	\$1,020	\$510	\$510	\$1,020	
Gr Dedicated Total	\$510	\$510	\$1,020	\$510	\$510	\$1,020	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$311,054	\$311,054	\$622,108	\$311,054	\$311,054	\$622,108	
General Revenue Funds Total	\$311,054	\$311,054	\$622,108	\$311,054	\$311,054	\$622,108	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$137,986	\$137,986	\$275,972	\$137,986	\$137,986	\$275,972	
Gr Dedicated Total	\$137,986	\$137,986	\$275,972	\$137,986	\$137,986	\$275,972	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$459	\$459	\$918	\$459	\$459	\$918	
General Revenue Funds Total	\$459	\$459	\$918	\$459	\$459	\$918	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$203	\$203	\$406	\$203	\$203	\$406	
Gr Dedicated Total	\$203	\$203	\$406	\$203	\$203	\$406	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$247	\$247	\$494	\$247	\$247	\$494	
General Revenue Funds Total	\$247	\$247	\$494	\$247	\$247	\$494	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$110	\$110	\$220	\$110	\$110	\$220	
Gr Dedicated Total	\$110	\$110	\$220	\$110	\$110	\$220	
Strategy: 1-2-5 Investigate Workers' Comp Fraud & Refer Violations for Prosecution							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$25	\$25	\$50	\$25	\$25	\$50	
Gr Dedicated Total	\$25	\$25	\$50	\$25	\$25	\$50	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$28,462	\$28,462	\$56,924	\$28,462	\$28,462	\$56,924	
General Revenue Funds Total	\$28,462	\$28,462	\$56,924	\$28,462	\$28,462	\$56,924	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$12,689	\$12,689	\$25,378	\$12,689	\$12,689	\$25,378	
Gr Dedicated Total	\$12,689	\$12,689	\$25,378	\$12,689	\$12,689	\$25,378	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$507	\$507	\$1,014	\$507	\$507	\$1,014	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
General Revenue Funds Total	\$507	\$507	\$1,014	\$507	\$507	\$1,014	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$225	\$225	\$450	\$225	\$225	\$450	
Gr Dedicated Total	\$225	\$225	\$450	\$225	\$225	\$450	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$26,107	\$26,107	\$52,214	\$26,107	\$26,107	\$52,214	
General Revenue Funds Total	\$26,107	\$26,107	\$52,214	\$26,107	\$26,107	\$52,214	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$11,581	\$11,581	\$23,162	\$11,581	\$11,581	\$23,162	
Gr Dedicated Total	\$11,581	\$11,581	\$23,162	\$11,581	\$11,581	\$23,162	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$763	\$763	\$1,526	\$763	\$763	\$1,526	
General Revenue Funds Total	\$763	\$763	\$1,526	\$763	\$763	\$1,526	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$338	\$338	\$676	\$338	\$338	\$676	
Gr Dedicated Total	\$338	\$338	\$676	\$338	\$338	\$676	
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$67,617	\$67,617	\$135,234	\$67,617	\$67,617	\$135,234	
Gr Dedicated Total	\$67,617	\$67,617	\$135,234	\$67,617	\$67,617	\$135,234	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,083	\$2,083	\$4,166	\$2,083	\$2,083	\$4,166	
Gr Dedicated Total	\$2,083	\$2,083	\$4,166	\$2,083	\$2,083	\$4,166	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6	\$6	\$12	\$6	\$6	\$12	
Gr Dedicated Total	\$6	\$6	\$12	\$6	\$6	\$12	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$108	\$108	\$216	\$108	\$108	\$216	
Gr Dedicated Total	\$108	\$108	\$216	\$108	\$108	\$216	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$469	\$469	\$938	\$469	\$469	\$938	
Gr Dedicated Total	\$469	\$469	\$938	\$469	\$469	\$938	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$64,647	\$64,647	\$129,294	\$64,647	\$64,647	\$129,294	
General Revenue Funds Total	\$64,647	\$64,647	\$129,294	\$64,647	\$64,647	\$129,294	
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
36 Dept Ins Operating Acct	\$40,504	\$40,504	\$81,008	\$40,504	\$40,504	\$81,008	
Gr Dedicated Total	\$40,504	\$40,504	\$81,008	\$40,504	\$40,504	\$81,008	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$67,929	\$67,929	\$135,858	\$67,929	\$67,929	\$135,858	
General Revenue Funds Total	\$67,929	\$67,929	\$135,858	\$67,929	\$67,929	\$135,858	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$39,643	\$39,643	\$79,286	\$39,643	\$39,643	\$79,286	
Gr Dedicated Total	\$39,643	\$39,643	\$79,286	\$39,643	\$39,643	\$79,286	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$19,245	\$19,245	\$38,490	\$19,245	\$19,245	\$38,490	
General Revenue Funds Total	\$19,245	\$19,245	\$38,490	\$19,245	\$19,245	\$38,490	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$11,851	\$11,851	\$23,702	\$11,851	\$11,851	\$23,702	
Gr Dedicated Total	\$11,851	\$11,851	\$23,702	\$11,851	\$11,851	\$23,702	
Item Total	\$924,691	\$924,691	\$1,849,382	\$924,691	\$924,691	\$1,849,382	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				11.5	11.5		

5 Quality of Care Reviews

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET																																																
	2014	2015	Biennial Total	2014	2015	Biennial Total																																																	
<p>Item Comment: The reduction would eliminate 4.4 FTEs and reduce the agency budget by \$457,584 in the DWC Health Care Policy and Implementation (HCPI), Information Management Services (IMS), System Monitoring and Oversight (SMO), Health Care Quality Review (HCQR) program areas, and reduce administrative, executive, and legal support. The reductions would impact several key measures for strategies 4.1.1 Oversight and Enforcement, 4.1.2 Dispute Resolution, and 4.2.1 Health and Safety Services. The reductions would adversely impact IMS by decreasing staff available to assist program areas with running reports, processing open records requests, one-on-one communication, and problem solving.</p> <p>The HCPI reduction would eliminate expert consultation services on critical Medicare-related matters, and reduce HCPI travel funds used to educate system participants regarding rule implementation, and training staff on current health care and workers' compensation laws.</p> <p>The reduced funding for SMO would lessen DWC's ability to timely identify issues and resolve complaints, which could delay payment of benefits owed to system participants. This could also reduce the overall number of SMO complaints investigations and audits completed.</p> <p>The reduced funding for HCQR would result in a decreased ability to perform statutorily required Medical Quality Review Panel activities. It would increase review times for non-provider cases and result in fewer medical quality reviews, including complaint-driven quality of care reviews for insurance carriers, IROs, and URAs. This reduction would negatively impact DWC's ability to monitor the quality of health care delivered in the workers' compensation system. The reduction would adversely impact DWC's ability to monitor patterns and trends of system participants regarding the utilization of medical services provided to injured employees.</p> <p>Strategy: 1-2-5 Investigate Workers' Comp Fraud & Refer Violations for Prosecution</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$61</td> <td>\$61</td> <td>\$122</td> <td>\$61</td> <td>\$61</td> <td>\$122</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$61</td> <td>\$61</td> <td>\$122</td> <td>\$61</td> <td>\$61</td> <td>\$122</td> <td></td> </tr> </table> <p>Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$152</td> <td>\$152</td> <td>\$304</td> <td>\$152</td> <td>\$152</td> <td>\$304</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$152</td> <td>\$152</td> <td>\$304</td> <td>\$152</td> <td>\$152</td> <td>\$304</td> <td></td> </tr> </table> <p>Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$155,317</td> <td>\$155,317</td> <td>\$310,634</td> <td>\$155,317</td> <td>\$155,317</td> <td>\$310,634</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$155,317</td> <td>\$155,317</td> <td>\$310,634</td> <td>\$155,317</td> <td>\$155,317</td> <td>\$310,634</td> <td></td> </tr> </table>								36 Dept Ins Operating Acct	\$61	\$61	\$122	\$61	\$61	\$122		Gr Dedicated Total	\$61	\$61	\$122	\$61	\$61	\$122		36 Dept Ins Operating Acct	\$152	\$152	\$304	\$152	\$152	\$304		Gr Dedicated Total	\$152	\$152	\$304	\$152	\$152	\$304		36 Dept Ins Operating Acct	\$155,317	\$155,317	\$310,634	\$155,317	\$155,317	\$310,634		Gr Dedicated Total	\$155,317	\$155,317	\$310,634	\$155,317	\$155,317	\$310,634	
36 Dept Ins Operating Acct	\$61	\$61	\$122	\$61	\$61	\$122																																																	
Gr Dedicated Total	\$61	\$61	\$122	\$61	\$61	\$122																																																	
36 Dept Ins Operating Acct	\$152	\$152	\$304	\$152	\$152	\$304																																																	
Gr Dedicated Total	\$152	\$152	\$304	\$152	\$152	\$304																																																	
36 Dept Ins Operating Acct	\$155,317	\$155,317	\$310,634	\$155,317	\$155,317	\$310,634																																																	
Gr Dedicated Total	\$155,317	\$155,317	\$310,634	\$155,317	\$155,317	\$310,634																																																	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,202	\$10,202	\$20,404	\$10,202	\$10,202	\$20,404	
Gr Dedicated Total	\$10,202	\$10,202	\$20,404	\$10,202	\$10,202	\$20,404	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$15	\$15	\$30	\$15	\$15	\$30	
Gr Dedicated Total	\$15	\$15	\$30	\$15	\$15	\$30	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,591	\$2,591	\$5,182	\$2,591	\$2,591	\$5,182	
Gr Dedicated Total	\$2,591	\$2,591	\$5,182	\$2,591	\$2,591	\$5,182	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,129	\$1,129	\$2,258	\$1,129	\$1,129	\$2,258	
Gr Dedicated Total	\$1,129	\$1,129	\$2,258	\$1,129	\$1,129	\$2,258	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$28,462	\$28,462	\$56,924	\$28,462	\$28,462	\$56,924	
Gr Dedicated Total	\$28,462	\$28,462	\$56,924	\$28,462	\$28,462	\$56,924	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$22,887	\$22,887	\$45,774	\$22,887	\$22,887	\$45,774	
Gr Dedicated Total	\$22,887	\$22,887	\$45,774	\$22,887	\$22,887	\$45,774	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$7,976	\$7,976	\$15,952	\$7,976	\$7,976	\$15,952	
Gr Dedicated Total	\$7,976	\$7,976	\$15,952	\$7,976	\$7,976	\$15,952	
Item Total	\$228,792	\$228,792	\$457,584	\$228,792	\$228,792	\$457,584	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				4.4	4.4		
6 Life, Accident and Health Activities							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: This reduced funding would eliminate 5.6 FTEs and decrease the agency budget by \$783,020. The reduction would impact the division's ability to timely review life and health forms and rates as well as legislation, and impact the rulemaking process and special projects from the commissioner and/or legislators. The reduction would impede staff's ability to conduct research, respond to requests from external stakeholders, and complete statutorily required studies. In addition, the reduction would reduce grants for the Texas Three-Share program by \$40,000, which will impact local health coverage.							
Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$25,553	\$25,553	\$51,106	\$25,553	\$25,553	\$51,106	
General Revenue Funds Total	\$25,553	\$25,553	\$51,106	\$25,553	\$25,553	\$51,106	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$11,336	\$11,336	\$22,672	\$11,336	\$11,336	\$22,672	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/30/2012
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$11,336	\$11,336	\$22,672	\$11,336	\$11,336	\$22,672	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$13,010	\$13,010	\$26,020	\$13,010	\$13,010	\$26,020	
General Revenue Funds Total	\$13,010	\$13,010	\$26,020	\$13,010	\$13,010	\$26,020	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,772	\$5,772	\$11,544	\$5,772	\$5,772	\$11,544	
Gr Dedicated Total	\$5,772	\$5,772	\$11,544	\$5,772	\$5,772	\$11,544	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$869	\$869	\$1,738	\$869	\$869	\$1,738	
General Revenue Funds Total	\$869	\$869	\$1,738	\$869	\$869	\$1,738	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$385	\$385	\$770	\$385	\$385	\$770	
Gr Dedicated Total	\$385	\$385	\$770	\$385	\$385	\$770	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$216	\$216	\$432	\$216	\$216	\$432	
General Revenue Funds Total	\$216	\$216	\$432	\$216	\$216	\$432	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$96	\$96	\$192	\$96	\$96	\$192	
Gr Dedicated Total	\$96	\$96	\$192	\$96	\$96	\$192	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$117	\$117	\$234	\$117	\$117	\$234	
General Revenue Funds Total	\$117	\$117	\$234	\$117	\$117	\$234	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$52	\$52	\$104	\$52	\$52	\$104	
Gr Dedicated Total	\$52	\$52	\$104	\$52	\$52	\$104	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$144,656	\$144,656	\$289,312	\$144,656	\$144,656	\$289,312	
General Revenue Funds Total	\$144,656	\$144,656	\$289,312	\$144,656	\$144,656	\$289,312	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$64,170	\$64,170	\$128,340	\$64,170	\$64,170	\$128,340	
Gr Dedicated Total	\$64,170	\$64,170	\$128,340	\$64,170	\$64,170	\$128,340	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$240	\$240	\$480	\$240	\$240	\$480	
General Revenue Funds Total	\$240	\$240	\$480	\$240	\$240	\$480	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$106	\$106	\$212	\$106	\$106	\$212	
Gr Dedicated Total	\$106	\$106	\$212	\$106	\$106	\$212	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$14,520	\$14,520	\$29,040	\$14,520	\$14,520	\$29,040	
General Revenue Funds Total	\$14,520	\$14,520	\$29,040	\$14,520	\$14,520	\$29,040	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6,441	\$6,441	\$12,882	\$6,441	\$6,441	\$12,882	
Gr Dedicated Total	\$6,441	\$6,441	\$12,882	\$6,441	\$6,441	\$12,882	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$360	\$360	\$720	\$360	\$360	\$720	
General Revenue Funds Total	\$360	\$360	\$720	\$360	\$360	\$720	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$160	\$160	\$320	\$160	\$160	\$320	
Gr Dedicated Total	\$160	\$160	\$320	\$160	\$160	\$320	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$30,525	\$30,525	\$61,050	\$30,525	\$30,525	\$61,050	
General Revenue Funds Total	\$30,525	\$30,525	\$61,050	\$30,525	\$30,525	\$61,050	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$13,541	\$13,541	\$27,082	\$13,541	\$13,541	\$27,082	
Gr Dedicated Total	\$13,541	\$13,541	\$27,082	\$13,541	\$13,541	\$27,082	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$32,055	\$32,055	\$64,110	\$32,055	\$32,055	\$64,110	
General Revenue Funds Total	\$32,055	\$32,055	\$64,110	\$32,055	\$32,055	\$64,110	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$14,220	\$14,220	\$28,440	\$14,220	\$14,220	\$28,440	
Gr Dedicated Total	\$14,220	\$14,220	\$28,440	\$14,220	\$14,220	\$28,440	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$9,081	\$9,081	\$18,162	\$9,081	\$9,081	\$18,162	
General Revenue Funds Total	\$9,081	\$9,081	\$18,162	\$9,081	\$9,081	\$18,162	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,029	\$4,029	\$8,058	\$4,029	\$4,029	\$8,058	
Gr Dedicated Total	\$4,029	\$4,029	\$8,058	\$4,029	\$4,029	\$8,058	
Item Total	\$391,510	\$391,510	\$783,020	\$391,510	\$391,510	\$783,020	

FTE Reductions (From FY 2014 and FY 2015 Base Request)

5.6 5.6

7 Workplace Safety

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

Item Comment: This reduction would eliminate 1.2 FTE and reduce the agency budget by \$167,952. It negatively impacts DWC’s ability to educate system participants and could adversely impact safety and health conditions in Texas workplaces. The reduction would impact resources devoted to the development and delivery of workplace safety educational and communication tools (i.e. publications and web pages), as well as administrative, executive, and legal support. It would decrease the number of workplace safety outreach initiatives for employers and employees that address concerns in high-hazard industries, occupations and demographics in Texas, and could result in increased work-related injuries and illnesses in Texas.

The reduction could adversely impact injured employees’ access to health care by decreasing resources devoted to recruiting new health care providers and training/assisting existing providers. It would limit training and outreach to health care providers regarding complex workers’ compensation treatment, coding and billing guidelines, which could affect patient care and provider billing. The reduction would impact delivery of educational seminars, conferences and information to system participants who cannot access information electronically or who require formal training. As a result, providers, insurance carriers, employers, and employees would be less informed regarding their rights and responsibilities in the workers’ compensation system.

Strategy: 1-2-5 Investigate Workers' Comp Fraud & Refer Violations for Prosecution

Gr Dedicated

36 Dept Ins Operating Acct	\$22	\$22	\$44	\$22	\$22	\$44
Gr Dedicated Total	\$22	\$22	\$44	\$22	\$22	\$44

Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly

Gr Dedicated

36 Dept Ins Operating Acct	\$56	\$56	\$112	\$56	\$56	\$112
Gr Dedicated Total	\$56	\$56	\$112	\$56	\$56	\$112

Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action

Gr Dedicated

36 Dept Ins Operating Acct	\$8,513	\$8,513	\$17,026	\$8,513	\$8,513	\$17,026
Gr Dedicated Total	\$8,513	\$8,513	\$17,026	\$8,513	\$8,513	\$17,026

Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes

Gr Dedicated

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
36 Dept Ins Operating Acct	\$1,839	\$1,839	\$3,678	\$1,839	\$1,839	\$3,678	
Gr Dedicated Total	\$1,839	\$1,839	\$3,678	\$1,839	\$1,839	\$3,678	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5	\$5	\$10	\$5	\$5	\$10	
Gr Dedicated Total	\$5	\$5	\$10	\$5	\$5	\$10	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$51,361	\$51,361	\$102,722	\$51,361	\$51,361	\$102,722	
Gr Dedicated Total	\$51,361	\$51,361	\$102,722	\$51,361	\$51,361	\$102,722	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$414	\$414	\$828	\$414	\$414	\$828	
Gr Dedicated Total	\$414	\$414	\$828	\$414	\$414	\$828	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,441	\$10,441	\$20,882	\$10,441	\$10,441	\$20,882	
Gr Dedicated Total	\$10,441	\$10,441	\$20,882	\$10,441	\$10,441	\$20,882	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$8,396	\$8,396	\$16,792	\$8,396	\$8,396	\$16,792	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$8,396	\$8,396	\$16,792	\$8,396	\$8,396	\$16,792	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,926	\$2,926	\$5,852	\$2,926	\$2,926	\$5,852	
Gr Dedicated Total	\$2,926	\$2,926	\$5,852	\$2,926	\$2,926	\$5,852	
Item Total	\$83,973	\$83,973	\$167,946	\$83,973	\$83,973	\$167,946	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				1.2	1.2		

8 Dispute Resolution and Administrative Hearing Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction would eliminate 6.5 FTEs and reduce the agency budget by \$1,047,354. It would impact the Division of Workers' Compensation (DWC) Medical Fee Dispute Resolution and Hearings programs, and administrative, executive, and legal support. The reduction would impact key measures for strategy 4.1.2 Dispute Resolution by impeding DWC's ability to monitor the quality of medical fee dispute decisions for hospital based services. It would also increase processing time for medical fee disputes, impede DWC's ability to timely identify problematic system fee dispute trends and impact the quality of fee dispute information provided to system participants.

Reductions in the Hearings area would delay workers' compensation indemnity and medical dispute resolution services. DWC may not be able to meet statutory timeframes for conducting benefit review conferences and contested case hearings, per Texas Labor Code § 410.025 (b) and Texas Labor Code § 410.025 (a). It would increase the Subsequent Injury Fund's exposure to higher reimbursement requests due to delays in adjudicating disputes. The reduction could result in increased travel expenses as staff may need to travel from other locations to resolve disputes, conduct benefit review conferences, and conduct hearings on contested cases statewide. It would delay delivery of income and medical benefits to injured employees due to a backlog of dispute resolution proceedings. Additionally, at a reduced funding level, indemnity benefits and prospective medical care would take precedence; resulting in delays of contested case hearings for retrospective medical care, attorney fee, and medical fee disputes.

Strategy: 1-2-5 Investigate Workers' Comp Fraud & Refer Violations for Prosecution

Gr Dedicated

36 Dept Ins Operating Acct	\$140	\$140	\$280	\$140	\$140	\$280	
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
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Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$140	\$140	\$280	\$140	\$140	\$280	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$349	\$349	\$698	\$349	\$349	\$698	
Gr Dedicated Total	\$349	\$349	\$698	\$349	\$349	\$698	
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,601	\$5,601	\$11,202	\$5,601	\$5,601	\$11,202	
Gr Dedicated Total	\$5,601	\$5,601	\$11,202	\$5,601	\$5,601	\$11,202	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$378,609	\$378,609	\$757,218	\$378,609	\$378,609	\$757,218	
Gr Dedicated Total	\$378,609	\$378,609	\$757,218	\$378,609	\$378,609	\$757,218	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$34	\$34	\$68	\$34	\$34	\$68	
Gr Dedicated Total	\$34	\$34	\$68	\$34	\$34	\$68	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$594	\$594	\$1,188	\$594	\$594	\$1,188	
Gr Dedicated Total	\$594	\$594	\$1,188	\$594	\$594	\$1,188	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,584	\$2,584	\$5,168	\$2,584	\$2,584	\$5,168	
Gr Dedicated Total	\$2,584	\$2,584	\$5,168	\$2,584	\$2,584	\$5,168	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$65,135	\$65,135	\$130,270	\$65,135	\$65,135	\$130,270	
Gr Dedicated Total	\$65,135	\$65,135	\$130,270	\$65,135	\$65,135	\$130,270	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$52,378	\$52,378	\$104,756	\$52,378	\$52,378	\$104,756	
Gr Dedicated Total	\$52,378	\$52,378	\$104,756	\$52,378	\$52,378	\$104,756	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$18,255	\$18,255	\$36,510	\$18,255	\$18,255	\$36,510	
Gr Dedicated Total	\$18,255	\$18,255	\$36,510	\$18,255	\$18,255	\$36,510	
Item Total	\$523,679	\$523,679	\$1,047,358	\$523,679	\$523,679	\$1,047,358	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				6.5	6.5		

9 Subsequent Injury Fund

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
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Date: 8/30/2012
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Item Comment: This reduction would decrease the agency budget by \$486,566. DWC would have to reduce the appropriations of the Subsequent Injury Fund (SIF). Payments from the SIF are statutorily required. If funding for the SIF is reduced, and liabilities exceed available funding, TDI would have to request additional appropriations from the Comptroller of Public Accounts to cover expenses.							
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
5101 Subsequent Injury Fund	\$243,283	\$243,283	\$486,566	\$243,283	\$243,283	\$486,566	
Gr Dedicated Total	\$243,283	\$243,283	\$486,566	\$243,283	\$243,283	\$486,566	
Item Total	\$243,283	\$243,283	\$486,566	\$243,283	\$243,283	\$486,566	

FTE Reductions (From FY 2014 and FY 2015 Base Request)

10 Managed Care Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction eliminates 5.7 FTEs and would reduce the agency budget by \$600,422. This reduction would impede Managed Care and Quality Assurance staff in timely processing HMO form filings. It would impact staff's ability to meet the target for the HMO filing measure by delaying the processing time from 90 days to 108 to complete a filing, thereby negatively affecting customer service.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$19,587	\$19,587	\$39,174	\$19,587	\$19,587	\$39,174	
General Revenue Funds Total	\$19,587	\$19,587	\$39,174	\$19,587	\$19,587	\$39,174	

Gr Dedicated

36 Dept Ins Operating Acct	\$8,689	\$8,689	\$17,378	\$8,689	\$8,689	\$17,378	
Gr Dedicated Total	\$8,689	\$8,689	\$17,378	\$8,689	\$8,689	\$17,378	

Strategy: 1-2-1 Respond Promptly and Act on Complaints

General Revenue Funds

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/30/2012
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
8042 Insurance Maint Tax Fees	\$72,036	\$72,036	\$144,072	\$72,036	\$72,036	\$144,072	
General Revenue Funds Total	\$72,036	\$72,036	\$144,072	\$72,036	\$72,036	\$144,072	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$31,956	\$31,956	\$63,912	\$31,956	\$31,956	\$63,912	
Gr Dedicated Total	\$31,956	\$31,956	\$63,912	\$31,956	\$31,956	\$63,912	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$666	\$666	\$1,332	\$666	\$666	\$1,332	
General Revenue Funds Total	\$666	\$666	\$1,332	\$666	\$666	\$1,332	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$295	\$295	\$590	\$295	\$295	\$590	
Gr Dedicated Total	\$295	\$295	\$590	\$295	\$295	\$590	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$166	\$166	\$332	\$166	\$166	\$332	
General Revenue Funds Total	\$166	\$166	\$332	\$166	\$166	\$332	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$73	\$73	\$146	\$73	\$73	\$146	
Gr Dedicated Total	\$73	\$73	\$146	\$73	\$73	\$146	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$89	\$89	\$178	\$89	\$89	\$178	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
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Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
General Revenue Funds Total	\$89	\$89	\$178	\$89	\$89	\$178	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$40	\$40	\$80	\$40	\$40	\$80	
Gr Dedicated Total	\$40	\$40	\$80	\$40	\$40	\$80	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$50,582	\$50,582	\$101,164	\$50,582	\$50,582	\$101,164	
General Revenue Funds Total	\$50,582	\$50,582	\$101,164	\$50,582	\$50,582	\$101,164	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$22,438	\$22,438	\$44,876	\$22,438	\$22,438	\$44,876	
Gr Dedicated Total	\$22,438	\$22,438	\$44,876	\$22,438	\$22,438	\$44,876	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$184	\$184	\$368	\$184	\$184	\$368	
General Revenue Funds Total	\$184	\$184	\$368	\$184	\$184	\$368	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$81	\$81	\$162	\$81	\$81	\$162	
Gr Dedicated Total	\$81	\$81	\$162	\$81	\$81	\$162	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$9,444	\$9,444	\$18,888	\$9,444	\$9,444	\$18,888	
General Revenue Funds Total	\$9,444	\$9,444	\$18,888	\$9,444	\$9,444	\$18,888	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Agency code: **454** Agency name: **Department of Insurance**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,189	\$4,189	\$8,378	\$4,189	\$4,189	\$8,378	
Gr Dedicated Total	\$4,189	\$4,189	\$8,378	\$4,189	\$4,189	\$8,378	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$276	\$276	\$552	\$276	\$276	\$552	
General Revenue Funds Total	\$276	\$276	\$552	\$276	\$276	\$552	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$122	\$122	\$244	\$122	\$122	\$244	
Gr Dedicated Total	\$122	\$122	\$244	\$122	\$122	\$244	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$23,398	\$23,398	\$46,796	\$23,398	\$23,398	\$46,796	
General Revenue Funds Total	\$23,398	\$23,398	\$46,796	\$23,398	\$23,398	\$46,796	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,380	\$10,380	\$20,760	\$10,380	\$10,380	\$20,760	
Gr Dedicated Total	\$10,380	\$10,380	\$20,760	\$10,380	\$10,380	\$20,760	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$24,571	\$24,571	\$49,142	\$24,571	\$24,571	\$49,142	
General Revenue Funds Total	\$24,571	\$24,571	\$49,142	\$24,571	\$24,571	\$49,142	
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
36 Dept Ins Operating Acct	\$10,900	\$10,900	\$21,800	\$10,900	\$10,900	\$21,800	
Gr Dedicated Total	\$10,900	\$10,900	\$21,800	\$10,900	\$10,900	\$21,800	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$6,961	\$6,961	\$13,922	\$6,961	\$6,961	\$13,922	
General Revenue Funds Total	\$6,961	\$6,961	\$13,922	\$6,961	\$6,961	\$13,922	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,088	\$3,088	\$6,176	\$3,088	\$3,088	\$6,176	
Gr Dedicated Total	\$3,088	\$3,088	\$6,176	\$3,088	\$3,088	\$6,176	
Item Total	\$300,211	\$300,211	\$600,422	\$300,211	\$300,211	\$600,422	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				5.7	5.7		
11 Licensing Activities							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: This reduction would eliminate 3.0 FTEs and reduce the agency budget by \$400,820. The reductions would negatively affect the processing times for all licensing functions, including Company, Agent, and Adjuster Licensing. Delays in licensing new market entrants run counter to TDI's goal of promoting competition and helping to ensure consumers have access to insurance that is easily accessible and affordable. There would be an increased risk to meeting targets for two measures for timeliness of processing licenses.							
Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$13,076	\$13,076	\$26,152	\$13,076	\$13,076	\$26,152	
General Revenue Funds Total	\$13,076	\$13,076	\$26,152	\$13,076	\$13,076	\$26,152	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,800	\$5,800	\$11,600	\$5,800	\$5,800	\$11,600	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$5,800	\$5,800	\$11,600	\$5,800	\$5,800	\$11,600	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$278	\$278	\$556	\$278	\$278	\$556	
General Revenue Funds Total	\$278	\$278	\$556	\$278	\$278	\$556	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$123	\$123	\$246	\$123	\$123	\$246	
Gr Dedicated Total	\$123	\$123	\$246	\$123	\$123	\$246	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$445	\$445	\$890	\$445	\$445	\$890	
General Revenue Funds Total	\$445	\$445	\$890	\$445	\$445	\$890	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$197	\$197	\$394	\$197	\$197	\$394	
Gr Dedicated Total	\$197	\$197	\$394	\$197	\$197	\$394	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$111	\$111	\$222	\$111	\$111	\$222	
General Revenue Funds Total	\$111	\$111	\$222	\$111	\$111	\$222	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$49	\$49	\$98	\$49	\$49	\$98	
Gr Dedicated Total	\$49	\$49	\$98	\$49	\$49	\$98	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$60	\$60	\$120	\$60	\$60	\$120	
General Revenue Funds Total	\$60	\$60	\$120	\$60	\$60	\$120	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$26	\$26	\$52	\$26	\$26	\$52	
Gr Dedicated Total	\$26	\$26	\$52	\$26	\$26	\$52	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$47,782	\$47,782	\$95,564	\$47,782	\$47,782	\$95,564	
General Revenue Funds Total	\$47,782	\$47,782	\$95,564	\$47,782	\$47,782	\$95,564	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$21,197	\$21,197	\$42,394	\$21,197	\$21,197	\$42,394	
Gr Dedicated Total	\$21,197	\$21,197	\$42,394	\$21,197	\$21,197	\$42,394	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$123	\$123	\$246	\$123	\$123	\$246	
General Revenue Funds Total	\$123	\$123	\$246	\$123	\$123	\$246	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$54	\$54	\$108	\$54	\$54	\$108	
Gr Dedicated Total	\$54	\$54	\$108	\$54	\$54	\$108	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$40,099	\$40,099	\$80,198	\$40,099	\$40,099	\$80,198	
General Revenue Funds Total	\$40,099	\$40,099	\$80,198	\$40,099	\$40,099	\$80,198	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$17,788	\$17,788	\$35,576	\$17,788	\$17,788	\$35,576	
Gr Dedicated Total	\$17,788	\$17,788	\$35,576	\$17,788	\$17,788	\$35,576	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$184	\$184	\$368	\$184	\$184	\$368	
General Revenue Funds Total	\$184	\$184	\$368	\$184	\$184	\$368	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$82	\$82	\$164	\$82	\$82	\$164	
Gr Dedicated Total	\$82	\$82	\$164	\$82	\$82	\$164	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$15,620	\$15,620	\$31,240	\$15,620	\$15,620	\$31,240	
General Revenue Funds Total	\$15,620	\$15,620	\$31,240	\$15,620	\$15,620	\$31,240	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6,929	\$6,929	\$13,858	\$6,929	\$6,929	\$13,858	
Gr Dedicated Total	\$6,929	\$6,929	\$13,858	\$6,929	\$6,929	\$13,858	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$16,403	\$16,403	\$32,806	\$16,403	\$16,403	\$32,806	
General Revenue Funds Total	\$16,403	\$16,403	\$32,806	\$16,403	\$16,403	\$32,806	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$7,276	\$7,276	\$14,552	\$7,276	\$7,276	\$14,552	
Gr Dedicated Total	\$7,276	\$7,276	\$14,552	\$7,276	\$7,276	\$14,552	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$4,647	\$4,647	\$9,294	\$4,647	\$4,647	\$9,294	
General Revenue Funds Total	\$4,647	\$4,647	\$9,294	\$4,647	\$4,647	\$9,294	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,061	\$2,061	\$4,122	\$2,061	\$2,061	\$4,122	
Gr Dedicated Total	\$2,061	\$2,061	\$4,122	\$2,061	\$2,061	\$4,122	
Item Total	\$200,410	\$200,410	\$400,820	\$200,410	\$200,410	\$400,820	

FTE Reductions (From FY 2014 and FY 2015 Base Request)

3.0 3.0

12 Property and Casualty Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<p>Item Comment: The reduced funding would eliminate 7.6 FTEs and decrease the agency budget by \$960,954. This reduction would impact critical activities of Property and Casualty including reducing professional fees for data entry of closed claim reports; on-site audits for loss control; Commercial Property Oversight inspections; and impact timely processing of filings. Reduced WC Classification & Premium Calculation staff could result in requiring insurers to enter information on a web form and electronically transmit it to TDI; may decrease the agency's ability to ensure compliance of insurer's statutorily required loss control programs; and make insurers more responsible for assigning rating class codes due to elimination of TDI's oversight of these assignments.</p> <p>Due to staffing reduction in Windstorm, TDI would change the types of inspections performed to be re-roof inspections. This will decrease overall inspections with the result of increased costs to consumers, as well as delay of timely windstorms inspections and increased workload due to hail storms and hurricanes. Consumers will now need to hire an appointed engineer to perform inspections that TDI previously performed.</p> <p>Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information</p>							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$17,476	\$17,476	\$34,952	\$17,476	\$17,476	\$34,952	
General Revenue Funds Total	\$17,476	\$17,476	\$34,952	\$17,476	\$17,476	\$34,952	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$7,753	\$7,753	\$15,506	\$7,753	\$7,753	\$15,506	
Gr Dedicated Total	\$7,753	\$7,753	\$15,506	\$7,753	\$7,753	\$15,506	
<p>Strategy: 1-2-1 Respond Promptly and Act on Complaints</p>							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$566	\$566	\$1,132	\$566	\$566	\$1,132	
General Revenue Funds Total	\$566	\$566	\$1,132	\$566	\$566	\$1,132	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$251	\$251	\$502	\$251	\$251	\$502	
Gr Dedicated Total	\$251	\$251	\$502	\$251	\$251	\$502	

Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$566	\$566	\$1,132	\$566	\$566	\$1,132	
General Revenue Funds Total	\$566	\$566	\$1,132	\$566	\$566	\$1,132	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$251	\$251	\$502	\$251	\$251	\$502	
Gr Dedicated Total	\$251	\$251	\$502	\$251	\$251	\$502	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$224	\$224	\$448	\$224	\$224	\$448	
General Revenue Funds Total	\$224	\$224	\$448	\$224	\$224	\$448	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$99	\$99	\$198	\$99	\$99	\$198	
Gr Dedicated Total	\$99	\$99	\$198	\$99	\$99	\$198	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$106	\$106	\$212	\$106	\$106	\$212	
General Revenue Funds Total	\$106	\$106	\$212	\$106	\$106	\$212	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$47	\$47	\$94	\$47	\$47	\$94	
Gr Dedicated Total	\$47	\$47	\$94	\$47	\$47	\$94	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
8042 Insurance Maint Tax Fees	\$2,266	\$2,266	\$4,532	\$2,266	\$2,266	\$4,532	
General Revenue Funds Total	\$2,266	\$2,266	\$4,532	\$2,266	\$2,266	\$4,532	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,005	\$1,005	\$2,010	\$1,005	\$1,005	\$2,010	
Gr Dedicated Total	\$1,005	\$1,005	\$2,010	\$1,005	\$1,005	\$2,010	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$222,444	\$222,444	\$444,888	\$222,444	\$222,444	\$444,888	
General Revenue Funds Total	\$222,444	\$222,444	\$444,888	\$222,444	\$222,444	\$444,888	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$98,678	\$98,678	\$197,356	\$98,678	\$98,678	\$197,356	
Gr Dedicated Total	\$98,678	\$98,678	\$197,356	\$98,678	\$98,678	\$197,356	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$968	\$968	\$1,936	\$968	\$968	\$1,936	
General Revenue Funds Total	\$968	\$968	\$1,936	\$968	\$968	\$1,936	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$429	\$429	\$858	\$429	\$429	\$858	
Gr Dedicated Total	\$429	\$429	\$858	\$429	\$429	\$858	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$318	\$318	\$636	\$318	\$318	\$636	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
General Revenue Funds Total	\$318	\$318	\$636	\$318	\$318	\$636	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$141	\$141	\$282	\$141	\$141	\$282	
Gr Dedicated Total	\$141	\$141	\$282	\$141	\$141	\$282	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$37,422	\$37,422	\$74,844	\$37,422	\$37,422	\$74,844	
General Revenue Funds Total	\$37,422	\$37,422	\$74,844	\$37,422	\$37,422	\$74,844	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$16,600	\$16,600	\$33,200	\$16,600	\$16,600	\$33,200	
Gr Dedicated Total	\$16,600	\$16,600	\$33,200	\$16,600	\$16,600	\$33,200	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$39,341	\$39,341	\$78,682	\$39,341	\$39,341	\$78,682	
General Revenue Funds Total	\$39,341	\$39,341	\$78,682	\$39,341	\$39,341	\$78,682	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$17,452	\$17,452	\$34,904	\$17,452	\$17,452	\$34,904	
Gr Dedicated Total	\$17,452	\$17,452	\$34,904	\$17,452	\$17,452	\$34,904	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$11,135	\$11,135	\$22,270	\$11,135	\$11,135	\$22,270	
General Revenue Funds Total	\$11,135	\$11,135	\$22,270	\$11,135	\$11,135	\$22,270	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,939	\$4,939	\$9,878	\$4,939	\$4,939	\$9,878	
Gr Dedicated Total	\$4,939	\$4,939	\$9,878	\$4,939	\$4,939	\$9,878	
Item Total	\$480,477	\$480,477	\$960,954	\$480,477	\$480,477	\$960,954	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				7.6	7.6		

13 Fire Safe Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: The reduced funding would eliminate 5.1 FTEs in the State Fire Marshal's Office (SFMO) and decrease the agency budget by \$610,148. This reduction would critically impair fire safety activities including service levels to local fire service, law enforcement agencies, and rural communities who rely on SFMO expertise for fire safety inspections, outreach, investigations, and enforcement.

This reduction would increase the negative impact on fire and arson investigations, building inspections, licensing, field staff travel to provide services, fire fighter fatality investigations, and training for staff.

The reduction would further impede SFMO's fulfillment of Sunset Advisory Commission recommendations regarding inspections of state leased buildings, and forensic and fire science training and certification due to lack of resources. The reduction would negatively impact four SFMO performance measures, relating to law enforcement, inspections, and investigations.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$11,097	\$11,097	\$22,194	\$11,097	\$11,097	\$22,194	
General Revenue Funds Total	\$11,097	\$11,097	\$22,194	\$11,097	\$11,097	\$22,194	

Gr Dedicated

36 Dept Ins Operating Acct	\$4,922	\$4,922	\$9,844	\$4,922	\$4,922	\$9,844	
Gr Dedicated Total	\$4,922	\$4,922	\$9,844	\$4,922	\$4,922	\$9,844	

Strategy: 1-2-1 Respond Promptly and Act on Complaints

General Revenue Funds

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
8042 Insurance Maint Tax Fees	\$360	\$360	\$720	\$360	\$360	\$720	
General Revenue Funds Total	\$360	\$360	\$720	\$360	\$360	\$720	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$159	\$159	\$318	\$159	\$159	\$318	
Gr Dedicated Total	\$159	\$159	\$318	\$159	\$159	\$318	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$360	\$360	\$720	\$360	\$360	\$720	
General Revenue Funds Total	\$360	\$360	\$720	\$360	\$360	\$720	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$159	\$159	\$318	\$159	\$159	\$318	
Gr Dedicated Total	\$159	\$159	\$318	\$159	\$159	\$318	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$142	\$142	\$284	\$142	\$142	\$284	
General Revenue Funds Total	\$142	\$142	\$284	\$142	\$142	\$284	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$63	\$63	\$126	\$63	\$63	\$126	
Gr Dedicated Total	\$63	\$63	\$126	\$63	\$63	\$126	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$67	\$67	\$134	\$67	\$67	\$134	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
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Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
General Revenue Funds Total	\$67	\$67	\$134	\$67	\$67	\$134	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$30	\$30	\$60	\$30	\$30	\$60	
Gr Dedicated Total	\$30	\$30	\$60	\$30	\$30	\$60	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,439	\$1,439	\$2,878	\$1,439	\$1,439	\$2,878	
General Revenue Funds Total	\$1,439	\$1,439	\$2,878	\$1,439	\$1,439	\$2,878	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$638	\$638	\$1,276	\$638	\$638	\$1,276	
Gr Dedicated Total	\$638	\$638	\$1,276	\$638	\$638	\$1,276	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$135	\$135	\$270	\$135	\$135	\$270	
General Revenue Funds Total	\$135	\$135	\$270	\$135	\$135	\$270	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$60	\$60	\$120	\$60	\$60	\$120	
Gr Dedicated Total	\$60	\$60	\$120	\$60	\$60	\$120	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$614	\$614	\$1,228	\$614	\$614	\$1,228	
General Revenue Funds Total	\$614	\$614	\$1,228	\$614	\$614	\$1,228	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$273	\$273	\$546	\$273	\$273	\$546	
Gr Dedicated Total	\$273	\$273	\$546	\$273	\$273	\$546	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$141,305	\$141,305	\$282,610	\$141,305	\$141,305	\$282,610	
General Revenue Funds Total	\$141,305	\$141,305	\$282,610	\$141,305	\$141,305	\$282,610	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$62,684	\$62,684	\$125,368	\$62,684	\$62,684	\$125,368	
Gr Dedicated Total	\$62,684	\$62,684	\$125,368	\$62,684	\$62,684	\$125,368	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$23,761	\$23,761	\$47,522	\$23,761	\$23,761	\$47,522	
General Revenue Funds Total	\$23,761	\$23,761	\$47,522	\$23,761	\$23,761	\$47,522	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,540	\$10,540	\$21,080	\$10,540	\$10,540	\$21,080	
Gr Dedicated Total	\$10,540	\$10,540	\$21,080	\$10,540	\$10,540	\$21,080	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$24,979	\$24,979	\$49,958	\$24,979	\$24,979	\$49,958	
General Revenue Funds Total	\$24,979	\$24,979	\$49,958	\$24,979	\$24,979	\$49,958	
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
36 Dept Ins Operating Acct	\$11,081	\$11,081	\$22,162	\$11,081	\$11,081	\$22,162	
Gr Dedicated Total	\$11,081	\$11,081	\$22,162	\$11,081	\$11,081	\$22,162	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$7,070	\$7,070	\$14,140	\$7,070	\$7,070	\$14,140	
General Revenue Funds Total	\$7,070	\$7,070	\$14,140	\$7,070	\$7,070	\$14,140	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,136	\$3,136	\$6,272	\$3,136	\$3,136	\$6,272	
Gr Dedicated Total	\$3,136	\$3,136	\$6,272	\$3,136	\$3,136	\$6,272	
Item Total	\$305,074	\$305,074	\$610,148	\$305,074	\$305,074	\$610,148	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				5.1	5.1		
14 Injured Employee Customer Service							
Category: Programs - Service Reductions (FTEs-Layoffs)							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET																																								
	2014	2015	Biennial Total	2014	2015	Biennial Total																																									
<p>Item Comment: The reduction would eliminate 21.3 FTEs and reduce the agency budget by \$1,841,536. It would impact DWC's Field Operations (FO) and Records Management and Support (RMS) and Self-Insurance (SI), as well as administrative, executive, and legal support. The FO reductions would cancel the annual field operations managers' meeting, which promotes communication and consistent application of rules and procedures throughout a geographically dispersed workforce. This reduction increases the magnitude of the impacts identified in the first 5 percent reduction and could severely impact injured employees. An additional 5 percent reduction would increase the time to process inquiries and complaints, official actions and requests for dispute proceedings, impact monitoring of system participants, and delay scheduling of designated doctor exams. Reductions would result in conversion of multiple field offices to hearings-only sites, customer service delays, and reduce the availability of current claim and system information. The RMS reduction would further impact processing of claim records and official actions and may result in non-compliance with the Public Information Act. It would inhibit DWC's ability to provide records and reports to stakeholders and internal customers, and further jeopardize efficiency initiatives. Further reduction to SI activities would adversely impact timely processing of applications, impact support for the Texas Certified Self-Insurer Guaranty Association, and affect self-insurer security deposits amounts. Tex. Labor Code, Ch. 408 requires DWC to perform certain administrative functions for individual claims, such as processing injured employee requests to change treating doctors. This reduction would impact these administrative functions. If funding is reduced, the Legislature could consider shifting specific claims administration functions from DWC to the carriers.</p> <p>Strategy: 1-2-5 Investigate Workers' Comp Fraud & Refer Violations for Prosecution</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$255</td> <td>\$255</td> <td>\$510</td> <td>\$255</td> <td>\$255</td> <td>\$510</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$255</td> <td>\$255</td> <td>\$510</td> <td>\$255</td> <td>\$255</td> <td>\$510</td> <td></td> </tr> </table> <p>Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$28,844</td> <td>\$28,844</td> <td>\$57,688</td> <td>\$28,844</td> <td>\$28,844</td> <td>\$57,688</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$28,844</td> <td>\$28,844</td> <td>\$57,688</td> <td>\$28,844</td> <td>\$28,844</td> <td>\$57,688</td> <td></td> </tr> </table> <p>Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$36,764</td> <td>\$36,764</td> <td>\$73,528</td> <td>\$36,764</td> <td>\$36,764</td> <td>\$73,528</td> <td></td> </tr> </table>								36 Dept Ins Operating Acct	\$255	\$255	\$510	\$255	\$255	\$510		Gr Dedicated Total	\$255	\$255	\$510	\$255	\$255	\$510		36 Dept Ins Operating Acct	\$28,844	\$28,844	\$57,688	\$28,844	\$28,844	\$57,688		Gr Dedicated Total	\$28,844	\$28,844	\$57,688	\$28,844	\$28,844	\$57,688		36 Dept Ins Operating Acct	\$36,764	\$36,764	\$73,528	\$36,764	\$36,764	\$73,528	
36 Dept Ins Operating Acct	\$255	\$255	\$510	\$255	\$255	\$510																																									
Gr Dedicated Total	\$255	\$255	\$510	\$255	\$255	\$510																																									
36 Dept Ins Operating Acct	\$28,844	\$28,844	\$57,688	\$28,844	\$28,844	\$57,688																																									
Gr Dedicated Total	\$28,844	\$28,844	\$57,688	\$28,844	\$28,844	\$57,688																																									
36 Dept Ins Operating Acct	\$36,764	\$36,764	\$73,528	\$36,764	\$36,764	\$73,528																																									

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$36,764	\$36,764	\$73,528	\$36,764	\$36,764	\$73,528	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$291,383	\$291,383	\$582,766	\$291,383	\$291,383	\$582,766	
Gr Dedicated Total	\$291,383	\$291,383	\$582,766	\$291,383	\$291,383	\$582,766	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$24,717	\$24,717	\$49,434	\$24,717	\$24,717	\$49,434	
Gr Dedicated Total	\$24,717	\$24,717	\$49,434	\$24,717	\$24,717	\$49,434	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,072	\$1,072	\$2,144	\$1,072	\$1,072	\$2,144	
Gr Dedicated Total	\$1,072	\$1,072	\$2,144	\$1,072	\$1,072	\$2,144	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$208,281	\$208,281	\$416,562	\$208,281	\$208,281	\$416,562	
Gr Dedicated Total	\$208,281	\$208,281	\$416,562	\$208,281	\$208,281	\$416,562	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$205,156	\$205,156	\$410,312	\$205,156	\$205,156	\$410,312	
Gr Dedicated Total	\$205,156	\$205,156	\$410,312	\$205,156	\$205,156	\$410,312	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$92,171	\$92,171	\$184,342	\$92,171	\$92,171	\$184,342	
Gr Dedicated Total	\$92,171	\$92,171	\$184,342	\$92,171	\$92,171	\$184,342	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$32,124	\$32,124	\$64,248	\$32,124	\$32,124	\$64,248	
Gr Dedicated Total	\$32,124	\$32,124	\$64,248	\$32,124	\$32,124	\$64,248	
Item Total	\$920,767	\$920,767	\$1,841,534	\$920,767	\$920,767	\$1,841,534	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				21.3	21.3		
15 Enforcement Activities							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: This reduction would eliminate 5.2 FTEs within the Enforcement section, and decrease the agency budget by \$790,518. This reduction would impact the division's resources to pursue enforcement actions against title agencies, insurers, agents, workers' compensation carriers, and nonsubscribers. It would extend the length of time to resolve enforcement action. Reduce the agency's ability to hire expert witnesses to pursue complex insurance litigation. The reduction in staff may reduce fines and penalties by \$750,000.							
Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$8,768	\$8,768	\$17,536	\$8,768	\$8,768	\$17,536	
General Revenue Funds Total	\$8,768	\$8,768	\$17,536	\$8,768	\$8,768	\$17,536	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,889	\$3,889	\$7,778	\$3,889	\$3,889	\$7,778	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$3,889	\$3,889	\$7,778	\$3,889	\$3,889	\$7,778	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$284	\$284	\$568	\$284	\$284	\$568	
General Revenue Funds Total	\$284	\$284	\$568	\$284	\$284	\$568	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$126	\$126	\$252	\$126	\$126	\$252	
Gr Dedicated Total	\$126	\$126	\$252	\$126	\$126	\$252	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$111,810	\$111,810	\$223,620	\$111,810	\$111,810	\$223,620	
General Revenue Funds Total	\$111,810	\$111,810	\$223,620	\$111,810	\$111,810	\$223,620	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$49,600	\$49,600	\$99,200	\$49,600	\$49,600	\$99,200	
Gr Dedicated Total	\$49,600	\$49,600	\$99,200	\$49,600	\$49,600	\$99,200	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$112	\$112	\$224	\$112	\$112	\$224	
General Revenue Funds Total	\$112	\$112	\$224	\$112	\$112	\$224	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$50	\$50	\$100	\$50	\$50	\$100	
Gr Dedicated Total	\$50	\$50	\$100	\$50	\$50	\$100	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$53	\$53	\$106	\$53	\$53	\$106	
General Revenue Funds Total	\$53	\$53	\$106	\$53	\$53	\$106	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$24	\$24	\$48	\$24	\$24	\$48	
Gr Dedicated Total	\$24	\$24	\$48	\$24	\$24	\$48	
Strategy: 1-2-5 Investigate Workers' Comp Fraud & Refer Violations for Prosecution							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$41	\$41	\$82	\$41	\$41	\$82	
Gr Dedicated Total	\$41	\$41	\$82	\$41	\$41	\$82	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,137	\$1,137	\$2,274	\$1,137	\$1,137	\$2,274	
General Revenue Funds Total	\$1,137	\$1,137	\$2,274	\$1,137	\$1,137	\$2,274	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$607	\$607	\$1,214	\$607	\$607	\$1,214	
Gr Dedicated Total	\$607	\$607	\$1,214	\$607	\$607	\$1,214	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$107	\$107	\$214	\$107	\$107	\$214	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
General Revenue Funds Total	\$107	\$107	\$214	\$107	\$107	\$214	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$47	\$47	\$94	\$47	\$47	\$94	
Gr Dedicated Total	\$47	\$47	\$94	\$47	\$47	\$94	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$485	\$485	\$970	\$485	\$485	\$970	
General Revenue Funds Total	\$485	\$485	\$970	\$485	\$485	\$970	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$215	\$215	\$430	\$215	\$215	\$430	
Gr Dedicated Total	\$215	\$215	\$430	\$215	\$215	\$430	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$159	\$159	\$318	\$159	\$159	\$318	
General Revenue Funds Total	\$159	\$159	\$318	\$159	\$159	\$318	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$71	\$71	\$142	\$71	\$71	\$142	
Gr Dedicated Total	\$71	\$71	\$142	\$71	\$71	\$142	
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$109,736	\$109,736	\$219,472	\$109,736	\$109,736	\$219,472	
Gr Dedicated Total	\$109,736	\$109,736	\$219,472	\$109,736	\$109,736	\$219,472	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
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Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,376	\$3,376	\$6,752	\$3,376	\$3,376	\$6,752	
Gr Dedicated Total	\$3,376	\$3,376	\$6,752	\$3,376	\$3,376	\$6,752	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10	\$10	\$20	\$10	\$10	\$20	
Gr Dedicated Total	\$10	\$10	\$20	\$10	\$10	\$20	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$175	\$175	\$350	\$175	\$175	\$350	
Gr Dedicated Total	\$175	\$175	\$350	\$175	\$175	\$350	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$761	\$761	\$1,522	\$761	\$761	\$1,522	
Gr Dedicated Total	\$761	\$761	\$1,522	\$761	\$761	\$1,522	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$18,774	\$18,774	\$37,548	\$18,774	\$18,774	\$37,548	
General Revenue Funds Total	\$18,774	\$18,774	\$37,548	\$18,774	\$18,774	\$37,548	
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
36 Dept Ins Operating Acct	\$27,498	\$27,498	\$54,996	\$27,498	\$27,498	\$54,996	
Gr Dedicated Total	\$27,498	\$27,498	\$54,996	\$27,498	\$27,498	\$54,996	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$19,737	\$19,737	\$39,474	\$19,737	\$19,737	\$39,474	
General Revenue Funds Total	\$19,737	\$19,737	\$39,474	\$19,737	\$19,737	\$39,474	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$24,171	\$24,171	\$48,342	\$24,171	\$24,171	\$48,342	
Gr Dedicated Total	\$24,171	\$24,171	\$48,342	\$24,171	\$24,171	\$48,342	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$5,586	\$5,586	\$11,172	\$5,586	\$5,586	\$11,172	
General Revenue Funds Total	\$5,586	\$5,586	\$11,172	\$5,586	\$5,586	\$11,172	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$7,850	\$7,850	\$15,700	\$7,850	\$7,850	\$15,700	
Gr Dedicated Total	\$7,850	\$7,850	\$15,700	\$7,850	\$7,850	\$15,700	
Item Total	\$395,259	\$395,259	\$790,518	\$395,259	\$395,259	\$790,518	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				5.2	5.2		

16 Quality of Care Reviews

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

Item Comment: The reduction would eliminate 3.9 FTEs and reduce the agency budget by \$364,168 in the DWC Health Care Policy and Implementation (HCPI), Information Management Services (IMS), System Monitoring and Oversight (SMO), Health Care Quality Review (HCQR) program areas, and reduce administrative, executive, and legal support.

The reductions would impact appropriations for several key measures for strategies 4.1.1 Oversight and Enforcement, 4.1.2 Dispute Resolution, and 4.2.1 Health and Safety Services. The reduction would adversely impact IMS by further slowing the time frames associated with processing reports and open records requests. It would reduce one-on-one communication and problem solving with program areas and put a greater burden on program areas that need assistance with data requests. An additional 5 percent reduction would severely limit training opportunities for staff and system participants. The reduction would further limit travel for training staff on current health care and workers' compensation laws, and educating system participants regarding rule implementation. The reduced funding for SMO would further limit audits completed and lessen DWC's ability to timely identify and resolve complaints, which could delay payment of critical benefits to system participants.

The reduced funding for HCQR would result in a decreased ability to perform statutorily required Medical Quality Review Panel activities and negatively impact DWC's ability to monitor the quality of health care delivered in the workers' compensation system. It would result in fewer medical quality reviews, including complaint-driven quality of care reviews, and increase the time necessary to conduct quality of care reviews of health care providers, insurance carriers, IROs, and URAs. The reduction could adversely impact the DWC's ability to monitor patterns and trends of system participants regarding the utilization of medical services provided to injured employees.

Strategy: 1-2-5 Investigate Workers' Comp Fraud & Refer Violations for Prosecution

Gr Dedicated

36 Dept Ins Operating Acct	\$49	\$49	\$98	\$49	\$49	\$98
Gr Dedicated Total	\$49	\$49	\$98	\$49	\$49	\$98

Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly

Gr Dedicated

36 Dept Ins Operating Acct	\$121	\$121	\$242	\$121	\$121	\$242
Gr Dedicated Total	\$121	\$121	\$242	\$121	\$121	\$242

Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action

Gr Dedicated

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
36 Dept Ins Operating Acct	\$122,092	\$122,092	\$244,184	\$122,092	\$122,092	\$244,184	
Gr Dedicated Total	\$122,092	\$122,092	\$244,184	\$122,092	\$122,092	\$244,184	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$9,177	\$9,177	\$18,354	\$9,177	\$9,177	\$18,354	
Gr Dedicated Total	\$9,177	\$9,177	\$18,354	\$9,177	\$9,177	\$18,354	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$12	\$12	\$24	\$12	\$12	\$24	
Gr Dedicated Total	\$12	\$12	\$24	\$12	\$12	\$24	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,538	\$2,538	\$5,076	\$2,538	\$2,538	\$5,076	
Gr Dedicated Total	\$2,538	\$2,538	\$5,076	\$2,538	\$2,538	\$5,076	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$898	\$898	\$1,796	\$898	\$898	\$1,796	
Gr Dedicated Total	\$898	\$898	\$1,796	\$898	\$898	\$1,796	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$22,643	\$22,643	\$45,286	\$22,643	\$22,643	\$45,286	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
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Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$22,643	\$22,643	\$45,286	\$22,643	\$22,643	\$45,286	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$18,208	\$18,208	\$36,416	\$18,208	\$18,208	\$36,416	
Gr Dedicated Total	\$18,208	\$18,208	\$36,416	\$18,208	\$18,208	\$36,416	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6,346	\$6,346	\$12,692	\$6,346	\$6,346	\$12,692	
Gr Dedicated Total	\$6,346	\$6,346	\$12,692	\$6,346	\$6,346	\$12,692	
Item Total	\$182,084	\$182,084	\$364,168	\$182,084	\$182,084	\$364,168	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				3.9	3.9		

17 Life, Accident and Health Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduced funding would eliminate 5.1 FTEs and decrease the agency budget by \$630,946. The reduction would further impact the division's ability to timely review life and health forms and rates as well as legislation, and would impact the rulemaking process and special projects from the commissioner and/or legislators. The reduction would have a greater negative impact on staff's ability to conduct research, respond to requests from external stakeholders, and complete statutorily required studies. In addition, the reduction would further reduce grants for the Texas Three-Share program by an additional \$40,000, which would impact local health coverage.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$11,478	\$11,478	\$22,956	\$11,478	\$11,478	\$22,956	
General Revenue Funds Total	\$11,478	\$11,478	\$22,956	\$11,478	\$11,478	\$22,956	

Gr Dedicated

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
36 Dept Ins Operating Acct	\$5,092	\$5,092	\$10,184	\$5,092	\$5,092	\$10,184	
Gr Dedicated Total	\$5,092	\$5,092	\$10,184	\$5,092	\$5,092	\$10,184	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$12,573	\$12,573	\$25,146	\$12,573	\$12,573	\$25,146	
General Revenue Funds Total	\$12,573	\$12,573	\$25,146	\$12,573	\$12,573	\$25,146	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,578	\$5,578	\$11,156	\$5,578	\$5,578	\$11,156	
Gr Dedicated Total	\$5,578	\$5,578	\$11,156	\$5,578	\$5,578	\$11,156	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$372	\$372	\$744	\$372	\$372	\$744	
General Revenue Funds Total	\$372	\$372	\$744	\$372	\$372	\$744	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$165	\$165	\$330	\$165	\$165	\$330	
Gr Dedicated Total	\$165	\$165	\$330	\$165	\$165	\$330	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$147	\$147	\$294	\$147	\$147	\$294	
General Revenue Funds Total	\$147	\$147	\$294	\$147	\$147	\$294	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$65	\$65	\$130	\$65	\$65	\$130	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$65	\$65	\$130	\$65	\$65	\$130	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$70	\$70	\$140	\$70	\$70	\$140	
General Revenue Funds Total	\$70	\$70	\$140	\$70	\$70	\$140	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$31	\$31	\$62	\$31	\$31	\$62	
Gr Dedicated Total	\$31	\$31	\$62	\$31	\$31	\$62	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$133,026	\$133,026	\$266,052	\$133,026	\$133,026	\$266,052	
General Revenue Funds Total	\$133,026	\$133,026	\$266,052	\$133,026	\$133,026	\$266,052	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$59,011	\$59,011	\$118,022	\$59,011	\$59,011	\$118,022	
Gr Dedicated Total	\$59,011	\$59,011	\$118,022	\$59,011	\$59,011	\$118,022	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$139	\$139	\$278	\$139	\$139	\$278	
General Revenue Funds Total	\$139	\$139	\$278	\$139	\$139	\$278	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$62	\$62	\$124	\$62	\$62	\$124	
Gr Dedicated Total	\$62	\$62	\$124	\$62	\$62	\$124	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$2,789	\$2,789	\$5,578	\$2,789	\$2,789	\$5,578	
General Revenue Funds Total	\$2,789	\$2,789	\$5,578	\$2,789	\$2,789	\$5,578	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,237	\$1,237	\$2,474	\$1,237	\$1,237	\$2,474	
Gr Dedicated Total	\$1,237	\$1,237	\$2,474	\$1,237	\$1,237	\$2,474	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$209	\$209	\$418	\$209	\$209	\$418	
General Revenue Funds Total	\$209	\$209	\$418	\$209	\$209	\$418	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$92	\$92	\$184	\$92	\$92	\$184	
Gr Dedicated Total	\$92	\$92	\$184	\$92	\$92	\$184	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$24,577	\$24,577	\$49,154	\$24,577	\$24,577	\$49,154	
General Revenue Funds Total	\$24,577	\$24,577	\$49,154	\$24,577	\$24,577	\$49,154	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,903	\$10,903	\$21,806	\$10,903	\$10,903	\$21,806	
Gr Dedicated Total	\$10,903	\$10,903	\$21,806	\$10,903	\$10,903	\$21,806	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$25,838	\$25,838	\$51,676	\$25,838	\$25,838	\$51,676	
General Revenue Funds Total	\$25,838	\$25,838	\$51,676	\$25,838	\$25,838	\$51,676	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$11,462	\$11,462	\$22,924	\$11,462	\$11,462	\$22,924	
Gr Dedicated Total	\$11,462	\$11,462	\$22,924	\$11,462	\$11,462	\$22,924	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$7,313	\$7,313	\$14,626	\$7,313	\$7,313	\$14,626	
General Revenue Funds Total	\$7,313	\$7,313	\$14,626	\$7,313	\$7,313	\$14,626	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,244	\$3,244	\$6,488	\$3,244	\$3,244	\$6,488	
Gr Dedicated Total	\$3,244	\$3,244	\$6,488	\$3,244	\$3,244	\$6,488	
Item Total	\$315,473	\$315,473	\$630,946	\$315,473	\$315,473	\$630,946	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				5.1	5.1		

18 Workplace Safety

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET																																																
	2014	2015	Biennial Total	2014	2015	Biennial Total																																																	
<p>Item Comment: This reduction would eliminate 1.7 FTE and reduce the agency budget by an additional \$239,266. It would negatively impact DWC's ability to educate system participants and could adversely impact safety and health conditions in Texas workplaces. The reduction would decrease the number of workplace safety outreach initiatives and resources devoted to instructor-led training. An additional 5 percent reduction would severely affect TDI's ability to perform the workplace education and safety functions and could potentially increase work-related injuries and illnesses in Texas.</p> <p>The reduction would further limit training and outreach provided to system participants and prevent filling requests for speakers on workers' compensation matters. Training reductions would further limit the ability to educate providers on workers' compensation treatment, coding and billing guidelines, which could affect patient care and provider billing. It would also further impact provider recruitment, which could affect injured employee access to health care.</p> <p>The reduction would limit educational seminars, which are used to assist system participants who require formal training or who cannot access information electronically. As a result, providers, insurance carriers, employers and employees would be less informed regarding their rights and responsibilities in the workers' compensation system.</p> <p>Strategy: 1-2-5 Investigate Workers' Comp Fraud & Refer Violations for Prosecution</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$32</td> <td>\$32</td> <td>\$64</td> <td>\$32</td> <td>\$32</td> <td>\$64</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$32</td> <td>\$32</td> <td>\$64</td> <td>\$32</td> <td>\$32</td> <td>\$64</td> <td></td> </tr> </table> <p>Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$80</td> <td>\$80</td> <td>\$160</td> <td>\$80</td> <td>\$80</td> <td>\$160</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$80</td> <td>\$80</td> <td>\$160</td> <td>\$80</td> <td>\$80</td> <td>\$160</td> <td></td> </tr> </table> <p>Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$14,136</td> <td>\$14,136</td> <td>\$28,272</td> <td>\$14,136</td> <td>\$14,136</td> <td>\$28,272</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$14,136</td> <td>\$14,136</td> <td>\$28,272</td> <td>\$14,136</td> <td>\$14,136</td> <td>\$28,272</td> <td></td> </tr> </table>								36 Dept Ins Operating Acct	\$32	\$32	\$64	\$32	\$32	\$64		Gr Dedicated Total	\$32	\$32	\$64	\$32	\$32	\$64		36 Dept Ins Operating Acct	\$80	\$80	\$160	\$80	\$80	\$160		Gr Dedicated Total	\$80	\$80	\$160	\$80	\$80	\$160		36 Dept Ins Operating Acct	\$14,136	\$14,136	\$28,272	\$14,136	\$14,136	\$28,272		Gr Dedicated Total	\$14,136	\$14,136	\$28,272	\$14,136	\$14,136	\$28,272	
36 Dept Ins Operating Acct	\$32	\$32	\$64	\$32	\$32	\$64																																																	
Gr Dedicated Total	\$32	\$32	\$64	\$32	\$32	\$64																																																	
36 Dept Ins Operating Acct	\$80	\$80	\$160	\$80	\$80	\$160																																																	
Gr Dedicated Total	\$80	\$80	\$160	\$80	\$80	\$160																																																	
36 Dept Ins Operating Acct	\$14,136	\$14,136	\$28,272	\$14,136	\$14,136	\$28,272																																																	
Gr Dedicated Total	\$14,136	\$14,136	\$28,272	\$14,136	\$14,136	\$28,272																																																	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,620	\$2,620	\$5,240	\$2,620	\$2,620	\$5,240	
Gr Dedicated Total	\$2,620	\$2,620	\$5,240	\$2,620	\$2,620	\$5,240	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$8	\$8	\$16	\$8	\$8	\$16	
Gr Dedicated Total	\$8	\$8	\$16	\$8	\$8	\$16	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$71,160	\$71,160	\$142,320	\$71,160	\$71,160	\$142,320	
Gr Dedicated Total	\$71,160	\$71,160	\$142,320	\$71,160	\$71,160	\$142,320	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$590	\$590	\$1,180	\$590	\$590	\$1,180	
Gr Dedicated Total	\$590	\$590	\$1,180	\$590	\$590	\$1,180	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$14,876	\$14,876	\$29,752	\$14,876	\$14,876	\$29,752	
Gr Dedicated Total	\$14,876	\$14,876	\$29,752	\$14,876	\$14,876	\$29,752	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
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Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$11,962	\$11,962	\$23,924	\$11,962	\$11,962	\$23,924	
Gr Dedicated Total	\$11,962	\$11,962	\$23,924	\$11,962	\$11,962	\$23,924	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,169	\$4,169	\$8,338	\$4,169	\$4,169	\$8,338	
Gr Dedicated Total	\$4,169	\$4,169	\$8,338	\$4,169	\$4,169	\$8,338	
Item Total	\$119,633	\$119,633	\$239,266	\$119,633	\$119,633	\$239,266	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				1.7	1.7		
19 Customer Assistance Activities							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: This reduction would eliminate 3.7 FTE in the Consumer Protection section and reduce the agency budget by \$467,372. This reduction would affect consumers by reducing complaint resolutions by 3,600 annually. Complaint processing time would increase beyond an average of 29 days. Public education would be impacted by a decrease in the number of printed publications by 100,000 annually.							
Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$30,948	\$30,948	\$61,896	\$30,948	\$30,948	\$61,896	
General Revenue Funds Total	\$30,948	\$30,948	\$61,896	\$30,948	\$30,948	\$61,896	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$13,728	\$13,728	\$27,456	\$13,728	\$13,728	\$27,456	
Gr Dedicated Total	\$13,728	\$13,728	\$27,456	\$13,728	\$13,728	\$27,456	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$75,088	\$75,088	\$150,176	\$75,088	\$75,088	\$150,176	
General Revenue Funds Total	\$75,088	\$75,088	\$150,176	\$75,088	\$75,088	\$150,176	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$33,309	\$33,309	\$66,618	\$33,309	\$33,309	\$66,618	
Gr Dedicated Total	\$33,309	\$33,309	\$66,618	\$33,309	\$33,309	\$66,618	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$276	\$276	\$552	\$276	\$276	\$552	
General Revenue Funds Total	\$276	\$276	\$552	\$276	\$276	\$552	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$122	\$122	\$244	\$122	\$122	\$244	
Gr Dedicated Total	\$122	\$122	\$244	\$122	\$122	\$244	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$5,512	\$5,512	\$11,024	\$5,512	\$5,512	\$11,024	
General Revenue Funds Total	\$5,512	\$5,512	\$11,024	\$5,512	\$5,512	\$11,024	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,445	\$2,445	\$4,890	\$2,445	\$2,445	\$4,890	
Gr Dedicated Total	\$2,445	\$2,445	\$4,890	\$2,445	\$2,445	\$4,890	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$5,455	\$5,455	\$10,910	\$5,455	\$5,455	\$10,910	
General Revenue Funds Total	\$5,455	\$5,455	\$10,910	\$5,455	\$5,455	\$10,910	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,420	\$2,420	\$4,840	\$2,420	\$2,420	\$4,840	
Gr Dedicated Total	\$2,420	\$2,420	\$4,840	\$2,420	\$2,420	\$4,840	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,103	\$1,103	\$2,206	\$1,103	\$1,103	\$2,206	
General Revenue Funds Total	\$1,103	\$1,103	\$2,206	\$1,103	\$1,103	\$2,206	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$489	\$489	\$978	\$489	\$489	\$978	
Gr Dedicated Total	\$489	\$489	\$978	\$489	\$489	\$978	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$103	\$103	\$206	\$103	\$103	\$206	
General Revenue Funds Total	\$103	\$103	\$206	\$103	\$103	\$206	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$46	\$46	\$92	\$46	\$46	\$92	
Gr Dedicated Total	\$46	\$46	\$92	\$46	\$46	\$92	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$471	\$471	\$942	\$471	\$471	\$942	
General Revenue Funds Total	\$471	\$471	\$942	\$471	\$471	\$942	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$209	\$209	\$418	\$209	\$209	\$418	
Gr Dedicated Total	\$209	\$209	\$418	\$209	\$209	\$418	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$154	\$154	\$308	\$154	\$154	\$308	
General Revenue Funds Total	\$154	\$154	\$308	\$154	\$154	\$308	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$69	\$69	\$138	\$69	\$69	\$138	
Gr Dedicated Total	\$69	\$69	\$138	\$69	\$69	\$138	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$18,208	\$18,208	\$36,416	\$18,208	\$18,208	\$36,416	
General Revenue Funds Total	\$18,208	\$18,208	\$36,416	\$18,208	\$18,208	\$36,416	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$8,077	\$8,077	\$16,154	\$8,077	\$8,077	\$16,154	
Gr Dedicated Total	\$8,077	\$8,077	\$16,154	\$8,077	\$8,077	\$16,154	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
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Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$19,142	\$19,142	\$38,284	\$19,142	\$19,142	\$38,284	
General Revenue Funds Total	\$19,142	\$19,142	\$38,284	\$19,142	\$19,142	\$38,284	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$8,491	\$8,491	\$16,982	\$8,491	\$8,491	\$16,982	
Gr Dedicated Total	\$8,491	\$8,491	\$16,982	\$8,491	\$8,491	\$16,982	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$5,418	\$5,418	\$10,836	\$5,418	\$5,418	\$10,836	
General Revenue Funds Total	\$5,418	\$5,418	\$10,836	\$5,418	\$5,418	\$10,836	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,403	\$2,403	\$4,806	\$2,403	\$2,403	\$4,806	
Gr Dedicated Total	\$2,403	\$2,403	\$4,806	\$2,403	\$2,403	\$4,806	
Item Total	\$233,686	\$233,686	\$467,372	\$233,686	\$233,686	\$467,372	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				3.7	3.7		
20 Dispute Resolution and Administrative Hearing Activities							
Category: Programs - Service Reductions (FTEs-Layoffs)							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Item Comment: This reduction would eliminate 7.6 FTEs and reduce the agency budget by \$1,019,762.							
It would impact the Division of Workers' Compensation (DWC) Medical Fee Dispute Resolution and Hearings programs, and administrative, executive, and legal support. The reduction would impact key measures for strategy 4.1.2 Dispute Resolution by impeding DWC's ability to monitor the quality of medical fee dispute decisions for hospital based services. It would also increase processing time for medical fee disputes. It would impede DWC's ability to timely identify problematic system fee dispute trends and impact the quality of fee dispute information provided to system participants.							
Reductions in the Hearings area would delay workers' compensation indemnity and medical dispute resolution services. DWC may not be able to meet statutory timeframes for conducting benefit review conferences and contested case hearings, per Texas Labor Code § 410.025 (b) and Texas Labor Code § 410.025 (a). It would increase the Subsequent Injury Fund's exposure to higher reimbursement requests due to delays in adjudicating disputes. The reduction could result in increased travel expenses as staff may need to travel from other locations to resolve disputes, conduct benefit review conferences and contested case hearings statewide. It would delay delivery of income and medical benefits to injured employees due to a backlog of dispute resolution proceedings. Additionally, at a reduced funding level, indemnity benefits and prospective medical care would take precedence; resulting in delays of contested case hearings for retrospective medical care, attorney fee, and medical fee disputes.							
Strategy: 1-2-5 Investigate Workers' Comp Fraud & Refer Violations for Prosecution							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$136	\$136	\$272	\$136	\$136	\$272	
Gr Dedicated Total	\$136	\$136	\$272	\$136	\$136	\$272	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$340	\$340	\$680	\$340	\$340	\$680	
Gr Dedicated Total	\$340	\$340	\$680	\$340	\$340	\$680	
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,453	\$5,453	\$10,906	\$5,453	\$5,453	\$10,906	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$5,453	\$5,453	\$10,906	\$5,453	\$5,453	\$10,906	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$368,628	\$368,628	\$737,256	\$368,628	\$368,628	\$737,256	
Gr Dedicated Total	\$368,628	\$368,628	\$737,256	\$368,628	\$368,628	\$737,256	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$33	\$33	\$66	\$33	\$33	\$66	
Gr Dedicated Total	\$33	\$33	\$66	\$33	\$33	\$66	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$578	\$578	\$1,156	\$578	\$578	\$1,156	
Gr Dedicated Total	\$578	\$578	\$1,156	\$578	\$578	\$1,156	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,516	\$2,516	\$5,032	\$2,516	\$2,516	\$5,032	
Gr Dedicated Total	\$2,516	\$2,516	\$5,032	\$2,516	\$2,516	\$5,032	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$63,423	\$63,423	\$126,846	\$63,423	\$63,423	\$126,846	
Gr Dedicated Total	\$63,423	\$63,423	\$126,846	\$63,423	\$63,423	\$126,846	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$51,001	\$51,001	\$102,002	\$51,001	\$51,001	\$102,002	
Gr Dedicated Total	\$51,001	\$51,001	\$102,002	\$51,001	\$51,001	\$102,002	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$17,775	\$17,775	\$35,550	\$17,775	\$17,775	\$35,550	
Gr Dedicated Total	\$17,775	\$17,775	\$35,550	\$17,775	\$17,775	\$35,550	
Item Total	\$509,883	\$509,883	\$1,019,766	\$509,883	\$509,883	\$1,019,766	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				7.6	7.6		
21 Subsequent Injury Fund							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: This reduction would further reduce the agency budget by \$486,566. DWC reduce the appropriations the Subsequent Injury Fund (SIF). Payments from the SIF are statutorily required. If funding for the SIF is reduced, and liabilities exceed available funding, TDI would have to request additional appropriations from the Comptroller of Public Accounts to cover expenses.							
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
5101 Subsequent Injury Fund	\$243,283	\$243,283	\$486,566	\$243,283	\$243,283	\$486,566	
Gr Dedicated Total	\$243,283	\$243,283	\$486,566	\$243,283	\$243,283	\$486,566	
Item Total	\$243,283	\$243,283	\$486,566	\$243,283	\$243,283	\$486,566	
FTE Reductions (From FY 2014 and FY 2015 Base Request)							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

22 Fraud Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction would eliminate 3.2 FTEs and reduce the agency budget by \$367,314. The reduction would decrease the agency's ability to hire expert witnesses to pursue complex insurance litigation; inhibit the ability to prosecute insurance fraud by 50 fewer fraud investigations opened and 16 fewer fraud referrals for prosecution; it would also increase the time necessary to investigate each fraud report by 10 percent.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$6,683	\$6,683	\$13,366	\$6,683	\$6,683	\$13,366
General Revenue Funds Total	\$6,683	\$6,683	\$13,366	\$6,683	\$6,683	\$13,366

Gr Dedicated

36 Dept Ins Operating Acct	\$2,965	\$2,965	\$5,930	\$2,965	\$2,965	\$5,930
Gr Dedicated Total	\$2,965	\$2,965	\$5,930	\$2,965	\$2,965	\$5,930

Strategy: 1-2-1 Respond Promptly and Act on Complaints

General Revenue Funds

8042 Insurance Maint Tax Fees	\$216	\$216	\$432	\$216	\$216	\$432
General Revenue Funds Total	\$216	\$216	\$432	\$216	\$216	\$432

Gr Dedicated

36 Dept Ins Operating Acct	\$96	\$96	\$192	\$96	\$96	\$192
Gr Dedicated Total	\$96	\$96	\$192	\$96	\$96	\$192

Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed

General Revenue Funds

8042 Insurance Maint Tax Fees	\$216	\$216	\$432	\$216	\$216	\$432
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
General Revenue Funds Total	\$216	\$216	\$432	\$216	\$216	\$432	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$96	\$96	\$192	\$96	\$96	\$192	
Gr Dedicated Total	\$96	\$96	\$192	\$96	\$96	\$192	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$42,549	\$42,549	\$85,098	\$42,549	\$42,549	\$85,098	
General Revenue Funds Total	\$42,549	\$42,549	\$85,098	\$42,549	\$42,549	\$85,098	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$18,875	\$18,875	\$37,750	\$18,875	\$18,875	\$37,750	
Gr Dedicated Total	\$18,875	\$18,875	\$37,750	\$18,875	\$18,875	\$37,750	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$42,504	\$42,504	\$85,008	\$42,504	\$42,504	\$85,008	
General Revenue Funds Total	\$42,504	\$42,504	\$85,008	\$42,504	\$42,504	\$85,008	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$18,855	\$18,855	\$37,710	\$18,855	\$18,855	\$37,710	
Gr Dedicated Total	\$18,855	\$18,855	\$37,710	\$18,855	\$18,855	\$37,710	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$867	\$867	\$1,734	\$867	\$867	\$1,734	
General Revenue Funds Total	\$867	\$867	\$1,734	\$867	\$867	\$1,734	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
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Agency code: **454** Agency name: **Department of Insurance**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$384	\$384	\$768	\$384	\$384	\$768	
Gr Dedicated Total	\$384	\$384	\$768	\$384	\$384	\$768	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$81	\$81	\$162	\$81	\$81	\$162	
General Revenue Funds Total	\$81	\$81	\$162	\$81	\$81	\$162	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$36	\$36	\$72	\$36	\$36	\$72	
Gr Dedicated Total	\$36	\$36	\$72	\$36	\$36	\$72	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$370	\$370	\$740	\$370	\$370	\$740	
General Revenue Funds Total	\$370	\$370	\$740	\$370	\$370	\$740	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$164	\$164	\$328	\$164	\$164	\$328	
Gr Dedicated Total	\$164	\$164	\$328	\$164	\$164	\$328	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$121	\$121	\$242	\$121	\$121	\$242	
General Revenue Funds Total	\$121	\$121	\$242	\$121	\$121	\$242	
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
36 Dept Ins Operating Acct	\$54	\$54	\$108	\$54	\$54	\$108	
Gr Dedicated Total	\$54	\$54	\$108	\$54	\$54	\$108	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$14,311	\$14,311	\$28,622	\$14,311	\$14,311	\$28,622	
General Revenue Funds Total	\$14,311	\$14,311	\$28,622	\$14,311	\$14,311	\$28,622	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6,348	\$6,348	\$12,696	\$6,348	\$6,348	\$12,696	
Gr Dedicated Total	\$6,348	\$6,348	\$12,696	\$6,348	\$6,348	\$12,696	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$15,045	\$15,045	\$30,090	\$15,045	\$15,045	\$30,090	
General Revenue Funds Total	\$15,045	\$15,045	\$30,090	\$15,045	\$15,045	\$30,090	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6,674	\$6,674	\$13,348	\$6,674	\$6,674	\$13,348	
Gr Dedicated Total	\$6,674	\$6,674	\$13,348	\$6,674	\$6,674	\$13,348	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$4,258	\$4,258	\$8,516	\$4,258	\$4,258	\$8,516	
General Revenue Funds Total	\$4,258	\$4,258	\$8,516	\$4,258	\$4,258	\$8,516	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,889	\$1,889	\$3,778	\$1,889	\$1,889	\$3,778	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Gr Dedicated Total	\$1,889	\$1,889	\$3,778	\$1,889	\$1,889	\$3,778	
Item Total	\$183,657	\$183,657	\$367,314	\$183,657	\$183,657	\$367,314	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				3.2	3.2		
23 Managed Care Activities							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: This reduction would eliminate 4.1 FTEs and reduce the agency budget by \$440,702. This reduction would impede Managed Care and Quality Assurance staff in timely processing of HMO form filings. It would impact staff's ability to meet the target for the HMO filing measure by further delaying the processing time from 108 days to 117 days to complete a filing, thereby negatively affecting customer service.							
Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$8,014	\$8,014	\$16,028	\$8,014	\$8,014	\$16,028	
General Revenue Funds Total	\$8,014	\$8,014	\$16,028	\$8,014	\$8,014	\$16,028	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,555	\$3,555	\$7,110	\$3,555	\$3,555	\$7,110	
Gr Dedicated Total	\$3,555	\$3,555	\$7,110	\$3,555	\$3,555	\$7,110	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$65,490	\$65,490	\$130,980	\$65,490	\$65,490	\$130,980	
General Revenue Funds Total	\$65,490	\$65,490	\$130,980	\$65,490	\$65,490	\$130,980	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$29,052	\$29,052	\$58,104	\$29,052	\$29,052	\$58,104	
Gr Dedicated Total	\$29,052	\$29,052	\$58,104	\$29,052	\$29,052	\$58,104	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$260	\$260	\$520	\$260	\$260	\$520	
General Revenue Funds Total	\$260	\$260	\$520	\$260	\$260	\$520	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$115	\$115	\$230	\$115	\$115	\$230	
Gr Dedicated Total	\$115	\$115	\$230	\$115	\$115	\$230	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$103	\$103	\$206	\$103	\$103	\$206	
General Revenue Funds Total	\$103	\$103	\$206	\$103	\$103	\$206	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$45	\$45	\$90	\$45	\$45	\$90	
Gr Dedicated Total	\$45	\$45	\$90	\$45	\$45	\$90	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$48	\$48	\$96	\$48	\$48	\$96	
General Revenue Funds Total	\$48	\$48	\$96	\$48	\$48	\$96	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$22	\$22	\$44	\$22	\$22	\$44	
Gr Dedicated Total	\$22	\$22	\$44	\$22	\$22	\$44	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
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Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$37,731	\$37,731	\$75,462	\$37,731	\$37,731	\$75,462	
General Revenue Funds Total	\$37,731	\$37,731	\$75,462	\$37,731	\$37,731	\$75,462	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$16,738	\$16,738	\$33,476	\$16,738	\$16,738	\$33,476	
Gr Dedicated Total	\$16,738	\$16,738	\$33,476	\$16,738	\$16,738	\$33,476	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$98	\$98	\$196	\$98	\$98	\$196	
General Revenue Funds Total	\$98	\$98	\$196	\$98	\$98	\$196	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$43	\$43	\$86	\$43	\$43	\$86	
Gr Dedicated Total	\$43	\$43	\$86	\$43	\$43	\$86	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$443	\$443	\$886	\$443	\$443	\$886	
General Revenue Funds Total	\$443	\$443	\$886	\$443	\$443	\$886	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$197	\$197	\$394	\$197	\$197	\$394	
Gr Dedicated Total	\$197	\$197	\$394	\$197	\$197	\$394	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
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Date: 8/30/2012
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$145	\$145	\$290	\$145	\$145	\$290	
General Revenue Funds Total	\$145	\$145	\$290	\$145	\$145	\$290	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$65	\$65	\$130	\$65	\$65	\$130	
Gr Dedicated Total	\$65	\$65	\$130	\$65	\$65	\$130	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$17,161	\$17,161	\$34,322	\$17,161	\$17,161	\$34,322	
General Revenue Funds Total	\$17,161	\$17,161	\$34,322	\$17,161	\$17,161	\$34,322	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$7,612	\$7,612	\$15,224	\$7,612	\$7,612	\$15,224	
Gr Dedicated Total	\$7,612	\$7,612	\$15,224	\$7,612	\$7,612	\$15,224	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$18,040	\$18,040	\$36,080	\$18,040	\$18,040	\$36,080	
General Revenue Funds Total	\$18,040	\$18,040	\$36,080	\$18,040	\$18,040	\$36,080	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$8,003	\$8,003	\$16,006	\$8,003	\$8,003	\$16,006	
Gr Dedicated Total	\$8,003	\$8,003	\$16,006	\$8,003	\$8,003	\$16,006	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
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Date: 8/30/2012
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$5,106	\$5,106	\$10,212	\$5,106	\$5,106	\$10,212	
General Revenue Funds Total	\$5,106	\$5,106	\$10,212	\$5,106	\$5,106	\$10,212	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,265	\$2,265	\$4,530	\$2,265	\$2,265	\$4,530	
Gr Dedicated Total	\$2,265	\$2,265	\$4,530	\$2,265	\$2,265	\$4,530	
Item Total	\$220,351	\$220,351	\$440,702	\$220,351	\$220,351	\$440,702	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				4.1	4.1		
24 Licensing Activities							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: This reduction would eliminate 6.2 FTEs and reduce the agency budget by \$631,006. The reductions would have greater negative impact on the processing times for all licensing functions, including Company and Agent and Adjuster Licensing. Delays in licensing new market entrants run counter to TDI's goal of promoting competition and helping to ensure that consumers have access to insurance that is available and affordable. There would be an increased risk of not meeting targets for two measures for timeliness of processing licenses.							
Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$11,478	\$11,478	\$22,956	\$11,478	\$11,478	\$22,956	
General Revenue Funds Total	\$11,478	\$11,478	\$22,956	\$11,478	\$11,478	\$22,956	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,092	\$5,092	\$10,184	\$5,092	\$5,092	\$10,184	
Gr Dedicated Total	\$5,092	\$5,092	\$10,184	\$5,092	\$5,092	\$10,184	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$372	\$372	\$744	\$372	\$372	\$744	
General Revenue Funds Total	\$372	\$372	\$744	\$372	\$372	\$744	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$165	\$165	\$330	\$165	\$165	\$330	
Gr Dedicated Total	\$165	\$165	\$330	\$165	\$165	\$330	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$372	\$372	\$744	\$372	\$372	\$744	
General Revenue Funds Total	\$372	\$372	\$744	\$372	\$372	\$744	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$165	\$165	\$330	\$165	\$165	\$330	
Gr Dedicated Total	\$165	\$165	\$330	\$165	\$165	\$330	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$147	\$147	\$294	\$147	\$147	\$294	
General Revenue Funds Total	\$147	\$147	\$294	\$147	\$147	\$294	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$65	\$65	\$130	\$65	\$65	\$130	
Gr Dedicated Total	\$65	\$65	\$130	\$65	\$65	\$130	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$70	\$70	\$140	\$70	\$70	\$140	
General Revenue Funds Total	\$70	\$70	\$140	\$70	\$70	\$140	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$31	\$31	\$62	\$31	\$31	\$62	
Gr Dedicated Total	\$31	\$31	\$62	\$31	\$31	\$62	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$97,969	\$97,969	\$195,938	\$97,969	\$97,969	\$195,938	
General Revenue Funds Total	\$97,969	\$97,969	\$195,938	\$97,969	\$97,969	\$195,938	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$43,459	\$43,459	\$86,918	\$43,459	\$43,459	\$86,918	
Gr Dedicated Total	\$43,459	\$43,459	\$86,918	\$43,459	\$43,459	\$86,918	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$139	\$139	\$278	\$139	\$139	\$278	
General Revenue Funds Total	\$139	\$139	\$278	\$139	\$139	\$278	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$62	\$62	\$124	\$62	\$62	\$124	
Gr Dedicated Total	\$62	\$62	\$124	\$62	\$62	\$124	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$50,068	\$50,068	\$100,136	\$50,068	\$50,068	\$100,136	
General Revenue Funds Total	\$50,068	\$50,068	\$100,136	\$50,068	\$50,068	\$100,136	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$22,210	\$22,210	\$44,420	\$22,210	\$22,210	\$44,420	
Gr Dedicated Total	\$22,210	\$22,210	\$44,420	\$22,210	\$22,210	\$44,420	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$209	\$209	\$418	\$209	\$209	\$418	
General Revenue Funds Total	\$209	\$209	\$418	\$209	\$209	\$418	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$92	\$92	\$184	\$92	\$92	\$184	
Gr Dedicated Total	\$92	\$92	\$184	\$92	\$92	\$184	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$24,578	\$24,578	\$49,156	\$24,578	\$24,578	\$49,156	
General Revenue Funds Total	\$24,578	\$24,578	\$49,156	\$24,578	\$24,578	\$49,156	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,903	\$10,903	\$21,806	\$10,903	\$10,903	\$21,806	
Gr Dedicated Total	\$10,903	\$10,903	\$21,806	\$10,903	\$10,903	\$21,806	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$25,838	\$25,838	\$51,676	\$25,838	\$25,838	\$51,676	
General Revenue Funds Total	\$25,838	\$25,838	\$51,676	\$25,838	\$25,838	\$51,676	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$11,462	\$11,462	\$22,924	\$11,462	\$11,462	\$22,924	
Gr Dedicated Total	\$11,462	\$11,462	\$22,924	\$11,462	\$11,462	\$22,924	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$7,313	\$7,313	\$14,626	\$7,313	\$7,313	\$14,626	
General Revenue Funds Total	\$7,313	\$7,313	\$14,626	\$7,313	\$7,313	\$14,626	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,244	\$3,244	\$6,488	\$3,244	\$3,244	\$6,488	
Gr Dedicated Total	\$3,244	\$3,244	\$6,488	\$3,244	\$3,244	\$6,488	
Item Total	\$315,503	\$315,503	\$631,006	\$315,503	\$315,503	\$631,006	

FTE Reductions (From FY 2014 and FY 2015 Base Request)

6.2 6.2

25 Solvency Monitoring Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	

Item Comment: Financial Analysis and Rehabilitation/Liquidation Oversight.

This reduction would eliminate 7.3 FTEs and reduce the agency budget by \$789,278. The reductions would negatively impact essential functions in determining insurers' solvency and ability to pay claims. The reduction would decrease TDI's ability to effectively detect troubled insurers, further increasing the risk of more insurer insolvencies and exposing consumers to financial hardship and market disruptions. The decrease in funding would further impede TDI's ability to rehabilitate financially troubled insurers; cause delay in implementing regulatory interventions thus posing risks to consumers; and would further impact TDI's ability to meet targets for four measures, two of them key.

While TDI's expenses for salaries would decrease, there would be a corresponding decrease in TDI maintenance tax collections. State revenue would also decrease due to premium tax credits for assessments paid to guaranty associations for insolvent insurers' unpaid claims.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$14,355	\$14,355	\$28,710	\$14,355	\$14,355	\$28,710
General Revenue Funds Total	\$14,355	\$14,355	\$28,710	\$14,355	\$14,355	\$28,710

Gr Dedicated

36 Dept Ins Operating Acct	\$6,368	\$6,368	\$12,736	\$6,368	\$6,368	\$12,736
Gr Dedicated Total	\$6,368	\$6,368	\$12,736	\$6,368	\$6,368	\$12,736

Strategy: 1-2-1 Respond Promptly and Act on Complaints

General Revenue Funds

8042 Insurance Maint Tax Fees	\$465	\$465	\$930	\$465	\$465	\$930
General Revenue Funds Total	\$465	\$465	\$930	\$465	\$465	\$930

Gr Dedicated

36 Dept Ins Operating Acct	\$206	\$206	\$412	\$206	\$206	\$412
Gr Dedicated Total	\$206	\$206	\$412	\$206	\$206	\$412

Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$465	\$465	\$930	\$465	\$465	\$930	
General Revenue Funds Total	\$465	\$465	\$930	\$465	\$465	\$930	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$206	\$206	\$412	\$206	\$206	\$412	
Gr Dedicated Total	\$206	\$206	\$412	\$206	\$206	\$412	
Strategy: 1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$184	\$184	\$368	\$184	\$184	\$368	
General Revenue Funds Total	\$184	\$184	\$368	\$184	\$184	\$368	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$81	\$81	\$162	\$81	\$81	\$162	
Gr Dedicated Total	\$81	\$81	\$162	\$81	\$81	\$162	
Strategy: 1-2-4 Investigate Provider/Consumer Fraud & Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$87	\$87	\$174	\$87	\$87	\$174	
General Revenue Funds Total	\$87	\$87	\$174	\$87	\$87	\$174	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$39	\$39	\$78	\$39	\$39	\$78	
Gr Dedicated Total	\$39	\$39	\$78	\$39	\$39	\$78	

Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly

General Revenue Funds

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
8042 Insurance Maint Tax Fees	\$1,861	\$1,861	\$3,722	\$1,861	\$1,861	\$3,722	
General Revenue Funds Total	\$1,861	\$1,861	\$3,722	\$1,861	\$1,861	\$3,722	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$826	\$826	\$1,652	\$826	\$826	\$1,652	
Gr Dedicated Total	\$826	\$826	\$1,652	\$826	\$826	\$1,652	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$175	\$175	\$350	\$175	\$175	\$350	
General Revenue Funds Total	\$175	\$175	\$350	\$175	\$175	\$350	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$77	\$77	\$154	\$77	\$77	\$154	
Gr Dedicated Total	\$77	\$77	\$154	\$77	\$77	\$154	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$183,320	\$183,320	\$366,640	\$183,320	\$183,320	\$366,640	
General Revenue Funds Total	\$183,320	\$183,320	\$366,640	\$183,320	\$183,320	\$366,640	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$81,322	\$81,322	\$162,644	\$81,322	\$81,322	\$162,644	
Gr Dedicated Total	\$81,322	\$81,322	\$162,644	\$81,322	\$81,322	\$162,644	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$261	\$261	\$522	\$261	\$261	\$522	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
General Revenue Funds Total	\$261	\$261	\$522	\$261	\$261	\$522	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$116	\$116	\$232	\$116	\$116	\$232	
Gr Dedicated Total	\$116	\$116	\$232	\$116	\$116	\$232	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$30,738	\$30,738	\$61,476	\$30,738	\$30,738	\$61,476	
General Revenue Funds Total	\$30,738	\$30,738	\$61,476	\$30,738	\$30,738	\$61,476	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$13,635	\$13,635	\$27,270	\$13,635	\$13,635	\$27,270	
Gr Dedicated Total	\$13,635	\$13,635	\$27,270	\$13,635	\$13,635	\$27,270	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$32,314	\$32,314	\$64,628	\$32,314	\$32,314	\$64,628	
General Revenue Funds Total	\$32,314	\$32,314	\$64,628	\$32,314	\$32,314	\$64,628	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$14,335	\$14,335	\$28,670	\$14,335	\$14,335	\$28,670	
Gr Dedicated Total	\$14,335	\$14,335	\$28,670	\$14,335	\$14,335	\$28,670	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$9,146	\$9,146	\$18,292	\$9,146	\$9,146	\$18,292	
General Revenue Funds Total	\$9,146	\$9,146	\$18,292	\$9,146	\$9,146	\$18,292	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/30/2012
Time: 6:50:08PM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2014	2015	Biennial Total	2014	2015	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,057	\$4,057	\$8,114	\$4,057	\$4,057	\$8,114	
Gr Dedicated Total	\$4,057	\$4,057	\$8,114	\$4,057	\$4,057	\$8,114	
Item Total	\$394,639	\$394,639	\$789,278	\$394,639	\$394,639	\$789,278	
FTE Reductions (From FY 2014 and FY 2015 Base Request)				7.3	7.3		
AGENCY TOTALS							
General Revenue Total	\$3,731,389	\$3,731,389	\$7,462,778	\$3,731,389	\$3,731,389	\$7,462,778	\$7,445,836
GR Dedicated Total	\$5,914,929	\$5,914,929	\$11,829,858	\$5,914,929	\$5,914,929	\$11,829,858	\$11,846,800
Agency Grand Total	\$9,646,318	\$9,646,318	\$19,292,636	\$9,646,318	\$9,646,318	\$19,292,636	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2014 and FY 2015 Base Request)				157.2	157.2		

454 Department of Insurance

	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
<i>Item: 1 Consumer Assistance Grants</i>						
Objects of Expense						
Strategy: 1-2-1 RESOLVE COMPLAINTS						
1001 SALARIES AND WAGES	\$87,553	\$0	\$0	\$0	\$0	\$0
2001 PROFESSIONAL FEES AND SERV	\$975	\$0	\$0	\$0	\$0	\$0
2003 CONSUMABLE SUPPLIES	\$2,870	\$0	\$0	\$0	\$0	\$0
2005 TRAVEL	\$4,212	\$0	\$0	\$0	\$0	\$0
2006 RENT - BUILDING	\$2,109	\$0	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$199,146	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-2-1	\$296,865	\$0	\$0	\$0	\$0	\$0
Strategy: 1-2-3 INSURER FRAUD						
1001 SALARIES AND WAGES	\$14,592	\$0	\$0	\$0	\$0	\$0
2001 PROFESSIONAL FEES AND SERV	\$163	\$0	\$0	\$0	\$0	\$0
2003 CONSUMABLE SUPPLIES	\$478	\$0	\$0	\$0	\$0	\$0
2005 TRAVEL	\$702	\$0	\$0	\$0	\$0	\$0
2006 RENT - BUILDING	\$352	\$0	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$33,248	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-2-3	\$49,535	\$0	\$0	\$0	\$0	\$0
Strategy: 1-2-4 PROVIDER AND CONSUMER FRAUD						
1001 SALARIES AND WAGES	\$14,592	\$0	\$0	\$0	\$0	\$0
2001 PROFESSIONAL FEES AND SERV	\$163	\$0	\$0	\$0	\$0	\$0
2003 CONSUMABLE SUPPLIES	\$478	\$0	\$0	\$0	\$0	\$0
2005 TRAVEL	\$702	\$0	\$0	\$0	\$0	\$0

454 Department of Insurance

	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
2006 RENT - BUILDING	\$352	\$0	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$33,247	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-2-4	\$49,534	\$0	\$0	\$0	\$0	\$0
Strategy: 1-3-1 PROCESS RATES, FORMS & LICENSES						
1001 SALARIES AND WAGES	\$175,106	\$0	\$0	\$0	\$0	\$0
2001 PROFESSIONAL FEES AND SERV	\$1,950	\$0	\$0	\$0	\$0	\$0
2003 CONSUMABLE SUPPLIES	\$5,740	\$0	\$0	\$0	\$0	\$0
2005 TRAVEL	\$8,425	\$0	\$0	\$0	\$0	\$0
2006 RENT - BUILDING	\$4,218	\$0	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$398,972	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-3-1	\$594,411	\$0	\$0	\$0	\$0	\$0
TOTAL, Objects of Expense	\$990,345	\$0	\$0	\$0	\$0	\$0
FEDERAL FUNDS						
Strategy: 1-2-1 RESOLVE COMPLAINTS						
555 Federal Funds						
93.519.000 ACA - Consumer Assist Prog Grants	\$296,865	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-2-1	\$296,865	\$0	\$0	\$0	\$0	\$0
Strategy: 1-2-3 INSURER FRAUD						
555 Federal Funds						
93.519.000 ACA - Consumer Assist Prog Grants	\$49,535	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-2-3	\$49,535	\$0	\$0	\$0	\$0	\$0
Strategy: 1-2-4 PROVIDER AND CONSUMER FRAUD						
555 Federal Funds						
93.519.000 ACA - Consumer Assist Prog Grants	\$49,534	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-2-4	\$49,534	\$0	\$0	\$0	\$0	\$0

454 Department of Insurance

	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
Strategy: 1-3-1 PROCESS RATES, FORMS & LICENSES						
555 Federal Funds						
93.519.000 ACA - Consumer Assist Prog Grants	\$594,411	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-3-1	\$594,411	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, FEDERAL FUNDS	\$990,345	\$0	\$0	\$0	\$0	\$0
TOTAL, Method of Financing	\$990,345	\$0	\$0	\$0	\$0	\$0

Full-Time Equivalents

Strategy: 1-2-1 RESOLVE COMPLAINTS	2.5	0.0	0.0	0.0	0.0	0.0
Strategy: 1-2-3 INSURER FRAUD	0.4	0.0	0.0	0.0	0.0	0.0
Strategy: 1-2-4 PROVIDER AND CONSUMER FRAUD	0.4	0.0	0.0	0.0	0.0	0.0
Strategy: 1-3-1 PROCESS RATES, FORMS & LICENSES	5.0	0.0	0.0	0.0	0.0	0.0
TOTAL, Full-Time Equivalents	8.3	0.0	0.0	0.0	0.0	0.0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Section 1002 of the Patient Protection and Affordable Care Act (March 23, 2010) added section 2793.

DESCRIPTION/KEY ASSUMPTIONS:

The U.S. Department of Health and Human Services (HHS) awarded the Texas Department of Insurance a CAP grant for \$2,792,180. The grant period is October 15, 2010, through April 14, 2012. Key activities of the Texas CAP, named the Texas Consumer Health Assistance Program (CHAP), include:

- helping consumers with health insurance questions, applications, enrollment, complaints, grievances, and appeals
- educating consumers about their health insurance options, including the Pre-Existing Condition Insurance Plan and programs available under federal and Texas state law, via a consumer help line, outreach events, and a statewide educational campaign
- reporting data about consumers' health insurance issues to HHS.

CONCERNS:

454 Department of Insurance

	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
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The CHAP staff included a director, researcher, four insurance specialists, two outreach specialists, and an administrative support staff member. From January 2011 through March 2012, they answered more than 12,000 consumer calls via a toll-free help line (855-839-2427 or 855-TEX-CHAP) and completed more than 200 outreach events throughout Texas. CHAP has assisted more than 7,600 consumers with health plan enrollment, insurance complaints, and appeals. From July through September 2011, TDI conducted a statewide educational campaign to inform consumers about CHAP. The campaign included print, Internet, radio, and cable TV ads and text messaging; TDI purchased additional ads in December 2011 through early 2012. When CHAP ended on April 14, 2012, consumers continued to receive assistance and information via the TDI Consumer Help Line.

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	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
<i>Item: 2 Grants to States for Health Insuran</i>						
Objects of Expense						
Strategy: 1-3-1 PROCESS RATES, FORMS & LICENSES						
1001 SALARIES AND WAGES	\$266,188	\$21,126	\$0	\$0	\$0	\$0
2001 PROFESSIONAL FEES AND SERV	\$57,352	\$0	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$2,662	\$64,927	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-3-1	\$326,202	\$86,053	\$0	\$0	\$0	\$0
TOTAL, Objects of Expense	\$326,202	\$86,053	\$0	\$0	\$0	\$0
FEDERAL FUNDS						
Strategy: 1-3-1 PROCESS RATES, FORMS & LICENSES						
555 Federal Funds						
93.511.000 ACA-Grnts St Hlth Ins Premium Revw	\$326,202	\$86,053	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-3-1	\$326,202	\$86,053	\$0	\$0	\$0	\$0
SUBTOTAL, FEDERAL FUNDS	\$326,202	\$86,053	\$0	\$0	\$0	\$0
TOTAL, Method of Financing	\$326,202	\$86,053	\$0	\$0	\$0	\$0
Full-Time Equivalents						
Strategy: 1-3-1 PROCESS RATES, FORMS & LICENSES	4.3	0.3	0.0	0.0	0.0	0.0
TOTAL, Full-Time Equivalents	4.3	0.3	0.0	0.0	0.0	0.0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Section 2794 of the Affordable Care Act

DESCRIPTION/KEY ASSUMPTIONS:

454 Department of Insurance

	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
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The Department received a \$1 million Premium Review grant from the U.S. Department of Health and Human Services (HHS). The grant period began August 9, 2010 and ended September 30, 2011; the Department applied for and was granted a one year extension to September 30, 2012.

To date the Department has expended \$804,647. Through the grant, the Department hired 6 temporary, full-time employees, contributed \$68,683 toward SERFF electronic filing enhancements, and purchased Milliman Health Care Cost Guidelines software. The Department has reviewed 304 rate filings through the grant.

Federal law does not require states to review rates. Texas chose to expand its review rate process to encourage market stability over the alternative of the federal government reviewing rates under the “unreasonable” threshold established by HHS.

CONCERNS:

TDI is working closely with Texas leadership to consider the range of options and implications for the state. In addition, many points of uncertainty will not be clarified until final regulations are issued.

TOTAL, ALL ITEMS	\$1,316,547	\$86,053	\$0	\$0	\$0	\$0
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454 Department of Insurance

MOF RECAP

	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015
FEDERAL FUNDS						
555 Federal Funds	\$1,316,547	\$86,053	\$0	\$0	\$0	\$0
SUBTOTAL, FEDERAL FUNDS	\$1,316,547	\$86,053	\$0	\$0	\$0	\$0
TOTAL, ALL ITEMS	\$1,316,547	\$86,053	\$0	\$0	\$0	\$0

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6.J Part B Summary of Budgetary Impacts Related to Federal Health Care Reform Schedule

83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME: 6:25:45PM

Agency code: 454 Agency name: Department of Insurance

ITEM	ITEM NAME	Est 2012	Bud 2013	BL 2014	BL 2015	Excp 2014	Excp 2015	Total Request 2014	Total Request 2015
1	Consumer Assistance Grants	\$990,345	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Grants to States for Health Insuran	\$326,202	\$86,053	\$0	\$0	\$0	\$0	\$0	\$0
Total, Cost Related to Health Care Reform		\$1,316,547	\$86,053	\$0	\$0	\$0	\$0	\$0	\$0
METHOD OF FINANCING									
FEDERAL FUNDS		\$1,316,547	\$86,053	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL		\$1,316,547	\$86,053	\$0	\$0	\$0	\$0	\$0	\$0
FULL-TIME-EQUIVALENT POSITIONS(FTE):		12.6	0.3	0.0	0.0	0.0	0.0	0.0	0.0

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7. ADMINISTRATIVE AND SUPPORT COSTS

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7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME : 6:25:46PM

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-1-1 Educate Consumers and Industry by Providing Outreach and Information					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$514,681	\$ 498,486	\$ 733,897	\$ 680,475	\$ 680,475
1002 OTHER PERSONNEL COSTS	27,085	22,090	20,929	20,760	20,760
2001 PROFESSIONAL FEES AND SERVICES	146,269	143,440	177,388	168,165	168,165
2002 FUELS AND LUBRICANTS	190	128	118	117	117
2003 CONSUMABLE SUPPLIES	3,294	3,771	5,305	5,262	5,262
2004 UTILITIES	3,963	7,082	17,357	17,217	17,217
2005 TRAVEL	738	3,706	4,571	4,186	4,186
2006 RENT - BUILDING	2,984	4,821	6,012	5,963	5,963
2007 RENT - MACHINE AND OTHER	3,731	4,099	4,499	4,463	4,463
2009 OTHER OPERATING EXPENSE	93,106	113,313	157,389	153,458	153,458
Total, Objects of Expense	\$796,041	\$800,936	\$1,127,465	\$1,060,066	\$1,060,066
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	283,697	283,812	281,571	325,751	325,751
8042 Insurance Maint Tax Fees	512,344	517,124	845,894	734,315	734,315
Total, Method of Financing	\$796,041	\$800,936	\$1,127,465	\$1,060,066	\$1,060,066
FULL TIME EQUIVALENT POSITIONS	8.9	9.6	11.2	12.0	12.0
Method of Allocation					

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
TIME : **6:25:46PM**

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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1-1-1 Educate Consumers and Industry by Providing Outreach and Information

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME : 6:25:46PM

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-2-1 Respond Promptly and Act on Complaints					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$591,714	\$ 576,809	\$ 806,954	\$ 726,997	\$ 726,997
1002 OTHER PERSONNEL COSTS	31,139	25,561	23,012	22,180	22,180
2001 PROFESSIONAL FEES AND SERVICES	168,159	165,976	195,045	179,657	179,657
2002 FUELS AND LUBRICANTS	244	170	147	141	141
2003 CONSUMABLE SUPPLIES	3,761	4,341	5,815	5,606	5,606
2004 UTILITIES	4,556	8,195	19,085	18,394	18,394
2005 TRAVEL	848	4,288	5,026	4,471	4,471
2006 RENT - BUILDING	3,430	5,578	6,610	6,371	6,371
2007 RENT - MACHINE AND OTHER	4,290	4,742	4,947	4,768	4,768
2009 OTHER OPERATING EXPENSE	107,040	131,118	173,055	163,950	163,950
Total, Objects of Expense	\$915,181	\$926,778	\$1,239,696	\$1,132,535	\$1,132,535
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	326,161	328,403	309,602	348,017	348,017
8042 Insurance Maint Tax Fees	589,020	598,375	930,094	784,518	784,518
Total, Method of Financing	\$915,181	\$926,778	\$1,239,696	\$1,132,535	\$1,132,535
FULL TIME EQUIVALENT POSITIONS	10.1	11.2	12.3	12.5	12.5
Method of Allocation					

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
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Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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1-2-1 Respond Promptly and Act on Complaints

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME : 6:25:46PM

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$577,780	\$ 578,697	\$ 756,829	\$ 767,187	\$ 767,187
1002 OTHER PERSONNEL COSTS	30,405	25,645	21,583	23,406	23,406
2001 PROFESSIONAL FEES AND SERVICES	164,199	166,520	182,930	189,589	189,589
2002 FUELS AND LUBRICANTS	213	149	121	132	132
2003 CONSUMABLE SUPPLIES	3,698	4,378	5,471	5,933	5,933
2004 UTILITIES	4,449	8,222	17,899	19,411	19,411
2005 TRAVEL	828	4,302	4,714	4,719	4,719
2006 RENT - BUILDING	3,349	5,596	6,200	6,723	6,723
2007 RENT - MACHINE AND OTHER	4,189	4,758	4,640	5,032	5,032
2009 OTHER OPERATING EXPENSE	104,519	131,547	162,306	173,014	173,014
Total, Objects of Expense	\$893,629	\$929,814	\$1,162,693	\$1,195,146	\$1,195,146
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	318,480	329,479	290,371	367,256	367,256
8042 Insurance Maint Tax Fees	575,149	600,335	872,322	827,890	827,890
Total, Method of Financing	\$893,629	\$929,814	\$1,162,693	\$1,195,146	\$1,195,146
FULL TIME EQUIVALENT POSITIONS	9.9	11.2	11.6	13.2	13.2
Method of Allocation					

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/30/2012**
TIME : **6:25:46PM**

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This prorata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
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Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-2-3 Investigate Insurer Fraud and Refer Violations for Prosecution					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$282,944	\$ 289,413	\$ 411,031	\$ 385,768	\$ 385,768
1002 OTHER PERSONNEL COSTS	14,890	12,825	11,721	11,769	11,769
2001 PROFESSIONAL FEES AND SERVICES	80,410	83,278	99,349	95,332	95,332
2002 FUELS AND LUBRICANTS	104	74	66	66	66
2003 CONSUMABLE SUPPLIES	1,811	2,189	2,971	2,983	2,983
2004 UTILITIES	2,179	4,112	9,721	9,761	9,761
2005 TRAVEL	406	2,152	2,560	2,373	2,373
2006 RENT - BUILDING	1,640	2,799	3,367	3,381	3,381
2007 RENT - MACHINE AND OTHER	2,051	2,380	2,520	2,530	2,530
2009 OTHER OPERATING EXPENSE	51,184	65,788	88,148	86,997	86,997
Total, Objects of Expense	\$437,619	\$465,010	\$631,454	\$600,960	\$600,960
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	155,963	164,776	157,699	184,669	184,669
8042 Insurance Maint Tax Fees	281,656	300,234	473,755	416,291	416,291
Total, Method of Financing	\$437,619	\$465,010	\$631,454	\$600,960	\$600,960
FULL TIME EQUIVALENT POSITIONS	4.8	5.6	6.3	6.6	6.6

Method of Allocation

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
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Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-2-3					

Investigate Insurer Fraud and Refer Violations for Prosecution

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
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Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-2-4	Investigate Provider/Consumer Fraud & Refer Violations for Prosecution				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$239,321	\$ 249,210	\$ 366,424	\$ 352,818	\$ 352,818
1002 OTHER PERSONNEL COSTS	12,594	11,044	10,449	10,764	10,764
2001 PROFESSIONAL FEES AND SERVICES	68,013	71,710	88,567	87,189	87,189
2002 FUELS AND LUBRICANTS	88	64	59	60	60
2003 CONSUMABLE SUPPLIES	1,532	1,885	2,649	2,728	2,728
2004 UTILITIES	1,843	3,541	8,666	8,927	8,927
2005 TRAVEL	343	1,853	2,282	2,170	2,170
2006 RENT - BUILDING	1,387	2,410	3,002	3,092	3,092
2007 RENT - MACHINE AND OTHER	1,735	2,049	2,246	2,314	2,314
2009 OTHER OPERATING EXPENSE	43,293	56,650	78,581	79,566	79,566
Total, Objects of Expense	\$370,149	\$400,416	\$562,925	\$549,628	\$549,628
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	131,917	141,887	140,585	168,895	168,895
8042 Insurance Maint Tax Fees	238,232	258,529	422,340	380,733	380,733
Total, Method of Financing	\$370,149	\$400,416	\$562,925	\$549,628	\$549,628
FULL TIME EQUIVALENT POSITIONS	4.1	4.8	5.6	6.1	6.1

Method of Allocation

7.A. Indirect Administrative and Support Costs
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DATE: **8/30/2012**
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Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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1-2-4 **Investigate Provider/Consumer Fraud & Refer Violations for Prosecution**

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
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Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-2-5	Investigate Workers' Comp Fraud & Refer Violations for Prosecution				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$38,731	\$ 44,207	\$ 63,626	\$ 59,461	\$ 59,461
1002 OTHER PERSONNEL COSTS	1,620	1,263	1,619	1,620	1,620
2001 PROFESSIONAL FEES AND SERVICES	10,674	11,603	14,083	14,259	14,259
2002 FUELS AND LUBRICANTS	88	111	137	137	137
2003 CONSUMABLE SUPPLIES	249	324	458	458	458
2004 UTILITIES	4,006	4,469	5,844	5,847	5,847
2005 TRAVEL	433	594	773	773	773
2006 RENT - BUILDING	5,234	2,212	6,454	6,457	6,457
2007 RENT - MACHINE AND OTHER	706	529	685	685	685
2009 OTHER OPERATING EXPENSE	7,998	8,335	11,482	9,742	9,742
4000 GRANTS	0	0	0	538	538
5000 CAPITAL EXPENDITURES	0	0	0	0	0
Total, Objects of Expense	\$69,739	\$73,647	\$105,161	\$99,977	\$99,977
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	69,739	73,647	105,161	99,977	99,977
8042 Insurance Maint Tax Fees	0	0	0	0	0
Total, Method of Financing	\$69,739	\$73,647	\$105,161	\$99,977	\$99,977
FULL TIME EQUIVALENT POSITIONS	0.7	0.9	1.2	1.2	1.2

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
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DATE: **8/30/2012**
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Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-2-5					

Investigate Workers' Comp Fraud & Refer Violations for Prosecution

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME : 6:25:46PM

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-3-1 Process Rates, Forms & Licenses Promptly					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$2,248,157	\$ 2,114,293	\$ 2,907,573	\$ 2,657,323	\$ 2,657,323
1002 OTHER PERSONNEL COSTS	118,308	93,693	82,916	81,071	81,071
2001 PROFESSIONAL FEES AND SERVICES	638,901	608,386	702,777	656,683	656,683
2002 FUELS AND LUBRICANTS	828	544	466	456	456
2003 CONSUMABLE SUPPLIES	14,388	15,994	21,018	20,550	20,550
2004 UTILITIES	17,310	30,039	68,766	67,236	67,236
2005 TRAVEL	3,222	15,717	18,109	16,345	16,345
2006 RENT - BUILDING	13,032	20,447	23,817	23,287	23,287
2007 RENT - MACHINE AND OTHER	16,298	17,384	17,825	17,428	17,428
2009 OTHER OPERATING EXPENSE	406,687	480,612	623,544	599,271	599,271
Total, Objects of Expense	\$3,477,131	\$3,397,109	\$4,466,811	\$4,139,650	\$4,139,650
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	1,239,215	1,203,763	1,115,541	1,272,073	1,272,073
8042 Insurance Maint Tax Fees	2,237,916	2,193,346	3,351,270	2,867,577	2,867,577
Total, Method of Financing	\$3,477,131	\$3,397,109	\$4,466,811	\$4,139,650	\$4,139,650
FULL TIME EQUIVALENT POSITIONS	38.4	41.0	44.4	45.8	45.8
Method of Allocation					

7.A. Indirect Administrative and Support Costs
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Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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1-3-1 **Process Rates, Forms & Licenses Promptly**

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME : 6:25:46PM

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-3-2 Promote Coverage in Underserved Markets					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$34,701	\$ 32,055	\$ 48,313	\$ 42,158	\$ 42,158
1002 OTHER PERSONNEL COSTS	1,826	1,421	1,378	1,286	1,286
2001 PROFESSIONAL FEES AND SERVICES	9,862	9,224	11,678	10,418	10,418
2003 CONSUMABLE SUPPLIES	235	250	357	333	333
2004 UTILITIES	267	455	1,143	1,067	1,067
2005 TRAVEL	49	238	301	260	260
2006 RENT - BUILDING	201	310	396	369	369
2007 RENT - MACHINE AND OTHER	252	264	296	276	276
2009 OTHER OPERATING EXPENSE	6,277	7,286	10,361	9,507	9,507
Total, Objects of Expense	\$53,670	\$51,503	\$74,223	\$65,674	\$65,674
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	19,127	18,250	18,536	20,181	20,181
8042 Insurance Maint Tax Fees	34,543	33,253	55,687	45,493	45,493
Total, Method of Financing	\$53,670	\$51,503	\$74,223	\$65,674	\$65,674
FULL TIME EQUIVALENT POSITIONS	0.6	0.6	0.7	0.7	0.7

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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 TIME : 6:25:46PM

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-3-4	Regulate Private Employers that Qualify to Self-Ins w/in the WC System				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$142,032	\$ 136,899	\$ 159,514	\$ 149,410	\$ 149,410
1002 OTHER PERSONNEL COSTS	5,940	3,911	4,058	4,070	4,070
2001 PROFESSIONAL FEES AND SERVICES	39,146	35,931	35,306	35,829	35,829
2002 FUELS AND LUBRICANTS	323	342	344	345	345
2003 CONSUMABLE SUPPLIES	912	1,002	1,148	1,152	1,152
2004 UTILITIES	14,691	13,840	14,652	14,693	14,693
2005 TRAVEL	1,589	1,840	1,936	1,942	1,942
2006 RENT - BUILDING	19,193	6,849	16,179	16,224	16,224
2007 RENT - MACHINE AND OTHER	2,588	1,640	1,717	1,722	1,722
2009 OTHER OPERATING EXPENSE	29,330	25,811	28,786	24,480	24,480
4000 GRANTS	0	0	0	1,352	1,352
5000 CAPITAL EXPENDITURES	0	0	0	0	0
Total, Objects of Expense	\$255,744	\$228,065	\$263,640	\$251,219	\$251,219
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	255,744	228,065	263,640	251,219	251,219
8042 Insurance Maint Tax Fees	0	0	0	0	0
Total, Method of Financing	\$255,744	\$228,065	\$263,640	\$251,219	\$251,219
FULL TIME EQUIVALENT POSITIONS	2.7	2.9	2.9	3.0	3.0

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Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-3-4					

Regulate Private Employers that Qualify to Self-Ins w/in the WC System

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-4-1 Support the State's Long-term Care Partnership Initiatives					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$30,910	\$ 34,484	\$ 43,926	\$ 40,353	\$ 40,353
1002 OTHER PERSONNEL COSTS	1,627	1,528	1,253	1,231	1,231
2001 PROFESSIONAL FEES AND SERVICES	8,784	9,923	10,617	9,972	9,972
2003 CONSUMABLE SUPPLIES	209	270	325	319	319
2004 UTILITIES	238	490	1,039	1,021	1,021
2005 TRAVEL	45	256	274	248	248
2006 RENT - BUILDING	179	333	360	354	354
2007 RENT - MACHINE AND OTHER	224	284	269	265	265
2009 OTHER OPERATING EXPENSE	5,592	7,839	9,420	9,100	9,100
Total, Objects of Expense	\$47,808	\$55,407	\$67,483	\$62,863	\$62,863
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	47,808	55,407	67,483	62,863	62,863
Total, Method of Financing	\$47,808	\$55,407	\$67,483	\$62,863	\$62,863
FULL TIME EQUIVALENT POSITIONS	0.5	0.7	0.7	0.7	0.7

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-4-2 Administer Three-Share Grant Program					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$6,371	\$ 20,063	\$ 16,240	\$ 13,977	\$ 13,977
1002 OTHER PERSONNEL COSTS	335	889	463	426	426
2001 PROFESSIONAL FEES AND SERVICES	1,810	5,773	3,925	3,454	3,454
2003 CONSUMABLE SUPPLIES	43	157	120	110	110
2004 UTILITIES	49	285	384	354	354
2005 TRAVEL	9	149	101	86	86
2006 RENT - BUILDING	37	194	133	122	122
2007 RENT - MACHINE AND OTHER	46	165	100	92	92
2009 OTHER OPERATING EXPENSE	1,152	4,561	3,483	3,152	3,152
Total, Objects of Expense	\$9,852	\$32,236	\$24,949	\$21,773	\$21,773
METHOD OF FINANCING:					
8042 Insurance Maint Tax Fees	9,852	32,236	24,949	21,773	21,773
Total, Method of Financing	\$9,852	\$32,236	\$24,949	\$21,773	\$21,773
FULL TIME EQUIVALENT POSITIONS	0.1	0.4	0.2	0.2	0.2

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-4-3 Promote the Healthy Texas program					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$66,848	\$ 50,714	\$ 48,129	\$ 18,869	\$ 18,869
1002 OTHER PERSONNEL COSTS	3,518	2,247	1,373	576	576
2001 PROFESSIONAL FEES AND SERVICES	18,998	14,593	11,633	4,663	4,663
2002 FUELS AND LUBRICANTS	25	13	8	3	3
2003 CONSUMABLE SUPPLIES	428	384	348	146	146
2004 UTILITIES	515	721	1,138	477	477
2005 TRAVEL	96	377	300	116	116
2006 RENT - BUILDING	388	490	394	165	165
2007 RENT - MACHINE AND OTHER	485	417	295	124	124
2009 OTHER OPERATING EXPENSE	12,093	11,528	10,322	4,255	4,255
Total, Objects of Expense	\$103,394	\$81,484	\$73,940	\$29,394	\$29,394
METHOD OF FINANCING:					
8042 Insurance Maint Tax Fees	103,394	81,484	73,940	29,394	29,394
Total, Method of Financing	\$103,394	\$81,484	\$73,940	\$29,394	\$29,394
FULL TIME EQUIVALENT POSITIONS	1.1	1.0	0.7	0.3	0.3

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-5-1	Inspect Loss Control Programs & Assure Code & Schedule Compliance				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$500,017	\$ 452,865	\$ 620,211	\$ 582,931	\$ 582,931
1002 OTHER PERSONNEL COSTS	26,313	20,068	17,687	17,784	17,784
2001 PROFESSIONAL FEES AND SERVICES	142,099	130,312	149,909	144,055	144,055
2002 FUELS AND LUBRICANTS	184	116	99	100	100
2003 CONSUMABLE SUPPLIES	3,200	3,426	4,483	4,508	4,508
2004 UTILITIES	3,850	6,434	14,668	14,749	14,749
2005 TRAVEL	717	3,366	3,863	3,586	3,586
2006 RENT - BUILDING	2,898	4,380	5,080	5,108	5,108
2007 RENT - MACHINE AND OTHER	3,625	3,723	3,802	3,823	3,823
2009 OTHER OPERATING EXPENSE	90,452	102,943	133,007	131,461	131,461
Total, Objects of Expense	\$773,355	\$727,633	\$952,809	\$908,105	\$908,105
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	275,616	257,836	237,955	279,052	279,052
8042 Insurance Maint Tax Fees	497,739	469,797	714,854	629,053	629,053
Total, Method of Financing	\$773,355	\$727,633	\$952,809	\$908,105	\$908,105
FULL TIME EQUIVALENT POSITIONS	8.5	8.8	9.5	10.0	10.0

Method of Allocation

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Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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1-5-1 **Inspect Loss Control Programs & Assure Code & Schedule Compliance**

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$2,260,984	\$ 2,243,644	\$ 1,633,548	\$ 1,600,027	\$ 1,600,027
1002 OTHER PERSONNEL COSTS	118,983	99,425	46,584	48,814	48,814
2001 PROFESSIONAL FEES AND SERVICES	642,547	645,607	394,838	395,402	395,402
2002 FUELS AND LUBRICANTS	833	577	262	274	274
2003 CONSUMABLE SUPPLIES	14,470	16,973	11,808	12,374	12,374
2004 UTILITIES	17,408	31,877	38,634	40,484	40,484
2005 TRAVEL	3,241	16,679	10,174	9,842	9,842
2006 RENT - BUILDING	13,106	21,698	13,381	14,022	14,022
2007 RENT - MACHINE AND OTHER	16,391	18,447	10,015	10,494	10,494
2009 OTHER OPERATING EXPENSE	409,008	510,016	350,323	360,833	360,833
Total, Objects of Expense	\$3,496,971	\$3,604,943	\$2,509,567	\$2,492,566	\$2,492,566
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	1,246,285	1,277,409	626,739	765,941	765,941
8042 Insurance Maint Tax Fees	2,250,686	2,327,534	1,882,828	1,726,625	1,726,625
Total, Method of Financing	\$3,496,971	\$3,604,943	\$2,509,567	\$2,492,566	\$2,492,566
FULL TIME EQUIVALENT POSITIONS	38.6	43.5	24.9	27.6	27.6

Method of Allocation

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Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
3-1-1 Provide Fire Protection through Education, Enforcement and Engineering					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$739,990	\$ 635,339	\$ 965,468	\$ 878,875	\$ 878,875
1002 OTHER PERSONNEL COSTS	38,941	28,155	27,532	26,813	26,813
2001 PROFESSIONAL FEES AND SERVICES	210,297	182,818	233,359	217,189	217,189
2002 FUELS AND LUBRICANTS	273	163	155	151	151
2003 CONSUMABLE SUPPLIES	4,736	4,806	6,979	6,797	6,797
2004 UTILITIES	5,698	9,027	22,834	22,237	22,237
2005 TRAVEL	1,061	4,723	6,013	5,406	5,406
2006 RENT - BUILDING	4,290	6,144	7,909	7,702	7,702
2007 RENT - MACHINE AND OTHER	5,365	5,224	5,919	5,764	5,764
2009 OTHER OPERATING EXPENSE	133,863	144,423	207,050	198,201	198,201
Total, Objects of Expense	\$1,144,514	\$1,020,822	\$1,483,218	\$1,369,135	\$1,369,135
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	407,893	361,727	370,419	420,721	420,721
8042 Insurance Maint Tax Fees	736,621	659,095	1,112,799	948,414	948,414
Total, Method of Financing	\$1,144,514	\$1,020,822	\$1,483,218	\$1,369,135	\$1,369,135
FULL TIME EQUIVALENT POSITIONS	12.6	12.3	14.7	15.1	15.1

Method of Allocation

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Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
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3-1-1 Provide Fire Protection through Education, Enforcement and Engineering

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-1-1	Oversee Activities of System Participants and Take Enforcement Action				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$1,071,076	\$ 1,113,285	\$ 1,278,642	\$ 1,200,811	\$ 1,200,811
1002 OTHER PERSONNEL COSTS	44,796	31,802	32,532	32,708	32,708
2001 PROFESSIONAL FEES AND SERVICES	295,201	292,196	283,012	287,960	287,960
2002 FUELS AND LUBRICANTS	2,433	2,784	2,757	2,772	2,772
2003 CONSUMABLE SUPPLIES	6,876	8,151	9,206	9,255	9,255
2004 UTILITIES	110,789	112,549	117,448	118,086	118,086
2005 TRAVEL	11,984	14,959	15,525	15,609	15,609
2006 RENT - BUILDING	144,732	55,697	129,693	130,397	130,397
2007 RENT - MACHINE AND OTHER	19,514	13,334	13,764	13,838	13,838
2009 OTHER OPERATING EXPENSE	221,183	209,901	230,746	196,749	196,749
4000 GRANTS	0	0	0	10,867	10,867
5000 CAPITAL EXPENDITURES	0	0	0	0	0
Total, Objects of Expense	\$1,928,584	\$1,854,658	\$2,113,325	\$2,019,052	\$2,019,052
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	1,928,584	1,854,658	2,113,325	2,019,052	2,019,052
8042 Insurance Maint Tax Fees	0	0	0	0	0
Total, Method of Financing	\$1,928,584	\$1,854,658	\$2,113,325	\$2,019,052	\$2,019,052
FULL TIME EQUIVALENT POSITIONS	20.6	23.2	23.4	24.5	24.5

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Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-1-1					

Oversee Activities of System Participants and Take Enforcement Action

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-1-2	Resolve Indemnity, Medical Fee and Medical Necessity Disputes					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$3,240,715	\$ 2,835,455	\$ 3,167,878	\$ 2,966,940	\$ 2,966,940
1002	OTHER PERSONNEL COSTS	135,539	80,997	80,598	80,815	80,815
2001	PROFESSIONAL FEES AND SERVICES	893,178	744,202	701,171	711,485	711,485
2002	FUELS AND LUBRICANTS	7,361	7,090	6,832	6,850	6,850
2003	CONSUMABLE SUPPLIES	20,803	20,761	22,807	22,868	22,868
2004	UTILITIES	335,210	286,655	290,982	291,764	291,764
2005	TRAVEL	36,259	38,102	38,463	38,566	38,566
2006	RENT - BUILDING	437,911	141,857	321,318	322,182	322,182
2007	RENT - MACHINE AND OTHER	59,042	33,961	34,100	34,192	34,192
2009	OTHER OPERATING EXPENSE	669,224	534,601	571,680	486,124	486,124
4000	GRANTS	0	0	0	26,851	26,851
5000	CAPITAL EXPENDITURES	0	0	0	0	0
	Total, Objects of Expense	\$5,835,242	\$4,723,681	\$5,235,829	\$4,988,637	\$4,988,637
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	5,835,242	4,723,681	5,235,829	4,988,637	4,988,637
8042	Insurance Maint Tax Fees	0	0	0	0	0
	Total, Method of Financing	\$5,835,242	\$4,723,681	\$5,235,829	\$4,988,637	\$4,988,637
FULL TIME EQUIVALENT POSITIONS		62.3	59.1	57.9	60.5	60.5

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Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-1-2					
Resolve Indemnity, Medical Fee and Medical Necessity Disputes					

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-1-3 Administer Subsequent Injury Fund					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$16,481	\$ 10,442	\$ 19,448	\$ 14,532	\$ 14,532
1002 OTHER PERSONNEL COSTS	689	298	495	396	396
2001 PROFESSIONAL FEES AND SERVICES	4,542	2,741	4,305	3,485	3,485
2002 FUELS AND LUBRICANTS	37	26	42	34	34
2003 CONSUMABLE SUPPLIES	106	76	140	112	112
2004 UTILITIES	1,705	1,056	1,786	1,429	1,429
2005 TRAVEL	184	140	237	189	189
2006 RENT - BUILDING	2,227	522	1,973	1,578	1,578
2007 RENT - MACHINE AND OTHER	300	125	209	167	167
2009 OTHER OPERATING EXPENSE	3,404	1,969	3,510	2,381	2,381
4000 GRANTS	0	0	0	132	132
5000 CAPITAL EXPENDITURES	0	0	0	0	0
Total, Objects of Expense	\$29,675	\$17,395	\$32,145	\$24,435	\$24,435
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	29,675	17,395	32,145	24,435	24,435
8042 Insurance Maint Tax Fees	0	0	0	0	0
Total, Method of Financing	\$29,675	\$17,395	\$32,145	\$24,435	\$24,435
FULL TIME EQUIVALENT POSITIONS	0.3	0.2	0.4	0.3	0.3

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Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-1-3					

Administer Subsequent Injury Fund

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-2-1 Provide Educational Services&WPS Consultations to System Participants					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$787,164	\$ 737,933	\$ 867,036	\$ 803,751	\$ 803,751
1002 OTHER PERSONNEL COSTS	32,922	21,080	22,060	21,893	21,893
2001 PROFESSIONAL FEES AND SERVICES	216,951	193,680	191,908	192,743	192,743
2002 FUELS AND LUBRICANTS	1,788	1,845	1,870	1,856	1,856
2003 CONSUMABLE SUPPLIES	5,053	5,403	6,242	6,195	6,195
2004 UTILITIES	81,422	74,603	79,641	79,040	79,040
2005 TRAVEL	8,807	9,916	10,527	10,447	10,447
2006 RENT - BUILDING	106,368	36,919	87,944	87,280	87,280
2007 RENT - MACHINE AND OTHER	14,341	8,839	9,333	9,263	9,263
2009 OTHER OPERATING EXPENSE	162,553	139,131	156,467	131,692	131,692
4000 GRANTS	0	0	0	7,274	7,274
5000 CAPITAL EXPENDITURES	0	0	0	0	0
Total, Objects of Expense	\$1,417,369	\$1,229,349	\$1,433,028	\$1,351,434	\$1,351,434
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	1,417,369	1,229,349	1,433,028	1,351,434	1,351,434
8042 Insurance Maint Tax Fees	0	0	0	0	0
Total, Method of Financing	\$1,417,369	\$1,229,349	\$1,433,028	\$1,351,434	\$1,351,434
FULL TIME EQUIVALENT POSITIONS	15.1	15.4	15.9	16.4	16.4

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Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-2-1					

Provide Educational Services&WPS Consultations to System Participants

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-2-2 Provide Customer Assistance & Records Admin for System Participants					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$1,158,115	\$ 992,450	\$ 1,149,194	\$ 1,068,269	\$ 1,068,269
1002 OTHER PERSONNEL COSTS	48,437	28,350	29,238	29,098	29,098
2001 PROFESSIONAL FEES AND SERVICES	319,190	260,482	254,360	256,176	256,176
2002 FUELS AND LUBRICANTS	2,630	2,482	2,478	2,466	2,466
2003 CONSUMABLE SUPPLIES	7,434	7,266	8,274	8,234	8,234
2004 UTILITIES	119,792	100,333	105,558	105,052	105,052
2005 TRAVEL	12,957	13,336	13,953	13,886	13,886
2006 RENT - BUILDING	156,494	49,652	116,563	116,004	116,004
2007 RENT - MACHINE AND OTHER	21,100	11,887	12,370	12,311	12,311
2009 OTHER OPERATING EXPENSE	239,157	187,118	207,385	175,032	175,032
4000 GRANTS	0	0	0	9,668	9,668
5000 CAPITAL EXPENDITURES	0	0	0	0	0
Total, Objects of Expense	\$2,085,306	\$1,653,356	\$1,899,373	\$1,796,196	\$1,796,196
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	2,085,306	1,653,356	1,899,373	1,796,196	1,796,196
8042 Insurance Maint Tax Fees	0	0	0	0	0
Total, Method of Financing	\$2,085,306	\$1,653,356	\$1,899,373	\$1,796,196	\$1,796,196
FULL TIME EQUIVALENT POSITIONS	22.3	20.7	21.0	21.8	21.8

7.A. Indirect Administrative and Support Costs
83rd Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
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Agency name: **Department of Insurance**

Exp 2011

Est 2012

Bud 2013

BL 2014

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Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME : 6:25:46PM

Agency code: 454

Agency name: Department of Insurance

	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$14,548,732	\$13,646,743	\$16,063,881	\$15,010,932	\$15,010,932
1002 OTHER PERSONNEL COSTS	\$695,907	\$512,292	\$437,480	\$437,480	\$437,480
2001 PROFESSIONAL FEES AND SERVICES	\$4,079,230	\$3,778,395	\$3,746,160	\$3,663,705	\$3,663,705
2002 FUELS AND LUBRICANTS	\$17,642	\$16,678	\$15,961	\$15,960	\$15,960
2003 CONSUMABLE SUPPLIES	\$93,238	\$101,807	\$115,924	\$115,923	\$115,923
2004 UTILITIES	\$729,940	\$703,985	\$837,245	\$837,246	\$837,246
2005 TRAVEL	\$83,816	\$136,693	\$139,702	\$135,220	\$135,220
2006 RENT - BUILDING	\$919,080	\$368,908	\$756,785	\$756,781	\$756,781
2007 RENT - MACHINE AND OTHER	\$176,273	\$134,251	\$129,551	\$129,551	\$129,551
2009 OTHER OPERATING EXPENSE	\$2,797,115	\$2,874,490	\$3,217,045	\$2,998,965	\$2,998,965
4000 GRANTS	\$0	\$0	\$0	\$56,682	\$56,682
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
Total, Objects of Expense	\$24,140,973	\$22,274,242	\$25,459,734	\$24,158,445	\$24,158,445
Method of Financing					
36 Dept Ins Operating Acct	\$16,073,821	\$14,202,900	\$14,699,002	\$14,746,369	\$14,746,369
8042 Insurance Maint Tax Fees	\$8,067,152	\$8,071,342	\$10,760,732	\$9,412,076	\$9,412,076

7.A. Indirect Administrative and Support Costs
 83rd Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2012
 TIME : 6:25:46PM

Agency code: **454**

Agency name: **Department of Insurance**

	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
Total, Method of Financing	\$24,140,973	\$22,274,242	\$25,459,734	\$24,158,445	\$24,158,445
Full-Time-Equivalent Positions (FTE)	262.2	273.1	265.5	278.5	278.5

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-1-1	Educate Consumers and Industry by Providing Outreach and Information				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$214,899	\$214,899	\$214,899	\$214,899	\$214,899
1002 OTHER PERSONNEL COSTS	10,800	10,800	10,800	10,800	10,800
2001 PROFESSIONAL FEES AND SERVICES	11,981	248,941	238,374	235,513	235,669
2003 CONSUMABLE SUPPLIES	672	721	643	623	623
2004 UTILITIES	958	1,005	233	82	82
2005 TRAVEL	1,314	2,988	1,747	1,692	1,692
2006 RENT - BUILDING	297	227	317	307	307
2007 RENT - MACHINE AND OTHER	1,083	990	1,088	1,053	1,053
2009 OTHER OPERATING EXPENSE	15,749	51,780	21,723	20,703	20,703
Total, Objects of Expense	\$257,753	\$532,351	\$489,824	\$485,672	\$485,828
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	91,861	188,638	122,329	149,242	149,290
8042 Insurance Maint Tax Fees	165,892	343,713	367,495	336,430	336,538
Total, Method of Financing	\$257,753	\$532,351	\$489,824	\$485,672	\$485,828
FULL-TIME-EQUIVALENT POSITIONS (FTE):	2.6	2.6	2.6	2.6	2.6
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-2-1 Respond Promptly and Act on Complaints					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$191,821	\$191,821	\$191,821	\$191,821	\$191,821
2001 PROFESSIONAL FEES AND SERVICES	13,060	242	142	143	143
2003 CONSUMABLE SUPPLIES	600	718	551	530	530
2004 UTILITIES	571	319	129	77	77
2005 TRAVEL	488	1,015	617	619	619
2006 RENT - BUILDING	208	92	0	0	0
2007 RENT - MACHINE AND OTHER	828	843	790	793	793
2009 OTHER OPERATING EXPENSE	4,724	13,087	3,411	2,772	2,772
Total, Objects of Expense	\$212,300	\$208,137	\$197,461	\$196,755	\$196,755
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	75,662	73,753	49,314	60,461	60,461
8042 Insurance Maint Tax Fees	136,638	134,384	148,147	136,294	136,294
Total, Method of Financing	\$212,300	\$208,137	\$197,461	\$196,755	\$196,755
FULL-TIME-EQUIVALENT POSITIONS (FTE):	2.4	2.4	2.4	2.4	2.4
DESCRIPTION					

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Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-2-2	Investigate Trade Practices and Bring Enforcement Actions as Needed				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$271,015	\$271,015	\$271,015	\$271,015	\$271,015
1002 OTHER PERSONNEL COSTS	6,000	6,000	6,000	6,000	6,000
2001 PROFESSIONAL FEES AND SERVICES	928	9,134	12,059	10,304	10,304
2003 CONSUMABLE SUPPLIES	1,266	1,233	1,720	1,465	1,465
2004 UTILITIES	265	236	0	0	0
2005 TRAVEL	89	2,551	1,580	1,350	1,350
2007 RENT - MACHINE AND OTHER	1,363	1,455	1,302	1,112	1,112
2009 OTHER OPERATING EXPENSE	5,729	14,718	6,707	5,783	5,783
Total, Objects of Expense	\$286,655	\$306,342	\$300,383	\$297,029	\$297,029
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	102,161	108,552	75,018	91,274	91,274
8042 Insurance Maint Tax Fees	184,494	197,790	225,365	205,755	205,755
Total, Method of Financing	\$286,655	\$306,342	\$300,383	\$297,029	\$297,029
FULL-TIME-EQUIVALENT POSITIONS (FTE):	3.8	3.8	3.8	3.8	3.8

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-2-3					
Investigate Insurer Fraud and Refer Violations for Prosecution					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$139,257	\$139,257	\$139,257	\$139,257	\$139,257
1002 OTHER PERSONNEL COSTS	3,840	3,840	3,840	3,840	3,840
2001 PROFESSIONAL FEES AND SERVICES	5,417	1,468	1,464	1,345	1,345
2003 CONSUMABLE SUPPLIES	574	632	718	610	610
2004 UTILITIES	771	723	701	540	540
2005 TRAVEL	5,089	4,213	4,512	3,969	3,969
2006 RENT - BUILDING	87	49	28	25	25
2007 RENT - MACHINE AND OTHER	713	726	731	672	672
2009 OTHER OPERATING EXPENSE	4,164	8,460	3,724	3,644	3,644
Total, Objects of Expense	\$159,912	\$159,368	\$154,975	\$153,902	\$153,902
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	56,991	56,472	38,703	47,293	47,293
8042 Insurance Maint Tax Fees	102,921	102,896	116,272	106,609	106,609
Total, Method of Financing	\$159,912	\$159,368	\$154,975	\$153,902	\$153,902
FULL-TIME-EQUIVALENT POSITIONS (FTE):	2.1	2.1	2.1	2.1	2.1
DESCRIPTION					

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Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-2-4	Investigate Provider/Consumer Fraud & Refer Violations for Prosecution				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$139,257	\$139,257	\$139,257	\$139,257	\$139,257
2001 PROFESSIONAL FEES AND SERVICES	6,488	1,766	1,656	1,482	1,482
2003 CONSUMABLE SUPPLIES	800	833	758	623	623
2004 UTILITIES	843	869	793	595	595
2005 TRAVEL	4,732	5,069	5,104	4,371	4,371
2006 RENT - BUILDING	527	486	31	28	28
2007 RENT - MACHINE AND OTHER	971	917	731	654	654
2009 OTHER OPERATING EXPENSE	12,103	12,843	5,057	3,877	3,877
Total, Objects of Expense	\$165,721	\$162,040	\$153,387	\$150,887	\$150,887
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	59,061	57,419	38,307	46,366	46,366
8042 Insurance Maint Tax Fees	106,660	104,621	115,080	104,521	104,521
Total, Method of Financing	\$165,721	\$162,040	\$153,387	\$150,887	\$150,887
FULL-TIME-EQUIVALENT POSITIONS (FTE):	2.1	2.1	2.1	2.1	2.1

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-3-1					
Process Rates, Forms & Licenses Promptly					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$870,595	\$870,595	\$870,595	\$870,595	\$870,595
2001 PROFESSIONAL FEES AND SERVICES	49,939	7,924	3,202	2,885	2,885
2003 CONSUMABLE SUPPLIES	3,921	4,919	4,129	3,558	3,558
2004 UTILITIES	2,224	1,551	578	289	289
2005 TRAVEL	1,995	3,790	2,626	2,365	2,365
2006 RENT - BUILDING	586	310	0	0	0
2007 RENT - MACHINE AND OTHER	4,728	5,217	4,740	4,270	4,270
2009 OTHER OPERATING EXPENSE	27,758	60,018	22,950	14,865	14,865
Total, Objects of Expense	\$961,746	\$954,324	\$908,820	\$898,827	\$898,827
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	342,757	338,164	226,969	276,201	276,201
8042 Insurance Maint Tax Fees	618,989	616,160	681,851	622,626	622,626
Total, Method of Financing	\$961,746	\$954,324	\$908,820	\$898,827	\$898,827
FULL-TIME-EQUIVALENT POSITIONS (FTE):	13.7	13.7	13.7	13.7	13.7

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-3-2 Promote Coverage in Underserved Markets					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$110,498	\$110,498	\$110,498	\$110,498	\$110,498
2001 PROFESSIONAL FEES AND SERVICES	470	0	0	0	0
2003 CONSUMABLE SUPPLIES	477	694	735	551	551
2004 UTILITIES	345	146	0	0	0
2005 TRAVEL	0	305	318	238	238
2007 RENT - MACHINE AND OTHER	685	716	708	531	531
2009 OTHER OPERATING EXPENSE	2,069	2,598	1,736	1,302	1,302
Total, Objects of Expense	\$114,544	\$114,957	\$113,995	\$113,120	\$113,120
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	40,822	40,735	28,469	34,761	34,761
8042 Insurance Maint Tax Fees	73,722	74,222	85,526	78,359	78,359
Total, Method of Financing	\$114,544	\$114,957	\$113,995	\$113,120	\$113,120
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.9	1.9	1.9	1.9	1.9

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-3-4	Regulate Private Employers that Qualify to Self-Ins w/in the WC System				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$152,968	\$152,968	\$152,968	\$152,968	\$152,968
2003 CONSUMABLE SUPPLIES	1,279	1,101	971	1,037	1,037
2004 UTILITIES	847	827	1,414	1,510	1,510
2005 TRAVEL	2,764	3,302	2,941	3,141	3,141
2006 RENT - BUILDING	11,830	7,525	12,872	13,747	13,747
2007 RENT - MACHINE AND OTHER	3,378	1,719	1,675	1,788	1,788
2009 OTHER OPERATING EXPENSE	6,660	12,885	11,617	12,407	12,407
Total, Objects of Expense	\$179,726	\$180,327	\$184,458	\$186,598	\$186,598
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	179,726	180,327	184,458	186,598	186,598
Total, Method of Financing	\$179,726	\$180,327	\$184,458	\$186,598	\$186,598
FULL-TIME-EQUIVALENT POSITIONS (FTE):	3.0	3.0	3.0	3.0	3.0

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
1-5-1	Inspect Loss Control Programs & Assure Code & Schedule Compliance				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$104,077	\$104,077	\$104,077	\$104,077	\$104,077
1002 OTHER PERSONNEL COSTS	12,480	12,480	12,480	12,480	12,480
2001 PROFESSIONAL FEES AND SERVICES	320	0	0	0	0
2003 CONSUMABLE SUPPLIES	406	450	397	349	349
2004 UTILITIES	743	1,196	286	252	252
2005 TRAVEL	4,911	4,929	4,768	4,199	4,199
2006 RENT - BUILDING	2,427	2,543	2,658	2,341	2,341
2007 RENT - MACHINE AND OTHER	561	581	518	456	456
2009 OTHER OPERATING EXPENSE	2,420	2,976	1,918	1,689	1,689
Total, Objects of Expense	\$128,345	\$129,232	\$127,102	\$125,843	\$125,843
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	45,741	45,793	31,742	38,670	38,670
8042 Insurance Maint Tax Fees	82,604	83,439	95,360	87,173	87,173
Total, Method of Financing	\$128,345	\$129,232	\$127,102	\$125,843	\$125,843
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.5	1.5	1.5	1.5	1.5
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$380,590	\$380,590	\$380,590	\$380,590	\$380,590
1002 OTHER PERSONNEL COSTS	9,600	9,600	9,600	9,600	9,600
2001 PROFESSIONAL FEES AND SERVICES	1,571	112	163	127	127
2003 CONSUMABLE SUPPLIES	1,574	1,568	2,746	1,983	1,983
2004 UTILITIES	779	1,740	993	355	355
2005 TRAVEL	22,167	34,045	16,448	10,863	10,863
2006 RENT - BUILDING	1,867	1,947	3,997	3,111	3,111
2007 RENT - MACHINE AND OTHER	2,567	2,652	3,789	2,949	2,949
2009 OTHER OPERATING EXPENSE	14,097	20,782	25,526	18,841	18,841
Total, Objects of Expense	\$434,812	\$453,036	\$443,852	\$428,419	\$428,419
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	154,963	160,533	110,848	131,649	131,649
8042 Insurance Maint Tax Fees	279,849	292,503	333,004	296,770	296,770
Total, Method of Financing	\$434,812	\$453,036	\$443,852	\$428,419	\$428,419
FULL-TIME-EQUIVALENT POSITIONS (FTE):	5.9	5.9	5.9	5.9	5.9

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on FTEs within each direct strategy.

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
3-1-1 Provide Fire Protection through Education, Enforcement and Engineering					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$495,418	\$495,418	\$495,418	\$495,418	\$495,418
1002 OTHER PERSONNEL COSTS	10,800	10,800	10,800	10,800	10,800
2001 PROFESSIONAL FEES AND SERVICES	4,377	12,479	345	328	328
2002 FUELS AND LUBRICANTS	13,296	12,319	10,007	9,511	9,511
2003 CONSUMABLE SUPPLIES	3,493	4,960	4,284	4,072	4,072
2004 UTILITIES	4,673	6,654	4,478	4,256	4,256
2005 TRAVEL	12,697	17,971	16,757	15,927	15,927
2006 RENT - BUILDING	13	827	758	721	721
2007 RENT - MACHINE AND OTHER	2,401	2,535	2,497	2,374	2,374
2009 OTHER OPERATING EXPENSE	18,073	69,486	32,648	21,660	21,660
5000 CAPITAL EXPENDITURES	42,652	6,055	0	0	0
Total, Objects of Expense	\$607,893	\$639,504	\$577,992	\$565,067	\$565,067
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	216,647	226,608	144,348	173,639	173,639
8042 Insurance Maint Tax Fees	391,246	412,896	433,644	391,428	391,428
Total, Method of Financing	\$607,893	\$639,504	\$577,992	\$565,067	\$565,067
FULL-TIME-EQUIVALENT POSITIONS (FTE):	7.0	7.0	7.0	7.0	7.0
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-1-1	Oversee Activities of System Participants and Take Enforcement Action				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$390,392	\$390,392	\$390,392	\$390,392	\$390,392
2001 PROFESSIONAL FEES AND SERVICES	53,056	81,335	8,853	9,430	9,430
2003 CONSUMABLE SUPPLIES	2,793	1,627	1,370	1,459	1,459
2004 UTILITIES	1,961	2,235	3,323	3,539	3,539
2005 TRAVEL	875	4,405	5,405	5,757	5,757
2006 RENT - BUILDING	26,167	18,872	30,056	32,014	32,014
2007 RENT - MACHINE AND OTHER	7,421	4,301	3,912	4,167	4,167
2009 OTHER OPERATING EXPENSE	8,468	12,897	12,595	13,416	13,416
Total, Objects of Expense	\$491,133	\$516,064	\$455,906	\$460,174	\$460,174
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	491,133	516,064	455,906	460,174	460,174
Total, Method of Financing	\$491,133	\$516,064	\$455,906	\$460,174	\$460,174
FULL-TIME-EQUIVALENT POSITIONS (FTE):	7.0	7.0	7.0	7.0	7.0

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-1-2	Resolve Indemnity, Medical Fee and Medical Necessity Disputes				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$1,305,506	\$1,305,506	\$1,305,506	\$1,305,506	\$1,305,506
2001 PROFESSIONAL FEES AND SERVICES	8,141	28,629	171,531	165,211	3,842
2003 CONSUMABLE SUPPLIES	5,938	11,276	10,322	9,017	9,017
2004 UTILITIES	7,400	8,090	3,513	3,068	3,068
2005 TRAVEL	23,703	22,715	21,802	19,045	19,045
2006 RENT - BUILDING	84,906	131,325	89,445	78,136	78,136
2007 RENT - MACHINE AND OTHER	5,310	15,706	14,816	12,942	12,942
2009 OTHER OPERATING EXPENSE	34,743	38,770	35,674	31,163	31,163
Total, Objects of Expense	\$1,475,647	\$1,562,017	\$1,652,609	\$1,624,088	\$1,462,719
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	1,475,647	1,562,017	1,652,609	1,624,088	1,462,719
Total, Method of Financing	\$1,475,647	\$1,562,017	\$1,652,609	\$1,624,088	\$1,462,719
FULL-TIME-EQUIVALENT POSITIONS (FTE):	22.0	22.0	22.0	22.0	22.0

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on FTEs within each direct strategy.

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-2-1 Provide Educational Services&WPS Consultations to System Participants					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$336,104	\$336,104	\$336,104	\$336,104	\$336,104
1002 OTHER PERSONNEL COSTS	6,000	6,000	6,000	6,000	6,000
2001 PROFESSIONAL FEES AND SERVICES	409	490	0	0	0
2003 CONSUMABLE SUPPLIES	1,647	4,659	4,387	3,403	3,403
2004 UTILITIES	3,649	5,517	5,202	4,644	4,644
2005 TRAVEL	40,175	45,036	39,819	33,632	33,632
2006 RENT - BUILDING	64,409	56,971	54,483	47,269	47,269
2007 RENT - MACHINE AND OTHER	12,516	8,790	8,141	5,984	5,984
2009 OTHER OPERATING EXPENSE	48,371	41,278	23,986	11,926	11,926
3001 CLIENT SERVICES	480	1,813	0	0	0
5000 CAPITAL EXPENDITURES	1,470	0	0	0	0
Total, Objects of Expense	\$515,230	\$506,658	\$478,122	\$448,962	\$448,962
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	515,230	506,658	478,122	448,962	448,962
Total, Method of Financing	\$515,230	\$506,658	\$478,122	\$448,962	\$448,962
FULL-TIME-EQUIVALENT POSITIONS (FTE):	12.0	12.0	12.0	12.0	12.0
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
4-2-2	Provide Customer Assistance & Records Admin for System Participants				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$968,598	\$968,598	\$968,598	\$968,598	\$968,598
2001 PROFESSIONAL FEES AND SERVICES	7,319	2,809	0	0	0
2003 CONSUMABLE SUPPLIES	7,172	10,097	8,900	8,097	8,097
2004 UTILITIES	5,348	7,647	5,202	4,733	4,733
2005 TRAVEL	5,522	3,166	3,925	3,571	3,571
2006 RENT - BUILDING	76,580	131,223	113,481	103,239	103,239
2007 RENT - MACHINE AND OTHER	10,329	12,056	11,026	10,031	10,031
2009 OTHER OPERATING EXPENSE	23,035	29,017	30,318	27,582	27,582
Total, Objects of Expense	\$1,103,903	\$1,164,613	\$1,141,450	\$1,125,851	\$1,125,851
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	1,103,903	1,164,613	1,141,450	1,125,851	1,125,851
Total, Method of Financing	\$1,103,903	\$1,164,613	\$1,141,450	\$1,125,851	\$1,125,851
FULL-TIME-EQUIVALENT POSITIONS (FTE):	17.0	17.0	17.0	17.0	17.0

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on FTEs within each direct strategy.

Agency code: 454

Agency name: Department of Insurance

	Exp 2011	Est 2012	Bud 2013	BL 2014	BL 2015
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$6,070,995	\$6,070,995	\$6,070,995	\$6,070,995	\$6,070,995
1002 OTHER PERSONNEL COSTS	\$59,520	\$59,520	\$59,520	\$59,520	\$59,520
2001 PROFESSIONAL FEES AND SERVICES	\$163,476	\$395,329	\$437,789	\$426,768	\$265,555
2002 FUELS AND LUBRICANTS	\$13,296	\$12,319	\$10,007	\$9,511	\$9,511
2003 CONSUMABLE SUPPLIES	\$32,612	\$45,488	\$42,631	\$37,377	\$37,377
2004 UTILITIES	\$31,377	\$38,755	\$26,845	\$23,940	\$23,940
2005 TRAVEL	\$126,521	\$155,500	\$128,369	\$110,739	\$110,739
2006 RENT - BUILDING	\$269,904	\$352,397	\$308,126	\$280,938	\$280,938
2007 RENT - MACHINE AND OTHER	\$54,854	\$59,204	\$56,464	\$49,776	\$49,776
2009 OTHER OPERATING EXPENSE	\$228,163	\$391,595	\$239,590	\$191,630	\$191,630
3001 CLIENT SERVICES	\$480	\$1,813	\$0	\$0	\$0
5000 CAPITAL EXPENDITURES	\$44,122	\$6,055	\$0	\$0	\$0
Total, Objects of Expense	\$7,095,320	\$7,588,970	\$7,380,336	\$7,261,194	\$7,099,981
Method of Financing					
36 Dept Ins Operating Acct	\$4,952,305	\$5,226,346	\$4,778,592	\$4,895,229	\$4,733,908
8042 Insurance Maint Tax Fees	\$2,143,015	\$2,362,624	\$2,601,744	\$2,365,965	\$2,366,073
Total, Method of Financing	\$7,095,320	\$7,588,970	\$7,380,336	\$7,261,194	\$7,099,981
Full-Time-Equivalent Positions (FTE)	104.0	104.0	104.0	104.0	104.0