

# AGENCY STRATEGIC PLAN FISCAL YEARS 2019-2023



TEXAS DEPARTMENT OF INSURANCE

A handwritten signature in black ink, appearing to read "Kent C. Sullivan", is written over a thin blue horizontal line.

Kent C. Sullivan

Commissioner of Insurance

Submitted: June 08, 2018

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## PART I: STRATEGIC PLAN

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

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

- Regulate the business of insurance in Texas.
- Administer Texas' workers' compensation system as the Texas Labor Code, Title 5.
- Ensure that the insurance code and other laws regarding insurance and insurance companies are executed.
- Protect and ensure the fair treatment of consumers.
- Ensure fair competition in the insurance industry to foster a competitive market.

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

There are two legislatively established divisions within TDI:

- **Division of Workers' Compensation's (DWC):** Established by Texas Labor Code, Title 5, the Workers' Compensation Commissioner exercises all executive authority, including rulemaking, over DWC operations and enforces the Texas Workers' Compensation Act and other applicable workers' compensation system laws.
- **State Fire Marshal's Office (SFMO):** Established by Texas Government Code, Chapter 417, the State Fire Marshal is a state-commissioned officer appointed by the Commissioner of Insurance. The SFMO develops and promotes methods of preventing and reducing fire losses. This responsibility is carried out through fire cause and origin investigations, state building inspections, code enforcement, the regulation of fire service industries, and the development and promotion of fire prevention programs.

The Governor, with advice and consent of the Texas Senate, appoints both the Insurance Commissioner and the Workers' Compensation Commissioner for two-year terms.

## Agency Mission

### Insurance Operations Mission

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

### Workers' Compensation Mission

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

## Agency Goals and Action Plans

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

### A. Insurance Operations Goals and Action Plans

**Goal 1: Use plain language and formats that are easy to read across all agency communications channels.**

**Specific Action Items:**

1. Rewrite agency forms, including licensing applications and forms used by consumers. Target date: FY 2019.
2. Review and revise letters sent to consumers and individual licensees using plain language. Target date: FY 2019.
3. Improve communications and increase readability standards for insurers to use in their information provided to consumers. Target date: FY 2020.

**Support of Statewide Objectives:**

1. *Accountable to tax and fee payers of Texas.*  
Using plain language will help consumers better understand and use the services and resources available through the agency.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*  
Helping consumers and those seeking agent and adjuster licenses better understand agency processes results in a more efficient use of agency resources. Providing clear rules and instructions ultimately means fewer calls just to clarify a process or correct applications with missing information.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve.*  
Using plain language improves our ability to achieve our core functions across the board. Consumers are better informed when the information provided by TDI, and the companies we regulate, is easy to understand.
4. *Attentive to providing excellent customer service.*  
The heart of the plain language initiative is a customer-centric focus. It's about viewing our businesses, processes, and decisions through the eyes of Texas insurance customers.

**Goal 1: Use plain language and formats that are easy to read across all agency communications channels.**

5. *Transparent such that agency actions can be understood by any Texan.*  
Using simple words, maintaining a website that's easy to navigate, and formatting to highlight the most important and timely information first, enhance transparency by helping Texans understand how TDI actions benefit consumers and the industry we regulate.

**Other Considerations Relevant to Goals and Action Plans:**

Plain language benefits both consumers and insurance companies. Examples of the benefits include:

- People will better understand their rights as insurance consumers and how to get help or seek relief when appropriate.
- Insurance agents and adjusters can rely on simple, straightforward information to apply for and manage a license.
- Companies will find it easier to comply with common-sense, straightforward regulatory processes.
- Licensing applications can be processed faster when applicants understand how to complete the form correctly.

**Goal 2: Modernize technology across the agency to improve the customer experience and use resources more efficiently.**

**Specific Action Items:**

1. TDI is working with its vendors to ensure the agency is using available technology to maximize efficiency in the agent licensing process, the handling of consumer complaints, and call center operations. Target date: FY 2019.
2. TDI will continue to evaluate, leverage, and maximize use of technology solutions available from the National Association of Insurance Commissioners (NAIC). FY 2019 and ongoing.
3. TDI will continue to reduce its reliance on legacy applications by evaluating the need for and effectiveness of existing applications while seeking more current alternatives and vendor supported software solutions. FY 2019 and ongoing.
4. TDI will continue to work closely with the Texas Department of Information Resources to ensure the agency is making best use of data storage and cloud computing options. FY 2019 and ongoing.

**Goal 2: Modernize technology across the agency to improve the customer experience and use resources more efficiently.**

5. TDI will continue to benchmark against private and public sector entities with similar functions to identify best practices and evaluate software or technology that can help improve customer service and internal processes. FY 2019 and ongoing.

**Support of Statewide Objectives:**

1. *Accountable to tax and fee payers of Texas.*  
Modernizing technology makes agency processes more efficient and effective.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*  
Increasing the use of online services helps reduce staff time associated with manual entry and processing paper documents.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve.*  
TDI is engaged with vendors, the NAIC and other state agencies to leverage existing technology resources to create a culture of continuous improvement and ensure the agency continues to meet key performance measures.
4. *Providing excellent customer service.*  
Using technology more effectively improves customer service by providing easier and more convenient ways for people to conduct business with the agency.
5. *Transparent such that agency actions can be understood by any Texan.*  
Better use of technology can increase transparency. For example, TDI is moving to an online open records system that allows users to log in and track the progress of their request.

**Other Considerations Relevant to Goals and Action Plans:**

TDI is also looking at technology solutions that can help improve analysis of a wide range of data and information reported to the agency. The potential benefits include:

- Faster analysis of claim data after disasters such as Hurricane Harvey.
- Improved ability to quickly identify trends in complaints that may signal a broader compliance issue.

**Goal 3: Improve TDI's regulatory efficiency and effectiveness.**

**Specific Action Items:**

1. Streamline agency internal processes to draft and review rules so that legislative changes and other needed rules can be developed more quickly. Target date: FY 2019 and ongoing.

**Goal 3: Improve TDI’s regulatory efficiency and effectiveness.**

2. Continue meaningful participation in the National Association of Insurance Commissioners (NAIC) and International Association of Insurance Supervisors initiatives. Through participation, TDI can influence the development of model laws and international regulatory standards to ensure they are consistent with Texas’ regulatory philosophy. Target date: FY 2019 and ongoing.
3. Continue implementation of a more risk-based process to evaluate insurer solvency. Target date: FY 2019 and ongoing.
4. Coordinate with other state, federal, and international regulators with authority over insurers to best leverage resources and maximize efficiency of TDI staff. Target date: FY 2019 and ongoing.

**Support of Statewide Objectives:**

1. *Accountable to tax and fee payers of Texas.*  
TDI’s regulatory approach maximizes compliance resources to protect consumers and provide prompt assistance to licensed individuals and entities.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*  
TDI’s use of risk-based examination and surveillance approaches for solvency regulation ensures resources are focused on analyzing and examining the areas of highest risk. In addition, the agency’s coordination with other state, federal and international regulators helps leverage resources to make the best use of tax dollars.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve.*  
More efficient and effective regulatory systems and processes help the agency fulfill its core function of regulating the insurance industry firmly and fairly.
4. *Providing excellent customer service.*  
Improvements to the agency’s regulatory processes provide regulatory certainty for insurers.
5. *Transparent such that agency actions can be understood by any Texan.*  
Streamlined and documented regulatory processes provide continued transparency for the regulated community and other stakeholders.

**Other Considerations Relevant to Goals and Action Plans:**

Texas’ population growth and increased diversity affects consumers’ insurance product needs. TDI’s challenge is to foster a stable, competitive, and healthy environment for insurers to provide high-quality insurance products that satisfy consumer demands.

Understanding Texas’ place in the financial services sector is fundamental to leading TDI.

### **Goal 3: Improve TDI's regulatory efficiency and effectiveness.**

With more than \$155 billion of premiums written in 2016, Texas is the second largest insurance market in the nation and the ninth largest insurance market in the world. The agency regulates approximately 2,800 companies, more than 500,000 insurance agents, and 130,000 adjusters.

According to the [Insurance Information Institute](#), Texas insurers:

- Provided almost 280,000 jobs in Texas and accounted for about \$19.6 billion in compensation in 2016.
- Contributed \$33.9 billion to the Texas gross state product in 2015.
- Paid \$2.2 billion in premium taxes in Texas in 2016.

TDI is committed to continuous improvement to better protect consumers and foster a stable, competitive insurance market.

The strong Texas insurance market ultimately benefits consumers by providing more options and competitive rates. TDI's strategic goals will build on this foundation to improve services, make better use of technology, and help consumers better understand their insurance options and rights.

Texas is in a unique position to influence the direction of state, national and international insurance regulatory standards through the NAIC and International Association of Insurance Supervisors.

- **National Association of Insurance Commissioners (NAIC):** The NAIC represents the insurance commissioners from the 50 states, the District of Columbia, and five U.S. territories. NAIC goals include enhancing the uniformity and consistency of the state-based system of insurance regulation. The NAIC also serves a role in mitigating the risk of federal pre-emption of states' ability to regulate insurance.
- **International Association of Insurance Supervisors (IAIS):** Established in 1994, the IAIS represents insurance regulators from nearly 140 countries that constitute 97 percent of the world's insurance premiums. The IAIS's objectives are to promote effective and globally consistent insurance regulation and to enhance global financial stability. TDI's participation in the IAIS allows the agency to ensure that IAIS recommendations are right for Texas.

### **Goal 4: Increase collaboration with flood insurance providers and stakeholders to educate consumers about their flood risks and the need for flood insurance.**

#### **Specific Action Items:**

1. TDI will continue to collaborate with FEMA's National Flood Insurance Program (NFIP) to provide flood insurance information through social media and joint public events. Target date: FY 2019 and ongoing.

**Goal 4: Increase collaboration with flood insurance providers and stakeholders to educate consumers about their flood risks and the need for flood insurance.**

2. TDI will continue to help consumers affected by disasters navigate insurance and assistance program requirements, including those of the Texas Windstorm Insurance Association, NFIP, and the Small Business Administration Disaster Loan Program. Target date: FY 2019 and ongoing.

**Support of Statewide Objectives:**

1. *Accountable to tax and fee payers of Texas.*  
Providing clear and accurate information on flood risks and insurance options will help ensure citizens have adequate coverage in case of a disaster.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*  
Helping consumers better understand the options available to them results in a more efficient use of agency and government resources and taxpayer funds.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures, and implementing plans to continuously improve.*  
Helping consumers understand their risk and options improves our ability to achieve our core function to protect consumers.
4. *Providing excellent customer service.*  
Clear and accurate information helps consumers make informed decisions and ultimately improves the consumer experience.
5. *Transparent such that agency actions can be understood by any Texan.*  
Providing clear and understandable information about the risks of flooding and how to purchase flood insurance helps Texans better manage their risks and navigate coverage options.

**Other Considerations Relevant to Goals and Action Plans:**

Hurricane Harvey provided a tangible reminder that TDI's statutory duty to protect consumers means educating Texans about their risks and their insurance options. Studies after Harvey found that half – or more – of the flooded homes were outside the area where the homeowner's mortgage probably required flood insurance.

Following Hurricane Harvey, TDI has worked to increase consumer awareness of flood risks and encourage consumers to evaluate their need for flood insurance. Those actions have included:

- Consumer Protection staff partnered with FEMA to operate information booths in large retail stores.
- TDI communication staff have worked with FEMA on numerous outreach efforts, including joint Facebook Live events and other social media posts.

**Goal 4: Increase collaboration with flood insurance providers and stakeholders to educate consumers about their flood risks and the need for flood insurance.**

- TDI has produced videos, developed a web resource, issued news releases, and launched an extensive social media campaign to illustrate the need for flood insurance.

**B. Workers' Compensation Operations Goals and Action Plans**

**Goal 1: Provide a healthy Texas workers' compensation system for all system participants.**

**Specific Action Items:**

1. Implement revised designated doctor qualification standards for certain body areas and complex diagnoses, and modify the designated doctor appointment offer process. Target date: FY 2019.
2. Enhance methods for identifying and investigating potential workers' compensation fraud and administrative violations by increasing the use of data analytics and other best practices. Continue carrier compliance audits of Lifetime Income Benefits and death benefit payments. Target date: FY 2021 and ongoing.
3. Increase monitoring of claims and complaints involving first responders. Identify select staff who will assist with complaint review and constituent issues involving first responders and occupational disease claims. Improve outreach and education to first responder community. Target date: FY 2019 and ongoing.
4. Continue improving outreach and education efforts across DWC to best serve the needs of system participants. FY 2019 and ongoing.
5. Ensure a diverse community of health care providers in the Texas workers' compensation system through outreach and education to potential new system participants across the state. Target date: FY 2019 and ongoing.

**Support of Statewide Objectives:**

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

Enhancing methods for identifying and investigating workers' compensation fraud and administrative violations will significantly aid in the Division's ability to reduce fraud. Workers' compensation fraud impacts all system participants through higher insurance premiums. Workers' compensation fraud also adversely impacts the public's confidence in the workers' compensation system and could discourage some employers from subscribing to the system. Increasing the availability of qualified healthcare providers in the system ensures that injured employees and insurance carriers have appropriate access to medically appropriate healthcare. Several statutory changes since 2005 have affected first responders' entitlement to workers' compensation benefits and a political

**Goal 1: Provide a healthy Texas workers' compensation system for all system participants.**

subdivision's liability for these benefits. As a result, DWC is focusing efforts to increase monitoring of claims and complaints involving first responders and to improve outreach and education about these statutory changes.

2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*  
Improving access to qualified healthcare providers insures prompt and efficient medical care to injured employees, while promoting safe and efficient return to work. Identifying non-compliance in the payment of Lifetime Income Benefits and death benefits is an efficient use of DWC resources because these are among the most serious and costly types of claims. Focusing on monitoring, education, and outreach efforts for first responders will help reduce complaints and ensure that first responders are receiving all the benefits they are entitled to under the law.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*  
A core function of DWC is to regulate the workers' compensation system and "promptly detect and appropriately address acts or practices of noncompliance." This regulatory activity includes continuing compliance audits of Lifetime Income Benefits and death benefit payments. There are also several performance measures related to resolving fraud complaints, which this goal will help improve.
4. *Providing excellent customer service.*  
Outreach and education efforts provide healthcare providers with a better understanding of the workers' compensation system, and benefit employees and employers through improved access to healthcare providers throughout the state. DWC's enhanced monitoring and education focus on Lifetime Income Benefits, death benefits, and first responder claims supports its statutory duties to ensure injured employees and beneficiaries understand their rights and responsibilities, and receive all of the benefits they are entitled to under the Act and Rules.
5. *Transparent such that agency actions can be understood by any Texan.*  
DWC published its annual audit plan (which includes compliance audits for Lifetime Income Benefits and death benefit payments) on its website. The agency is currently in the process of developing new education and outreach materials for first responders to explain special provisions in the law that apply to their claims. DWC will continue its efforts to engage and educate system participants on issues relating to payment of benefits and claims administration issues through quarterly stakeholder meetings, the DWC website, social media, and stakeholder presentations.

**Other Considerations Relevant to Goals and Action Plans:**

The Commissioner of workers' compensation position is currently vacant. Goals and action items are subject to the priorities of a new appointee.

## Goal 2: Improve efficiencies across the Division of Workers' Compensation.

### Specific Action Items:

1. Develop online training to decrease the travel burden on designated doctors and further reduce the time away from their regular practice. FY 2019 and ongoing.
2. Continue DWC plain language initiative for DWC forms and letters and increase DWC form submissions online through use of secure file transfer (SFTP), fax back receipt, and online SMART forms. Target date: FY 2019 and ongoing.
3. Expand and enhance the option for parties and representatives to participate in benefit review conferences and contested case hearings by video conference. Target date: FY 2019 and ongoing.
4. Explore the feasibility of updating system and claim data collection format for claim data and proof of coverage data using current national standards. Multiphase project; target date – end of FY 2019.
5. Offer internal agency training on workers' compensation topics to improve cross training and fill in necessary information gaps that may exist currently. Target date: end of FY 2019 and ongoing.

### Support of Statewide Objectives:

1. *Accountable to tax and fee payers of Texas.*  
DWC is working to increase internal efficiencies through the use of technology as directed in Labor Code, Section 402.021. DWC's efforts to reduce paper and increase electronic filings of forms support this legislative intent. DWC's efforts to increase internal training on workers' compensation topics help staff educate and inform system participants of their rights and responsibilities, despite employee turnover and retirements.
2. *Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.*  
Exploring the feasibility of using new national data reporting standards will increase the efficiency and accuracy of data reporting and allow existing agency IT resources to be repurposed for other DWC priorities. Technology such as video conferencing makes the dispute resolution process more efficient by reducing travel time and expenses for parties involved in the dispute and the cost of attorney representation. Utilizing experienced agency staff to train DWC employees supports the agency's succession planning efforts and encourages cross training among DWC program areas.
3. *Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.*  
Utilizing updated national data reporting standards that meet DWC business needs will improve the quality of data reported to DWC. It will also allow DWC to more effectively measure workers' compensation system trends and agency workload trends. Increasing internal training on workers' compensation topics will allow DWC to maintain an adequately trained staff in core functions such as customer service, dispute resolution, and

**Goal 2: Improve efficiencies across the Division of Workers' Compensation.**

enforcement, while filling existing knowledge gaps caused by employee turnover and retirement.

4. *Providing excellent customer service.*

Reduced training costs for designated doctors encourages more medical professionals to participate in the program. Additionally, having a strong medical quality review program supports high quality customer service by ensuring that health care providers and insurance carrier doctors are providing high quality health care to injured employees. DWC's efforts to explore the feasibility of implementing updated national claim and proof of coverage data reporting standards will provide efficiencies and lower costs for insurance carriers who report data in multiple jurisdictions. Providing internal agency training on workers' compensation topics helps support employee succession planning, promotes program cross-training, and ensures that DWC staff remains knowledgeable about various aspects of the Texas workers' compensation system. These efforts allow DWC staff to provide better customer service to internal and external customers.

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

As technology and business needs change, DWC will coordinate any changes to data collection formats or appointment of data collection agents with external system participants to ease implementation issues. Changes in data collection formats may also require changes to DWC rules to facilitate transparency and encourage compliance.

**Other Considerations Relevant to Goals and Action Plans:**

Participation in video benefit review conferences will largely be at the discretion of system participants. The process of examining improvements to DWC data systems may require the use of external resources, such as the Department of Information Resources or external contractor. The commissioner of workers' compensation position is currently vacant. Goals and action items are subject to the priorities of a new appointee.

**Goal 3: Promote safe and healthy workplaces.**

**Specific Action Items:**

1. Market Workplace Safety programs and services to employers and employees through conferences, trade show exhibits, industry meetings, other state and federal events, media, and market analyses. Target date: FY 2019 and ongoing.
2. Explore options for improvements to safety awareness for young workers pursuing technical and vocational education and workers in the construction and transportation industries. Target date: FY 2019 and ongoing.

**Support of Statewide Objectives:**

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

### **Goal 3: Promote safe and healthy workplaces.**

Providing workplace safety services to employers results in reductions in occupational injuries, illnesses, and fatalities. This reduces the need for social service benefits, such as workers' compensation and Social Security Disability benefits, and lessens disruptions in employer productivity and employee wage earning capacity.

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

Promoting programs and services to employers through conferences, trade show exhibits, and industry meetings helps DWC engage employers and employees who are already interested in learning about safety, resulting in efficient use of staff time and resources. Collaborating with other business and industry groups and educational institutions to secure funding for training reduces the need to spend taxpayer funds on educating the workforce. Developing and improving safety training curriculum and awareness materials reduces the need for follow up training and consultations and allows DWC to more efficiently target audiences who benefit most from additional workplace safety training.

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

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

4. *Providing excellent customer service.*

DWC provides participants in these programs with the opportunity to provide feedback through emails, surveys, and evaluation forms. Additionally, many of DWC's workplace safety education and outreach functions are voluntary for employers. In that respect, DWC's Workplace Safety program strives to identify new and emerging safety issues and to be as inclusive as possible in encouraging employer use of these services, regardless of whether employers carry workers' compensation insurance coverage.

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

DWC communicates employer and employee rights and responsibilities related to occupational safety and health during every Occupational Safety and Health Consultation Program (OSHCON) consultation and training class. The agency also makes related educational materials and FAQs available online or upon request.

#### **Other Considerations Relevant to Goals and Action Plans:**

The number of workplace safety consultations, inspections, and training provided to employers and employees is dependent on voluntary participation. All related occupational injury and illness prevention programs and services are funded through a combination of state and federal funds and are required by state and federal law. The OSHCON program is funded 90 percent with federal funds from the U.S. Department of Labor, Occupational Safety and Health Administration (OSHA), and 10 percent with state funds. Other employer safety

**Goal 3: Promote safe and healthy workplaces.**

inspection activities are state-funded. DWC will explore options with other state and local entities for partnerships or funding for targeted outreach initiatives, such as continuing a grant from the International Workers' Compensation Foundation to perform OSHA construction classes.

**Redundancies and Impediments**

<b>Service, Statue, Rule or Regulation (Provide specific citation if applicable)</b>	Texas Government Code Chapter 417, establishes the State Fire Marshal (SFMO) under the supervision of the Commissioner of Insurance. The State Fire Marshal maintains a forensic arson laboratory (FAL), which provides trace sample analyses for ignitable liquids to the state's firefighting and law enforcement communities.
<b>Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency operations</b>	TDI nor the SFMO have extensive knowledge or managerial expertise in the operations of a forensic laboratory. Staffing and management issues have resulted in the inability to provide requestors with final and certified sample analyses and are unnecessary administrative distractions that take away needed attention from TDI's and the SFMO's core missions.
<b>Provide agency recommendation for modification or elimination</b>	By execution of an interagency cooperation contract (IAC), as authorized in Texas Government Code, Chapter 771, TDI will transfer operations of the FAL to the Texas Department of Public Safety (DPS) during the FY 2018/2019 Biennium. This transfer can be accomplished in perpetuity through statutory authorization and/or an appropriation in DPS' base budget for the FY 2020/2021 Biennium.
<b>Describe Estimated Cost Savings or Other Benefit Associated with Recommended Change</b>	There should be no fiscal impact to the state, as amounts previously appropriated to TDI would be transferred to DPS. DPS is the state agency charged with a wide range of responsibilities including investigating violations of criminal law. DPS currently operates 15 forensic laboratories throughout the state that analyze other forensic trace samples. The consumer base should benefit by receiving certified sample reports in a more predictable and timely fashion through consistent and adequate staffing.

## **PART II: SUPPLEMENTAL ELEMENTS – SCHEDULES**

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### **A. 2019-2020 Budget Structure**

#### **AGENCY GOALS**

Goal 1. Promote Consumer Access to Affordable Insurance Products Within a Fair Market

Goal 2. Promote Financial Strength of the Insurance Industry

Goal 3. Reduce Loss of Life & Property Due to Fire

Goal 4. Effectively Regulate the Texas Workers' Compensation System

Goal 5. Indirect Administration

Goal 6. Regulatory Response

Goal 7. Health Insurance Risk Pool

#### **OBJECTIVES AND STRATEGIES**

1.1 Provide insurance consumers with meaningful information

1-1-1 Educate Consumers and the Industry by Providing Outreach and Information Part A, Goal 1 and 4

1.2 Reduce unfair and illegal insurer practices

1-2-1 Respond Promptly and Act on Complaints Part A, Goal 2

1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed

1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution

1-2-4 Investigate Workers' Compensation Fraud and Refer Violations for Prosecution Part B, Goal 1

1.3 Reduce impediments to competition and improve insurance availability

1-3-1 Process Rates, Forms and Licenses Promptly Part A, Goal 2

1-3-2 Support Texas.Gov

1-3-3 Regulate Private Employers that Qualify to Self-Insure within the Workers' Compensation System Part A, Goal 2

1.4 Administer innovative insurance initiatives

1-4-1 Administer Three-Share Grant Program

1.5 Assure loss control services and windstorm inspections

1-5-1 Inspect Loss Control Programs and Assure Code and Schedule Compliance Part A, Goal 3

2.1 Regulate insurance industry solvency

2-1-1 Analyze the financial condition of insurers and take solvency action Part A, Goal 3

3.1 Protect the public from loss of life and property due to fire

3-1-1 Provide Fire Prevention through Education, Enforcement of Regulations, and Engineering

4.1 Ensure appropriate delivery of workers' compensation benefits

4-1-1 Oversee Activities of System Participants and Take Enforcement Action Part B, Goal 1

4-1-2 Resolve Indemnity, Medical Fee, and Medical Necessity Disputes Part B, Goal 1

- 4-1-3 Administer Subsequent Injury Fund
- 4.2 Ensure workers' compensation system participants are educated and informed
  - 4-2-1 Provide Educational Services and Workplace Safety Consultations to System Participants Part B, Goal 3
  - 4-2-2 Provide Customer Assistance and Records Administration Services for System Participants Part B, Goal 1
- 5.1 Indirect Administration
  - 5-1-1 Central Administration Part A, Goal 2
  - 5-1-2 Information Resources Part A, Goal 2
  - 5-1-3 Other Support Services Part A, Goal 2
- 6.1 Regulatory Response
  - 6-1-1 Contingency Regulatory Response
- 7.1 Health Insurance Risk Pool
  - 7-7-7 Contingency Health Insurance Risk Pool

## B. Performance Measure Definitions

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

	information deemed appropriate. PCCI hits are tracked using an internet web server statistics report.
Methodology	The sum of: the total number of telephone inquiries received; the total number of written inquiries closed in the agency database; and the total number of PCCI hits during the reporting period. Written inquiries are dynamic data: a question from a consumer may be counted as an inquiry in one quarter then become a complaint in the following quarter. As a result, the year-end total of written inquiries answered is a snapshot rather than the sum of the four quarterly figures.
Data Limitations	If the network server that captures call data goes down and a daily calls answered report is not available or incomplete, then that day's total calls answered will be estimated by averaging the previous and succeeding day's number of calls answered reports.
Calculation Method	Cumulative
New Measure	Yes
Target Attainment	Higher than target
1.1.1 OP 1	Number of Consumer Information Presentations Made
Definition	The sum of all presentations coordinated by the Texas Department of Insurance (TDI) Speakers Bureau that TDI staff make to consumers and other external customer groups.
Purpose	To measure the sum of all presentations coordinated by the TDI Speakers Bureau that TDI staff make to educate and inform external customer groups. TDI educates consumers through presentations, which fosters competition in the market.
Data Source	The source of the data is the file for each presentation and the monthly Speakers Bureau report. A presentation is any event where TDI staff educates agency customers on insurance matters using one or more of the following methods of communication: speeches, training, exhibits, seminars, and teleconferences. External customers include individual consumers, business consumers, regulated entities, state agencies, and legislators. A presentation counts as "one" though it may include more than one of the methods of communication listed above and regardless of the number of staff involved in a given event.
Methodology	The sum of all presentations coordinated by the TDI Speakers Bureau that TDI staff makes to external customer groups during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target

1.2 OC 1	Percent of Enforcement Cases Concluded with action within 365 Days
Definition	The percent of enforcement cases concluded with action within 365 days. Actions are orders resulting from hearings at the State Office of Administrative Hearings, orders issued without a hearing, license surrenders and warning letters. This excludes continuing education violations.
Purpose	To measure timeliness of resolution of cases that merit action.
Data Source	The source of the data is an agency database. The enforcement case is concluded on the date the case is closed in the database.
Methodology	The number of enforcement cases, excluding continuing education, concluded with action within or equal to 365 days from the case pending date divided by the total number of enforcement cases concluded with action.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
1.2 OC 2	Average Number of Dollars Returned to Consumers, Per Complaint
Definition	The total dollar amount of claim payments and premium refunds returned to the consumer through complaint resolution by the Texas Department of Insurance (TDI) Consumer Protection program divided by the number of complaints resolved.
Purpose	To measure the average dollar amount returned to consumers through complaint resolution. TDI is directed by statute to facilitate the resolution of consumer complaints and assist consumers in recovering valid claims.
Data Source	The claim payments and amounts of premium refund obtained through staff intervention are tracked in an agency database. Claim payments amounts are the additional amount above what was originally offered to the consumer before TDI staff intervention. Premium refunds are amounts of premiums previously paid that are refunded as a result of TDI staff intervention. Complaints are tracked in an agency database. The source of the data is quarterly and annual reports. Complaints that are referred to other entities having primary responsibility for the subject are not included in this measure. The complaint is resolved when staff have closed the complaint in the database. To close a complaint, staff must exhaust all actions deemed appropriate to resolve the complaint and have sent the complainant a letter explaining the final disposition of the complaint. Anonymous complaints will have a memo to file instead of a letter to a complainant.

Methodology	The total dollar amount of claim payments and premium refunds returned to the consumer through complaint resolution by the Texas Department of Insurance (TDI) Consumer Protection program divided by the number of complaints resolved.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
1.2 OC 3	Percent of Insurance Related Fraud Reports Investigated and Resolved
Definition	A fraud report is a written record submitted to the Texas Dept. of Insurance in compliance with TX Ins. Code §701.051. Insurance fraud is defined in state and federal penal statutes. Insurance fraud occurs when a person provides false or misleading information with the intent to defraud or deceive an insurer while engaging in the business of insurance or in an insurance related transaction. An investigation is resolved when the matter is referred to a criminal prosecutor for legal action or some factor precludes the possibility of further investigation.
Purpose	To illustrate the scope of insurance-related fraud reports investigated and resolved.
Data Source	The source of data is the Fraud Section's case management system. When an investigation is resolved, a notation is made in the system to indicate the nature of resolution.
Methodology	The number of investigations, also known as cases, made identifiable by their unique numbers, that are resolved during the reporting period, divided by the total number of reports submitted to the Fraud Section during the reporting period.
Data Limitations	In many instances, the investigation will not be resolved in the same fiscal year in which it was initiated. Variance in the number of resolutions may result in calculation of a percentage that reflects the agency's performance over multiple fiscal years.
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
1.2 OC 4	Percent of Workers' Comp Insurance Fraud Reports Investigated and Resolved
Definition	The percentage of workers' comp. ins. related reports investigated and resolved. Workers' comp. ins. fraud occurs when a person with intent to defraud or deceive an insurer in support of a claim or application for an insurance policy prepares or causes to be prepared a statement that contains false or misleading material information and

	is presented to an insurer or presents or causes to be presented to an insurer, a statement that the person knows contains false or misleading material information. An investigation is resolved when the matter is referred to a criminal prosecutor for legal action, the allegations have been disproven and the matter is closed or may warrant some type of civil action, so information would then be turned over to the appropriate regulatory body, or the matter is referred to a law enforcement agency, the matter is referred for enforcement action.
Purpose	To measure workers' compensation fraud reports investigated and resolved.
Data Source	The source of data is the Fraud Section's case management system. When an investigation is resolved, a notation is made in the system to indicate the nature of resolution.
Methodology	The number of investigations, made identifiable by their unique case numbers, that are resolved during the reporting period, divided by the total number of workers' compensation insurance related fraud reports submitted to the Fraud Section and opened during the reporting period.
Data Limitations	An investigation that is initially referred to a criminal prosecutor may be declined for prosecution due to some unforeseen circumstance. In such instances, the calculation would be limited to the first resolution. In many instances, the investigation will not be resolved in the same fiscal year in which it was initiated. Variance in the number of resolutions may result in calculation of a percentage that reflects the agency's performance over multiple fiscal years.
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
1.2.1 EF 1	Average Response Time (in Days) to Complaints
Definition	The number of days from the date a complaint is received in writing at the Texas Department of Insurance (TDI) to the date complaint action is concluded, summed for all written complaints, divided by the number of complaint actions concluded. A complaint is a written communication primarily expressing a grievance. This definition of a complaint comes from Texas Insurance Code Section 542.005 (a).
Purpose	To measure the efficiency of TDI's complaints resolution process.
Data Source	The source of the data is a report from an agency database. The date a complaint is received is the earliest date stamped by TDI staff on the written complaint. The date action is concluded is the date staff closed the complaint in the agency database. The closed date will be after staff have determined that they have exhausted actions they deem appropriate to resolve the complaint and have sent the complainant a letter explaining the final disposition of the complaint.

Methodology	The sum of the total number of days to resolve complaints divided by the number of complaints resolved during the reporting period.
Data Limitations	Anonymous complaints will have a memo to file instead of a letter to the complainant. If a complaint is re-opened, the lapsed time between a closure date and a reopen date is not included in the calculation. If there is no date stamp, the date on the complainant's letter will be the starting date.
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
1.2.1 OP 1	Number of Complaints Resolved
Definition	The number of written communications primarily expressing a grievance which have been resolved. This definition of complaint comes from Texas Insurance Code Section 542.005 (a).
Purpose	To measure the number of written communications primarily expressing a grievance which have been resolved.
Data Source	Complaints are tracked in an agency database. The source of the data is quarterly and annual reports. Complaints that are referred to other entities having primary responsibility for the subject are not included in this measure. The complaint is resolved when staff have closed the complaint in the database. To close a complaint, staff must exhaust all actions deemed appropriate to resolve the complaint and have sent the complainant a letter explaining the final disposition of the complaint. Anonymous complaints will have a memo to file instead of a letter to a complainant.
Methodology	The sum of complaint records coded as a justified complaint or unjustified complaint for the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
1.2.3 EF 1	Percentage of Insurance-related Fraud Cases Resolved within 365 Days
Definition	Insurance-related fraud occurs when a person provides false or misleading information with the intent to defraud or deceive an insurer while engaging in the business of insurance or in an insurance related transaction. An investigation is resolved when it is referred to a criminal prosecutor for legal action or some factor precludes the possibility of further investigation.
Purpose	To measure how efficiently insurance-related fraud cases are resolved.

Data Source	Information is available in the Fraud Unit's records management system.
Methodology	The sum of the number of insurance-related fraud cases resolved within 365 days, divided by the total number of insurance-related fraud cases resolved.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
1.2.3 EX 1	Number of Insurance-related Fraud Reports Received
Definition	A fraud report is a written record submitted to the Texas Dept. of Insurance in compliance with TX Ins. Code §701.051.
Purpose	To measure the number of instances of suspected insurance-related fraud in Texas.
Data Source	The source of the data is maintained in the Fraud Unit's case management system. All reports of insurer fraud from any source will be entered into the Fraud Unit's case management system and the total will be calculated by querying the system.
Methodology	The sum of the number of insurance-related fraud reports received by the Fraud Unit during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target

1.2.3 OP 1	Investigations of Criminal Activity Related to Insurance Fraud Resolved
Definition	The number of insurance fraud-related reports investigated and resolved. Insurance fraud occurs when a person provides false or misleading information with the intent to defraud or deceive an insurer while engaging in the business of insurance or in an insurance related transaction. An investigation is resolved when the matter is referred to a criminal prosecutor for legal action or some factor precludes the possibility of further investigation.
Purpose	To measure the success of investigations for offenses related to insurance fraud.
Data Source	The source of the data is maintained in the Fraud Section's case management system.

Methodology	The number of investigations, also known as cases, made identifiable by their unique numbers, that are resolved during the reporting period.
Data Limitations	In many instances, the investigation will not be resolved in the same fiscal year in which it was initiated. Variance in the number of resolutions may result in calculation of a percentage that reflects the agency's performance over multiple fiscal years.
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
1.2.4 EF 1	Percent of Workers' Compensation Fraud Cases Resolved within 365 Days
Definition	Calculate the percentage of cases resolved for workers' compensation insurance fraud case within 365 days.
Purpose	To measure how efficiently workers' compensation insurance fraud cases are resolved.
Data Source	Workers' comp. ins. fraud occurs when a person with intent to defraud or deceive an insurer in support of a claim or application for an ins. policy prepares or causes to be prepared a statement that contains false or misleading material information and is presented to an insurer or presents or causes to be presented to an insurer, a statement that the person knows contains false or misleading material information. An investigation is resolved when it is brought to one of the following conclusions; the first being that enough information has been corroborated and the matter is referred to a criminal prosecutor for legal action. The second conclusion would include instances where the allegations have been disproven and the matter is closed with no further action. In other investigations, some factor precludes the possibility of criminal prosecution, but the allegations may warrant some type of civil action, so information would then be turned over to the appropriate regulatory body.
Methodology	Calculate the percentage of workers' compensation insurance fraud cases resolved within 365 days. The sum of the number of workers' compensation insurance fraud cases resolved within 365 days or less, divided by the total number of workers' compensation insurance fraud cases resolved.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
1.2.4 EX 1	Number of Reports of WC Insurance Fraud Received

Definition	The number of reports received by the Texas Department of Insurance (TDI) relating to suspected insurance fraud within the workers' compensation system.
Purpose	To measure the number of suspected workers' compensation insurance fraud activities in Texas.
Data Source	The source of the data is maintained in the Fraud Section's case management system. All reports of workers' compensation insurance fraud from any source will be entered into the Fraud Section's case management system and the total will be calculated by a query on that system.
Methodology	The sum of the number of alleged workers' compensation insurance fraud reports received by the Fraud Section during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
1.2.4 OP 1	Number of Invest of Criminal Activity Related to Workers' Comp Fraud Resolved
Definition	The number of investigations of suspected criminal activity related to workers' compensation fraud investigated and resolved. A case is an investigation performed by the Fraud Unit of TDI. An investigation is resolved when brought to one of the following conclusions; the matter is referred to a criminal prosecutor for legal action; the allegations have been disproven and the matter is closed with no further action; some factor precludes the possibility of criminal prosecution, but the allegations may warrant some type of civil action, so information would then be turned over to the appropriate regulatory body; or the matter is referred to another law enforcement agency.
Purpose	To measure the success of workers' compensation insurance fraud investigations.
Data Source	The source of the data is maintained in the Fraud Section's case management system.
Methodology	The number of investigations, made identifiable by their unique case numbers, that are resolved during the reporting period.
Data Limitations	An investigation that is initially referred to a criminal prosecutor may be declined for prosecution due to some unforeseen circumstance. In such instances, the calculation would be limited to the first resolution.
Calculation Method	Cumulative

New Measure	No
Target Attainment	Higher than target
1.2.4 OP 2	Number of Prosecutions for Workers' Comp Fraud Cases
Definition	Workers' compensation insurance fraud occurs when a person with intent to defraud or deceive an insurer in support of a claim or application for an insurance policy prepares or causes to be prepared or presented a statement that contains false or misleading material information and is presented to an insurer or presents or causes to be presented to an insurer, a statement that the person knows contains false or misleading material information. A case is an investigation performed by the Fraud Unit of TDI. A referral is a fraud investigation of a penal law violation by a person or entity, concluded and submitted to a prosecutor. "Successful prosecution" is an action or proceeding instituted in a proper court resulting in a plea of guilty or no contest of one accused of a crime, regardless of whether the offense actually goes to trial. This includes deferred adjudication and pre-trial diversion.
Purpose	To show the number of cases prosecuted for workers' compensation insurance fraud cases with successful outcomes.
Data Source	The source of the data is maintained in the Fraud Section's case management system. Fraud cases are assessed by any of the 254 counties in Texas or United States District Court and communicated back to the Fraud Section.
Methodology	The number of workers' compensation insurance fraud cases that were successfully prosecuted during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
1.3 OC 1	Percent of Company, Third Party Admin, and Premium Finance License Applications Completed within 60 days
Definition	The percent of license applications completed in 60 days or less.
Purpose	To ensure the timely processing of license applications for authorized insurers (includes captive and domestic surplus lines insurers), health maintenance organizations, third party administrators, and premium finance companies as well as their branches, and the following post-licensure transactions: redomestications, mergers, and withdrawals.
Data Source	The data source is maintained using the agency database. Applications are for licensure, redomestications, mergers, and withdrawal plans. Entities counted in this measure are authorized insurers (including captive and domestic surplus lines insurers), health maintenance organizations, third party administrators and premium finance companies as well as their branches. The processing

	time begins on the date that all documentation and required fees have been received. The processing time is completed for company applications on 1) the date of the letter to the applicant which includes the certificate of authority and/or commissioner's order, or the date on the memo to file if no certificate of Authority or commissioner's order is issued, or 2) the date a no action letter is issued. The processing time is completed for third party administrator applications on the date of the commissioner's order or letter. The processing time is completed for premium finance applications on the effective date as indicated on the license.
Methodology	The sum of the number of license and related trasaction applications completed within 60 days for authorized insurers (including captive and domestic surplus lines insures), health maintenance organizations, third party administrators and premium finance companies as well as their branches divided by the total number of license and related transaction applications completed for these entities.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
1.3 OC 2	Percent of Continuing Education Filings Completed within 25 Days
Definition	The percent of continuing education provider and course filings completed within twenty-five days of receipt. A continuing education provider or course filing is submitted for the issuance of a new registration or certification or renewal of an existing registration or certification.
Purpose	To ensure the timely processing of continuing education filings.
Data Source	The starting date is the date a complete and correct filing is received by the Texas Department of Insurance (TDI). The "completed" date for filings is the process date assigned in the continuing education tracking system, the date the action pertaining to the record request is completed, or the date on the notification letter of approval or denial
Methodology	The sum of the number of continuing education filings completed within twenty-five days of receipt divided by the total number of continuing education filings completed during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	Yes
Target Attainment	Higher than target

1.3 OC 3	Percent of Agent and Adjuster Applications Completed within 25 Days
Definition	The percent of agent and adjuster license applications completed within twenty-five days of receipt. An agent and adjuster application license is submitted for the issuance of a new license.
Purpose	To ensure the timely processing of agent and adjuster applications.
Data Source	The information needed to calculate this measure is maintained in a regulatory system. The starting date is the date an application filing including all information needed for TDI to determine whether an applicant meets Insurance Code and associated rule requirements, is received by the Texas Department of Insurance (TDI). The ending date is the date that TDI sends information to the applicant regarding whether an application has been approved or denied.
Methodology	The sum of the number of agent and adjuster license application filings completed within twenty-five days of receipt divided by the total number of agent and adjuster license application filings completed during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
1.3 OC 4	Percent of Statutory Rate and Form Filings Completed within 90 Days
Definition	This measure monitors the number of rate and form filings that are completed by the Texas Department of Insurance (TDI) within 90 days of receipt of the filing.
Purpose	To ensure the timely processing of filings.
Data Source	Filings are tracked in an agency electronic database. A filing is a submission of rates or rating factors, forms, or other documents required by TDI for use by insurance carriers, viatical and life settlement entities, and HMOs to define the terms of coverage, develop rates, or transact the business of insurance. A filing is completed on the date final agency action is taken on the filing. Final action is defined as approval, disapproval, rejection, withdrawal, acceptance, deemed approved, closed, filed for information only or verification that a filing is exempt from review. A form filed to replace a previously approved form is counted as a separate filing. To count the number of days to complete a filing, begin on the date of the day after TDI receives the filing and end on the date of final TDI action.
Methodology	Within the reporting period, the total number of all filings completed by TDI within 90 days of receipt of the filing divided by the total number of filings completed.

Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
1.3 OC 5	Percent Personal Auto/Residential Property Form Filings Completed in 60 Days
Definition	The percent of personal auto and residential property form filings completed by the Texas Department of Insurance (TDI) within 60 days of receipt.
Purpose	To ensure the timely processing of personal auto and residential property form filings.
Data Source	Filings are tracked in an electronic database and form filings are defined as both policy forms and endorsements. A form filing is completed on the date final action is taken on the filing. Final action is defined as receiving a final status code (including approval, disapproval, deemed approved, rejection, or withdrawal). A form filed to replace a previously approved form is counted as a separate filing. To count the number of days to complete a filing, begin on the date of the day after TDI receives the filing and end on the date of final TDI action.
Methodology	Within the reporting period, the total number of personal automobile and residential property form filings completed by TDI within 60 days of receipt of the filing divided by the total number of personal automobile and residential property form filings completed.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
1.3 OC 6	Percent of Autos in Underserved Market with Personal or Commercial Liability Insurance
Definition	Number of insured registered passenger vehicles as a percent of total registered passenger vehicles in underserved markets.
Purpose	To measure the percentage of total registered passenger vehicles which are covered by personal or commercial automobile liability insurance in underserved markets.
Data Source	The source of data for total registered passenger vehicles covered by personal or commercial automobile liability insurance is TexasSure Vehicle Insurance Verification, the Texas financial responsibility verification program. The source of data for registered passenger vehicles is the Texas Department of Motor Vehicles, as reported to the vendor for TexasSure Vehicle Insurance Verification.

	Underserved markets are those ZIP codes designated by the Commissioner as underserved, as required by Chapter 2151.153 of the Insurance Code, which provides that underserved geographic areas "shall be determined and designated by the Commissioner by rule." Under Title 28 of the Texas Administrative Code, Section 5.206, the Commissioner is to categorize each ZIP code in the state into Category 0 through Category 4, to indicate the number of Texas Automobile Insurance Plan Association credits awarded an insurer for writing a vehicle in a given ZIP code.
Methodology	The total number of registered passenger vehicles covered by personal or commercial automobile liability insurance in underserved markets divided by the total number of registered passenger vehicles in underserved markets at the end of the reporting period.
Data Limitations	The Commissioner may increase the category (and the attached credits) of a ZIP code at any time by rule, but may only decrease the category (and the attached credits) of a ZIP code three years after the initial designation, or at any time thereafter, with a minimum of one year's notice. Data for passenger vehicles covered by commercial automobile liability insurance is an optional reporting element of TexasSure Vehicle Insurance Verification.
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
1.3 OC 7	Percent of Licensees Who Renew Online
Definition	The percent of agent licenses renewed on-line.
Purpose	To track the percentage of agent licenses renewed on-line.
Data Source	An agent license is renewed when the license's renewal invoice is paid in the agent license database. Agent licenses include: agents, adjusters, service representatives, counselors, reinsurance brokers and managers and risk managers. The agent license invoices renewed on-line are invoices for which the licensee or the licensee's representative submits payment electronically through a third-party system, including, but not limited to, TexasOnline, Sircon, and the National Insurance Producer Registry. The total number of agent license invoices renewed is invoices that are renewed on-line plus all renewals.
Methodology	The sum of the number of agent licenses renewed on-line divided by the total number of agent licenses renewed during the reporting period.
Data Limitations	An agent may hold more than one license at the agency; therefore, for this measure, individual licenses are counted instead of the licensee to better reflect accurate activity at the agency.
Calculation Method	Noncumulative

New Measure	No
Target Attainment	Higher than target
1.3.1 OP 1	Number of Life and Health Filings Completed
Definition	The number of life and health filings completed by the Texas Department of Insurance (TDI). A filing is a submission of rates, forms, or other documents relating to coverage and rates for use by insurance carriers, viatical and life settlement entities, and HMOs.
Purpose	To measure the number of life and health filings TDI completed for the reporting period.
Data Source	Filings are tracked in an electronic database. A filing is a submission of rates or rating factors, forms, or other documents required by TDI for use by insurance carriers and/or viatical and life settlement entities to define the terms of coverage or to transact the business of insurance. This includes health maintenance organizations (HMOs) and approved non-profit health corporations (ANHC) form filings. A filing is completed on the date final agency action is taken on the filing. Final action is defined as approval, disapproval, rejection, withdrawal and verification that a form is exempt from review or filed for information only. A form filed to replace a previously approved form is counted as a separate filing.
Methodology	The total number of life and health filings TDI completed during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
1.3.1 OP 2	Number of Property and Casualty Filings Completed
Definition	The number of property and casualty filings completed by the Texas Department of Insurance (TDI). A filing is a submission of rates, policy forms, or other documents relating to coverage and rates.
Purpose	To measure the number of property and casualty filings TDI completed for the reporting period.
Data Source	Form filings are tracked in an agency electronic database. A form filing may include policy forms, endorsements or certificates of insurance. A rate filing may include rates, rating plans, rules, and rating manuals. A filing is completed on the date final action is taken on the filing. Final action is defined as approval, disapproval, rejection, withdrawal, acceptance, deemed approved, closed, or filed for information only.
Methodology	The total number of property and casualty filings completed for the reporting period.

Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
1.3.3 EX 1	Percent Market Share of Self-insurance to Total WC Insurance Market
Definition	This measure indicates certified self-insured employers' market share of the total workers' compensation insurance market.
Purpose	This measure serves as a reflection of changes in the workers' compensation insurance market. The portion of the market share represented by certified self-insured is related to the cost and availability of workers' compensation insurance in the commercial market. Self-insurance provides an alternative to purchasing commercial insurance for qualifying companies, and the program acts to moderate insurance rates in a competitive insurance market.
Data Source	Data on estimated manual premiums for certified self-insurers is maintained by the Division of Workers' Compensation (DWC) in spreadsheets. Data reflecting the total workers' compensation insurance market is maintained and reported by the Texas Department of Insurance (TDI) in its Legislative Report on Market Conditions.
Methodology	The numerator is the total amount of statutorily estimated manual premium as maintained by DWC for active certified self-insurers for the reporting period. The denominator is the direct written premiums for the voluntary workers' compensation market as published annually by TDI for the most recent period available plus the total amount of statutorily estimated manual premium as maintained by DWC for active certified self-insurers for the reporting period.
Data Limitations	The measure excludes public self-insured entities from the amount used to represent the total workers' compensation insurance market. Data for those entities is not collected and maintained regarding the estimated premiums attributable to them.
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
1.5.1 OP 1	Number of Windstorm Inspections Completed
Definition	The number of inspections the Texas Department of Insurance (TDI) completes of property for windstorm code compliance. A windstorm inspection is an inspection by a TDI windstorm inspector of a structure for compliance with Texas Insurance Code, Chapter 2210 to determine if the components comply with applicable windstorm building codes as approved by administrative rule.

Purpose	To measure the number of windstorm inspections completed.
Data Source	An inspector completes a windstorm inspection by documenting it on a WPI-7 inspection form and entering it into the windstorm database. Inspectors inspect components of commercial or residential structures, including alterations, repairs, re-roofs, retrofits, or any other applicable component. Inspections comply with Texas Insurance Code, Chapter 2210 in the Texas counties that are eligible for wind and hail coverage through the Texas Windstorm Insurance Association (TWIA). The Commissioner of Insurance designates these areas. If the inspector travels to the site, TDI counts the inspection as either approved, disapproved, incomplete, or canceled. Inspectors enter inspections into the windstorm database and the number of inspections is calculated monthly.
Methodology	The sum of the number of windstorm inspections completed during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
2.1 OC 1	Percent of Identified Companies Reviewed
Definition	The percent of annual financial statement reviews completed on identified companies. Identified companies are composed of Texas domestic companies or foreign companies writing a certain level of Texas premium that may have potential solvency concerns.
Purpose	To ensure TDI reviews all identified companies for financial regulatory problems.
Data Source	The number of identified companies is established by June 1 of each fiscal year, based on TDI's priority system. The number of identified companies is evidenced by a report called "Texas and Foreign+ Priority Companies". Foreign+ is defined as foreign Life insurance companies writing more than an amount determined annually in Texas premium in the preceding calendar year and foreign Property/Casualty companies writing more than an amount determined annually in Texas premium in the preceding calendar year. The number of financial reviews is evidenced by a report entitled "Annual Reviews Completed on Priority Companies". This report is generated as of fiscal year-end from the Financial Tracking system. TDI completes its review of these annual statements between March 1 and August 31 each fiscal year.
Methodology	The sum of the number of financial reviews completed on annual statements filed by identified companies divided by the total number of identified companies for the reporting period.
Data Limitations	Domestic insurance companies are Texas-based entities chartered in Texas holding a Certificate of Authority, as tracked in an agency

	database. Foreign companies are non-Texas-based entities chartered in other states or by a foreign government holding a Certificate of Authority, as tracked in an agency database. The number of domestic or foreign companies entering into or withdrawing from the market in any given fiscal year may vary.
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
2.1.1 EX 1	Number of Insurance Company Insolvencies
Definition	The number of insolvencies of insurance companies and other risk bearing entities placed in receivership for liquidation. A risk bearing entity is an entity that assumes insurance risk and thus is liable for risk in a contractual arrangement (e.g. an insurance policy).
Purpose	The purpose of this measure is to capture the number of insolvencies that may impact the guaranty associations and to report the financial impact of insurance company or risk bearing entity receiverships for the purposes of liquidation. The insolvency amount is an indicator of the potential for guaranty association assessments levied on the insurance industry. Certain risk bearing entities accept insurance risk but are not named insurance companies (exchanges, HMOs, MEWAs, etc). The measure reflects the size of these liquidations in terms of the dollar amount of the insolvencies and an indication of the impact on policyholder claimants, general creditors and the public. There are various external factors; such as company marketing and new product development, mismanagement, inadequate underwriting and reserving and improper financial reporting that significantly impact this measure.
Data Source	Each insurance company or entity placed in receivership is used as a basis by the Texas Department of Insurance when obtaining a court order to initiate a liquidation proceeding.
Methodology	The sum of the insolvencies of insurance companies or other risk bearing entities placed in receivership for liquidation during the reporting period.
Data Limitations	Receiverships for non risk-bearing entities and for the purposes of rehabilitation are not included in this measure.
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
2.1.1 EX 2	Number of Entities Receiving TDI Solvency-related Intervention
Definition	The number of licensed or unauthorized insurance companies or agencies whose operations are placed under the Texas Oepartment of Insurance (TDI) solvency-related intervention for financial rehabilitation. TDI solvency-related intervention is initiated by an

	administrative order. Administrative orders include: supervision, conservatorship, Texas Insurance Code Chapter 404 orders, administrative oversight letters, or court-directed orders. An entity is any licensed or unauthorized insurance company or agency as defined in the Texas Insurance Code.
Purpose	To measure the number of entities receiving TDI solvency-related intervention, which represents the TDI philosophy of early intervention to attempt rehabilitation of companies as mandated by the Texas Insurance Code (TIC).
Data Source	This measure uses the number of referrals as the source for calculating this measure. A referral is defined as the issuance of an official Commissioner's Order or letter for TDI solvency-related intervention, including ancillary supervision or conservatorship, and includes the count of TDI solvency-related interventions in effect at the beginning of the fiscal year plus companies or agencies referred during the fiscal year.
Methodology	The sum of the total number of new companies or agencies placed under TDI solvency-related intervention during the reporting period.
Data Limitations	The number of troubled companies referred for regulatory intervention is influenced by many economic and environmental influences. Orders issued under the authority of Texas Insurance Code, Chapter 404 against licensed or unauthorized entities that have no current policies in Texas and do not write in Texas are excluded from this measure.
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
3.1 OC 1	Percent of Initial Reports Completed Annually
Definition	The SFMO strives to complete initial reports in a timely manner to better serve insurance carriers, policy holders, the general public and local public safety agencies. This measure would report the percentage of initial reports completed annually.
Purpose	To reflect agency efficiency efforts in fire-related investigations.
Data Source	The source of the data is collected in official fire investigation initial reports completed by field investigators. These reports are viewed and verified through proper documentation by division supervisors, then entered and stored on the State Fire Marshal's Office (SFMO) Fire Arson Investigation Services Case Management System.
Methodology	This measure would be calculated by dividing the number of initial reports completed by the number of investigations initiated. This number would be reported monthly on a "rolling" basis not an average monthly basis. Therefore the numbers from month 1 would

	be added to month 2 and recalculated for a new %. This would be done for the twelve months.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
3.1 OC 2	Percent of Fire Safety Registrations, Licenses, Permits Issued w/in 20 Days
Definition	Percent of registrations, licenses, and permits issued within 20 days, after receipt of a completed application, to fire alarm, fire extinguisher, fire sprinkler, and fireworks firms, individuals and other regulated entities.
Purpose	To track efficiencies in the issuance of registrations, licenses and permits.
Data Source	Both initial and renewal certificates of registration, licenses, and permits are issued to firms, individuals, and other entities, upon request, after the applicant provides all the requirements of the Texas Insurance Code, Chapters 6001, 6002, and 6003 and The Occupations Code, Title 13, Subtitle D, Chapter 2154. The receipt date of a completed application is determined by the date of the Texas Department of Insurance Division Cash Receipt Report for correspondence including fees or by the State Fire Marshal's office "received" date stamp on correspondence without fees. The date of issuance of the registration, license or permit is the date printed on the registration, license or permit, or the date fireworks permit booklets are picked up or mailed. The received and issuance dates are entered into a database located on the agency's computer network.
Methodology	The sum of the number of registrations, licenses, and permits issued within 20 days or less divided by the total number of registrations, licenses, and permits issued within the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
3.1.1 EF 1	Average Cost Per Fire Safety Inspection
Definition	The average cost per fire safety inspection calculated during the reporting period.
Purpose	To track efficiencies of the State Fire Marshal's Office staff in conducting fire safety inspections.
Data Source	These costs are salary, longevity, professional fees, consumable supplies, postage, rent, telephone, utilities, travel, fuel and lubricants

	and other operating expenses as reported on the monthly expenditures report. The number of inspections is derived from data stored in the database system on the Texas Department of Insurance (TDI) computerized network.
Methodology	The sum of the total associated costs divided by the total number of fire safety inspections conducted during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
3.1.1 EF 2	Average Time to Complete Initial Investigation Report
Definition	This number represents the average number of days from the date a fire investigation is initiated until the date the fire investigation initial report is completed.
Purpose	To determine the efficiencies of State Fire Marshal's Office personnel in conducting fire investigations.
Data Source	A fire investigation includes all cases investigated whether the cause is "arson (incendiary)", "accidental" or "undetermined". A case is initiated when a request for a fire investigation is received and a "Case Number" has been assigned. The initial report completion date is entered into the Fire/Arson Investigation Services case management system. The "average" time to complete fire investigations is obtained by conducting a query providing the date of investigation and completion date of each investigation completed within the reporting period. The date of investigation subtracted from the completion date is the total number of days to complete investigations.
Methodology	The sum of the total number of days to complete investigations divided by the total number of fire investigations initial report completed during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
3.1.1 OP 1	Number of Fire Prevention and Fire Safety Presentations Coordinated by SFMO
Definition	The sum of all presentations coordinated by the State Fire Marshal's Office (SFMO).
Purpose	To track the number of presentations coordinated by the SFMO.

Data Source	The source of the data comes from the public presentation report and the list of public education booth exhibitions. A presentation is any event coordinated by the SFMO that educates and/or informs external customers on ways to protect their lives and property from fire and fire-related hazards using one or more of the following methods of communication: speeches, training, exhibits, seminars, and teleconferences.
Methodology	The sum of all presentations coordinated by the SFMO during the reporting period. This number represents the total of all listed on forms, and public education booth exhibitions with dates on or between the first and last day of the month.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
3.1.1 OP 2	Number of Investigations Initiated by State Fire Marshal's Office
Definition	This number represents the total number of fire investigations initiated.
Purpose	To reflect the State Fire Marshal's Office's efforts in investigating fires.
Data Source	The source of the data is collected in official fire investigation reports and stored on the State Fire Marshal's Office Fire Arson Investigation Services Case Management System. A fire investigation includes all cases investigated whether the cause is incendiary, accidental or undetermined. A "Case" is initiated when a request for a fire investigation has been received and a "Case Number" has been assigned.
Methodology	The sum of the number of fire investigations initiated during the reporting period. The total number of initiated investigations will be obtained by conducting a query of the database.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
3.1.1 OP 3	Number of samples analyzed in the arson lab
Definition	The total number of items (samples) analyzed as evidence by the Forensic Arson Laboratory.
Purpose	To track the number of samples submitted to the Arson Lab to be analyzed for the presence of accelerants.

Data Source	The data is stored in the laboratory database on the agency's network. The "final report" is generated after the analysis is complete and the final results of a case submission are entered into the database. Calculation of this sample total is based on the date of the final report. Each sample (item) from a submission is counted as a separate item. Evidence samples are received from the agency's fire and arson investigators, and from other fire service and law enforcement agencies throughout the state.
Methodology	The sum of the total number of items (samples) analyzed as evidence by the Forensic Arson Laboratory during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
3.1.1 OP 4	Number of SFMO registrations, licenses, and permits issued
Definition	Number of registrations, licenses, and permits issued to fire alarm, fire extinguisher, fire sprinkler and fireworks firms, individuals and other regulated entities.
Purpose	To track the number of licenses issued to firms and individuals in the alarm, extinguisher, sprinkler and fireworks industries.
Data Source	Both initial and renewal certificates of registration, licenses, and permits are issued to firms, individuals, and other entities in accordance with the Texas Insurance Code, Chapters 6001, 6002, and 6003 and The Occupations Code, Title 13, Subtitle D, Chapter 2154. The date of issuance or renewal is the date printed on the registration, license or permit or the date fireworks permit booklets are picked up or mailed. The issuance/renewal date is recorded in a database located on the agency's computer network.
Methodology	The sum of the number of each type of registration, license, and permit, issued or renewed during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
3.1.1 OP 5	Number of licensing investigations or inspections conducted
Definition	This is the number of licensing investigations or inspections conducted to determine possible violations by fire extinguisher, fire alarm, fire sprinkler, and fireworks firms and individuals regulated and licensed under the Texas Insurance Code, Chapters 6001, 6002, and 6003 and The Occupations Code, Title 13, Subtitle D, Chapter 2154.

Purpose	To track the number of investigations of complaints and inspections of licensed entities.
Data Source	The date on the completed report is entered into an agency database. Investigations are individually quantified by each investigated firm or individual and inspections are quantified by each physical location. Each investigation and inspection is assigned a specific case number. After the investigation/inspection is conducted, the investigator files a report.
Methodology	The sum of the number of licensing investigation and inspection case numbers in the database for the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
3.1.1 OP 6	Number of buildings inspected or reinspected for fire safety hazards
Definition	The number of buildings in which a physical survey of the structure is completed and recommendations for correction of hazardous conditions have been made, if noted, including all subsequent surveys for compliance with recommendations.
Purpose	To track the number of buildings inspected, on an annual basis, for the protection of building occupants.
Data Source	The data is collected from reports submitted by the inspector and recorded in the agency database. A building is defined as an identifiable structure with fire or space separation containing its own exit facilities and includes inspections of retail service stations. An inspection is completed when the physical survey is conducted and documented on the inspection report. The date of inspection is recorded in the inspection report.
Methodology	The sum of the number of buildings inspected during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target

4.1 OC 1	Percent of WC Enforcement Cases Concluded within 365 Days
Definition	The percent of enforcement cases concluded with action within 365 days. Actions are orders resulting from hearings at the State Office of Administrative Hearings, orders issued without a hearing and warning letters.

Purpose	To measure timeliness of resolution of cases that merit action.
Data Source	The source of the data is an agency database.
Methodology	The number of enforcement cases concluded with action within or equal to 365 days from the case pending date divided by the total number of enforcement cases concluded with action. The enforcement case is considered concluded on the date the case is closed in the database.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
4.1 OC 2	Percent of Medical Bills Processed Timely
Definition	This measure indicates the percentage of medical bills timely processed by insurance carriers. Medical bills are to be processed within forty-five days from receipt of a complete medical bill.
Purpose	The purpose of this measure is to indicate the timely processing of medical bills by the insurance carrier.
Data Source	The Division of Workers' Compensation receives medical billing information used in the calculation electronically from carriers. Data is maintained in agency automated systems.
Methodology	The sum of the number of medical bills processed timely divided by the number of medical bills processed by the insurance carriers for the reporting period.
Data Limitations	Twelve months of data are used in the calculation. The data is lagged one month from the reporting period.
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
4.1 OC 3	Percent of Med Fee Disputes Resolved or Upheld Upon Appeal
Definition	The percent of medical fee disputes resolved by the Division of Workers' Compensation, Medical Fee Dispute Resolution (DWC-MFDR).
Purpose	To measure the effectiveness of DWC-MFDR's medical fee dispute resolution process. DWC-MFDR is charged with resolving medical fee disputes through informal and formal dispute resolution processes. System participants have the right to appeal DWC-MFDR decisions through the Benefit Review Conference process and then to the State Office of Administrative Hearings (SOAH).
Data Source	Data is maintained in agency automated systems. A medical fee dispute is resolved when DWC-MFDR decision is issued or when a

	medical fee dispute is resolved informally and dismissed or withdrawn.
Methodology	The sum of the number of medical fee disputes resolved minus the sum of the number of SOAH reversals divided by the total number of medical fee disputes resolved during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target
4.1.1 EF 1	Avg number Days Per Q of C Reviews of ProviderCarriers /URAS /IROS Completed
Definition	The average number of days to complete quality of care reviews of health care providers, insurance carriers, utilization review agents and independent review organizations.
Purpose	This indicates the efficiency of the quality of care review process by measuring the length of time for a quality of care review to be completed.
Data Source	Information is maintained in agency automated applications.
Methodology	The sum of the total number of days between the initiation of the quality of care reviews and the issuance dates of the final reports divided by the number of final reports issued to the subject of the review during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
4.1.1 EF 2	Avg number of Days to Close a Complaint Involving WC System
Definition	The average number of days to close a complaint involving workers' compensation system participants.
Purpose	To monitor the efficiency of the workers' compensation complaint process by measuring the average length of time to close workers' compensation complaints.
Data Source	Information is entered and maintained in agency automated systems. Complaints are reviewed and closed after determination to be a "low priority" or after an investigation has been completed. The closed date is the date the complaint is entered into the agency automated system.

Methodology	The sum of the number of days from the date the complaint is received by the division to the closure date divided by the total number of complaints closed during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target

4.1.1 EF 3	Average Number of Days to Complete a Performance Review
Definition	The average number of days to complete a performance review.
Purpose	The Division of Workers' Compensation (DWC) is charged with monitoring insurance carriers, employers, health care providers, and other system participants for compliance with the Texas Labor Code and DWC rules. This measure indicates the efficiency of DWC's completion of performance reviews.
Data Source	Information is entered and maintained in an agency database. A performance review begins on the date of the letter of engagement and is completed on the date DWC issues the final performance review report.
Methodology	The sum of the total number of days to complete performance reviews divided by the number of performance reviews completed during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
4.1.1 OP 1	Number of Workers' Compensation Enforcement Cases Concluded with Action
Definition	The number of enforcement actions that are concluded against persons and entities that have violated workers' compensation statutes or rules. Actions are orders resulting from hearings at the State Office of Administrative Hearings, orders issued without a hearing and warning letters.
Purpose	This measure monitors the number of enforcement actions concluded by the agency against certain entities in order to demonstrate the agency's efforts toward reducing illegal practices.
Data Source	The source of the data is an agency database. The enforcement case is concluded on the date the case is closed in the database.

Methodology	The sum of the number of cases concluded with action during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
4.1.1 OP 2	Number of Quality of Care Reviews Completed
Definition	The number of quality of care reviews completed on health care providers, insurance carriers, utilization review agents (URAs) and independent review organizations (IROs) during the reporting period.
Purpose	The Division of Workers' Compensation (DWC) is charged with monitoring the quality of health care in the workers' compensation system. A quality of care review is defined as a review of clinical evaluations, recommendations, treatment decisions, and clinical outcomes relating to health care. Quality of care reviews are conducted on health care providers who provide care or evaluations in the workers' compensation system.
Data Source	Information is maintained in agency automated applications.
Methodology	The sum of the number of quality of care review final reports issued during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
4.1.1 OP 3	Number of Complaints Closed Involving WC System Participants
Definition	The number of all complaints completed within the reporting period.
Purpose	The Division of Workers' Compensation (DWC) is charged with monitoring system participants for compliance with statute and rules. A complaint is a specific allegation of a violation of the statute or rules received from internal or external sources. Included in this measure are administrative fraud allegations.
Data Source	Information is entered and maintained in agency automated systems. Complaints are reviewed and closed after determination to be a "low priority" or after an investigation has been completed. The closed date is the date the complaint is entered into the agency automated system.
Methodology	The sum of the number of complaints closed during the reporting period.
Data Limitations	None

Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
4.1.1 OP 4	Number of Performance Reviews Completed
Definition	The number of performance reviews completed involving workers' compensation participants.
Purpose	The Division of Workers' Compensation (DWC) is charged with monitoring insurance carriers, employers, health care providers, and other system participants for compliance with the Texas Labor Code and DWC rules.
Data Source	Information is entered and maintained in an agency database. A performance review is completed when DWC issues a final report.
Methodology	The sum of the number of performance reviews completed during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
4.1.2 EF 1	Average Number of Days to Resolve a Medical Fee Dispute
Definition	The average days from receipt of the medical fee dispute to the date the dispute is resolved by the Medical Fee Dispute Resolution (MFDR) section.
Purpose	To measure the efficiency of DWC's medical fee dispute resolution process.
Data Source	Data is maintained in agency automated systems. A medical fee dispute is resolved when a DWC-MFDR decision is issued or when a medical fee dispute is dismissed or withdrawn.
Methodology	The sum of the number of days from receipt of the medical fee dispute to the date a decision is issued or the dispute is dismissed or withdrawn divided by the sum of the total number of medical fee disputes resolved during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
4.1.2 EF 2	Avg number of Days to Resolve Indemnity Disputes Via Resolution Proceedings

Definition	The average time to resolve disputes through the dispute resolution processes including benefit review conferences (BRC), contested case hearings (CCH) and appeals.
Purpose	To measure the efficiency of DWC's multi-level dispute resolution process. Some disputes are resolved at a BRC, some go to a CCH and others continue through the appeals process.
Data Source	Data is maintained in agency automated applications. A dispute is resolved on the later of the following dates: the date a BRC agreement is coded and entered into agency automated systems; the date a CCH decision is mailed; or the date an Appeals Panel decision is issued.
Methodology	The sum of the number of days from the date a BRC is set to the date each dispute is resolved divided by the total number of disputes resolved during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
4.1.2 EX 1	Number of Medical Fee Disputes Received
Definition	The number of requests for medical fee dispute resolution received by the Division of Workers' Compensation during the reporting period.
Purpose	To measure trends in the volume of requests for medical dispute resolution received.
Data Source	The data is maintained in the agency automated systems. Medical fee disputes are considered received on the day of the medical dispute resolution date stamp.
Methodology	The sum of the total number of requests for medical fee dispute resolution received during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
4.1.2 OP 1	Number of Benefit Review Conferences Held
Definition	The number of benefit review conferences (BRC) held.
Purpose	To measure the number of BRCs held, which is an indicator of the number of mediation proceedings resulting from workers' compensation claim disputes.
Data Source	Data is reported in the agency automated applications.

Methodology	The measure is calculated by counting the number of BRCs held during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Lower than target
4.1.2 OP 2	Number of Contested Case Hearings Held
Definition	The number of contested case hearings (CCH) held.
Purpose	The measure indicates the number of CCHs held which is an indicator of the number of formal proceedings conducted.
Data Source	Data is reported in agency automated applications.
Methodology	The measure is calculated by counting the number of CCHs held during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Lower than target
4.1.2 OP 3	Number of Appellate Decisions Issued
Definition	The number of decisions issued by the Division of Workers' Compensation Appeals Panel.
Purpose	To measure the number of decisions issued by the Appeals Panel regarding contested case hearings.
Data Source	Data is reported in agency automated applications.
Methodology	The sum of the number of decisions issued by the Division of Workers' Compensation Appeals Panel during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Lower than target
4.1.3 EF 1	Avg Days from Receipt of SIF Request for Reimbursement to Payment
Definition	The average number of days between receipt of a request for reimbursement and payment of the request.
Purpose	The measure indicates the average time between receipt of a complete request to the Subsequent Injury Fund (SIF) and payment. Complete

	requests are those that SIF staff has determined include information necessary for processing and are entitled to reimbursement.
Data Source	SIF data is collected and maintained in the agency's accounting system and in agency databases. The receipt date is the date a completed request is received and date stamped. The paid date is the date shown on the agency accounting reports.
Methodology	The sum of the total number of days from the date of receipt for each request to the paid date for each request divided by the total number of complete reimbursement requests paid during the reporting period.
Data Limitations	None
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
4.1.3 EX 1	Number of Injured Workers Receiving Lifetime Income Benefits through SIF
Definition	The number of injured employees who meet the eligibility requirements set by statute for lifetime income benefits (Lifetime Income Benefits) and are receiving payment of those benefits through the Subsequent Injury Fund (SIF).
Purpose	To identify the long-term obligations of the SIF because these benefits must be paid for the life of the injured employee. SIF is statutorily obligated to pay Lifetime Income Benefits to injured employees who sustain a subsequent compensable injury that, with the effects of a previous injury, results in lifetime income benefits eligibility.
Data Source	SIF data is collected and maintained in the agency's accounting system.
Methodology	The sum of the number of injured employees receiving Lifetime Income Benefits payments from the SIF during the reporting period.
Data Limitations	Attorneys, spouses, or children receiving a portion of a Lifetime Income Benefits payment are not included in the measure.
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
4.2 OC 1	Percent of TIBs Recipients Returning to Work Within 90 Days of Injury
Definition	The percent of injured employees who received temporary income benefits (TIBs) and returned to work within 90 days of the date of injury based on temporary income benefits duration.
Purpose	To identify the percent of injured employees who received TIBs and returned to work within 90 days of injury.

Data Source	This data is maintained in automated databases.
Methodology	The sum of the total number of claims in which TIBs stopped within 90 days of the date of injury divided by the number of claims in which TIBs were paid for the reporting period.
Data Limitations	The date TIBs stopped is used as a proxy for return-to-work. Twelve months of data, based on the date of injury, are used in the calculation. The data is lagged three months from the reporting month.
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target

4.2.1 EX 1	Incidence of Injuries/Illness per 100 FTEs in the Private Sector
Definition	This measure reflects the private sector injury and illness incidence rate for the state of Texas as developed by the U. S. Bureau of Labor Statistics (BLS).
Purpose	To gauge the frequency of non-fatal work-related injuries and illnesses in Texas in comparison to other states and the nation.
Data Source	The BLS Annual Survey of Occupational Injuries and Illnesses, which contains data from a stratified sample of private sector establishments by industry and size class is used for this measure. The Division of Workers' Compensation (DWC) collects data for the BLS survey using Occupational Safety and Health Administration standards for record-keeping and injury reporting and enters the data into the BLS system. BLS develops the incidence rate on a calendar year basis using data from the preceding calendar year.
Methodology	BLS calculates the statewide incidence rate and provides it to DWC.
Data Limitations	The data used to calculate this measure is controlled by BLS.
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Lower than target
4.2.1 OP 1	Number of Consultations and Inspections Provided to Employers
Definition	The number of workplace safety consultations and inspections provided to employers.
Purpose	To measure the volume of consultations and inspections that DWC provides to employers to promote safe and healthy workplaces.
Data Source	Data is maintained on automated applications
Methodology	The sum of the number of workplace consultations and inspections initiated during the reporting period.

Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
4.2.1 OP 2	Number of Divisions of Workers' Compensation Presentations Made
Definition	The number of presentations made by DWC staff to external customer groups.
Purpose	This measure quantifies DWC's effort to communicate with external customer groups on the workers' compensation system.
Data Source	The source of the data is the file for each presentation and the monthly Speakers Bureau report. A presentation is any event where DWC staff educates agency customers on workers' compensation system and occupational safety and health matters that may include the following methods of communication: speeches, training, exhibits, seminars, teleconferences, webinars, and staff participation in industry meetings. Each presentation counts as one when it is made to a separate audience.
Methodology	The sum of all presentations during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
4.2.1 OP 3	Number RTW, Provider, WPS Educational Products & Services
Definition	The number of return-to-work, health care provider, and workplace safety educational products and services provided by the Division of Workers' Compensation (DWC). These products and services include newsletters, brochures and other publications distributed; web hits; persons assisted through telephone, e-mail, mail, and in-person contacts; persons attending return-to-work, health care provider and workplace safety seminars; and persons viewing audiovisual training materials (verified by the employer).
Purpose	This measure quantifies DWC's efforts aimed at returning injured employees to the workforce, assisting health care providers with the treatment of injured employees in the workers' compensation system; and assisting employers in creating and maintaining safe workplaces.
Data Source	Data is collected from agency presenters' reports and webinar/seminar attendance logs. Additionally, telephone, web and e-mail logs record delivery of these products and services.

Methodology	The sum of the number of return-to-work, health care provider, and workplace safety educational products and services provided during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
4.2.1 OP 4	Number of WC Income Benefit Recipients Referred to TWC
Definition	The number of persons referred to the Texas Workforce Commission (TWC) by the Division of Workers' Compensation (DWC).
Purpose	The purpose of this measure is to identify the number of injured employees referred to TWC for training/education to assist them in returning to the workforce. TWC refers an injured employee to TWC if DWC determines that an employee could be materially assisted by vocational rehabilitation or training in returning to employment
Data Source	This data is maintained in agency automated databases.
Methodology	The sum of all referrals to TWC from DWC during the reporting period.
Data Limitations	None
Calculation Method	Cumulative
New Measure	No
Target Attainment	Higher than target
4.2.2 OP 1	Number of Injury Records in Which Indemnity Benefits are Initiated
Definition	The total number of injury records in which indemnity benefits are initiated.
Purpose	The purpose of this measure is to reflect the number of indemnity payments initiated during the reporting period.
Data Source	Reports of indemnity payments initiated are received from insurance carriers This measure applies only to injuries which occurred on or after January 1, 1991. Data is maintained in agency automated systems
Methodology	The sum of the number of records in which indemnity payments are initiated during the reporting period.
Data Limitations	This measure is dependent on receiving information from the carrier in a timely manner. Carriers are required to report a payment to DWC within seven days of the payment.
Calculation Method	Cumulative
New Measure	No
Target Attainment	Lower than target

## C. Historically Underutilized Businesses

### Goal

TDI's purchasing policies aim to foster meaningful and substantive inclusion of Historically Underutilized Businesses (HUBs) in all phases of procurement activities.

### Objective

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

<u>Target</u>	
Professional Services Contracts	5.0%
All Other Services Contracts	15.0%
Commodities Contracts	21.10%

### Outcome Measure

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

### Strategy

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

### Output Measures

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

### HUB Program Efforts and Accomplishments

TDI's objective is to ensure all procurement practices promote the goal of equal access for minority and woman-owned and applicable disabled veteran-owned businesses in the state of Texas. For the Fiscal Year 2017, TDI spent \$829,545 with HUB vendors, or 7.76 percent of eligible TDI purchases.

### Internal Outreach Initiatives

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

## **External Outreach Initiatives**

- Provide one-on-one instruction to minority and woman-owned businesses regarding certification, procurement policies, and procedures.
- Utilize resources of the Texas Association of African-American Chambers of Commerce and the Texas Association of Mexican-American Chambers of Commerce per the terms of the Memorandum of Cooperation and Contract agreements.
- Provide potential contractors with reference lists of certified HUB vendors who may be able to participate as subcontractors in TDI contracts.
- Encourage HUB utilization at pre-solicitation conferences to potential respondents. Provide instructions to contractors regarding requirements to ensure full compliance with applicable HSPs.
- Prepare and distribute purchasing, contracting, and subcontracting information in a manner that encourages participation by all businesses.
- Continue participation in the State HUB Discussion Workgroup. The workgroup meets bi-monthly to discuss and resolve issues for the betterment of the State of Texas HUB Program.
- Promote vendor outreach, education, and recruitment through active participation in economic opportunity forums sponsored by the Texas Comptroller of Public Accounts, the Texas Legislature, and other governmental, civic, and professional organizations across the state. For Fiscal Year 2017 TDI participated in 11 HUB forums and sixteen 16 Advocacy Group Meetings. TDI also co-hosted a HUB Forum with the Comptroller on October 24, 2017.

## **Mentor-Protégé Program**

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

## **D. Statewide Capital Planning**

TDI will submit a capital project pursuant to the 2018-19 General Appropriations Act, Article IX, Section 11.03.

## **E. Health and Human Services Strategic Planning**

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

## F. Agency Workforce Plan

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

### Overview

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

TDI is guided by its mission statements described in the agency's Fiscal Year 2019-23 Strategic Plan as follows:

### Insurance Operations Mission

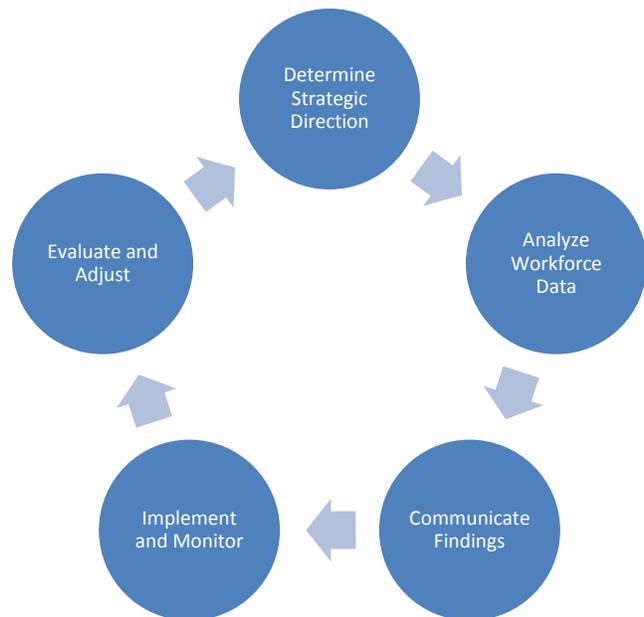
To protect insurance consumers by regulating the industry fairly and diligently, promoting a stable and competitive market, and providing information that makes a difference.

### Workers' Compensation Mission

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

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

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



TDI's human resources office leads workforce planning efforts. Human resources staff review and analyze workforce data regularly and meet with management to identify training needs and other activities to prepare staff for critical positions.

This workforce plan includes analysis of workforce data, including salary data, employee engagement survey results, and information from a workforce risk assessment initiated this

spring. The agency will use the findings of the workforce analysis to identify strategies to help management address workforce needs.

### Current Workforce Profile

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

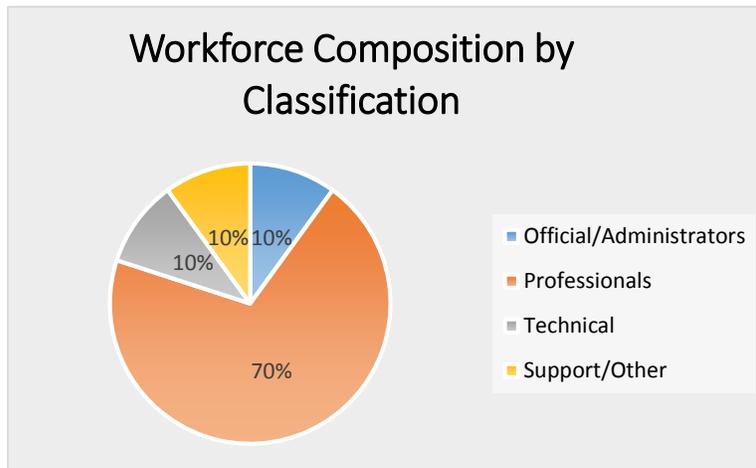
The agency has 1312<sup>1</sup> employees at Austin headquarters, 27 field offices, and 33 SFMO staff locations statewide. Field employees include financial and title examiners, fraud prosecution staff, fire inspectors and investigators, and windstorm inspectors. Field employees for the Division of Workers' Compensation include: benefit review officers, claims specialists, hearing officers, and occupational health and safety consultants.

#### Critical Workforce Skills

TDI has a workforce that has specialized knowledge, skills, and abilities. Approximately 80 percent of the workforce is classified in the category of official/administrator or professional. The official/administrator category includes executive staff, directors/managers, senior level actuaries, attorneys, financial examiners, and division program managers.

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

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



#### Employee Salaries

Due to the large number of employees in the job categories of official/administrator and professional, TDI's average annual salary of \$58,200 remains above the Texas state employee average of \$47,245<sup>2</sup>. The agency's average annual salary increased four percent over 2016 salary levels. This is consistent with Texas state employee average annual salary growth. TDI's human resources staff continue to work with management to review available resources and address salary challenges.

#### Retirement Eligible Employees

A significant number of agency employees are currently eligible to retire or will be eligible before August 31, 2022, including:

- 43 percent of TDI's total workforce,
- 56 percent of managers,
- 58 percent of executive staff.

<sup>1</sup> TDI Human Resources Information System, February 28, 2018. Unless otherwise noted, this is the source of all statistics appearing in this report.

<sup>2</sup> State Auditor's Office. February 2018.

TDI continues to enhance the agency’s succession planning efforts. All divisions are required to have updated succession plans and TDI’s human resources staff meet with division leaders biennially to discuss the plans and workforce needs.

### *Ethnic Diversity*

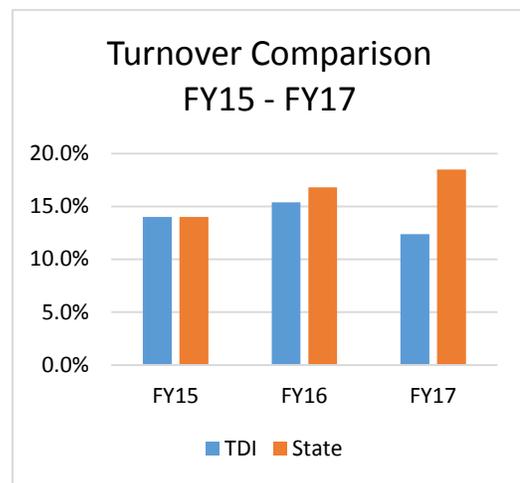
TDI’s workforce is ethnically diverse and tracks closely with the statewide civilian workforce and with other Texas state agencies. TDI recently analyzed the demographics of its workforce. The results below show the diversity as of February 28, 2018:

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

Additionally, TDI has a higher percentage of African Americans, Hispanics, and females in professional positions than the average for all Texas state agencies.<sup>3</sup>

### *Turnover Rate*

TDI’s turnover rate continues to be lower than the average turnover rate for Texas state agencies. The agency’s turnover rate decreased to 12 percent in fiscal year 2017 as compared to 15 percent in fiscal year 2016. However, the percentage rate remains well below the fiscal year 2017 statewide turnover rate of 19 percent for classified, regular full-time and part-time employees.<sup>4</sup> One factor that continues to impact turnover is a competitive job market.



As of February 28, 2018, the workers’ compensation division had a slightly lower FY 2018 mid-year turnover rate of 6.0 percent compared to 7.6 percent for insurance operations and 7.0 percent for the agency.

### *Employee Engagement*

TDI’s employees continue to be engaged as reflected in the results of the agency’s 2018 *Survey of Employee Engagement (SEE)*.<sup>5</sup>

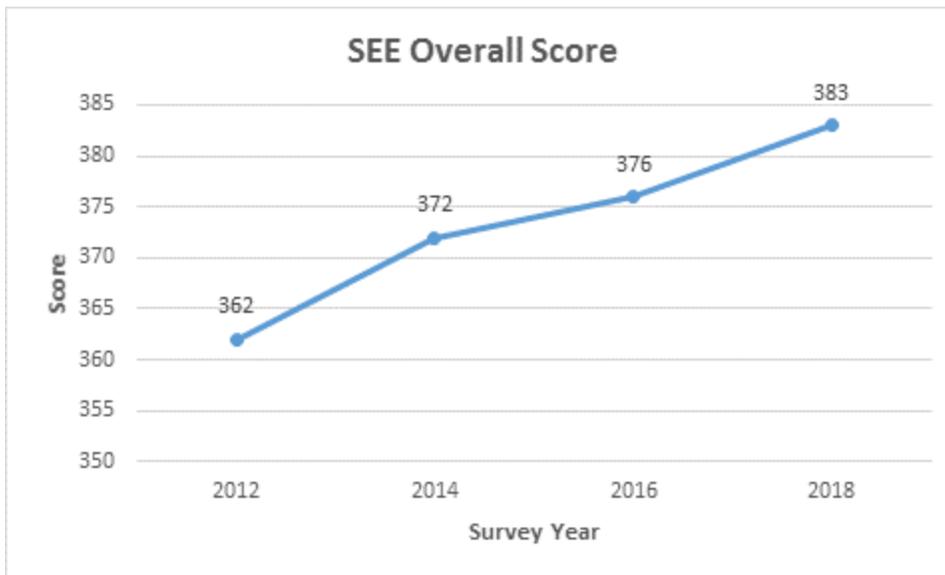
TDI has participated in the SEE since 1996 and the survey response rate has trended upward since that time. The survey response rate in 2018 was 85 percent, which is considered high. High rates of response indicate employees have an investment in the agency, and they are willing to contribute toward making improvements.<sup>6</sup> In 2012, the Institute for Organization Excellence began including an overall score for agency survey results. TDI’s score increased 21 points in the last six years, rising from 362 in 2012 to 383 in 2018.

<sup>3</sup>Civil Rights Division Equal Opportunity and Minority Hiring Practices Report, January 2016. Texas Workforce Commission.

<sup>4</sup>An Annual Report on Classified Employee Turnover for Fiscal Year 2017, December 2017, Report No. 18-703. Texas State Auditor’s Office.

<sup>5</sup> Survey of Employee Engagement, 2018. University of Texas, Institute for Organizational Excellence.

<sup>6</sup> TDI Executive Summary of the Survey of Employee Engagement, 2018.



TDI employee engagement levels were identified as 54 percent highly engaged or engaged compared to 30 percent for most organizations according to Gallup Poll statistics. The 2018 survey identified three areas of strength.

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

- Supervision – 410
- Strategic – 408
- Employee Engagement –401

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

Level of Engagement	TDI	Most Organizations
Highly Engaged or Engaged	54%	30%
Moderately Engaged	35%	50%
Disengaged	11%	20%

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

### Future Workforce Needs

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

These skills include:

- interpreting and enforcing statutory and regulatory requirements for insurance, workers’ compensation, fraud, arson, and fire safety;
- examining and analyzing the financial condition of insurers;
- conducting research, analysis, and review of medical quality, service, and providers;
- educating businesses, employees, fire industry professionals, insurance companies and consumers, and the public;
- resolving workers’ compensation disputes;
- performing quality assurance and auditing;

- investigating and prosecuting allegations of insurance and workers' compensation fraud;
- conducting research and analysis related to fire investigation and fire safety;
- performing research and policy analysis;
- evaluating the design, engineering and construction of buildings, particularly in high wind areas,
- resolving consumer complaints;
- processing licensing applications and renewals; and
- providing excellent customer service.

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

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

## Gap Analysis

### *Staffing Levels*

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

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

### *Employee Knowledge and Skills*

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

- business analysis and data management;
- critical analysis;
- process improvement;
- risk management; and
- communication including plain language and technical writing.

### *Tools and Technology*

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

## Strategies

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

- enhancing succession planning and knowledge transfer;

- reducing time to fill positions through careful monitoring;
- increasing the use of social media to notify candidates of job vacancies;
- supporting staff training for professional development and designations;
- supplementing pay increases with non-monetary rewards for performance;
- allowing telecommuting, when practical;
- conducting IT staff skills assessments, and
- using contract labor, when possible, particularly for technology needs that cannot be met with current staff.

TDI monitors these strategies in many ways. The human resources office provides analysis and supports management to determine strategy alternatives, such as training.

Many of the strategies have been successful, including enhancements to succession planning. From September 2016 to February 2018, TDI promoted 22 internal staff into management and/or leadership positions. These positions were filled with staff who were trained and mentored through succession planning actions and were prepared to replace staff who separated from TDI employment. Human resources meets with agency deputy commissioners and executive staff annually to review division succession plans. In addition, they monitor training and other activities implemented to help management ensure successor readiness.

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

- increasing recruitment of military veterans with a target goal of 20 percent. TDI is recruiting veterans by attending military and veteran job fairs;
- identifying and conducting additional training to fill skill gaps and monitor results;
- enhancing succession planning, including knowledge transfer;
- conducting staffing and salary analysis for specific positions identified by management;
- benchmarking with other Texas state agencies and the private sector to identify tools and technology that enhance workforce development; and
- creating more awareness of different work styles to encourage more flexibility in work location and maximize the use of technology.

## **Conclusion**

TDI uses information from the biennial workforce plan to help set priorities for workforce development in the coming years.

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

## **G. Report on Customer Service**

TDI submitted the agency's Report on Customer Services separately to the Governor's Office and Legislative Budget Board as required under Texas Government Code, Chapter 2114. The report has been posted on TDI's website at: [tdi.texas.gov](http://tdi.texas.gov).

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Agency Strategic Plan  
Fiscal Years 2019-2023

Texas Department of Insurance  
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