

TEXAS DEPARTMENT OF INSURANCE 2014 ANNUAL REPORT



TEXAS DEPARTMENT OF INSURANCE

NOVEMBER 2014

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TEXAS DEPARTMENT OF INSURANCE
COMMISSIONER OF INSURANCE

November 20, 2014

The Honorable Rick Perry, Governor
The Honorable David Dewhurst, Lieutenant Governor
The Honorable Joe Straus, Speaker of the House

Dear Governors and Speaker:

I am pleased to submit the Texas Department of Insurance 2014 Annual Report, in compliance with Texas Insurance Code Chapter 32, Section 32.021.

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

As in 2013, the agency's 2014 Annual Financial Report—formerly published as Part V of the agency's Annual Report—is published as a separate document and is also available online at www.tdi.texas.gov/reports/annual.html. If you have questions about the contents of this report or affairs of the Texas Department of Insurance, I will be happy to respond.

Sincerely,

Julia Rathgeber
Commissioner of Insurance

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SECTION I: AGENCY OVERVIEW



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Texas Department of Insurance

AGENCY OVERVIEW

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

STATUTORY BASIS

Texas Insurance Code (TIC), Chapter 31, §31.002 requires TDI to:

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

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

TDI is charged with overseeing the workers' compensation system of this state, and the Division of Workers' Compensation (DWC) is established within TDI to administer and operate the workers' compensation system of this state.¹

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

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

AGENCY VISION

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

AGENCY MISSION

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

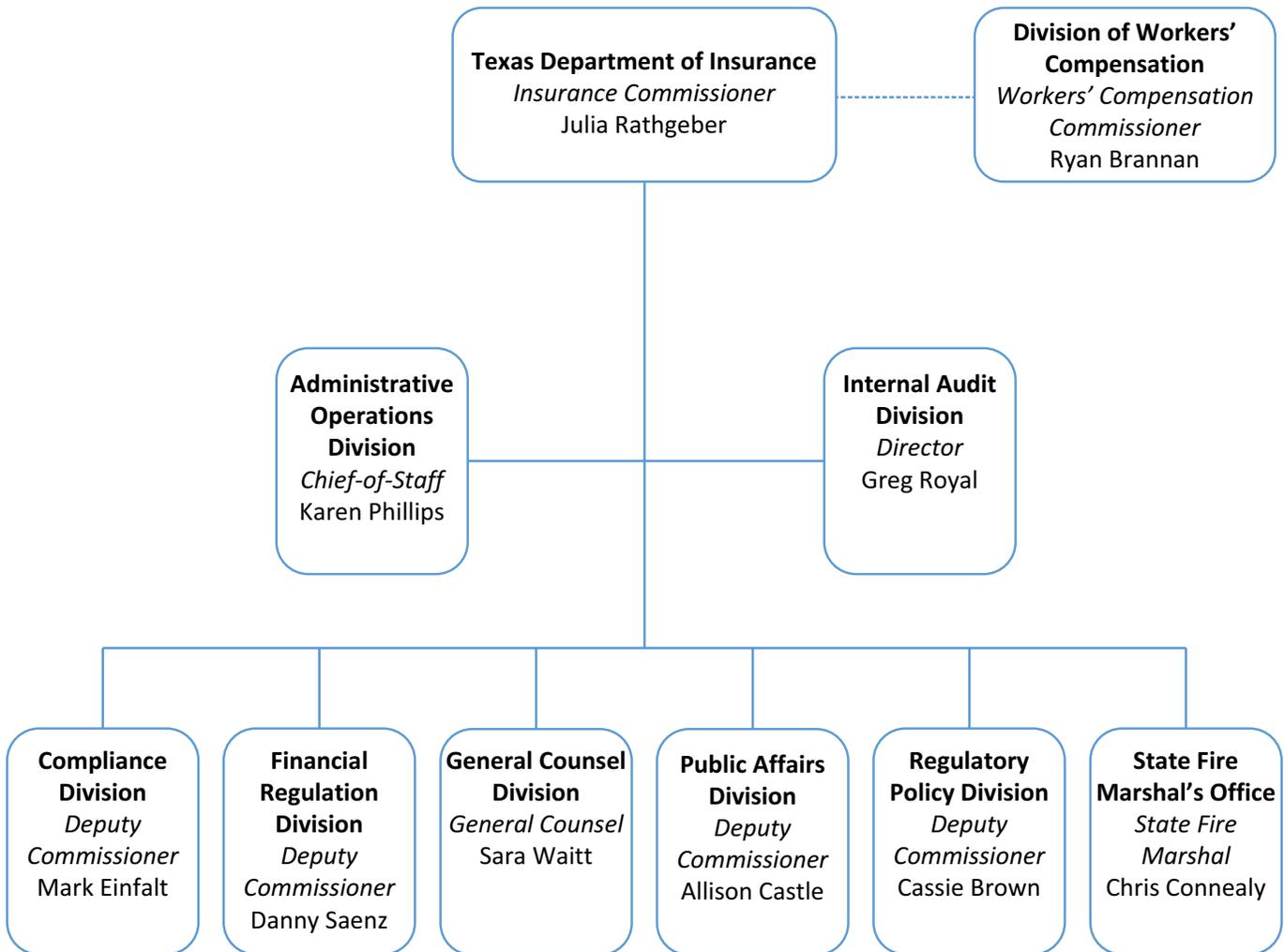
AGENCY REGULATORY APPROACH

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

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

¹ TLC, Chapter 402, §402.001

Figure 1: TDI Organizational Chart



SECTION II: REPORT ON DIVISION AREAS



TDI 2014 Annual Report
Texas Department of Insurance

Texas Insurance By the Numbers*



247,032
Texas Insurance
Industry Jobs

- Insurance Information Institute

Homeowners
129 | 6.5 M | \$7.2 B
Companies | Policies | Premiums



\$15.8 B
Texas Insurance
Industry Payroll

- Insurance Information Institute

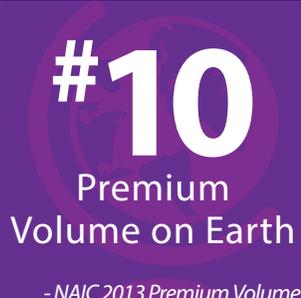
Personal Auto
181 | 17.1 M | \$15.2 B
Companies | Policies | Premiums



#3
Premium
Volume in U.S.

- NAIC 2013 Premium Volume

Health Insurance
495 | 21.1 M | \$50.9 B
Companies | Insured | Premiums



#10
Premium
Volume on Earth

- NAIC 2013 Premium Volume



Life Insurance
460 | \$10.5 B
Companies | Premiums

94%

Workers'
Compensation
Claims Never
Have a Dispute
Proceeding
at DWC.



* 2013 annual numbers, may be rounded. Unless otherwise noted, all data is from TDI reports, additional included in Section III of this report.

COMMISSIONER OF INSURANCE

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

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

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

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

The insurance commissioner's office fiscal year (FY) 2014 highlights are included in the Administrative Operations Division and Internal Audit Division breakouts.

ADMINISTRATIVE OPERATIONS DIVISION

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

FINANCIAL SERVICES OFFICE FY 2014 HIGHLIGHTS

- ★ Developed and produced the agency's 2015 Operating Budget.
- ★ Coordinated projects and prepared the agency's FY 2016-17 Legislative Appropriations Request as requested by commissioners, Legislative Budget Board (LBB), and Governor's Office of Budget, Planning, and Policy Division.
- ★ Successfully negotiated performance measure changes for the 2016-17 biennium.
- ★ Prepared the FY 2013 Annual Financial Report, Binding Encumbrance and Accounts Payable, and the Non-Tax Collected Revenue reports on behalf of TDI and OIEC.
- ★ Developed rates for maintenance taxes, examination/overhead assessment, and premium finance assessment.
- ★ Provided administrative support to OIEC, including bill paying, processing travel reimbursements, and developing the FY 2015 Operating Budget.
- ★ Provided monitoring and oversight of the agency's and OIEC's expenditures by strategy, object of expense, and organizational structure.
- ★ Streamlined the performance measure reporting system.
- ★ Monitored monthly performance measures and reported quarterly performance to the LBB.
- ★ Tested and assisted with the implementation of Sircon for States (Sircon) phase 5 and phase 6 billing.
- ★ Tested and implemented the Centralized Accounting and Payroll/Personnel System upgrade.

Figure 3: Comparison of Maintenance Tax Rates FY 2010–14

Type	Max Legal Rate	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Motor Vehicle	0.200	0.061	0.060	0.077	0.072	0.061
Fire	1.250	0.320	0.310	0.331	0.305	0.365
Workers' Compensation	0.600	0.096	0.115	0.151	0.108	0.065
Casualty	0.400	0.140	0.135	0.152	0.151	0.112
Title	1.000	0.266	0.281	0.401	0.151	0.072
Life, Accident, and Health	0.040	0.040	0.040	0.040	0.040	0.040
Third-Party Administrators	0.265	0.072	0.045	0.047	0.035	0.027
Prepaid Legal	0.022	0.042	0.036	0.030	0.029	0.020
Workers' Compensation Evaluation	0.000	0.012	0.009	0.016	0.017	0.014
Division of Workers' Compensation	2.000	1.455	1.584	1.669	1.669	1.543
*HMO Multi-Service	\$ 1.32	\$ 1.32	\$ 1.26	\$ 1.50	\$ 1.23	\$ 0.78
*HMO Single-Service	\$ 0.44	\$ 0.44	\$ 0.42	\$ 0.50	\$ 0.41	\$ 0.26
*HMO Limited Service	\$ 0.44	\$ 0.44	\$ 0.42	\$ 0.50	\$ 0.41	\$ 0.26

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

OFFICE OF STRATEGY MANAGEMENT FY 2014 HIGHLIGHTS

- ★ Coordinated monthly Executive Steering Committee meetings to make decisions about resourcing agency-wide projects.
- ★ Facilitated a series of meetings to develop a Balanced Scorecard Strategy Map with strategic objectives and cascaded them throughout the agency by:
 - ★ developing the agency’s “strategic plan,” which included vision, mission, core values, and strategy maps;
 - ★ conducting over 40 Balanced Scorecard presentations for managers and employees during the new performance appraisal form roll out meetings; and
 - ★ facilitating quarterly Balanced Scorecard review meetings to provide agency leadership updates on initiatives and report on performance measures.
- ★ Researched enterprise risk management best practices and established a program to support the achievement of TDI’s strategic objectives by addressing the full-risk spectrum.
- ★ Formed an enterprise risk management team, developed a governance document, and coordinated the agency’s first enterprise risk assessment.
- ★ Coordinated with a vendor and deputy commissioners to provide formal project management training to over 50 TDI employees.
- ★ Conducted a project management “executive overview” presentation for deputy commissioners.
- ★ Provided enterprise project management guidelines for all Sircon enterprise project phases.
- ★ Participated in Vertafore’s annual Sirc Summit to conduct lessons learned and participate in “think tank” needs assessment with other Sircon states.
- ★ Established a formal prioritization process model for future Sircon system enhancements.

PROCUREMENT AND GENERAL SERVICES OFFICE FY 2014 HIGHLIGHTS

Purchasing and Contract Administration

- ★ Posted 15 procurement opportunities on the Electronic State Business Daily.
- ★ Hosted purchasing and contract administration training for staff and managers.
- ★ Maintained the content of the purchasing website.
- ★ Achieved 15.10 percent Historically Underutilized Business (HUB) participation in comparison to the statewide achievement rate of 12.20 percent.
- ★ Staffed a new HUB program specialist position dedicated to the HUB program activities.
- ★ Attended 11 HUB forums and co-hosted a HUB forum with the Texas Comptroller of Public Accounts.

Purchasing & Contract Administration By the Numbers

2,977
Purchase Requisitions Received

2,061
Purchase Orders Processed

283
Contracts Tracked and Administered

Hobby and Metro Services

	Hobby	Metro
Incoming Revenue Received (<i>in millions</i>)	\$ 26.7	\$ 13.8
Building Service Orders Processed	1,232	400
Customers Assisted at Hobby’s TDI Service Center and with Metro’s Lobby Receptionist	1,895	2,400

- ★ Disposed of 86 cubic feet of obsolete records.
- ★ Coordinated and performed seven field office projects including closing the Wichita Falls field office.
- ★ Coordinated and performed 110 facility projects/service orders at Metro.
- ★ Arranged for multiple facility improvements in support of the SFMO Arson Lab certification.
- ★ Staffed key manager position overseeing Hobby Services function.
- ★ Negotiated three branch office lease renewals and two lease consolidations (Dallas and Lubbock).
- ★ Coordinated identification of agency mission essential functions in support of the development of a comprehensive Continuity of Operations Plan.
- ★ Facilitated TDI’s safety program, resulting in 33 percent of the program areas achieving accident/injury-free status.
- ★ Saved \$49,051.70 in postage using a mail presort services contract.
- ★ Achieved 99.9 percent annual property inventory accuracy rate.

Hobby & Metro Services By the Numbers

2.1 M
Pieces of Mail

1,744
Courier Pickups and Deliveries

19,538
Items Shipped Overnight/Expedited

2.7 M
Copy Impressions via Quick Copy Services

165,650
Publications Distributed

73,902
Documents Microfilmed

INFORMATION TECHNOLOGY SERVICES FY 2014 HIGHLIGHTS

- ★ Rolled out technology protection measures to address business security requirements to encrypt emails with sensitive or confidential information and all flash drives, a recommendation from Gartner.
- ★ Fine-tuned wireless communications in Hobby and Metro buildings to enhance network access.
- ★ Upgraded audio and visual capabilities in Hobby and Metro buildings.
- ★ Renegotiated the multi-function device contract, resulting in an \$181,835.72 annual savings.
- ★ Launched a Mobile Device Management program for agency's iOS and Android operating systems.
- ★ Replaced aging firewall appliance.
- ★ Replaced obsolete hardware through the Department of Information Resources' bulk purchase pricing program.
- ★ Continued transition to 64-bit operating system with new laptops.
- ★ Replaced web content management software.
- ★ Completed the Sircon enterprise-wide project that provides integrated, web-enabled third-party software service for insurance processing.
- ★ Established an interface between the Sircon system and the legacy workflow imaging application to provide additional functionality.
- ★ Began implementation of a new development framework for the Windstorm application.
- ★ Continued cooperation with the Data Center Services vendor to complete a disaster recovery exercise and an Oracle Exadata and enterprise file system pilot program; procure annual Microsoft Office licenses; refresh Windows Systems and launch a new Windows media server; implement new WebSphere server for the online Windstorm application; and complete upgrades to the DWC content manager and WebSphere environment.
- ★ Continued commitment to Information Technology Infrastructure Library concepts, with training and certification of additional key staff.
- ★ Expanded usage of TeamMate auditing software for title examiners.
- ★ Upgraded the agency's Interactive Voice Response system.
- ★ Enhanced the COMPASS dispute system application to provide better scheduling of hearings to accommodate consolidated field offices.
- ★ Implemented Smart Forms initiative with DWC.
- ★ Updated the 837 medical billing electronic data interchange with International Classification of Diseases diagnosis codes to improve service, as required by the Health Insurance Portability Accountability Act.
- ★ Developed and implemented the new Life Policy Locator application for the Consumer Protection Division to assist consumers with finding a missing life insurance policy or annuity.
- ★ Assisted with the development and implementation of the Ammonium Nitrate in Texas database application with SFMO which gives Texans the ability to find facilities storing more than 10,000 pounds of ammonium nitrate, using ZIP codes.
- ★ Updated the automated bill process for invoices sent out between CARS and Sircon applications.

HUMAN RESOURCES OFFICE FY 2014 HIGHLIGHTS

	TDI	OIEC	Total
Personnel Actions Processed and Tracked <i>(includes merit raises, promotions, new hires, transfers, and employment separations)</i>	1,649	143	1,792
Jobs Posted	231	32	263
Employment Applications Processed	4,547	588	5,135

- ★ Answered 75,811 switchboard calls.
- ★ Taught 269 hours of traditional classroom training and provided 182 hours of online training, which included classes in new employee orientation, team building, communication, customer service, insurance, performance evaluation, and management training.
- ★ Coordinated 14 wellness events.
- ★ Participated in the National Association of Insurance Commissioners' salary survey.
- ★ Implemented a new performance appraisal system with related forms and policies.
- ★ Coordinated activities to recognize high scores on the Survey of Employment Engagement.
- ★ Participated in nine DWC unemployment hearings.

EMPLOYEE OMBUDSMAN AND ETHICS ADVISOR FY 2014 HIGHLIGHTS

- ★ Assisted with developing the agency's sexual harassment and discrimination courses and training employees.
- ★ Addressed personal and workplace issues through counseling, mediation, coaching, and group facilitation.
- ★ Served as co-facilitator for monthly new employee orientation sessions and training sessions for new managers.
- ★ Responded to requests from other state agencies to provide employee counseling and coaching services.

INTERNAL AUDIT DIVISION

The Internal Audit Division supports the agency's overall mission by providing independent, objective assurance and consulting activities designed to add value and improve the agency's operations. The division helps the agency accomplish its goals and objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls, and governance throughout TDI.

The division's objectives are to provide decision-making information to management and to assist employees in carrying out their responsibilities. The Internal Audit Division provides analyses, appraisals, recommendations, counsel, and information and promotes effective control at reasonable cost.

FY 2014 HIGHLIGHTS

- ★ Completed an agency-wide risk assessment and used assessment results in the 2015 Annual Audit Plan.
- ★ Completed seven audits including six financial/performance-related audits and one information technology audit.
- ★ Completed five advisory projects resulting in final reports to management and the commissioners.
- ★ Updated management responses on outstanding recommendations from prior audits, which were provided to the commissioners in the mid-year report.
- ★ Completed external peer reviews of the internal audit divisions at the Employees Retirement System of Texas and the Texas Comptroller of Public Accounts Office.
- ★ Served as liaison for three State Auditor Office audits.
- ★ Completed five formal fraud investigations.
- ★ Enhanced the Committee of Sponsoring Organizations Survey for the agency, and now utilize SurveyMonkey.
- ★ Continued division area control analysis using the Committee of Sponsoring Organizations framework with internal reports for agency management.
- ★ Updated internal procedures for TeamMate and auditing procedures.
- ★ Implemented the Time Expense Capture module in TeamMate with plans to implement the Team Risk and Team Central modules.
- ★ Collaborated with the Office of Strategic Management on building the agency's enterprise risk management framework.

COMPLIANCE DIVISION

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

CONSUMER PROTECTION SECTION

The Consumer Protection Section includes the Complaints Resolution, Information Assistance, Public Education, and Special Assignments offices. Consumer Protection helps Texans resolve insurance complaints and provides insurance information to the public through a toll-free Consumer Help Line, publications, and the Internet.

FY 2014 Highlights

- ★ Redesigned TexasHealthOptions.com, which helps Texans find health care coverage.
- ★ Promoted TDI services and enhanced outreach activities through partnerships with:
 - ★ The Children's Hospital of Austin, the Seton Healthcare Network, the City of Austin, and the Travis County Health and Human Services Department to provide information to parents of uninsured children and to people visiting mobile health clinics.
 - ★ County tax assessor-collector offices statewide to distribute rate guides and other insurance information.
 - ★ The Texas Department of Aging and Disability Services, the Texas Legal Services Center, and local Area Agencies on Aging statewide to help older Texans and to train benefits counselors in local communities.
 - ★ The Texas Division of Emergency Management and representatives of the insurance industry in the Texas State Disaster Coalition, which facilitates coordinated responses to disasters.
- ★ Texas Windstorm Insurance Association (TWIA) to educate coastal consumers about windstorm policies and claims process.

Consumer Protection By the Numbers

536,324

Inquiries Answered

6 M

Publications Distributed

871

Presentations Made

18,202

Complaints Resolved

\$32.3 M

Returned to Consumers

1,270

Resolved HMO Complaints

39.6 days

Average Complaint Response

11.9 days

Average HMO
Complaint Resolution

ENFORCEMENT SECTION

The Enforcement Section investigates allegations of law and rule violations by insurance agents, companies, HMOs, other entities (both licensed and unlicensed), and workers' compensation system participants. The section receives referrals from multiple agency areas, including the Consumer Protection Section and Fraud Unit. The Enforcement Section reviews issues related to unauthorized insurance; unfair methods of competition; unfair or deceptive acts or practices in the insurance business; unfair claims settlement practices; acts prohibited by the TLC regarding workers' compensation; and disaster-related claims handling, among others.

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

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

The Enforcement Section refers cases to the Fraud Unit for criminal prosecution. The section works with the Office of the Attorney General on appeals of disciplinary actions and on enforcement actions conducted by the Attorney General's Consumer Protection Division. Enforcement pursues TLC violations on behalf of DWC.

FY 2014 Highlights

- ★ Of the 241 enforcement orders DWC issued, 55 were against health care providers and 36 were based on referrals from the Office of the Medical Advisor.
- ★ Completed 51 surplus lines late-filer cases, totaling more than \$312,200 in administrative penalties.
- ★ Conducted six licensing litigation contested cases, resulting in three license revocations and two denials.
- ★ Obtained 86 voluntary license surrenders as a prompt and effective outcome for consumer protection. Created the Regulatory Analysis Office to expand the scope of data technology to identify trends for policy and market conduct changes and improvements.
- ★ Assessed more than \$220,000 in fines against title insurance licensees for rebating practices.
- ★ Assessed \$123,000 in fines against property and casualty insurers resulting from market conduct examinations.
- ★ Participated in a multi-state market conduct settlement agreement with ING Life Insurance and Annuity Company concerning their settlement practices, procedures, and policy administration relating to claims. The settlement included efforts to identify the owners and beneficiaries of unclaimed proceeds, which resulted in an \$891,000 payment to Texas.



FRAUD UNIT

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

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

- ★ Claim fraud committed by consumers or providers against insurance companies, including staged accidents/paper accidents; fake burglary and auto theft claims; arson for profit; medical services claims not provided or inflated; personal injury schemes; exaggerated/padded claims; organized fraud schemes; and workers' compensation claimant and provider fraud.
- ★ Agent crimes, including issuing fictitious policies, premium payment conversions, and application fraud.
- ★ Insurance company officers and directors fraudulent activities, including false financial statements to TDI and misuse of company funds.
- ★ Unauthorized insurance schemes including insurance products not authorized by TDI, individuals not licensed to do the business of insurance in Texas, and fraudulent group/individual health plans.
- ★ Workers' compensation premium fraud.
- ★ Mortgage fraud, including fraud by escrow officers, title insurance agents, and title insurance companies.

The Fraud Unit includes commissioned peace officers and civilian investigators; an in-house attorney; prosecutors in the Dallas County, Harris County, and Bexar County district attorney offices; a criminal analyst; administrative staff; and an intake section.

FY 2014 Highlights

Hosted the 16th Annual Fraud Conference with nearly 400 attendees from state government, law enforcement, prosecuting agencies, and the insurance industry in attendance.

- ★ Made 29 public insurance fraud presentations.
- ★ Executed a task force operation for one case that resulted in 30 referrals for insurance fraud and engaging in organized criminal activity.
- ★ Participated in the Texas Committee on Insurance Fraud to address insurance fraud on a united front with industry, law enforcement, state agencies, legislators, and citizen advocate groups.

Fraud Unit By the Numbers

13,296

Fraud Reports Received

188

Referrals to State or
Federal Prosecutors

68%

Insurer Fraud Referrals
Resulting in Legal Action

32%

Workers' Compensation Fraud
Referrals Resulting in Legal Action

\$2.6 M

Estimated Amount of Consumer
and Provider Fraud Referred

\$221,000

Court-Ordered Restitution for
Consumer and Provider Fraud

\$30,297

Court-Ordered Restitution for
Workers' Compensation Fraud

FINANCIAL REGULATION DIVISION

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

The division monitors the solvency and market conduct of over 1,900 licensed risk-bearing insurance companies and related entities, which exceeds 2,200 when carriers with other forms of registration or eligibility are included. Annual statements filed by authorized insurers and HMOs for calendar year 2013 reflected \$124.0 billion in Texas premiums and \$90.0 billion in claim payments. These companies reported \$7.9 trillion in aggregate assets, \$6.8 trillion in liabilities, and \$1.1 trillion in capital and surplus. Premiums reported by all other insurance companies for calendar year 2013 reflected \$5.0 billion in Texas premiums.

The Licensing Services Section includes the Agent and Adjuster Licensing, Managed Care and Quality Assurance, and Company Licensing offices. Agent and Adjuster Licensing manages 487,698 active licenses/registrations; licenses insurance agents, adjusters, and provider representatives and brokers; and registers discount health care operators, as well as navigator entities, individual navigators, and captive managers. Managed Care and Quality Assurance manages 271 active licenses; licenses certified workers’ compensation networks, utilization review agents (URA), and independent review organizations (IRO); and assigns approximately 3,000 cases for independent review annually.

LICENSING SERVICES SECTION FY 2014 HIGHLIGHTS

- ★ On January 21, 2014, the commissioner adopted rules to address insufficiencies in the federal regulation of navigators as required by Senate Bill (SB) 1795. Agent and Adjuster Licensing registered the first navigator entity on February 14, 2014, and the first individual navigator four days later.
- ★ On April 11, 2014, the commissioner adopted rules to license captive insurance companies and to register captive managers as required by SB 734. Company Licensing and Registration licensed the first captive insurance company on March 17, 2014, and Agent and Adjuster Licensing registered the first captive manager on December 10, 2013.
- ★ Along with the recent economic growth in Texas, TDI has seen an increased demand for agent and adjuster licenses that exceeds the agency’s capacity to evaluate applications. This increase results in longer applicant wait times, which can exceed 45 days. In an effort to reduce wait times, TDI has taken steps to increase function capacity through process improvement initiatives and the agency included an exceptional item request in its Legislative Appropriations Request to fund additional resources. Because of the changes implemented, TDI staff processed 103,203 applications, a 10 percent increase over last year.

**Licensing Services Section
By the Numbers**

32
Entity Navigators Registered

217
Individual Navigators Registered

7
Captive Insurers Licensed

11
Captive Managers Registered

180
URA Application Updates

103,203
Applications Processed

Figure 4: Agent and Adjuster Licensing Summary FY 2010–14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Total Filings Processed*	887,616	880,474	942,852	1,076,325	1,136,438
Total Telephone Inquiries Received**	139,290	143,259	145,433	147,965	242,308

* Includes Title Filings.

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

Figure 5: Number of Agent and Adjuster Licenses, Certificates, and Registrations FY 2010–14

License Type	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
County Mutual	3,696	4,039	4,009	4,037	4,024
General Lines: Life, Accident, Health, and HMO	175,441	179,160	182,609	185,697	193,485
General Lines: Property and Casualty	106,502	109,033	111,986	113,624	116,917
Life Only Agent	17,747	21,410	24,328	26,879	28,648
Personal Lines Agent	7,847	10,142	11,613	13,938	17,292
Insurance Service Representative	1,325	1,234	1,170	1,099	1,021
Life not to Exceed	831	705	662	712	847
Limited Lines	4,576	5,584	5,952	5,382	5,370
Managing General Agent	1,589	1,596	1,579	1,592	1,674
Pre-Need	2,607	2,626	2,724	2,726	3,233
Surplus Lines	5,250	5,492	5,649	5,895	6,067
Adjusters	85,735	88,985	94,754	97,081	100,051
Public Insurance Adjusters	850	742	786	764	781
Full-Time Home Office Salaried Employees	501	640	645	655	727
Discount Health Care Program Operator	-	-	54	61	51
Specialty: Credit	2,897	2,865	2,748	2,678	2,572
Specialty: Travel	1,072	1,160	1,328	1,662	1,856
Specialty: Rental Car Company	58	55	50	53	57
Specialty: Self-Service Storage Facility	147	153	164	211	248
Specialty: Telecommunication Equipment Vendor	18	15	21	27	24
Life and Health Insurance Counselors	523	542	589	623	639
Risk Managers	1,135	1,133	1,155	1,154	1,122
Re-insurance Intermediary	1,155	1,265	1,211	1,307	1,235
Title Agent Licenses	-	-	-	1,577	561
Direct Operations Licenses	-	-	-	6	6
Escrow Officer Licenses	-	-	-	6,304	6,219
Captive Management Companies	-	-	-	-	11
Navigators	-	-	-	-	438
Grand Total of Licenses Regulated	421,502	438,585	455,786	475,744	495,176

Figure 6: Agents License Statistics FY 2010–14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Issued	63,545	69,416	73,488	71,895	81,814
Renewed	134,064	126,439	138,176	136,828	147,692
Total Appointment Transactions	603,763	595,154	654,931	767,953	794,681
Total Current Agent and Adjuster Licenses	413,996	430,748	447,821	459,426	479,410
Other Licenses	7,506	7,837	7,965	16,318	15,766
Grand Total of Licenses Regulated	421,502	438,585	455,786	475,744	495,176

Figure 7: Managed Care Quality Assurance Inquiries FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Inquiries Received	681	685	374	903	667
Inquiries Completed	681	685	374	903	667

Figure 8: Managed Care Quality Assurance Licensing FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
URA Review Filings					
Applications Received	18	11	30	323	106
Registered URAs Approved	1	-	-	-	-
Certified URAs Approved	12	11	15	19	12
Certified URAs Renewed	77	71	87	73	100
IRO Applications					
Applications Received	6	2	4	82	29
Applications Approved	6	-	4	2	1
Renewals Approved	42	33	38	40	36
Certified Workers' Compensation Health Care Networks					
Total Certified Workers' Compensation Networks	30	32	30	28	29
Service Area Expansions Approved	7	10	7	7	6
Original Workers' Compensation Networks Approved	1	5	3	1	1
Counties Served	249	250	250	254	254

Figure 9: Title Insurance Licensing Activity FY 2011-14

	FY 2011	FY 2012	FY 2013	FY 2014
Licenses Issued (includes renewals)	4,713	6,337	4,933	5,081
Licenses Canceled	1,958	1,721	1,328	1,656

Figure 10: Number of Company Licenses FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Insurance Companies	1,858	1,843	1,836	1,830	1,819
HMOs	52	51	51	53	57
Premium Finance Companies	194	194	193	184	184
Continuing Care Retirement Communities	29	31	31	33	33
Third-Party Administrators	782	760	734	683	684
Total	2,915	2,879	2,845	2,783	2,777

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

FINANCIAL ANALYSIS SECTION FY 2014 HIGHLIGHTS

- ★ Reallocated resources to create a new team focused exclusively on regulating complex companies/groups with international and cross-sectoral (insurance, banking, and securities) operations. The goal is to promote a deeper understanding of these complex entities, develop unique regulatory approaches reflective of the broad array of risks associated with these complex entities, and foster stronger and more consistent relationships with other state, national, and international regulators also engaged in regulating these complex entities.
- ★ TDI is a member of 14 supervisory colleges of internationally active insurance groups, including one designated both as a domestic and internationally systemically important insurance group. A supervisory college is a forum for cooperation and communication between domestic and international supervisors/regulators of insurance groups, designed to facilitate more effective supervision/regulation of the group and insurers within the group. In FY 2014, the Financial Analysis Section participated in 11 formal college meetings.
- ★ Relocated rehabilitation and liquidation oversight functions to the Financial Analysis Section under a new office titled the Rehabilitation and Liquidation Oversight Office.
- ★ The Rehabilitation and Liquidation Oversight Office closed a receivership that had been open since 1994. The estate paid all liabilities owed to creditors, including the guaranty associations.

Figure 11: Number of Financial Analysis Reviews FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Reviews	1,750	1,790	847	768	663

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

Figure 12: Texas Policyholder Premiums, Claim Payments Calendar Years 2009–13

	2009	2010	2011	2012	2013
Claim Premiums (in billions)	\$ 101.8	\$ 102.9	\$ 108.7	\$ 120.7	\$ 128.8
Payments (in billions)	\$ 76.6	\$ 70.8	\$ 77.3	\$ 86.7	\$ 91.7
Payments as a Percent of Premium	75.2%	68.8%	71.1%	71.8%	71.2%

Figure 13: Total Capital/Surplus of Insurance Companies Operating in Texas Calendar Years 2009-13

	2009	2010	2011	2012	2013
Total Capital/Surplus	\$ 903.0 B	\$ 933.8 B	\$ 931.0 B	\$ 1.0 T	\$ 1.1 T

Figure 14: Texas Guaranty Association Assessments Calendar Years 2009-13

	2009	2010	2011	2012	2013
Life and Health	\$ 34,998,506	\$ -	\$ 62,949,976	\$ 6,855,000*	\$ 11,616,792
Property and Casualty	-	(47,662,585)	-	-	-
Title	-	-	-	-	2,500,000
TSIG	100,000	100,000	100,000	107,788	122,247
Total	\$ 35,998,506	\$ (47,562,585)	\$ 63,049,976	\$ 6,962,788	\$ 14,239,039

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

EXAMINATIONS SECTION FY 2014 HIGHLIGHTS

- ★ Moved Title and Managed Care and Quality Assurance examinations to TeamMate, an electronic system used to track work progress, which helps to ensure consistency and improve information sharing as well as promoting a paperless environment.
- ★ Participated in 56 coordinated examination efforts in conjunction with other state and federal regulatory agencies, including the Texas Department of Banking and the Federal Reserve Bank, to increase the efficiency and effectiveness of the examination process in support of the agency’s mission.
- ★ Held a leadership role on actuarial initiatives, including addressing more uniform reserving standards for certain life products with guarantees.

Figure 15: Number of Examinations FY 2010–14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Financial and Market Conduct Examinations	129	139	117	125	116
HMO Quality Assurance Examinations	28	38	53	46	49

Figure 16: Summary of Title Examination Activity FY 2013-14

	FY 2013	FY 2014
Annual Escrow Audits Reviewed	558	540
Title Examinations Conducted	340	286
Total Amount in Escrow Accounts (<i>in billions</i>)	\$ 193	\$ 242

GENERAL COUNSEL DIVISION

The General Counsel Division provides legal services and advice to the insurance and workers' compensation commissioners and agency divisions. The division is headed by the general counsel and is comprised of the general counsel's immediate staff, the Chief Clerk's Office, and the Legal Services Section. The division's attorneys are a dynamic team who offer rapid solutions to a variety of regulatory challenges and who have chosen public service, benefiting both the regulated market and consumers. The attorneys are experienced in areas ranging from insurance regulatory matters, to state contracting and open records. Many division attorneys have additional credentials such as board certification, fraud examiner certification, and an advanced degree in health law. General Counsel's attorneys include continuing legal education presenters, a specialist in litigation management, and a certified public accountant.

The general counsel advises the commissioners on a wide variety of legal matters and topics including state and federal law application, commissioner orders, appeals to the commissioner, and setting agency policy. The Chief Clerk's Office maintains commissioner orders and dockets, sets cases with the State Office of Administrative Hearings, certifies records, sends rule filings and notices to the Texas Register, maintains bulletins, and provides agency court reporting services.

The Legal Services Section has four offices – Office of Agency Counsel, Office of Policy Development Counsel, Office of Financial Counsel, and Office of Workers' Compensation Counsel – which generally provide legal services for TDI divisions.

FY 2014 RULEMAKING HIGHLIGHTS

- ★ **High Risk Pool Rules:** Emergency and regular rules helped ensure that more than 26,000 medically fragile Texans covered under the Texas Health Insurance Pool did not lose health insurance coverage or Medicare Supplemental coverage eligibility as a result of federal healthcare reform implementation difficulties.
- ★ **Navigator Rule:** Established a state registration for navigators requiring individuals and entities performing the activities and duties of navigators to satisfy minimum standards of TIC, Chapter 4154. The rule ensures consumer protection through uniform standards applicable to all navigators in Texas, and ensures that navigators have the education they need to help Texas consumers.
- ★ **Utilization Review Companion Rules:** Clarified the process that insurance carriers use to review the medical necessity of health care services. The rules align with TIC, Chapter 4201 and other group health utilization review rules adopted by TDI.

FY 2014 HIGHLIGHTS

- ★ Received and processed 11,387 public information requests in FY 2014, referring 79 of the requests to the Office of the Attorney General for an opinion, including 52 that the originator of responsive documents claimed that the documents were proprietary or otherwise confidential.
- ★ Attorneys taught two insurance designation courses to agency employees: the LOMA 280 Principles of Insurance and the Chartered Property Casualty Underwriter (CPCU) 500 Foundations of Risk Management and Insurance.
 - ★ LOMA 280 focuses on the concepts of individual and group life insurance, health insurance, and annuity products. It is the first of the 10-course sequence for the Fellowship, Life Management Institute and the six-course sequence for the Associate, Life Management Institute designations.
 - ★ CPCU 500 is the first of 10 graduate and post-graduate level courses required to obtain the CPCU designation. The courses cover insurance law and history; contracts; property and liability insurance; operations; rate-making; risk management; and business courses in finance, corporate structure, and ethics.

PUBLIC AFFAIRS DIVISION

The Public Affairs Division is comprised of the Government Relations and Communications sections. The Government Relations Section serves as TDI's liaison with the legislature and other governmental entities. Major responsibilities include helping the commissioners develop legislative recommendations for improving insurance regulation in Texas; reporting information regarding TDI activities and the insurance market to the Legislature; coordinating and tracking agency-wide responses to legislative and constituent inquiries; monitoring, tracking, and analyzing legislation affecting the agency; updating agency staff on the legislation status; selecting, training, and coordinating the availability and presence of appropriate agency staff for resource testimony before various legislative committees; overseeing legislative implementation; distributing requested information to legislators, committees, and other governmental entities; and researching and reviewing possible appointments to various agency boards and committees and on-going appointment monitoring.

The Communications Section is comprised of media relations and web and design teams, as well as conference and event planning. The section's goal is to advance and protect TDI's institutional identity and reputation through messaging that is timely, factual, and consistent. Along with serving as the agency's primary media contact, the Communications Section conducts proactive management outreach through traditional and social media outlets, supports and maintains TDI's nine websites, provides graphics and production support for the entire agency, and coordinates agency conferences and events. The section also collaborates with subject matter experts within the agency to ensure accurate communications are distributed to its key stakeholders including consumers. This collaboration is essential in developing and maintaining content across social media, online, and during events.

FY 2014 HIGHLIGHTS

- ★ Coordinated the 2014 Compliance Conference with over 300 attendees. Streamlined agency breakout presentations, created all conference materials, and promoted the conference through traditional and social media outlets.
- ★ Provided support and conference materials, as well as promoted the 2014 Fraud Conference through traditional and social media outlets.

Government Relations

- ★ Assisted the commissioners in preparing for and testifying before various committees of the Texas Legislature including the Senate Business and Commerce; Senate Finance; Senate State Affairs; Senate Agriculture, Rural Affairs and Homeland Security; House Appropriations; House Business and Industry; House Insurance; and House Homeland Security and Public Safety committees considering insurance-related issues.
- ★ Provided subject matter experts to serve as resource witnesses for interim committee hearings.
- ★ Worked with legislators and legislative staff to answer questions and receive input regarding rule implementation, and communicated with them about developments in the rulemaking process.
- ★ Met with legislators and legislative staff to answer questions about issues and legislation of importance to them and their districts.
- ★ Published and updated legislative implementation information on the agency's website.
- ★ Monitored and attended meetings of various boards and committees, including legislative committees, for the commissioners and the state fire marshal.
- ★ Coordinated and prepared presentations by the commissioners, the state fire marshal, and agency staff for interim legislative committees charged with studying insurance and workers' compensation-related issues, and the explosion in West, Texas.
- ★ Continued to maintain a consumer liaison for approximately 1,300 insurance and workers' compensation constituent inquiries.
- ★ Assisted TDI staff with appointment and re-appointment of members to 16 advisory committees and boards.

Communications Section

- ★ Wrote and coordinated the dissemination of 87 press releases, press statements, and media advisories.
- ★ Responded to 789 media calls and information requests.
- ★ Continued to provide a daily news clipping service, monitoring all major Texas newspapers for insurance-related news.
- ★ Published the Bulletin Board, the agency's internal employee newsletter, and TDI's annual report.
- ★ Designed and produced agency brochures, booklets, fliers, posters, and stationary, as well as web-enterable forms and optimal web images for the TDI website.
- ★ Made a number of website improvements, including a design refresh of the main TDI website, improved the online calendar appearance, created a high-value data sets directory to comply with SB 701 requirements, updated site emails to the new tdi.texas.gov domain, and migrated auto and home files to Helpinsure.com.
- ★ Assisted with implementation of two new public Life and Health Web applications.
- ★ Launched new agency-wide website content management system.
- ★ Distributed more than 225 email updates to 23,771 TDI eNews subscribers.
- ★ Provided live and archived Internet audio of public hearings/meetings.
- ★ Implemented a new tracking process for media call activity.
- ★ Expanded to statewide news release and media material distribution.
- ★ Launched pro-active media outreach strategy.
- ★ Developed and established @TexasTDI, which has over 600 Twitter followers, and an agency LinkedIn page.
- ★ Added graphic design capabilities to the division's scope of services through new staffing.
- ★ Centralized conference and event planning resources to better utilize agency resources.

REGULATORY POLICY DIVISION

The Regulatory Policy Division regulates a wide range of insurance products and related coverages offered by insurance companies. Specifically, the division oversees and manages regulatory matters, researches and collects data, publishes reports to assist policymakers and consumers with insurance-related decisions, and handles special policy initiatives, including the TexasSure and Healthy Texas programs. The division consists of the Property and Casualty and the Life, Accident, and Health sections. The Property and Casualty Section includes the Personal and Commercial Lines Office, Property and Casualty Actuarial Office, Inspections Office, Data Services and Special Projects Team, and the Workers' Compensation Classification and Premium Calculation Team. The Life, Accident, and Health Section is comprised of the Regulatory Initiatives Office and the Rate and Form Review Office.

PROPERTY AND CASUALTY SECTION FY 2014 HIGHLIGHTS

Personal and Commercial Lines Office

- ★ Completed best practices summary for risk management and loss control that fertilizer plants may use to reduce risk and promote safety, as requested by the House Homeland Security and Public Safety Committee.
- ★ Successfully transitioned to the Sircon insurance regulation system.
- ★ Sent surveys to six windpool states to gather information in order to update TDI's Windpool Survey report.
- ★ Began Seacoast Survey to obtain information about current market conditions and residential and commercial property insurance availability along the Texas Gulf Coast.
- ★ Finalized a title insurance rule hearing with 71 adopted items.
- ★ Coordinated hearing and adoption of form and rate to enable title underwriters to recoup Texas Title Insurance Guaranty Association assessment for Southern Title Insurance Company receivership.
- ★ Adopted 28 Texas Administrative Code (TAC) §5.204, requiring auto insurers to include the named driver policy disclosure required by Texas Transportation Code §601.081 and TIC §1952.0545 on proof of motor vehicle liability cards (auto ID cards), as enacted by SB 1567, 83rd Legislature, Regular Session, 2013.

Figure 17: Property and Casualty Personal and Commercial Lines Office Form Filings Completed FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014*
Personal Liability/Umbrella	90	93	136	48	72
Bond and Miscellaneous Lines	487	542	466	591	854
Commercial Automobile	764	1,335	1,464	1,354	2,283
Commercial Property	856	749	867	1,100	941
General Liability	2,220	2,299	2,670	3,644	3,480
Homeowners	351	321	404	296	563
Inland Marine	479	426	607	787	673
Interline Filing	232	332	323	334	169
Identity Theft	11	5	1	2	3
Intake Unit	2	-	2	-	-
Commercial Multi-Peril	3,291	3,521	3,746	2,726	3,516
Other Personal and Commercial Lines	14	9	16	10	11
Personal Automobile	505	725	768	528	756
Professional Liability	713	645	636	726	2,385
Workers' Compensation	266	438	242	248	415
Total	10,281	11,440	12,348	12,394	16,121

* See note for figure 18 on next page.

Figure 18: Property and Casualty Intake Program FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014*
Rate Filings					
Personal Liability/Umbrella	42	51	57	28	32
Bond and Miscellaneous Lines	372	315	331	294	230
Commercial Automobile	524	703	687	850	564
Commercial Property	372	343	562	505	284
General Liability	926	1,037	941	1,278	473
Homeowners	297	282	274	233	223
Inland Marine	277	154	239	252	112
Interline Filing	61	53	76	35	7
Identity Theft	2	1	-	-	-
Commercial Multi-Peril	892	998	1,067	815	525
Other Personal and Commercial Lines	5	5	6	4	2
Personal Automobile	676	985	744	631	514
Professional Liability	202	206	203	193	89
Workers' Compensation	412	486	607	575	476
Total	5,060	5,619	5,794	5,693	3,531
Policy Form, Endorsement, and Rule Filings					
Personal Liability/Umbrella	88	90	126	47	107
Bond and Miscellaneous Lines	500	538	466	567	818
Commercial Automobile	798	1,417	1,306	1,377	2,035
Commercial Property	877	765	825	1,152	861
General Liability	2,410	2,294	2,674	3,495	4,558
Homeowners	345	353	405	265	698
Inland Marine	498	446	591	772	712
Interline Filing	220	375	280	327	192
Identity Theft	13	4	-	2	-
Intake Unit	2	-	-	-	-
Commercial Multi-Peril	3,235	3,578	3,605	2,737	3,572
Other Personal and Commercial Lines	14	10	19	6	8
Personal Automobile	498	821	634	536	763
Professional Liability	661	642	641	657	2,887
Workers' Compensation	269	437	232	290	401
Total	10,428	11,770	11,804	12,230	17,612
Total Property and Casualty Filings Received	15,488	17,389	17,598	17,923	21,143
Intake Unit Filings Processed	175	140	336	794	1,683

* Figure 17 and 18: Effective April 2014, TDI transitioned to a new system of record for rate and form filings. This transition involves a change in the way form and rate filings are counted. For property and casualty form filings, the number of forms reviewed is counted versus the prior count of the number of filings reviewed by company. For property and casualty rate filings, the number of filings reviewed is counted versus the prior count of the number of filings by company reviewed.

Figure 19: Property and Casualty Personal and Commercial Lines Office Form Filings Completed FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014*
Personal Liability/Umbrella	90	93	136	48	72
Bond and Miscellaneous Lines	487	542	466	591	854
Commercial Automobile	764	1,335	1,464	1,354	2,283
Commercial Property	856	749	867	1,100	941
General Liability	2,220	2,299	2,670	3,644	3,480
Homeowners	351	321	404	296	563
Inland Marine	479	426	607	787	673
Interline Filing	232	332	323	334	169
Identity Theft	11	5	1	2	3
Intake Unit	2	-	2	-	-
Commercial Multi-Peril	3,291	3,521	3,746	2,726	3,516
Other Personal and Commercial Lines	14	9	16	10	11
Personal Automobile	505	725	768	528	756
Professional Liability	713	645	636	726	2,385
Workers' Compensation	266	438	242	248	415
Total	10,281	11,440	12,348	12,394	16,121

* Effective April 2014, TDI transitioned to a new system of record for rate and form filings. This transition involves a change in the way form and rate filings are counted. For property and casualty form filings, the number of forms reviewed is counted versus the prior count of the number of filings reviewed by company. For property and casualty rate filings, the number of filings reviewed is counted versus the prior count of the number of filings by company reviewed.

Property and Casualty Actuarial Office

- ★ Successfully transitioned to the Sircon insurance regulation system.
- ★ Participated in a November 2013 public hearing to consider an adjustment to title insurance premium rates for the 2014 calendar year to reimburse Texas title insurers for \$2.5 million paid in assessment to the Texas Title Insurance Guaranty Association in 2013. The commissioner ordered title agents to collect a \$1.80 guaranty assessment recoupment charge directly from the purchaser of each owner's policy and loan policy at the closing of the transaction.
- ★ Adopted 28 TAC §§5.9980-5.9982, concerning prior approval of rates under certain circumstances. The rules establish the financial conditions and rating practices that may subject an insurer to prior approval of rates. The rules also establish a process under which the commissioner may issue an order finding that a statewide insurance emergency exists. The adopted rules implement House Bill (HB) 1951, 82nd Legislature, Regular Session, 2011.
- ★ Adopted new rules and amendments to rules concerning TWIA's loss funding in the event of a catastrophe and the premium surcharge required to repay class 2 public securities. Prior to adoption, the commissioner held public hearings in Austin, Beaumont, and Corpus Christi where staff presented the proposed rules and the commissioner listened to public testimony. These adopted rules implement HB 3, 82nd Legislature, 1st Called Session, 2011.
- ★ Proposed amendments and replacements to the Filings Made Easy rules which affect property and casualty insurance product filings in Texas for adoption in FY 2015. The proposed rules have three purposes: (1) conform the rules to statute established by HB 1951, 82nd Legislature, Regular Session, 2011; (2) improve the rules' clarity and transparency; and (3) adjust the rules for compatibility with TDI's use of the System for Electronic Rate and Form Filing.

Figure 20: Property and Casualty Actuarial Office Rate Filings Completed FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014*
Personal Liability/Umbrella	60	45	56	36	27
Bond and Miscellaneous Lines	417	334	315	287	211
Commercial Automobile	473	564	758	814	548
Commercial Property	451	345	573	511	312
General Liability	936	999	918	1,443	543
Homeowners	287	288	266	232	160
Inland Marine	274	158	197	283	129
Interline Filing	56	62	63	47	13
Identity Theft	2	1	1	-	-
Commercial Multi-Peril	993	992	1,094	825	546
Other Personal and Commercial Lines	6	4	4	5	1
Personal Automobile	664	879	706	688	406
Professional Liability	364	185	124	313	90
Workers' Compensation	196	554	417	673	451
Total	5,179	5,410	5,492	6,157	3,437

* Effective April 2014, TDI transitioned to a new system of record for rate and form filings. This transition involves a change in the way form and rate filings are counted. For property and casualty form filings, the number of forms reviewed is counted versus the prior count of the number of filings reviewed by company. For property and casualty rate filings, the number of filings reviewed is counted versus the prior count of the number of filings by company reviewed.

Inspections Office

- ★ Referred 240 non-compliant amusement ride operators to the Enforcement Section.
- ★ Worked with the Administrative Operations and General Counsel divisions to implement texas.gov's Fee-Pay Lite application, which allows amusement ride owners and operators to make annual filing fee payments online.
- ★ Referred the Corepointe Insurance Company to the Enforcement Section and ordered the Munich Reinsurance Group (American Modern Insurance Group) to pay a \$40,000 administrative penalty for noncompliance with Texas' loss control requirements for commercial liability insurers.
- ★ Adopted 28 TAC §§5.4920-5.4926, concerning the repeal of TWIA's Alternative Eligibility Program, pursuant to the changes in SB 1702, 83rd Legislature, Regular Session, 2013.
- ★ Worked with Information Technology Services to develop a new web-based system for data storage and management for the Windstorm Inspections Program.

Figure 21: Commercial Property Oversight Inspections FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Property Inspections Conducted	1,200	800	100	*-	*-
Residential/Special Inspections	3	2	-	-	-
VIP Licenses/Certificates Issued	138	146	114	103	94

* In June 2012, TDI repealed the rule to continue oversight of commercial property and oversight inspections.

Figure 22: Windstorm Operations FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Applications Processed	38,688	35,801	31,717	37,228	31,531
Inspections Completed	*11,223	9,343	7,308	9,401	7,600
Certificates of Compliance Issued	39,226	36,481	32,177	36,990	29,724

* This is a combined total of both TDI (8,410) and TWIA (2,813) inspections.

Figure 23: Engineering Services FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Building Code Interpretations Provided	3,701	3,056	3,843	4,868	3,892
Product Evaluations	1,460	2,003	1,867	2,229	2,187

Figure 24: Amusement Ride Safety and Insurance Act FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Inspection Certificates Approved	2,683	5,242	6,618	7,558	9,278
Injuries Reported	54	64	87	53	69

Figure 25: Loss Control Completed FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Total Evaluations Completed	202	202	201	205	204
Companies Rated Adequate	201	193	199	198	203
Companies Rated Less than Adequate	1	9	2	7	1
Companies Evaluated for Licensure	11	8	7	2	3
Loss Control Representative Applications Reviewed	168	231	218	204	257

Data Services and Special Projects Team

- ★ The TexasSure program sent over 1.2 million notices in FY 2014 to registered vehicle owners that appeared to be uninsured. As of September 2014, TexasSure sent over 4.8 million notices since the inception of the uninsured letter process. All county tax assessor-collector offices in Texas use the program and it’s available to law enforcement agencies statewide. The system received an average of five million insurance verification queries per month during FY 2014.
- ★ Coordinated events and meetings for the appointed expert panel charged with developing a method or model to advise TWIA on the extent to which a loss to insurable property was incurred as a result of wind, waves, tidal surges, or rising waters not caused by tidal surges, as required by TIC §2210.578. In FY 2014, the panel held three public meetings in Austin and one in Corpus Christi.

Figure 26: Data Services and Special Projects, Other Statistical Reports Collected FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Title Insurance Agents	615	585	563	577	573
Title Insurance Underwriters	21	17	16	17	18

Workers’ Compensation Classification and Premium Calculation Team

- ★ Adopted the National Council on Compensation Insurance Basic Manual, with Texas exceptions, and the national and Texas-specific endorsements and forms in the manual. Staff negotiated many of the Texas exceptions with council to make the transition to the manuals as seamless as possible, and to preserve the rules that are important to Texas while moving to the national manuals.
- ★ Adopted the council’s Statistical Plan for Workers Compensation and Employers Liability Insurance, with Texas exceptions, for the reporting of statistical data for policies with an effective date on and after January 1, 2015.
- ★ Reviewed the council’s Experience Rating Plan Manual and identified the Texas exceptions to comply with unique Texas statutory and rule requirements.
- ★ Created and implemented a process for changes to the manuals that is more consistent with other filing processes and achieves transparency and stakeholder participation without imposing unnecessary administrative burdens.

Figure 27: Workers’ Compensation Classification/Premium Calculation Office FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Responses to Written Complaint	487	542	466	591	854
Information System Inquiries					

LIFE, ACCIDENT, AND HEALTH SECTION FY 2014 HIGHLIGHTS

Regulatory Initiative Office

- ★ Monitored the impact of federal health reform on the Texas market.
- ★ Responded to legislative, consumer, and other stakeholder requests for information about anticipated 2014 market changes and created consumer and carrier resources pages on TDI’s website.
- ★ Continued to oversee Healthy Texas as the end of funding neared and enrollment tapered in advance of the scheduled program closure.
- ★ Coordinated with TDI’s Financial Services Division, the Texas Comptroller of Public Accounts, and the LBB on the transfer of Texas Health Insurance Pool prompt pay penalty funds following the end of enrollment.
- ★ Coordinated with stakeholders on concepts for using funds allocated to TDI under SB 1367, 83rd Legislature, Regular Session, 2013, to improve access to coverage in Texas. After conducting a series of small focus groups with an array of stakeholders, TDI developed recommendations for using these funds to enhance consumer health insurance literacy through an online resource center and providing grants to local organizations working to improve access to coverage. TDI will focus on developing a program based on continued stakeholder input and will work with the Legislature to incorporate legislative direction.
- ★ Continued work on improving TDI’s health price transparency projects. Partnered with The University of Texas School of Public Health to expand upon preliminary analysis done by TDI that examines the factors that shape health insurance premium rates and their impact on premiums.

Rate and Form Review Office

- ★ Successfully transitioned to the Sircon insurance regulation system, and streamlined the billing process for form filings.
- ★ Supported the Health and Human Services Commission by providing content editing for their websites and education pieces addressing life settlements that are to be used with long-term care and accelerated death benefits.

Figure 28: Life and Health Filings FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Filed	19,884	19,787	21,274	23,304	20,349
Accepted	18,732	18,457	19,739	21,767	18,806
Approved	6,642	6,579	7,570	8,315	7,720
Disapproved	1,800	2,058	1,410	1,379	1,543
Exempt	4,149	4,832	5,658	5,404	3,392

Figure 29: HMO Filings FY 2010-14

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Filings Received	1,760	1,481	1,417	1,823	2,448

STATE FIRE MARSHAL'S OFFICE

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

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

TEXAS FIRE INCIDENT REPORTING SYSTEM FY 2014 HIGHLIGHTS

- ★ Processed 5,843,413 fire and non-fire incident reports.
- ★ Began 1982-1999 data management project by converting 8,421,181 historical incidents to the current system format.
- ★ Presented three introductory incident reporting classes with 51 students in attendance.
- ★ Continued partnership with the Insurance Council of Texas on the “We’re Out to Alarm Texas” campaign to distribute smoke alarms to the elderly and low income residents.

OUTREACH, POLICY, AND RESEARCH SERVICES FY 2014 HIGHLIGHTS

- ★ Held the 15th Annual Texas Fire Marshals’ Conference in conjunction with the Texas Fire Marshals’ Association, attended by approximately 280 fire marshals and fire prevention educators from across the state.
- ★ Applied for the DJ-Edward Byrne Memorial Justice Assistance Grant and the CD-Coverdell National Forensic Sciences Improvement Act Grant, via the Texas Governor’s Office.
- ★ Attended national conferences including the National Fire Protection Association’s annual conference, and the National “Remembering When” conference.
- ★ Presented at the 16th Annual Fraud Conference.
- ★ Directed and produced opening video for the 16th Annual Fraud Conference.
- ★ Promoted the 16th Annual Fraud Conference and the TDI Compliance Conference via social media.
- ★ Created script for the 16 Fire Fighter Life Safety Initiatives video.
- ★ Developed and established @TxSFMO, which has 650 Twitter followers.
- ★ Provided copy editing and print layout for SFMO Line of Duty Death Determination, legislative, and public reports.
- ★ Increased Communities Accepting SFMO programs by 348 percent, 257 percent above LBB’s performance measure.
- ★ Conducted 39 presentations on the safe storage of ammonium nitrate.

FIRE INVESTIGATIONS FY 2014 HIGHLIGHTS

- ★ Coordinated four fire investigation forums across Texas and four Science Advisory Workgroup meetings, which were attended by approximately 539 fire investigators.
- ★ The Science Advisory Workgroup retroactively reviewed nine arson cases.
- ★ SFMO canine teams and SFMO arson lab chemists, in conjunction with the North American Police Work Dog Association and the Dallas Fire Department, hosted an annual canine certification class in Dallas, in which 13 canine teams from across the country received accelerant detection recertification.

SFMO BY THE NUMBERS

SFMO Licensing Services By the Numbers

14,541

Licenses, Registrations, & Permits to Fire Alarm,
Extinguisher, Sprinkler, & Fireworks Industries

3,404

Licensed & Registered Firms

11,950

Licensed & Permitted Individuals

633

Fireworks Display Permits

4,333

Retail Fireworks Permits

\$2.9 M

Licensing Fees

SFMO Investigations By the Numbers

230

Investigations Conducted

230 | 22%

Investigations | Referred for Enforcement

\$186,268

Repairs Made by Companies

426

Retail Fireworks Site Inspections

17

Fire Marshal Consent
Orders Issued

\$20,250

Administrative Penalties

SFMO Arson Lab By the Numbers

2,866

Samples Analyzed

1,332

Cases Analyzed

87%

Cases Analyzed for External
Law Enforcement Agencies

10 days

Average Case Turnaround

8

Court Appearances

SFMO Fire Investigations By the Numbers

36%

Open Case Increase over FY 2013

90%

Closed Case Increase over FY 2014

16%

Fire Investigator Training
Increase since FY 2013

3

Firefighter Fatalities Investigations

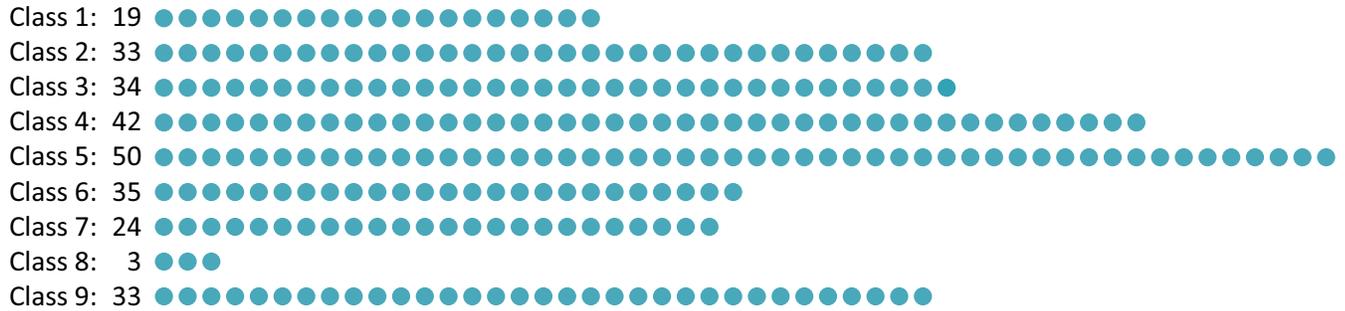
1,241

SFMO-Assisted Investigations

PUBLIC PROTECTION CLASSIFICATION OVERSIGHT FY 2014 HIGHLIGHTS

- ★ Finalized meetings with Texas Fire Chiefs and Insurance Services Office regarding proposed changes to the Fire Suppression Rating Schedule, the survey instrument used to evaluate a community’s public protection classification.
- ★ In FY 2014, 273 communities improved their ISO rating, communities received an award for achieving a Class 1 or Class 2 ISO rating.

Figure 30: ISO Rating Increases by Class



FIRE SAFETY INSPECTIONS FY 2014 HIGHLIGHTS

Texas Department of Criminal Justice Building Inspections	716
Inspection Fees Collected	\$49,950

Figure 31: Percent of Annual Goal Achieved FY 2013 and 2014

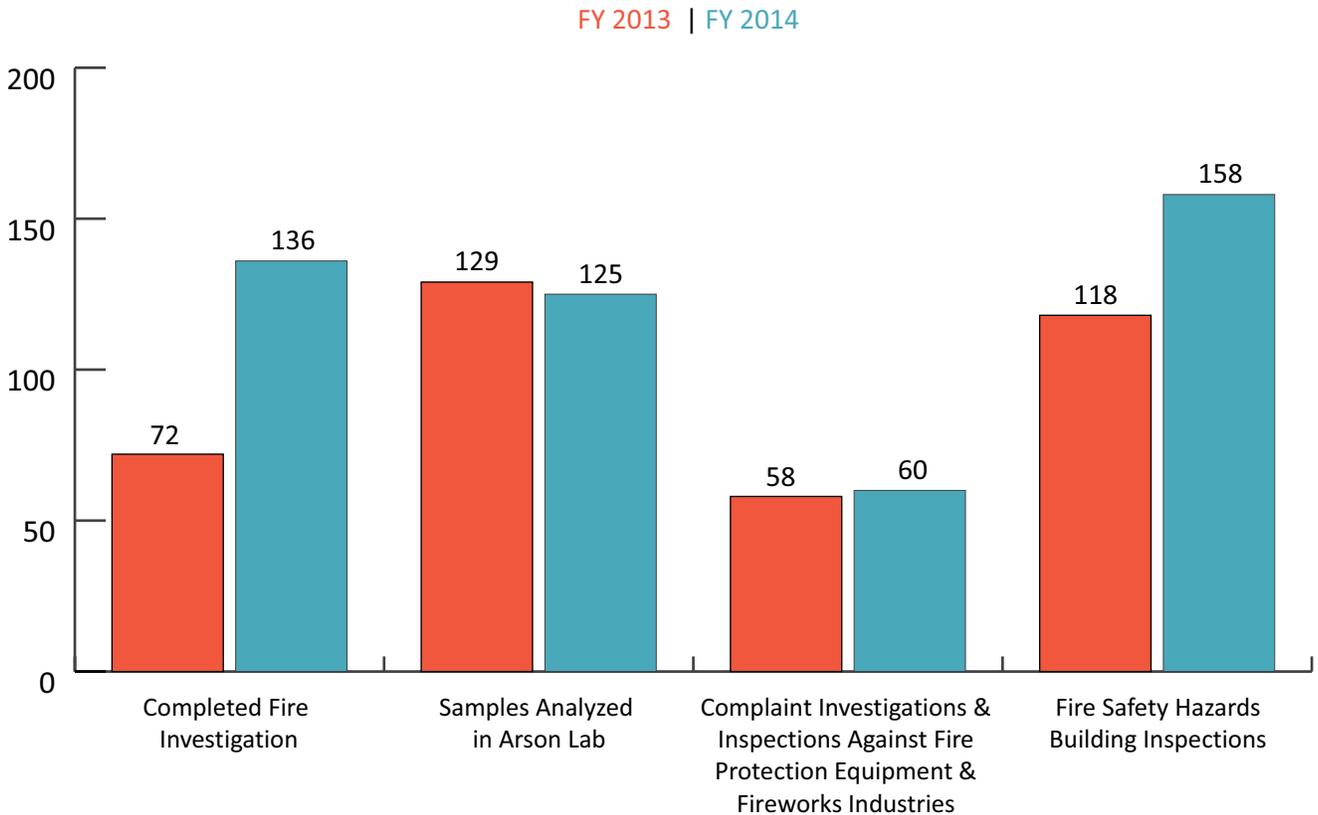
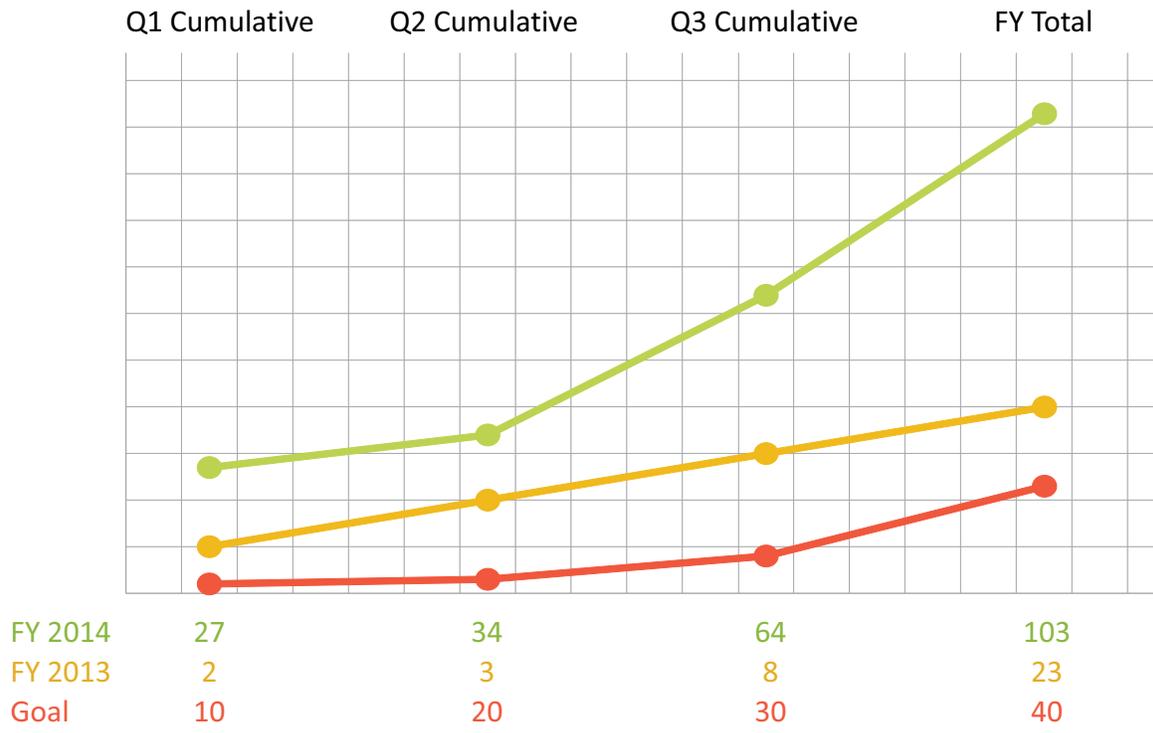


Figure 32: Committees Accepting SFMO Outreach Program FY 2013 and 2014



DIVISION OF WORKERS' COMPENSATION

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

- ★ Each employee shall be treated with dignity and respect when injured on the job.
- ★ Each injured employee shall have access to a fair and accessible dispute resolution process.
- ★ Each injured employee shall have access to prompt, high-quality medical care within the framework established by the TLC.
- ★ Each injured employee shall receive services to facilitate the employee's return to employment as soon as it is considered safe and appropriate by the employee's health care provider.

On August 1, 2014, Governor Rick Perry appointed Ryan Brannan as workers' compensation commissioner. He succeeded Rod Bordelon, who had served as commissioner since September 2008.

The workers' compensation commissioner makes recommendations to the legislature regarding changes to state workers' compensation laws and serves as a member of the Texas Certified Self-Insurer Guaranty Association. The workers' compensation commissioner has the authority to approve certificates of authority to self-insure for workers' compensation claims for certain eligible employers with employees in Texas.

DWC consists of a Commissioner's Administration, Operations, Hearings, Office of the Medical Advisor, and Health Care Management and System Monitoring.

COMMISSIONER'S ADMINISTRATION

Commissioner's Administration includes the Office of the General Counsel, Policy and Research, and the Appeals Panel.

Office of the General Counsel

The general counsel advises the workers' compensation commissioner on legal matters affecting DWC, reviews litigation, and coordinates legal analysis of policy issues. The Office of the General Counsel also includes the Subsequent Injury Fund and Self-Insurance Regulation areas. The Subsequent Injury Fund pays authorized income benefits to injured employees who qualify for Lifetime Income Benefits as a result of a subsequent work-related injury and distributes reimbursements to eligible insurance carriers for overpayment of benefits.

Self-Insurance Regulation FY 2014 Highlights

- ★ Continued to oversee the certified self-insurers program, which accounts for 7.86 percent of the market share based on total written premium for workers' compensation in Texas. There were 42 active certified self-insurers covering 271 companies that employ 136,096 employees in FY 2014.
- ★ Made presentations to the workers' compensation commissioner and board at the Texas Certified Self-Insurer Guaranty Association public meetings, which approved 40 renewal applications and reviewed 51 status reports on withdrawn certified self-insurers and a special request for a security deposit reduction.
- ★ Monitored 56 withdrawn certified self-insurers, including two impaired employers and one non-renewal; there was one new entrant into the self-insurance program in FY 2014.
- ★ Managed security deposits totaling \$512,413,471 (includes both active and withdrawn companies), including \$140,900,000 in letters of credit, \$364,213,471 in surety bonds and \$7,300,000 in cash.
- ★ Collected \$1,865,303 in fees and taxes, including \$2,000 in application fees, \$1,040,811 in regulatory fees, \$814,679 in maintenance taxes, and \$7,813 in research maintenance taxes.
- ★ Completed and approved 28 on-site safety program inspections.

Policy and Research

The special deputy commissioner for Policy and Research provides policy guidance to the workers' compensation commissioner and directs the rule-making process that implements legislative changes. The special deputy also oversees the Workers' Compensation Research and Evaluation Group, which conducts professional studies on the operational effectiveness of the Texas workers' compensation system.

Workers' Compensation Research and Evaluation Group

Overseen by the special deputy commissioner for Policy and Research, the Workers' Compensation Research and Evaluation Group conducts research projects on system-wide issues in the state such as medical costs and utilization of care trends, return-to-work outcomes for injured employees, and employer participation in the workers' compensation system. The group also presents findings and provides testimony for various legislative committees and produces an annual report card for certified workers' compensation health care networks and political subdivisions. The insurance commissioner reviews and adopts the group's annual research agenda in accordance with TLC §405.0026.

FY 2014 Highlights

- ★ Completed the following research projects and posted reports/results to agency website:
 - ★ *2013 Workers' Compensation Network Report Card*;
 - ★ *Health Care Cost and Utilization in the Texas Workers' Compensation System, 1998 – 2012*;
 - ★ *Impact of the Texas Pharmacy Closed Formulary, 2013 (3rd quarterly preliminary report)*;
 - ★ *Impact of the Texas Pharmacy Closed Formulary, 2014 (4th quarterly preliminary report)*;
 - ★ *Insurance Carrier Pharmacy Closed Formulary Data Call Results on Legacy N-drugs Claims, Sept. 2013*;
and
 - ★ *Insurance Carrier Pharmacy Closed Formulary Data Call Results on Legacy N-drugs Claims, Dec. 2013*.
- ★ Presented research findings at DWC educational conferences in Austin and Dallas with combined attendance of approximately 500; at the Insurance Council of Texas conference to approximately 200 in attendance; and to 15 insurance and business association members.
- ★ Presented 12 reviews of the *2013 Workers' Compensation Network Report Card* to approximately 36 network officers.
- ★ Conducted outreach with legislative staff, DWC administrators, and stakeholder members to develop the FY 2014 research agenda.
- ★ Conducted data calls of 34 workers' compensation networks.
- ★ Conducted two surveys of 4,000 injured employees in support of the 2014 Annual Network Report Card and the 2014 Setting the Standard biennial report.
- ★ Conducted biennial survey of 2,500 employers to measure employer participation in the workers' compensation system.
- ★ Visited contracted off-site survey centers at Texas A&M University and the University of North Texas.
- ★ Collaborated with legislative staff and stakeholder groups to modify employer survey instrument.
- ★ Provided data/statistical support for legislative hearings.
- ★ Completed ad-hoc analyses requested by the legislature, DWC, and TDI.
- ★ Completed last of four formulary data calls in support of the new rule effective September 1, 2013.
- ★ Collaborated with Medical Disability Advisor staff to develop comparative return-to-work methods.
- ★ Created network file for designated doctor assignment and scheduling system.
- ★ Completed reviews and provided comments on four Workers' Compensation Research Institute reports.
- ★ Conducted an analysis of DWC data for the response to public comments on the FY 2014 Research Agenda regarding compound drugs.

Appeals Panel

The Appeals Panel reviews decisions on indemnity disputes appealed from the contested case hearing level. The Appeals Panel issues a written decision to reverse the hearing officer’s decision or remand the case to a contested case hearing, and may issue a written decision on an affirmed case under certain conditions (for example, on an issue of first impression).

OPERATIONS

Led by an executive deputy commissioner, Operations includes Designated Doctor Outreach and Oversight; Field Operations; Information Management Systems; Records Management and Support; Outreach Planning and Communications; and DWC Operations Support.

Designated Doctor Outreach and Oversight

Designated Doctor Outreach and Oversight provides education, training, resources, and direction to designated doctors and other system participants to ensure injured employees are evaluated by qualified doctors. The program area also oversees test development as well as administration of tests to designated doctors and other doctors authorized to certify maximum medical improvement and impairment rating.

FY 2014 Highlights

- ★ Sponsored designated doctor certification courses attended by 538 doctors.
- ★ Sponsored workshops and other training events attended by 309 doctors.
- ★ Sponsored designated doctor testing completed by 346 doctors.

Field Operations

Field Operations delivers customer assistance and claims service in 20 field offices located throughout the state as well as through centralized functions in the Austin headquarters. Injured employees and other system participants who need information and assistance may visit a local field office or contact field offices via a toll-free telephone number that routes calls to the local field office. Field office staff assist system participants by:

- ★ providing information about the Texas workers’ compensation system;
- ★ providing injured employees with a single point-of-contact at DWC for claims assistance and return-to-work information;
- ★ providing local venues for conducting benefit review conferences and contested case hearings; and
- ★ processing official actions such as requests for Required Medical Examinations and Supplemental Income Benefit first quarter entitlement determinations.

FY 2014 Highlights

- ★ Conducted 61 education sessions for system participants at field offices, attended by 1,700 people, covering topics such as pharmacy formulary and new designated doctor rules.
- ★ Provided customer assistance to approximately 187,000 system participants through the virtual call center.
- ★ Provided face-to-face customer service to approximately 5,600 injured employees as walk-in customers at 20 field office locations across the state.



Information Management Systems

Information Management Systems maintains the processes for retrieval of system billing and claim data into usable formats for various reports based on requests from internal and external customers.

Records Management and Support

Records Management and Support maintains records associated with injured employee claim files, insurance coverage information, and scheduling of designated doctor examinations. Records Management and Support:

- ★ stores and maintains injured employee claim files and employer insurance coverage files according to DWC records retention schedule and established quality standards;
- ★ provides information pertaining to injured employees or coverage files to internal and external customers;
- ★ receives and updates claims information from source documents;
- ★ processes claims information received from electronic data interchange transactions and provides customer service to insurance carriers/trading partners;
- ★ receives and processes required forms submitted by employers that do not have workers' compensation coverage (non-subscribers);
- ★ receives and processes requests for change of treating doctor; and
- ★ receives and coordinates requests for the scheduling of designated doctor examinations.

Outreach Planning and Communications

Outreach Planning and Communications oversees delivery of educational opportunities to system participants through education and compliance conferences; coordination of speaking engagements; facilitating rule implementation efforts; managing agency calendars; and providing logistical support for internal and external training, meetings, and special projects. Outreach Planning and Communications also provides support for DWC internal and external written communications, online information, graphic design, forms management, and translation services.

FY 2014 Highlights

- ★ Provided updates to medical associations regarding rule development.
- ★ Provided public information announcements and notification of training and other events to system participants.
- ★ Hosted two workers' compensation education conferences, providing information to 804 attendees.

DWC Operations Support

DWC Operations Support enhances the division's mission through the efforts of:

- ★ business process improvement, which creates and implements process-oriented solutions to streamline and increase the effectiveness of service delivery; and
- ★ automation and project management, which provides automated solutions to the division's and system participants' business process needs.

FY 2014 Highlights

- ★ Partnered with Hearings to document and improve processes related to conducting benefit review conferences and contested case hearings, including a paperless system for conferences requests.
- ★ Realigned field operations staff to allow experienced claims service officers to provide follow-up on scheduling orders issued by hearings staff with the aim of increased readiness of parties for scheduled proceedings.
- ★ Created and implemented an automated dispute tracking application to assist hearings and field operations staff with dispute follow-up with parties.

- ★ Implemented automated submission of benefit review conference exchange materials and advanced fax receipt capabilities for items submitted to DWC by system participants.
- ★ Created and implemented internal applications to facilitate data entry of information collected on the Work Status Report and the Designated Doctor Examination Data Report.
- ★ Processed more than 500 ad-hoc data requests for external requestors and DWC staff.

HEARINGS

The Hearings deputy commissioner oversees various dispute resolution processes. It is the division’s intent to resolve disputed issues at the lowest feasible level of dispute resolution, thereby ensuring prompt medical care and workers’ compensation income benefits payment to injured employees, as well as prompt medical fee payment to health care providers.

Indemnity Dispute Resolution

Hearings provides indemnity dispute resolution for benefit disputes regarding compensability or eligibility for, or the amount of, income, death, or burial benefits. The multi-tiered administrative system for indemnity benefit dispute resolution consists of benefit review conferences, contested case hearings, and Appeals Panel reviews. Conferences and hearings are held at DWC field offices and other sites throughout the state.



Medical Dispute Resolution

- ★ **Medical Necessity Disputes:** Hearings conducts medical contested case hearings as an appeal process for resolving medical necessity disputes, i.e., appeal of an IRO decision, for non-network claims and claims receiving benefits in accordance with TLC §504.053(b)(2). In June 2012, Hearings began resolving appeals of all IRO decisions, including decisions involving certified network claims. TLC §413.031 allows a party to appeal any IRO decision by requesting a medical contested case hearing.
- ★ **Medical Fee Disputes:** For medical fee disputes received by DWC on or after June 1, 2012, Hearings is responsible for conducting benefit review conferences regarding the appeal of a medical fee dispute decision issued by DWC. If a medical fee dispute is not resolved during the conference, the parties may proceed to binding arbitration or to a State Office of Administrative Hearings contested case hearing. In appeals of medical fee disputes at the State Office of Administrative Hearings, the non-prevailing party, other than an injured employee, is responsible for paying the hearing costs. Fee disputes received by DWC before June 1, 2012, are appealed either at a contested case hearing or to the State Office of Administrative Hearings.
- ★ **Certified Network Medical Fee Disputes:** Per TIC, Chapter 1305, medical fee disputes between certified network health care providers and the network are resolved contractually and appeals are handled internally by the networks through their complaint processes. Health care providers may also file a complaint if they are dissatisfied with the network’s actions in resolving disputes.
- ★ **First Responder Medical Disputes:** The TLC addresses expedited provision of medical benefits, including an accelerated dispute process, for certain work-related injuries sustained by a first responder employed by a political subdivision. The intent of the statute is to ensure that the injured first responder’s claim for medical benefits is expedited by the political subdivision, insurance carrier, and DWC to the full extent authorized by law.

Other Dispute Resolution

TIC §§1305.103 and 1305.451 provide that the dispute resolution process in TLC, Chapter 410 applies to disputes of whether an insurance carrier or employer properly provided an employee certain information regarding workers' compensation networks as required by TIC, Chapter 1305. Hearings also resolves disputes regarding official actions taken by DWC. A party may request an expedited contested case hearing in these cases.

Judicial Review

Parties dissatisfied with a final dispute resolution decision (other than an arbitration decision) may appeal to a court of law. For indemnity decisions, review by the court is on a modified *de novo* basis. For medical and other dispute resolution decisions, review by the court is based on substantial evidence.

OFFICE OF THE MEDICAL ADVISOR

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

FY 2014 Highlights

The Office of the Medical Advisor reached out to the Texas Medical Board and Texas Board of Chiropractic Examiners to obtain a list of nominees to serve on the Medical Quality Review Panel as required by TLC §413.0512(b). DWC's medical advisor also reached out to the following organizations to obtain a list of panel nominees:

- ★ Texas Medical Association
- ★ Texas Osteopathic Medical Association
- ★ Texas Orthopedic Association
- ★ Texas Pain Society
- ★ American Insurance Association
- ★ Texas Association of Business
- ★ Texas AFL-CIO
- ★ Insurance Council of Texas
- ★ Property Casualty Insurers Association of America

HEALTH CARE MANAGEMENT AND SYSTEM MONITORING

Led by an executive deputy commissioner, Health Care Management and System Monitoring provides guidance and support to Health Care Policy and Implementation, Health Care Business Management, System Monitoring and Oversight, Workplace Safety, and Return to Work.

Health Care Policy and Implementation

Health Care Policy and Implementation researches and analyzes economic factors and treatment protocols that form the basis for advising the workers' compensation commissioner regarding development of medical rules and medical fee guidelines, medical treatments, and return to work. Health Care Policy and Implementation's primary purpose through rule and guideline development is to help ensure the quality and health care appropriateness and injury-specific treatment, while also achieving effective medical cost containment and encouraging the prompt and appropriate return to work of injured employees. In developing or revising these rules and guidelines, staff may seek input from system participants.

Health Care Business Management

Health Care Business Management provides support, regulates, and facilitates activities in the areas of Health Care Quality Review, Medical Fee Dispute Resolution, and Provider Support.

- ★ **Health Care Quality Review:** Supports the functional operation of the Medical Advisor and the Medical Quality Review Panel. The panel reviews the actions of doctors, other health care providers, insurance carriers, URAs, and IROs in the workers' compensation system and makes recommendations to the Medical Advisor.

FY 2014 Highlights

- ★ Performed 50 quality of care reviews based on complaints, plan based audits, or monitoring based reviews of health care providers, designated doctors, peer review doctors, IRO doctors, URAs, and insurance carriers.
 - ★ Performed 348 quality of care reviews based on performance-based oversight assessments of health care providers.
 - ★ Investigated 328 quality-of-care complaints of health care providers, designated doctors, peer review doctors, IRO doctors, URAs, and insurance carriers.
 - ★ After seeking stakeholder input, approved and adopted the Annual Audit Plan for calendar year 2014.
 - ★ After seeking stakeholder input, adopted and initiated plan-based audits of health care providers prescribing "N" status drugs to legacy claims.
- ★ **Medical Fee Dispute Resolution:** Resolves disputes over the amount of payment for services determined to be medically necessary and appropriate for the treatment of a compensable injury.

FY 2014 Highlights

Reduced backlog and pending fee disputes from 17,054 in August of 2009 to approximately 2,300 as of August 2014.

- ★ **Provider Support:** Provides internal and external training on medical benefits as well as outreach efforts to encourage non-participating health care providers to become involved in the Texas workers' compensation system. Provider Support also provides services to external customers through Comp Connection for Health Care Providers, an educational outreach program which provides a toll-free phone number and email address for health care providers to make inquiries about workers' compensation rules, policies, and procedures, including questions about billing and dispute resolution.

FY 2014 Highlights

- ★ Encouraged retention of health care providers in the system by providing prompt resolution of questions about such subjects as billing and reimbursement.
- ★ Provided answers and resources through the Comp Connection for Health Care Providers Help Line for approximately 5,000 issues related to billing, fee disputes, compensability, extent of injury, preauthorization, fee guidelines, denials, workers' compensation rules, policies, and compliance; additionally provided answers to 400 questions received via email.
- ★ Made 1,100 contacts to health care providers about misfiled medical bills to assist them in understanding how to properly file medical bills with workers' compensation insurance carriers.

System Monitoring and Oversight

System Monitoring and Oversight is responsible for monitoring system compliance by analyzing system data, identifying noncompliance, making referrals to Enforcement, and administering the Performance-Based Oversight program. These goals are accomplished through the following activities:

- ★ **Monitoring and Analysis:** Oversees the Performance-Based Oversight program, reviews internal data for compliance issues, makes outreach calls to system participants regarding compliance and potential compliance issues, monitors electronic data management reported to DWC by system participants, and provides support for successful electronic data interchange processing.
- ★ **Complaint Resolution:** Reviews and resolves complaints, resulting in thousands of dollars of additional payments to system participants each year.
- ★ **Audits and Investigations:** Conducts audits on system participants who are deemed poor performers as a result of Performance-Based Oversight assessments or identified through complaints and/or internal data. System Monitoring and Oversight also investigates and prepares cases for possible enforcement action.



Performance-Based Oversight FY 2014 Highlights

- ★ Conducted assessments on 151 health care providers.
- ★ Finalized and published health care provider tier results in December 2013.
- ★ Issued 2014 Insurance Carrier Assessment preliminary findings in July 2014.

Audits, Complaints, and Compliance FY 2014 Highlights

- ★ Completed 62 performance reviews (audits) on insurance carriers.
- ★ Conducted quarterly insurance carrier meetings to discuss emergent and ongoing compliance concerns in the Texas workers' compensation system.

Workplace Safety

Workplace Safety provides Texas employers and employees with health and safety resources and services to prevent occupational injuries and illnesses through the following activities: Federal Data Collection, Occupational Safety and Health Consultations, and Safety Training and Inspections. Workplace Safety also coordinates annual safety conferences.

- ★ **Federal Data Collection Program:** Collects, analyzes, and distributes occupational injury, illness, and fatality information for the state of Texas. Data collection programs include the Bureau of Labor Statistics Survey of Occupational Injuries and Illnesses, and Census of Fatal Occupational Injuries. These collection programs are funded in part through a grant from the Bureau of Labor Statistics. This program also analyzes workers' compensation claims data and nonsubscriber injury reports to identify causes of injury and illness.
- ★ **Occupational Safety and Health Consultation (OSHCON) Program:** Provides free assistance to employers with 250 or fewer employees on-site and no more than 500 employees nationwide in high-hazard industries to help them better understand and comply with federal OSHA safety regulations. Limited assistance is available to larger employers. The program is largely funded by a grant from OSHA, but is non-regulatory in nature. The program also maintains a free safety and health training DVD loan library with over 4,000 safety training materials.

- ★ **Safety Training and Inspections:** Consists of four programs that administer its services:
 - ★ **Safety Training Program:** Educates employees and employers across the state about safe and healthy work practices through on-site, company training; regional seminars; an annual statewide safety conference; safety and health publications; and other forms of outreach.
 - ★ **Accident Prevention Services Program:** Inspects insurance companies that write workers' compensation in Texas to ensure that they are providing required accident prevention services to their policyholders.
 - ★ **Rejected Risk Program:** Works with companies needing safety and health assistance as identified by the Texas Mutual Insurance Company. Inspections of these employers are conducted to confirm implementation of effective accident prevention plans.
 - ★ **Safety Violations Hotline:** A tool for Texans to report violations of workplace safety and health laws. This confidential, bilingual, toll-free hotline is answered 24 hours a day and can be used by anyone wishing to report suspected violations. Reports can also be submitted via an online form.

FY 2014 Highlights

- ★ Implemented new Accident Prevention Services rules, which were adopted in March 2013 and effective on October 1, 2013.
- ★ Provided safety and health educational products and services to 8,915 employers and 84,201 employees, including:
 - ★ hosted nine Regional Safety Summits on preventing transportation incidents, the leading cause of fatal occupational injuries, as well as common workplace safety issues associated with safety committees, hazard identification and elimination, and ergonomics to 232 people in target industries;
 - ★ conducted free OSHA 10-Hour Construction seminars, including 23 in English and 21 in Spanish, at which a total of 507 people were trained;
 - ★ led 18 free training events on changes to the OSHA Hazard Communication Standard;
 - ★ conducted 31 on-site customized safety training sessions at employer worksites;
 - ★ hosted the 18th Annual Texas Safety Summit in May 2014;
 - ★ maintained the Resource Center Library of over 4,000 audiovisual safety training materials available for Texas employers and employees to check out for free; and
 - ★ maintained an online library of safety and health publications, which were accessed from the web site 3,615,361 times.
- ★ Sent educational materials about workplace safety and return-to-work programs to 209,891 injured employees for whom workers' compensation claims were established and 37,465 of their employers.
- ★ The OSHCON program manager served on the National OSHCON board of directors as the Region VI representative, representing New Mexico, Texas, Oklahoma, Louisiana, and Arkansas.
- ★ Continued OSHCON program participation in regional oil and gas safety networks.
- ★ Continued outreach efforts at various safety conferences, trade association meetings, chambers of commerce, and small business development centers, and participated in employer educational events hosted by the Texas Workforce Commission, Texas Department of Transportation, and the Office of the Governor.



Return to Work

Return to Work provides internal and external training on return to work and administers the Return-to-Work Program for Small Employers, including the intake and processing of applications for reimbursement for workplace modifications that facilitate an employee's return to work. In addition, Return to Work maintains a list of private providers of vocational rehabilitation as a resource for insurance carriers and injured employees.

FY 2014 Highlights

- ★ Conducted return-to-work training at DWC's 18th Annual Health and Safety Conference, the Texas Safety Summit.
- ★ Made 37 return-to-work presentations to employers across the state reaching approximately 5,100 attendees.
- ★ Approximately 6,800 employers received return-to-work training and information through seminars, consultations, and printed information.
- ★ Distributed more than 3,500 hard copies of the employer guide, *"Making Return-to-Work Work for Your Business and Your Employees"* at speaking engagements, by request, and as a follow-up to small employers receiving OSHCON consultations and residual market inspections.
- ★ Provided the guide and other return-to-work information on the agency website, where it was accessed approximately 35,000 times.

In addition to the major program areas discussed above, the following agency programs provide essential services to DWC.

ENFORCEMENT

Enforcement investigates alleged TLC and agency rule violations, issues violation notices, and pursues enforcement actions according to priorities set by the workers' compensation commissioner. The Workers' Compensation Litigation Office operates under the workers' compensation commissioner's direction through the agency's Enforcement Section within the Compliance Division.

FY 2014 Highlights

- ★ Held several informal settlement conferences for health care providers who were subjects of Medical Quality Review Panel reviews.
- ★ Continued to implement the workers' compensation commissioner's directive to resolve all cases or set them for informal settlement conference or hearing within 180 days of receipt.

WORKERS' COMPENSATION COUNSEL

Workers' Compensation Counsel provides services to DWC in the areas of rulemaking, open records, and specific legal issue support to program areas. Workers' Compensation Counsel operates under the direction of the workers' compensation commissioner through TDI's General Counsel Division.

**Enforcement
By the Numbers**

\$1.8 M
Administrative Penalties

241
DWC-issued
Enforcement Orders
Against All System Participants

55
DWC-issued
Enforcement Orders
Against Health Care Providers

36
Orders Against Health Care
Providers Based on Office of the
Medical Advisor Referrals

RULEMAKING HIGHLIGHTS

- ★ **Accident Prevention Services:** Regulates accident prevention services provided by insurance carriers to their policyholders. Adoption of amendments to 28 TAC §§166.1, 166.3, 166.5; repeal of §§166.2, 166.6 – 166.9; and new §166.2. *38 Tex. Reg. 2000 (2013)*
- ★ **Attorney Fees:** Amendments to 28 TAC §152.4(c) increases the number of hours an attorney may charge claimants and insurance carriers for communications, direct dispute resolution, and the preparation and submission of a settlement or agreement to encourage both early intervention between the parties and resolution before the parties enter the formal administrative resolution process. Amendments to §152.4(d) increases the hourly rate that may be charged for attorney services from \$150 to \$175, and for legal assistant services from \$50 to \$65 due to a rise in costs since the existing rates were adopted in 1991. New §152.4(e) required attorneys to use their own state bar numbers when billing hours to clients to ensure hours are accurately attributed to each attorney requesting approval of fees. An informal draft of §152.4 was published on the agency website and the proposal was published in the *Texas Register*. *39 Tex. Reg. 4121 (2014)*
- ★ **Medical Billing Forms:** Incorporates a new federal medical billing form, the federal Centers for Medicare and Medicaid Service claim form 1500, into the Texas Workers' Compensation system to ensure health care provider billing requirements for workers' compensation remain consistent with group health. Amendments adopted to 28 TAC §133.10 are effective for medical bills submitted on or after April 1, 2014. *38 Tex. Reg. 9594 (2013)*
- ★ **Debit Card Payments:** Clarifies the use of debit cards for income benefits is voluntary for the insurance carrier and injured worker. Proposed new 28 TAC §124.6 ensured that injured workers who choose to receive income benefits through an access card are not charged excessive fees to access their benefits and have access to plain language notices regarding any allowed fees so that they may make an informed decision about the use of these cards. Proposed amendments to 28 TAC §124.5 and new §124.6 were published in the *Texas Register*. *39 Tex. Reg. 5093 (2014)*
- ★ **Lifetime Income Benefits:** Clarifies insurance carriers must process injured employee requests for lifetime income benefits timely and appropriately. Informal draft of new 28 TAC §131.1 required carriers to evaluate the injured employee's written request for lifetime income benefits, and all claims, within 60 days of receipt and pay lifetime income benefits within 15 days of the insurance carrier's determination of eligibility. Informal draft rule text posted on the agency website on June 20, 2014. The informal comment end date was July 7, 2014.
- ★ **Medical State Reporting Centers for Medicare and Medicaid Services:** Allows for the submission of International Classification of Diseases revised diagnosis codes for medical bill and payment reporting by insurance carriers to DWC. The diagnosis codes are being implemented by the federal Centers for Medicare and Medicaid Services for billing on October 1, 2015. Adoption of amendments to 28 TAC §§134.803 and 134.807 published in the *Texas Register*. *38 Tex. Reg. 673 (2013)*
- ★ **Medical State Reporting Electronic Data Interchange:** Clarified that insurance carriers must accurately report to DWC data necessary to maintain a statewide database of medical charges, actual payments, and treatment protocols required by TLC §413.007 and §413.008. The informal draft of amendments to Subchapter I, regarding medical bill reporting, adopts by reference updated tables outlining the data requested by DWC and the format in which the data must be reported. Informal draft rule text posted on agency website July 2014.
- ★ **State Office of Administrative Hearings:** Contained new provisions on cease and desist orders and motions for rehearing in certain cases; deleted language relating to IRO medical necessity disputes and the hazardous employer program; updated timelines for requesting a hearing; and clarified procedures for late filings and default judgments. Repealed 28 TAC, Chapter 149 because the memorandum of understanding with the State Office of Administrative Hearings is no longer required to be adopted by rule under TLC §402.073(a). Adoption of amended 28 TAC §§148.1, 148.2, 148.6 – 148.8, 148.10, 148.11, 148.13 – 148.17, and 148.19 – 148.23; new §§148.3, 148.4, 148.5, and 148.24; and the repeal of Chapter 149 and §§148.3, 148.4, 148.5, 148.9, 148.12, and 148.18 were published in the *Texas Register*. *39 Tex. Reg. 5608 (2014)*

JOINT TDI/DWC RULEMAKING PROJECTS

- ★ **Independent Review Organization:** Amendments to 28 TAC, Chapter 12 were necessary to conform to HB 2645, 83rd Legislature, Regular Session, 2013, that amended current law relating to certification and operation of IROs and required the insurance commissioner to establish an advisory group to make recommendations related to the efficiency of independent review. Informal rule text was posted on the agency website in the summer of 2014.
- ★ **Utilization Review Agent Companion:** Amendments clarified the process insurance carriers use to review the medical necessity of health care services. These rules align with TIC, Chapter 4201 and other group health utilization review rules adopted by TDI. Adoption of amendments to 28 TAC §§133.2, 133.240, 133.250, 133.305 and 134.600 were published in the Texas Register. *39 Tex. Reg. 2095 (2014)*

SECTION III: SUMMARY OF COMPANY DATA



TDI 2014 Annual Report
Texas Department of Insurance

Figure 33: 10-Year History Certificate of Authority FY 2005-14

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Life and Health Insurers†										
Texas	190	186	175	170	161	161	157	153	149	146
Non-Texas	552	546	529	520	514	504	499	485	483	479
Non-US	-	-	-	-	-	-	-	7	6	6
Sub-Total	742	732	704	690	675	665	656	645	638	631
Property and Casualty Insurers††										
Texas	250	248	252	250	250	243	238	236	225	224
Non-Texas	917	926	932	942	948	918	947	935	948	946
Non-US	-	-	-	-	-	-	-	18	17	16
Sub-Total	1,167	1,174	1,184	1,192	1,198	1,191	1,185	1,189	1,190	1,186
Other Entities‡										
Texas	352	341	341	348	353	350	332	324	301	303
Non-Texas	479	485	471	486	504	515	512	487	464	467
Non-US	-	-	-	-	-	-	-	7	6	6
Sub-Total	831	826	812	834	857	865	844	818	771	776
Grand Total	2,740	2,732	2,700	2,716	2,730	2,721	2,685	2,652	2,599	*2,593

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

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

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

* Includes 1,819 licensed insurance companies, 57 HMOs, 33 continuing care retirement communities, and 684 third-party administrators, but does not include 184 premium finance companies and their 12 branch offices.

Figure 34: Company Licensing Reconciliation

Companies Licensed as of August 31, 2013	2,599
Companies Organized or Licensed During Year	24
Less Companies Reinsured/Merged; Withdrawn, Canceled, Dissolved; Redomesticated/Domesticated; or Placed In Permanent Receivership During Year	- 30
Companies Licensed as of August 31, 2014	2,593

Figure 35: Types and Totals of Entities Licensed in Texas FY 2014

	Texas	Non-Texas	Non-US	Total
Property and Casualty	211	928	16	1,155
Life	126	452	5	583
Other	78	48	1	127
Total	415	1,428	22	1,865

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

Figure 36: Entities Authorized to Write Business in Texas FY 2014

Entity	Texas	Non-Texas	Non-US	Total
Mutual Life Insurance Companies	1	27	-	28
Life Port-of-Entry	-	-	1	1
Government Created Life Insurance Companies	1	-	-	1
Retirement System and Pension	-	1	-	1
Stock Life Insurance Companies	97	424	4	525
Stipulated Premium Life Insurance Companies	26	-	-	26
Nonprofit Hospital Service Corporations	1	-	-	1
Mutual Fire Insurance Companies	1	-	-	1
Stock Fire Insurance Companies	2	3	-	5
Mutual Casualty Insurance Companies	1	9	-	10
Stock Casualty Insurance Companies	12	148	-	160
Mutual Fire and Casualty Insurance Companies	2	46	1	49
Stock Fire & Casualty Insurance Companies	94	679	2	775
Government Created Fire and Casualty Companies	3	-	-	3
Mortgage Guaranty Insurance Companies	1	24	-	25
Mexican Casualty Insurance Companies	-	-	13	13
Lloyds	47	-	-	47
Reciprocal Exchanges	7	16	-	23
Joint Underwriting Associations	-	3	-	3
Risk Retention Groups	1	-	-	1
County Mutual Fire Insurance Companies	23	-	-	23
Fraternal Benefit Societies	6	-	1	33
Title Insurance Companies	7	18	-	35
Nonprofit Legal Services Corporation	2	-	-	2
Basic HMOs	37	4	-	41
Single-Service HMOs	14	-	-	14
Limited HMOs	2	-	-	2
Local Mutual Aid Associations	2	-	-	2
Local Mutual Burial Associations	2	-	-	2
Exempt Associations	6	-	-	6
Farm Mutual Fire Insurance Companies	17	-	-	17
Total	415	1428	22	1865
Continuing Care Retirement Communities	29	4	-	33
Multiple Employer Welfare Arrangements	4	1	-	5
Workers' Compensation Self Insurance Groups	6	-	-	6
Third-Party Administrators	219	459	6	684
Total	258	464	6	728
Grand Total	673	1,892	28	2,593

Figure 37: New Companies Organized or Admitted to Texas FY 2014

	Texas	Non-Texas	Non-US	Total
Stock Life Insurance Companies	-	2	-	2
Fraternal	-	-	-	-
Stock Fire and Casualty Insurance Companies	-	4	-	4
Mutual Casualty Insurance Companies	-	-	-	-
Stock Casualty Insurance Companies	-	4	-	4
Mortgage Guaranty Insurance Companies	-	-	-	-
Continuing Care Retirement Communities	-	-	-	-
HMOs	4	1	-	5
Third-Party Administrators	-	30	-	30
Total	4	41	-	45

Figure 38: Canceled Certificate of Authority Report FY 2014

	Reinsured/ Merged	Dissolved, Withdrawn, or Canceled	Redomesticated/ Domesticated	*Permanent Receivership	Total
Texas Companies					
Stock Life	4	-	-	1	5
Mutual Life	-	-	-	-	-
Stipulated Premium	-	-	-	1	1
Stock Fire and Casualty	-	-	-	1	1
Lloyds	-	1	-	-	1
Third-Party Administrators	-	11	-	-	11
Total	4	12	-	3	19
Non-Texas Companies					
Life Port-of-Entry	-	-	-	-	-
Stock Life	5	-	-	-	5
Stock Fire & Casualty	3	2	-	-	5
Stock Casualty	3	6	-	1	10
Multiple Employer Welfare Arrangement	-	-	-	-	-
Third-Party Administrators	-	19	-	-	19
Total	11	27	-	1	39
Grand Total	15	39	-	4	58

* The numbers in this column represent Certificates of Authority that have been canceled because an entity was placed into receivership. The Certificate of Authority of a company that is placed in permanent receivership is not automatically canceled. Therefore, these numbers do not reconcile to the number of receiverships for FY 2014. Only the companies that had their Certificates of Authority canceled are included in this section.

REHABILITATIONS AND LIQUIDATION OVERSIGHT REPORT

Companies Under Supervision, Conservation, 404 Orders, and Administrative Oversight Activity for FY 2014

Beginning Balance		4
Released To Management	-	1
Placed In Receivership	-	1
Year-End Balance		2

* In FY 2014 there were no new actions, dissolved companies, acquired companies, merged or bankruptcy companies.

Balance At End of FY 2014

Action	Date	Company Name
404	5/17/2010	North America Life Insurance Company
Oversight	2/28/2011	TWIA

Figure 39: Receiverships by Fiscal Year

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Beginning Balance	39	41	38	34	30
New Receiverships	3	-	-	3	-
Receiverships Closed	1	3	4	7	3

Open Receiverships at Year-end FY 2014

Companies in Receivership for Rehabilitation

- ★ Highlands Insurance Company
- ★ Vesta Insurance Corporation
- ★ Universal Insurance Exchange and Universal Paratransit Insurance Services Corporation

Companies in Receivership for Liquidation

- ★ AmCare Health Plans of Texas and AmCare Management, Inc.
- ★ Western Indemnity Insurance Company
- ★ Good Samaritan Life Insurance Company
- ★ Financial Insurance Company of America
- ★ Vesta Fire Insurance Corporation
- ★ Shelby Casualty Insurance Company
- ★ The Shelby Insurance Company
- ★ Texas Select Lloyds Insurance Company
- ★ Select Insurance Services, Inc.
- ★ Family Life Insurance Company of America
- ★ Lone Star Life Insurance Company
- ★ Peters Burial Association
- ★ American Founders Financial Corporation
- ★ Lincoln Memorial Life Insurance Company
- ★ Memorial Service Life Insurance Company
- ★ National Pre-arranged Services, Inc.
- ★ Austin Indemnity Lloyds Insurance Company and Austin indemnity Management Company, LLC
- ★ MiTierra Title, LLC
- ★ National Charity Title, Inc.
- ★ WIN Assoc., et al
- ★ Texas Nations Title Agency, Inc.
- ★ Gramercy Insurance Company
- ★ Santa Fe Auto Insurance Company
- ★ Universal HMO of Texas, Inc.
- ★ San Antonio Indemnity Company

OVERVIEW: TEXAS INSURANCE MARKET

Figure 40: All Admitted and Alternative Carriers subject to TDI Requirements - 2013

Type Of Business	Texas Premiums
Life	\$ 10,490,890,066
Annuity	20,375,749,929
Accident and Health	31,407,514,211
Property and Casualty	45,581,684,686
HMO	19,435,427,515
Title	1,707,067,868
Other*	4,536,832
Grand Total	\$ 129,002,872,107
Recap:	
Total Admitted Market (Figure 35B)	\$ 123,977,984,251
Total Alternative Market (Figure 35C)*	5,024,887,856
Grand Total	\$ 129,002,872,107

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

Figure 41: Total Admitted Market– Carriers holding a Certificate of Authority (License) issued by TDI - 2013

Type of Business	Texas Companies	Non-Texas Companies	Total Admitted Market
Life	\$ 920,936,119	\$ 9,568,535,866	\$ 10,489,471,985
Annuity	2,399,213,266	17,976,536,663	20,375,749,929
Accident and Health	3,312,387,978	27,898,697,801	31,211,085,779
Property and Casualty	19,653,186,220	20,903,611,602	40,556,797,822
HMO	19,276,589,856	158,682,353	19,435,272,209
Title	484,511,810	1,222,556,058	1,707,067,868
Other	4,536,832	-	4,536,832
Total	\$ 46,051,362,081	\$ 77,728,620,343	\$ 123,779,982,424

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

Figure 42: Alternative Market– Carriers Eligible/Registered or Hold Other Form of Approval from TDI - 2013

	Texas Premiums
Surplus Lines Insurers‡	\$ 4,706,349,746
Foreign Risk Retention Groups	98,185,008
Certified Self Insurers	206,687,319
Self Insurance Group	13,665,783
Total†	\$ 5,024,887,856

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

† Included with property and casualty.

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

FINANCIAL STATEMENT SYSTEM

Figure 43: Annual Statements Texas Premium Summary – Property and Casualty 2012-2013

Insurance Type	as of December 31, 2012	as of December 31, 2013
Primary Lines		
Automobile	\$ 16,250,821,867	\$ 17,530,242,777
Workers' Compensation	2,445,279,924	2,672,988,308
Homeowners	6,347,556,862	7,177,732,856
Fire and Allied Lines	6,212,220,751	6,274,608,484
Liability	4,762,039,725	5,059,594,529
Medical Professional Liability	215,047,833	200,678,441
All Other Lines*	1,588,457,270	1,640,952,427
Total	\$ 59,392,443,143	\$ 62,076,307,690

* Does not include \$644,913,718 in accident and health premiums for 2012 and \$512,356,866 for 2013 written by property and casualty companies that are included in total accident and health premiums reflected in Figure 43 below.

Figure 44: Annual Statements Texas Premium Summary – Life, Annuity and Accident & Health 2012-2013

	As Of December 31, 2012	As Of December 31, 2013
Life		
Ordinary	\$ 7,743,044,781	\$ 7,946,146,576
Group	2,299,260,811	2,439,261,309
Industrial	1,422,180	1,271,485
Credit	100,380,197	102,792,612
Total	\$ 10,144,107,969	\$ 10,489,471,982
Annuity		
Annuities	\$ 15,985,873,419	\$ 15,550,528,913
Other Considerations	3,122,522,346	2,865,867,691
Deposit Type Contracts	1,748,765,550	1,959,353,325
Total	\$ 20,857,161,315	\$ 20,375,749,929
Accident & Health*	\$ 23,391,173,859	\$ 31,211,085,779
Total	\$ 59,392,443,143	\$ 62,076,307,690

* Includes \$644,913,718 in accident and health premiums for 2012 and \$512,356,866 for 2013 written by property and casualty companies that are included in all other lines reflected in Figure 42 above.

TOP 10 GROUP HIGHLIGHTS

Health Insurance		Top Groups	Premium	MS %
Number of Companies*	495	Unitedhealth	\$ 9,184,383,015	18.06
Number of Groups	183	Health Care Service Corporation (BCBSTX)	8,937,925,498	17.57
Number of New Companies**	31	Humana Inc.	4,074,399,911	8.01
Texas Population estimate	26,422,511	Centene Corporation	4,027,847,045	7.92
Texans with Health Insurance	21,064,835	Aetna	3,594,119,483	7.07
Uninsured population	5,357,675	Wellpoint Inc.	3,069,384,953	6.03
2013 Written Premium	\$ 50,860,063,884	Cigna Health	2,846,478,075	5.60
		Molina Health Care Inc.	1,312,312,467	2.58
		Universal American Financial Corporation	768,313,110	1.51
		Dentaquest	645,383,355	1.27
Annuities		Top Groups	Premium	MS %
Number of Companies*	302	American International	\$ 1,629,003,386	7.99
Number of Groups	122	Jackson National	1,353,243,631	6.64
Number of New Companies**	2	Lincoln National	1,141,603,412	5.60
2013 Written Premium	\$ 20,375,749,929	John Hancock	945,178,844	4.64
		Sammons Enterprises	929,201,506	4.56
		ING American Insurance Holding	912,503,276	4.48
		Principal Financial	906,614,228	4.45
		Metropolitan	863,027,254	4.24
		Aegon US Holding	842,923,675	4.14
		Prudential of America	795,019,358	3.90
Life Insurance		Top Groups	Premium	MS %
Number of Companies*	460	Metropolitan	\$ 812,822,193	7.75
Number of Groups	172	New York Life	563,856,012	5.37
Number of New Companies**	1	Northwestern Mutual	529,922,140	5.05
2013 Written Premium	\$ 10,490,890,069	Prudential of America	483,697,437	4.61
		Lincoln National	429,232,450	4.09
		Mass Mutual Life Insurance	355,357,527	3.39
		State Farm	353,593,010	3.37
		American International	314,893,479	3.00
		Minnesota Mutual	290,128,239	2.77
		Aegon US Holding	282,788,500	2.70
Personal Auto		Top Groups	Premium	MS %
Number of Companies*	181	State Farm IL	\$ 2,923,827,106	19.23
Number of Groups	67	Allstate Insurance	1,711,014,412	11.25
Number of New Companies**	12	Farmers Insurance	1,651,484,285	10.86
Vehicles in Force (Liability)	17,141,155	Progressive	1,329,424,696	8.74
2013 Written Premium	\$ 15,202,559,628	Berkshire Hathaway	1,238,184,835	8.14
		United Services Automobile Association	1,145,518,909	7.54
		Texas Farm Bureau Mutual	570,737,008	3.75
		Nationwide Corporation	540,908,577	3.56
		Home State Insurance	528,694,270	3.48
		Orpheus	457,374,320	3.01

Homeowners		Top Groups	Premium	MS %
Number of Companies*	129	State Farm	\$ 1,920,865,990	26.76
Number of Groups	58	Farmers Insurance	851,138,540	11.86
Number of New Companies**	10	Allstate Ins	839,608,318	11.70
Policies in Force (2012)		United Services Automobile Association	625,471,216	8.71
Homeowners	4,301,678	Liberty Mutual Insurance Company	566,058,696	7.89
Dwelling	690,352	Travelers	271,938,204	3.79
Tenants	1,466,451	Nationwide Corporation	224,946,497	3.13
2013 Written Premium	\$ 7,177,732,856	Texas Farm Bureau Mutual	204,699,168	2.85
		ARX Holding Corporation	172,032,066	2.40
		Chubb & Son Inc.	135,964,928	1.89

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

** Number of new companies licensed in the prior year

2013 TOP COMPANIES BASED ON WRITTEN PREMIUM AND MARKET SHARE

Figure 45: Top Companies | Accident and Health

Rank	NAIC #	Company	Premium	MS %
1	70670	BCBSTX, A Division of Health Care Service Corporation	\$ 8,676,343,125	27.63
2	79413	Unitedhealthcare Insurance Company	3,778,803,566	12.03
3	60054	Aetna Life Insurance Company	2,666,871,798	8.49
4	73288	Humana Insurance Company	2,521,124,328	8.03
5	71013	Superior Healthplan Network	2,294,471,007	7.31
6	12558	Care Improvement Plus of Texas Insurance Company	848,651,516	2.70
7	12307	Dentaquest USA Insurance Company, Inc.	645,383,355	2.05
8	14063	MCNA Insurance Company	582,218,354	1.85
9	67369	Cigna Health and Life Insurance Company	567,680,997	1.81
10	65978	Metropolitan Life Insurance Company	474,287,238	1.51
11	14078	Amerigroup Insurance Company	395,235,806	1.26
12	60380	American Family Life Assurance Company of Columbus	338,089,517	1.08
13	62308	Connecticut General Life Insurance Company	289,852,400	0.92
14	62235	UNUM Life Insurance Company of America	271,425,819	0.86
15	12575	Silverscript Insurance Company	235,420,028	0.75
16	64246	Guardian Life Insurance Company of America, The	211,163,325	0.67
17	69868	United of Omaha Life Insurance Company	201,730,647	0.64
18	60069	Texas Health Insurance Pool	193,833,468	0.62
19	69477	Time Insurance Company	171,056,966	0.54
20	65498	Life Insurance Company of North America	161,007,826	0.51
21	62286	Golden Rule Insurance Company	150,404,857	0.48
22	39616	Vision ServicePlan Insurance Company	137,112,470	0.44
23	80802	Sun Life Assurance Company of Canada	129,778,208	0.41
24	70025	Genworth Life Insurance Company	129,005,200	0.41
25	70815	Hartford Life and Accident Insurance Company	118,433,849	0.38
26	65676	Lincoln National Life Insurance Company, The	115,833,662	0.37
27	25178	State Farm Mutual Automobile Insurance Company	104,687,232	0.33
28	90328	First Health Life & Health Insurance Company	102,074,517	0.33
29	70580	Humanadental Insurance Company	100,254,240	0.32
30	68241	Prudential Insurance Company of America, The	99,794,606	0.32
31	12902	Healthspring Life & Health Insurance Company, Inc.	98,556,105	0.31
32	61301	Ameritas Life Insurance Corporation	96,287,403	0.31
33	69019	Standard Insurance Company	96,170,673	0.31
34	81396	Delta Dental Insurance Company	94,543,687	0.30
35	65838	John Hancock Life Insurance Company (U.S.A.)	93,254,978	0.30
36	61271	Principal Life Insurance Company	91,414,551	0.29
37	13778	Molina Healthcare of Texas Insurance Company	87,243,209	0.28
38	62049	Colonial Life and Accident Insurance Company	86,828,540	0.28
39	60534	American Heritage Life Insurance Company	82,882,383	0.26
40	78611	HCSC Insurance Services Company	82,102,983	0.26
Total Top 40 Accident & Health Premiums			\$ 27,621,314,439	87.94
All Other Accident & Health Premiums			\$ 3,786,199,772	12.06
Total Accident & Health Premiums			\$ 31,407,514,211	100.00

Figure 46: Top Companies | HMOs

Rank	NAIC #	Company	Premium	MS %
1	95314	Amerigroup Texas, Inc.	\$ 2,659,340,590	13.63
2	95174	Unitedhealthcare Benefits of Texas, Inc.	2,418,154,879	12.39
3	95647	Superior Healthplan, Inc.	1,712,921,577	8.78
4	12902	Healthspring Life & Health Insurance Company, Inc.	1,550,639,047	7.95
5	11141	Unitedhealthcare Community Plan of Texas, LLC	1,495,629,385	7.66
6	95024	Humana Health Plan of Texas, Inc.	1,352,082,474	6.93
7	10757	Molina Healthcare of Texas, Inc.	1,225,069,258	6.28
8	95329	Texas Children's Health Plan, Inc.	795,521,247	4.08
9	95490	Aetna Health Inc.	713,314,377	3.66
10	95615	Community Health Choice, Inc.	668,369,965	3.43
11	10096	Selectcare of Texas, Inc.	652,520,195	3.34
12	95099	Scott and White Health Plan	578,737,282	2.97
13	95414	Parkland Community Health Plan, Inc., a Program of Dallas Co. Hospital District	521,429,847	2.67
14	95138	SHA, LLC	480,053,415	2.46
15	11494	Physicians Health Choice of Texas, LLC	405,661,911	2.08
16	95809	Driscoll Children's Health Plan	316,352,675	1.62
17	95248	Community First Health Plans, Inc.	272,898,809	1.40
18	12827	KS Plan Administrators, LLC	268,707,021	1.38
19	95822	Cook Children's Health Plan	267,277,717	1.37
20	12964	Wellcare of Texas, Inc.	255,673,909	1.31
21	52635	El Paso First Health Plans, Inc.	126,982,533	0.65
22	70670	BCBSTX, A Division of Health Care Service Corporation	122,177,077	0.63
23	95383	Cigna Healthcare of Texas, Inc.	102,438,041	0.52
24	13151	Care N' Care Insurance Company, Inc.	74,481,764	0.38
25	95799	Valueoptions of Texas, Inc.	74,185,481	0.38
26	10768	Selectcare Health Plans, Inc.	55,657,127	0.29
27	95240	Seton Health Plan, Inc.	55,015,044	0.28
28	14151	Sendero Health Plans, Inc.	37,188,474	0.19
29	12151	Arcadian Health Plan, Inc.	36,615,732	0.19
30	95910	Aetna Dental Inc.	34,398,009	0.18
31	95037	Cigna Dental Health of Texas, Inc.	32,933,910	0.17
32	95161	Denticare, Inc.	32,883,724	0.17
33	14154	Christus Health Plan	29,915,912	0.15
34	12346	Allegian Insurance Company	17,253,825	0.09
35	95251	National Pacific Dental, Inc.	14,935,325	0.08
36	95387	Block Vision Of Texas, Inc.	12,584,986	0.06
37	95051	Safeguard Health Plans, Inc.	11,018,691	0.06
38	95163	Alpha Dental Programs, Inc.	10,447,815	0.05
39	52556	Managed Dentalguard, Inc.	7,155,014	0.04
40	95142	United Dental Care of Texas, Inc.	6,099,305	0.03
Total Top 40 HMOs			\$ 19,504,723,369	99.95
All Other HMOs			\$ 8,896,470	0.05
Total HMOs			\$ 19,513,619,839	100.00

Figure 47: Top Companies | Annuities

Rank	NAIC #	Company	Premium	MS %
1	65056	Jackson National Life Insurance Company	\$ 1,353,243,631	6.64
2	60488	American General Life Insurance Company	1,296,691,193	6.36
3	65676	Lincoln National Life Insurance Company, The	1,141,417,575	5.60
4	65838	John Hancock Life Insurance Company (U.S.A.)	945,178,844	4.64
5	61271	Principal Life Insurance Company	906,614,228	4.45
6	86509	ING Life Insurance And Annuity Company	757,903,376	3.72
7	90611	Allianz Life Insurance Company of North America	719,039,827	3.53
8	62944	AXA Equitable Life Insurance Company	664,324,236	3.26
9	86231	Transamerica Life Insurance Company	622,812,266	3.06
10	79227	Pruco Life Insurance Company	585,437,429	2.87
11	91596	New York Life Insurance and Annuity Corporation	549,007,931	2.69
12	65935	Massachusetts Mutual Life Insurance Company	527,153,946	2.59
13	66869	Nationwide Life Insurance Company	512,562,808	2.52
14	67466	Pacific Life Insurance Company	501,013,224	2.46
15	88072	Hartford Life Insurance Company	483,727,046	2.37
16	68675	Security Benefit Life Insurance Company	469,496,674	2.30
17	61050	Metlife Investors USA Insurance Company	443,769,930	2.18
18	69345	Teachers Insurance and Annuity Association of America	372,487,986	1.83
19	65978	Metropolitan Life Insurance Company	368,419,093	1.81
20	70238	Variable Annuity Life Insurance Company, The	332,199,024	1.63
21		College Retirement Equities Fund	329,537,931	1.62
22	92738	American Equity Investment Life Insurance Company	316,350,827	1.55
23	60895	American United Life Insurance Company	300,169,756	1.47
24	65005	Riversource Life Insurance Company	261,934,904	1.29
25	68322	Great-West Life & Annuity Insurance Company	251,225,679	1.23
26	66044	Midland National Life Insurance Company	245,596,129	1.21
27	93696	Fidelity Investments Life Insurance Company	227,267,979	1.12
28	69663	USAA Life Insurance Company	224,668,010	1.10
29	61689	Athene Annuity and Life Company	222,670,102	1.09
30	65528	Life Insurance Company of the Southwest	185,022,279	0.91
31	69019	Standard Insurance Company	182,351,265	0.89
32	70688	Transamerica Financial Life Insurance Company	153,020,613	0.75
33	68241	Prudential Insurance Company of America, The	150,175,864	0.74
34	68136	Protective Life Insurance Company	149,873,977	0.74
35	63312	Great American Life Insurance Company	137,866,245	0.68
36	56014	Thrivent Financial for Lutherans	136,630,569	0.67
37	67091	Northwestern Mutual Life Insurance Company, The	135,631,308	0.67
38	66168	Minnesota Life Insurance Company	134,026,402	0.66
39	67172	Ohio National Life Insurance Company	132,697,371	0.65
40	80942	ING USA Annuity and Life Insurance Company	127,036,799	0.62
Total Top 40 Annuity Premium			\$ 17,556,254,276	86.16
All Other Annuity Premiums			\$ 2,819,495,653	13.84
Total Annuity Premiums			\$ 20,375,749,929	100.00

Figure 48: Top Companies | Life Insurance

Rank	NAIC #	Company	Premium	MS %
1	65978	Metropolitan Life Insurance Company	\$ 631,963,411	6.02
2	67091	Northwestern Mutual Life Insurance Company, The	529,922,140	5.05
3	66915	New York Life Insurance Company	429,725,583	4.10
4	65676	Lincoln National Life Insurance Company, The	414,161,073	3.95
5	69108	State Farm Life Insurance Company	353,593,010	3.37
6	65935	Massachusetts Mutual Life Insurance Company	337,818,421	3.22
7	60488	American General Life Insurance Company	307,042,949	2.93
8	68241	Prudential Insurance Company of America, The	306,949,977	2.93
9	66168	Minnesota Life Insurance Company	289,359,684	2.76
10	67466	Pacific Life Insurance Company	265,683,988	2.53
11	65838	John Hancock Life Insurance Company (USA)	252,307,384	2.41
12	86231	Transamerica Life Insurance Company	178,518,355	1.70
13	79227	Pruco Life Insurance Company	176,599,415	1.68
14	63177	Farmers New World Life Insurance Company	155,875,770	1.49
15	62235	UNUM Life Insurance Company of America	155,552,007	1.48
16	65919	Primerica Life Insurance Company	154,033,161	1.47
17	60739	American National Insurance Company	144,512,947	1.38
18	64246	Guardian Life Insurance Company of America, The	143,995,886	1.37
19	68896	Southern Farm Bureau Life Insurance Company	131,556,333	1.25
20	91596	New York Life Insurance and Annuity Corporation	128,841,885	1.23
21	69868	United of Omaha Life Insurance Company	125,005,246	1.19
22	65595	Lincoln Benefit Life Company	124,402,274	1.19
23	69663	USAA Life Insurance Company	123,996,840	1.18
24	62944	AXA Equitable Life Insurance Company	123,877,825	1.18
25	67105	Reliastar Life Insurance Company	122,697,879	1.17
26	68136	Protective Life Insurance Company	121,461,559	1.16
27	61050	Metlife Investors USA Insurance Company	116,109,377	1.11
28	65498	Life Insurance Company of North America	112,253,255	1.07
29	71153	Hartford Life and Annuity Insurance Company	106,907,075	1.02
30	80802	Sun Life Assurance Company of Canada	98,742,336	0.94
31	66044	Midland National Life Insurance Company	97,582,490	0.93
32	65005	Riversource Life Insurance Company	88,445,291	0.84
33	65536	Genworth Life and Annuity Insurance Company	82,627,058	0.79
34	68357	Reliable Life Insurance Company, The	79,967,643	0.76
35	71129	Dearborn National Life Insurance Company	77,780,375	0.74
36	67989	American Memorial Life Insurance Company	77,273,712	0.74
37	65056	Jackson National Life Insurance Company	77,273,665	0.74
38	62308	Connecticut General Life Insurance Company	76,170,637	0.73
39	61271	Principal Life Insurance Company	74,602,398	0.71
40	69396	Texas Life Insurance Company	70,254,128	0.67
Total Top 40 Life Premium			\$ 7,465,444,442	71.16
All Other Life Premium			\$ 3,025,445,627	28.84
Total Life Premium			\$ 10,490,890,069	100.00

Figure 49: Top Companies | Private Passenger Auto

Rank	NAIC #	Company	Premium	MS %
1	25178	State Farm Mutual Automobile Insurance Company	\$ 2,635,802,488	17.34
2	29203	Progressive County Mutual Insurance Company	1,328,285,709	8.74
3	24392	Farmers Texas County Mutual Insurance Company	1,298,623,983	8.54
4	29688	Allstate Fire and Casualty Insurance Company	888,716,409	5.85
5	22063	Government Employees Insurance Company	649,655,464	4.27
6	29297	Home State County Mutual Insurance Company	528,694,270	3.48
7	29378	Old American County Mutual Fire Insurance Company	457,374,320	3.01
8	25941	United Services Automobile Association	436,465,051	2.87
9	29262	Colonial County Mutual Insurance Company	415,367,101	2.73
10	19240	Allstate Indemnity Company	378,786,916	2.49
11	19544	Liberty County Mutual Insurance Company	368,132,819	2.42
12	25968	USAA Casualty Insurance Company	358,083,414	2.36
13	26816	State Farm County Mutual Insurance Company of Texas	288,004,701	1.89
14	25380	Texas Farm Bureau Mutual Insurance Company	262,771,040	1.73
15	13004	Texas Farm Bureau Casualty Insurance Company	242,114,565	1.59
16	27863	Southern County Mutual Insurance Company	231,151,968	1.52
17	29335	Allstate County Mutual Insurance Company	228,654,780	1.50
18	11198	Loya Insurance Company	225,560,705	1.48
19	29246	Consumers County Mutual Insurance Company	218,197,713	1.44
20	29254	Foremost County Mutual Insurance Company	211,468,537	1.39
21	10807	ACCC Insurance Company	210,246,714	1.38
22	14138	Geico Advantage Insurance Company	190,398,279	1.25
23	29327	AAA Texas County Mutual Insurance Company	182,553,686	1.20
24	18600	USAA General Indemnity Company	181,668,687	1.19
25	21253	Garrison Property and Casualty Insurance Company	169,406,761	1.11
26	22055	Geico Indemnity Company	155,788,599	1.02
27	14139	Geico Choice Insurance Company	137,941,586	0.91
28	13938	Metropolitan Lloyds Insurance Company of Texas	136,227,414	0.90
29	11521	Germania Select Insurance Company	121,051,364	0.80
30	19976	Amica Mutual Insurance Company	103,133,481	0.68
31	23787	Nationwide Mutual Insurance Company	97,430,554	0.64
32	26441	Dairyland County Mutual Insurance Company of Texas	85,999,775	0.57
33	34789	21st Century Centennial Insurance Company	85,841,872	0.56
34	17230	Allstate Property and Casualty Insurance Company	84,431,957	0.56
35	29351	Unitrin County Mutual Insurance Company	74,856,311	0.49
36	27820	Farm Bureau County Mutual Insurance Company of Texas	65,851,403	0.43
37	14137	Geico Secure Insurance Company	64,168,294	0.42
38	40150	Mga Insurance Company, Inc.	62,875,305	0.41
39	25127	State Auto Property & Casualty Insurance Company	60,156,921	0.40
40	25712	Esurance Insurance Company	57,170,175	0.38
Total Top 40 Private Passenger Auto Premium			\$ 13,979,111,091	91.95
All Other Private Passenger Auto Premium			\$ 1,223,448,537	8.05
Total Private Passenger Auto Premium			\$ 15,202,559,628	100.00

Figure 50: Top Companies | Homeowners

Rank	NAIC #	Company	Premium	MS %
1	43419	State Farm Lloyds	\$ 1,920,865,990	26.76
2	21695	Texas Farmers Insurance Company	632,816,991	8.82
3	26530	Allstate Texas Lloyd's	427,254,350	5.95
4	11120	USAA Texas Lloyd's Company	337,663,320	4.70
5	25941	United Services Automobile Association	287,807,896	4.01
6	11215	Safeco Insurance Company of Indiana	256,816,558	3.58
7	29688	Allstate Fire and Casualty Insurance Company	221,997,070	3.09
8	42404	Liberty Insurance Corporation	188,487,190	2.63
9	11059	ASI Lloyds	172,032,066	2.40
10	41564	Travelers Lloyds of Texas Insurance Company	149,235,259	2.08
11	27774	Chubb Lloyds Insurance Company of Texas	135,963,659	1.89
12	25380	Texas Farm Bureau Mutual Insurance Company	133,593,936	1.86
13	41688	Foremost Lloyds of Texas	119,758,304	1.67
14	27998	Travelers Home and Marine Insurance Company, The	115,448,265	1.61
15	37907	Allstate Vehicle and Property Insurance Company	114,096,961	1.59
16	37877	Nationwide Property and Casualty Insurance Company	94,661,470	1.32
17	13938	Metropolitan Lloyds Insurance Company of Texas	91,413,831	1.27
18	10896	Amica Lloyd's of Texas	87,861,449	1.22
19	11543	Texas Fair Plan Association	85,987,402	1.20
20	11008	Auto Club Indemnity Company	83,219,934	1.16
21	25399	Texas Farm Bureau Underwriters	71,105,232	0.99
22	21652	Farmers Insurance Exchange	69,927,572	0.97
23	15474	National Lloyds Insurance Company	63,425,246	0.88
24	42110	Nationwide Lloyds	60,895,901	0.85
25	23760	Nationwide General Insurance Company	56,371,927	0.79
26	11041	Liberty Lloyds of Texas Insurance Company	50,066,837	0.70
27	12536	Homeowners of America Insurance Company	47,623,310	0.66
28	25127	State Auto Property & Casualty Insurance Company	44,633,952	0.62
29	11578	Cypress Texas Lloyds	39,632,495	0.55
30	22608	National Specialty Insurance Company	38,608,943	0.54
31	34690	Property and Casualty Insurance Company of Hartford	38,538,602	0.54
32	23035	Liberty Mutual Fire Insurance Company	35,670,004	0.50
33	19208	Republic Lloyds	33,964,733	0.47
34	19240	Allstate Indemnity Company	32,844,826	0.46
35	23469	American Modern Home Insurance Company	28,809,729	0.40
36	21660	Fire Insurance Exchange	28,635,673	0.40
37	20230	Central Mutual Insurance Company	28,398,893	0.40
38	11986	Universal Insurance Company of North America	27,978,806	0.39
39	40703	Unitrin Safeguard Insurance Company	26,415,973	0.37
40	37257	Praetorian Insurance Company	25,332,583	0.35
Total Top 40 Homeowners Premium			\$ 6,505,863,138	90.64
All Other Homeowners Premium			\$ 671,869,718	9.36
Total Homeowners Premium			\$ 7,177,732,856	100.00

Figure 51: Top Companies | Workers' Compensation

Rank	NAIC #	Company	Premium	MS %
1	22945	Texas Mutual Insurance Company	\$ 1,031,356,678	38.58
2	16535	Zurich American Insurance Company	97,040,033	3.63
3	43389	Service Lloyds Insurance Company	66,423,886	2.49
4	40142	American Zurich Insurance Company	60,358,845	2.26
5	42404	Liberty Insurance Corporation	54,407,160	2.04
6	30104	Hartford Underwriters Insurance Company	52,027,717	1.95
7	23841	New Hampshire Insurance Company	51,423,919	1.92
8	25658	Travelers Indemnity Company, The	49,201,804	1.84
9	19429	Insurance Company of the State of Pennsylvania, The	44,316,046	1.66
10	19038	Travelers Casualty and Surety Company	38,247,860	1.43
11	19410	Commerce and Industry Insurance Company	38,223,739	1.43
12	20281	Federal Insurance Company	35,359,547	1.32
13	23035	Liberty Mutual Fire Insurance Company	33,809,923	1.26
14	22667	Ace American Insurance Company	30,086,376	1.13
15	43575	Indemnity Insurance Company of North America	26,043,997	0.97
16	25682	Travelers Indemnity Company of Connecticut, The	25,661,948	0.96
17	29424	Hartford Casualty Insurance Company	21,361,733	0.80
18	18694	Great Midwest Insurance Company	18,119,807	0.68
19	23396	Amerisure Mutual Insurance Company	17,237,884	0.64
20	24171	Netherlands Insurance Company, The	16,201,399	0.61
21	10166	Accident Fund Insurance Company of America	16,090,080	0.60
22	25666	Travelers Indemnity Company of America, The	15,993,770	0.60
23	23809	Granite State Insurance Company	15,589,254	0.58
24	31895	American Interstate Insurance Company	15,451,097	0.58
25	19488	Amerisure Insurance Company	15,116,736	0.57
26	11000	Sentinel Insurance Company, Ltd.	15,094,642	0.56
27	20508	Valley Forge Insurance Company	15,015,533	0.56
28	37478	Hartford Insurance Company of The Midwest	14,686,741	0.55
29	40134	Castlepoint National Insurance Company	14,671,579	0.55
30	13269	Zenith Insurance Company	14,384,733	0.54
31	38970	Markel Insurance Company	14,132,000	0.53
32	25623	Phoenix Insurance Company, The	13,917,255	0.52
33	19445	National Union Fire Insurance Company of Pittsburgh, PA	13,589,604	0.51
34	25615	Charter Oak Fire Insurance Company, The	13,077,158	0.49
35	23043	Liberty Mutual Insurance Company	12,830,040	0.48
36	11150	Arch Insurance Company	12,741,133	0.48
37	38318	Starr Indemnity and Liability Company	11,930,725	0.45
38	20095	Bituminous Casualty Corporation	11,886,906	0.44
39	19046	Travelers Casualty Insurance Company of America	11,822,182	0.44
40	30120	Znat Insurance Company	11,787,580	0.44
Total Top 40 Workers' Compensation Premium			\$ 2,086,719,049	78.07
All Other Workers' Compensation Premium			\$ 586,269,259	21.93
Total Workers' Compensation Premium			\$ 2,672,988,308	100.00

Figure 52: Top Companies | Title

Rank	NAIC #	Company	Premium	MS %
1	50814	First American Title Insurance Company	\$ 357,445,560	20.94
2	50121	Stewart Title Guaranty Company	294,092,793	17.23
3	51586	Fidelity National Title Insurance Company	246,300,512	14.43
4	50229	Chicago Title Insurance Company	245,881,111	14.40
5	50520	Old Republic National Title Insurance Company	121,553,266	7.12
6	50016	Title Resources Guaranty Company	98,037,797	5.74
7	50598	Alamo Title Insurance	63,169,822	3.70
8	51152	Wfg National Title Insurance Company	54,675,736	3.20
9	50083	Commonwealth Land Title Insurance Company	50,010,281	2.93
10	12309	Alliant National Title Insurance Company, Inc.	38,741,510	2.27
11	50377	National Investors Title Insurance Company	30,618,661	1.79
12	50050	Westcor Land Title Insurance Company	28,197,604	1.65
13	14240	First National Title Insurance Company	26,012,768	1.52
14	51020	National Title Insurance Of New York, Inc.	24,933,061	1.46
15	50130	North American Title Insurance Company	17,396,643	1.02
16	50026	Premier Land Title Insurance Company	6,801,253	0.40
17	12591	Sierra Title Insurance Guaranty Company	3,197,344	0.19
18	15305	Southwest Land Title Insurance Company	1,286	0.00
19	50792	Southern Title Insurance Corporation	860	0.00
Total Title Premium			\$ 1,707,067,868	100.00

Figure 53: Top Companies | Premium Finance

Rank	Company	Premium	MS %
1	IPFS DBA Premium Financing Specialists Corp.	\$ 633,623,750	19.60
2	AFCO Credit Corporation (Dallas)	351,495,325	10.87
3	First Insurance Funding Corp.	281,801,996	8.72
4	AON Premium Finance LLC	253,723,552	7.85
5	Premium Assignment Corporation	187,219,893	5.79
6	Talbot Premium Financing, LLC	162,757,380	5.03
7	AFCO Premium Credit LLC	153,956,556	4.76
8	Prime Rate Premium Finance Corporation, Inc.	96,304,758	2.98
9	Capital Premium Financing, Inc.	91,931,586	2.84
10	AFCO Credit Corporation (Rosemont IL)	77,383,564	2.39
11	AFS/IBEX Financial Services, Inc.	73,943,800	2.29
12	CAA Premium Finance Company, LLC	64,751,637	2.00
13	Meridian Credit Services, Inc.	64,729,864	2.00
14	Camden Premium Finance, LLC	61,321,944	1.90
15	The Brand Baking Company	46,641,940	1.44
16	Premium Funding Associates, Inc.	38,319,010	1.19
17	Impact Finance Corporation	31,057,314	0.96
18	Banner Premium Finance, Inc.	29,749,168	0.92
19	Insurors Group, LLC	29,490,588	0.91
20	Inserve, Inc.	22,120,807	0.68
21	Meridian Finance, LLC	22,068,522	0.68
22	Wellington Premium Finance, Inc.	21,257,081	0.66
23	Goto Premium Finance.Com, LLC	20,515,758	0.63
24	Ideal Premium Finance, Inc.	19,720,507	0.61
25	Western Commerce Bank	18,950,900	0.59
26	Associated Acceptance, Inc.	12,839,021	0.40
27	Pronote, Inc.	12,060,561	0.37
28	General Agents Acceptance Corporation	11,701,828	0.36
29	Insurance Credit Corp.	11,254,300	0.35
30	Monthly Pay Plan	10,954,000	0.34
31	NAAC, INC.	10,463,023	0.32
32	CAC Acceptance Corporation	10,066,432	0.31
33	Select Premium Services, Inc.	9,320,531	0.29
34	Texas Farm Bureau Premium Finance Company	8,840,531	0.27
35	Rust-Ewing Financial Services, Inc.	8,653,992	0.27
36	Premium Convenience Services, Inc.	8,426,378	0.26
37	SBRJ WM, LTD	8,391,492	0.26
38	Combined Group Insurance Services, Inc.	7,495,371	0.23
39	Pin Finance, LLC	7,263,944	0.22
40	Heritage Premium Assignment Company	6,967,059	0.22
Total Top 40 Premium Finance Companies		\$ 2,999,535,665	92.79
All Other Premium Finance Companies		\$ 233,227,248	7.21
Total Premium Financed		\$ 3,232,762,913	100.00



Texas Department of Insurance 2014 Annual Report

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