

**AGENCY WORKFORCE PLAN**  
**FOR THE FISCAL YEARS 2021-2025 PERIOD**

SUBMITTED ELECTRONICALLY TO THE  
STATE AUDITOR'S OFFICE

By

**OFFICE OF PUBLIC INSURANCE COUNSEL**



*June 1, 2020*

## **Table of Contents**

<b>Office of Public Insurance Counsel Mission</b>	<b>1</b>
<b>Agency Goals, Objectives, Strategies, and Performance Measures</b>	<b>1</b>
<b>Agency Workforce Plan</b>	<b>4</b>

## ***Office of Public Insurance Counsel Mission***

The Office of Public Insurance Counsel (OPIC) represents the interests of Texas consumers in insurance matters. OPIC empowers and educates consumers and works on their behalf to create and maintain a balanced marketplace.

## ***Agency Goals, Objectives, Strategies, and Performance Measures***

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*NOTE: OPIC requested various changes to the items below and submitted those requests to the LBB for approval. The submission of the request for these changes was delayed due to the challenges faced at that time, as the agency's workplace transitioned to solely telecommuting as a result of COVID-19. LBB's response to the agency's requests will alter the sections below. A revised plan will be submitted once the agency receives the LBB's response.*

**GOAL:** **To effectively represent the interests of Texas insurance consumers in rate, rulemaking, judicial, and legislative proceedings, and other public forums involving insurance matters. (Texas Insurance Code, Chapter 501)**

**OBJECTIVE:** Participate in all rate hearings, rate filings, and rulemaking proceedings, as well as any necessary and appropriate judicial proceedings, that have a significant impact on Texas insurance consumers. Act as a resource for the Texas Legislature in legislative hearings and other legislative proceedings that address issues affecting Texas insurance consumers.

### Outcome Measures:

- Percentage of Rate Hearings in Which OPIC Participated
- Percentage of Rate and Rule Proceedings in Which OPIC Participated
- Percentage of Rates and Rules Changed as a Result of OPIC Participation

**STRATEGY:** Participate in rate hearings, rate filings, and rulemaking proceedings, as well as any necessary and appropriate judicial proceedings, on behalf of Texas insurance consumers by using expert witnesses, conducting research and legal analysis, and providing staff and consumer testimony. Provide information, analysis, and research to the Texas Legislature.

### Output Measures

- Number of Rate Hearings in Which OPIC Participated
- Number of Rate Filings in Which OPIC Participated
- Number of Rulemaking Proceedings in Which OPIC Participated
- Number of Proposed Rules Analyzed
- Number of Rate Filings Analyzed
- Number of Responses to Legislative Requests for Research or Information (beginning 2020-2021 biennium)

Efficiency Measure:

- Average Cost Per Rate Hearing in Which OPIC Participated

**GOAL:** To increase effective consumer choice by educating Texas insurance consumers about their rights and responsibilities and about the operation of Texas insurance markets, and to obtain market information which results in rate, rule, or legislative proposals benefiting Texas insurance consumers. (Texas Insurance Code, Chapter 501)

**OBJECTIVE:** Contact Texas insurance consumers through efficient outreach channels, including public forums, the OPIC website, and social media applications, to provide information on insurance coverage and the insurance marketplace. Provide consumers who purchase residential property and personal automobile coverage with an easy to read and up to date copy of the Consumer Bill of Rights, which lists their rights as consumers under Texas law.

Outcome Measures:

- Percentage of Texas Insurance Consumers Reached by OPIC Outreach Efforts
- Percentage of Bills of Rights Submitted for Adoption within Established Timelines

**STRATEGY:** Engage with Texas consumers to help them make informed choices about insurance policies and to educate them on their rights as insurance consumers. Achieve these goals by conducting research and providing the information gained from that research to consumers in a useful format via (i) presentations and presence at public forums, (ii) content on the OPIC website, and (iii) outreach on OPIC social media applications. Produce current and plain language Consumer Bills of Rights for Texans purchasing residential property and/or personal automobile insurance.

Output Measures:

- Number of Bills of Rights or Revisions Proposed
- Number of Report Cards and Publications Produced & Distributed
- Number of Public Presentations or Communications

Efficiency Measure:

- Average Cost Per Consumer Reached through Agency Publications

**GOAL:** To establish and implement policies governing purchasing that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs). (Texas Government Code, Chapter 2161)

OBJECTIVE: Increase the use of HUBs in the total value of contracts and subcontracts awarded annually by OPIC in each applicable procurement category:

23.7 Percent for Professional Services Contracts  
26.0 Percent for Other Services Contracts  
21.1 Percent for Commodities Contracts

Outcome Measure:

- Percentage of Total Dollar Value of Purchasing Contracts and Subcontracts Awarded to HUBs.

STRATEGY: Develop and implement a plan for increasing the use of HUBs through purchasing contracts and subcontracts.

Output Measures:

- Number of Bid Proposals from HUB Contractors and Subcontractors
- Number of HUB Contracts and Subcontracts Awarded
- Dollar Value of HUB Contracts and Subcontracts Awarded

## ***Agency Workforce Plan***

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### **Anticipated Changes to the Agency's Role**

Senate Bill 14, 78th Legislature, Regular Session (2003) changed insurance rate regulation in Texas. Many insurance companies that were previously exempt became regulated. A file-and-use system was implemented for rates and a prior approval system was implemented for policy forms.

OPIC's duty to review rates for their impact on consumers did not change. However, since insurers now set the effective dates for their rates, OPIC often has less time to review those rates than in previous years. The result is that OPIC staff must complete more work in a more compressed time frame than before SB 14.

SB 14 also dramatically changed OPIC's workload and role regarding policy forms. Policy forms moved from a promulgated system to a prior approval system. This increased the role of OPIC in form filing review as the volume of filings rose dramatically. As with rates, OPIC's staff saw an increase in workload with a compressed timeframe for completion of their statutory duties.

OPIC continues to actively review and analyze rate and form filings for personal automobile and homeowners lines of insurance, intervening both formally and informally as needed.

OPIC also plays an important role in reviewing and commenting on rule proposals, which includes participating in regulatory hearings, when appropriate. These comments impact insurance regulation and policy statewide.

OPIC serves as a resource to the Texas Legislature both during the session and the interim. Last session OPIC expanded this role by producing the agency's first Recommendations Report. In the report, OPIC brought consumer protection issues to the Legislature's attention for consideration as legislation. One of the recommendations OPIC made related to flood disclosures on homeowners and residential property policies. The Texas Legislature worked with OPIC and other stakeholders to pass SB 442, 86th Legislature, Regular Session (2019) to protect consumers by ensuring they receive a notice if their policy does not provide flood coverage. OPIC plans to produce this report again for the 87th Session.

Additionally, OPIC has taken on an increased role in public outreach and education. The agency believes that informed consumers make better decisions about which insurance products to purchase. This improves the overall efficiency of the insurance marketplace in Texas, making companies more competitive and thus more responsive to consumers. OPIC is committed to improving Texans' understanding of the insurance policies they typically purchase, and accordingly, now places a greater emphasis on this role. OPIC has recently reengineered its website for plain language and better accessibility, and has expanded its social media outreach through platforms like Twitter and Facebook to reach more consumers. OPIC also produces annual Health Maintenance Organization (HMO) report cards for consumers to use when shopping for insurance. Similarly, OPIC produces a Consumer Bill of Rights for residential property and personal automobile policies to educate consumers about the protections provided for them in Texas law.

OPIC accomplishes all of these tasks with 10 Full Time Employees (FTEs).

As a result of budget reductions and greater efficiencies, OPIC's allowed FTE count decreased from 16.5 to 15.0 in the 2011 Texas Legislative session. The FTE count was further decreased to 13.0 in the 2019 session. Historically, OPIC has been able to absorb this decrease in FTEs with existing staff members taking over duties previously assigned to other FTEs. OPIC continues to be successful performing its statutory duties with fewer staff as the result of policies that allow the agency to hire and retain staff with extensive experience and specialized knowledge in their respective fields.

OPIC's experienced, knowledgeable staff has so far been able to cover the increased load, but now few skills overlap between positions. Each staff member is now also working at or near capacity. Retention of staff with that level of expertise and experience has therefore become critical for the agency.

While the agency has fulfilled its statutory duties with the current staff and FTE cap, the composition of the agency's staff could change in the future. It would be advantageous to have the flexibility to cross-train staff members in at least some areas of responsibility to ensure a retention of skills and knowledge for the agency. Moreover, as staff with the rare combination of knowledge and experience leave the workforce for retirement or other opportunities, the agency may have trouble filling the agency's need with one staff person and may instead need two staff members in their place. In that case, the salary of one FTE would be split among two FTEs but the agency would use one of the existing, unfilled FTEs to continue to meet its statutory obligations. Additional staff may also be needed if OPIC's statutory duties are expanded by the Texas Legislature.

## ***Current Workforce Profile (Supply Analysis)***

### ***Critical Workforce Skills***

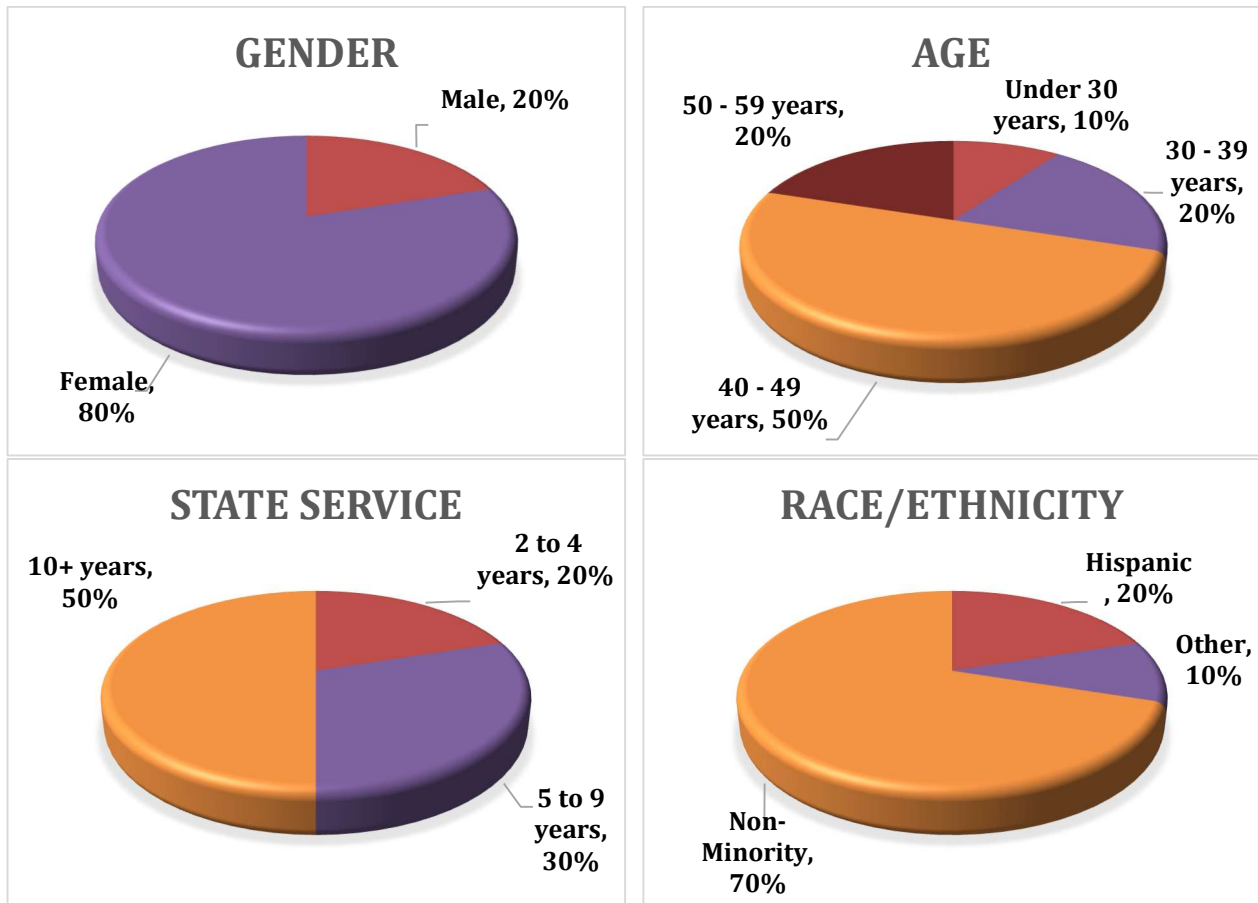
OPIC retains strong, well-qualified staff capable of performing the following functions that are critical to daily operations:

- Insurance rate making analysis
- Legal and insurance policy analysis
- Legal and insurance related research
- Consumer education and outreach, including website and social media applications
- Administration (budgeting, accounting, purchasing, payroll, human resources)

### ***Workforce Demographics***

The following charts profile OPIC's workforce as of June 1, 2020. The Texas Legislature authorized 13.0 positions for the agency, consisting of attorneys, an economist/statistician, analysts, and support staff. Currently, this workforce is comprised of approximately twenty percent (20%) males and eighty percent (80%) females, with thirty percent (30%) under the age of 40 and seventy percent (70%) between the ages of 40 and 65. Ten percent (10%) of the workforce is a military veteran.

The agency strives toward maintaining a diverse workplace and has had no significant change in the race/ethnic breakdown of its workforce in the past several years. At present, thirty percent (30%) of the agency's employees are minorities. Tenure remains high with fifty percent (50%) of the agency workforce having over ten years of state service.



***Employee Turnover***

Historically, OPIC experiences less than one employee resignation or retirement per year. The turnover rate as of June 1, 2020, for fiscal year (FY) 2020 is 11.8 percent (11.8%). An increase in that percentage between now and the end of FY 2020 is unlikely. Future attrition is likely to remain in the range of zero to one person per year as employees eligible to retire do so.

***Retirement Eligibility***

At this time, the agency considers retirement eligibility to be a significant issue. Over the past several years, experienced OPIC staff members have absorbed duties that were previously performed by staff members who left employment. OPIC currently has one employee eligible to retire immediately, and one additional employee eligible to retire within the next five years.



## **Future Workforce Profile (*Demand Analysis*)**

Anticipating changes to the state insurance regulatory environment requires that the agency continually reevaluates the skill sets of its workforce.

### ***Critical Functions***

- Improved capability for quantitative statistical insurance research and rate analysis
- Enhanced targeted research project functions
- Enhanced consumer outreach/social media skills to support consumer education role

### ***Expected Workforce Changes***

- Improve use of technology to increase research productivity and outreach opportunities
- Increase level of cross-training to maximize productivity of existing staff
- Continue seeking employees with strong quantitative skill set

### ***Anticipated Increase/Decrease in FTEs***

- An increase to the agency's FTE count is anticipated

### ***Future Workforce Skills Needed***

- Statistical software
- Strategic planning
- Insurance experience
- Research skills
- Actuarial skills
- Marketing and consumer outreach skills
- Effective verbal and written communication skills
- Team building skills
- Database design
- Mathematical background
- Legal analysis
- Project management skills

## **Gap Analysis**

OPIC currently has sufficient personnel with the appropriate skills to make the transition to a more technical quantitative environment. There remains potential for a gap if there is ever significant turnover in key positions. Over time OPIC's FTE count has been reduced. OPIC responded to this reduction by having existing staff absorb additional duties and functions.

For example, in 2018, OPIC's purchaser left. In 2019, OPIC's accountant retired. Instead of hiring additional staff to fill these vacancies, the duties were absorbed by an existing FTE. While that transfer of duties was successful, that staff member is now working in an expanded capacity and continues to perform at a high level. That absorption of duties is only successful because of this particular staff member's unique combination of ability and experience. There is no longer room for that FTE to absorb additional duties. The same is true for other key staff in the agency.

Although OPIC staff currently performs the agency's statutory duties at maximum efficiency with successful outcomes, future vacancies could change that. OPIC is a small state agency of 10 FTEs (13 appropriated, with three current vacancies but lacking related funding). OPIC made the strategic

decision to fill fewer FTEs but fill or expand the duties of those positions with people that have broad experience and specialized knowledge.

Experienced staff with a broad range of knowledge produce a better, more inclusive work product. They are able to make connections and spot issues that even multiple staff members with other types of experience will not be able to duplicate. It often takes years of dedicated training and work to cultivate the necessary skills and experience. The recruitment and retention of these types of employees is invaluable to a small agency like OPIC. The agency’s size also presents challenges for cross-training and succession planning.

### Strategic Development

<b>Gap</b>	Existing employees may not be adequately prepared for succession if there is turnover among key employees.
<b>Goal</b>	Further develop practices and procedures to maintain employee development and training for future succession and skill enhancement.
<b>Rationale</b>	Small agencies are vulnerable to lack of succession when there is turnover at key positions. Expanding agency responsibilities contributes to a tendency toward task and subject matter specialization. The nature and complexity of insurance issues exacerbates this situation. It is important for the agency to create an environment where key employees mentor, train, and work with potential successors to ensure tasks can continue to be performed in the event of departure or extended absence.
<b>Action Steps</b>	<ul style="list-style-type: none"> <li>● Continue to employ project management strategies to ensure pairing of experienced employees with newer employees of lesser experience.</li> <li>● Routinely survey employees to determine which skills they feel require more development.</li> <li>● Examine alternatives for employee training that maximizes resources. Examples of avenues for research include internal training, internet training, cross-agency training, and external training.</li> </ul>

	<ul style="list-style-type: none"> <li>● Maintain and further develop internal cross-training procedures to allow for greater breadth of responsibility and knowledge.</li> <li>● Continue to include personnel turnover as an area for review in the internal audit risk assessment.</li> </ul>
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## Survey of Employee Engagement Results and Utilization Plans

OPIC employees were asked to participate in a survey measuring employee engagement. Executive management was very pleased with the results. The overall score for the agency was 459, in excess of the noted desired score of greater than 350. Additionally, eighty-eight percent (88%) of OPIC employees were rated as Highly Engaged.

The agency’s highest scores were for the constructs of Supervision (475), Employee Engagement (472), and Strategic (470).

- The Supervision construct captures employee perception of the nature of relationships with supervisors within the agency. A high score suggests employees view their supervisors as fair, helpful, and critical to the flow of work.
- The Employee Engagement construct captures the degree to which employees are willing to go above and beyond, feel committed to the agency and are present while working. A high score suggests that employees feel their ideas count, their work impacts the agency, and their well-being and development are valued.
- The Strategic construct captures employee perception of their role in the agency and the agency’s mission, vision, and strategic plan. A high score suggests that employees understand their role in the agency and consider the agency’s reputation to be positive.

The areas with the lowest scores were Information Systems (457), Workplace (449), and Pay (392). A score of 350 is a tipping point between positive and negative perceptions. While none of the scores are below the tipping point, OPIC considers them to be an important focus for evaluating and improving the agency.

- The Pay construct captures employee perception about how well the compensation package offered by the agency holds up when compared to similar jobs in other organizations. A low score suggests that pay is a central concern or reason for discontent and is not comparable to similar organizations. This construct is somewhat outside of OPIC’s control, but the agency does evaluate employees’ levels of compensation relative to other state agencies. Similarly, the agency has implemented one time merits and raises when able to do so.
- The Workplace construct captures employee perception of the total work atmosphere, the degree to which they consider it safe, and the overall feel. A low score suggests that employees see the setting as unsafe and lacking in resources to complete their tasks. The low score of this construct is reflective of staff concerns with the work building’s maintenance and lack of security after hours and on weekends. The agency expects the score of this construct to significantly rise when the agency is relocated, per SB 1349, 86th Legislature, Regular Session

(2019). The Information Systems construct captures employee perceptions of whether computer and communication systems provide accessible, accurate, and clear information. The lower the score, the more likely employees are frustrated with their ability to secure needed information through current systems.

For future human resource planning, the survey results have shown that OPIC is doing many things right and employees are generally very pleased with the agency. It also tells executive management to continue to be especially attentive to those areas that are important to ensure improved agency performance.