

SCHEDULE F: AGENCY WORKFORCE PLAN

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 policy 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. In 2019, 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 88th 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 redesigned 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 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 FTEs.

As a result of budget reductions and greater efficiencies, OPIC's allowed FTE count decreased from 15 to 13 in the 2019 Texas Legislative session. The FTE count was further decreased to 10 in the 2021 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. As mentioned before, each staff member is now also working at or near capacity, and demands on employees are increasing. Retention or hiring of staff with that level of expertise and experience has therefore become critical for the agency, a common trend across the state. However, because other agencies and private businesses can offer better financial compensation than OPIC, OPIC is facing significant issues in attracting and retaining qualified employees.

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. As an example, OPIC's former Deputy Director retired at the end of fiscal year 2021. It was necessary to split the duties of that position. OPIC hired an actuary to fulfill only the rate filing analysis duty, shifted the supervisory role to the agency's Chief of Operations, and the risk management role to the Deputy Public Counsel. It may be necessary to split the salary of one FTE among two or more FTEs in the near future. In that case, the agency would need to increase its budget and number of FTEs to continue to meet its statutory obligations. Additional staff and funding may also be needed if OPIC's statutory duties are expanded by the Texas Legislature.

Current Workforce Profile (Supply Analysis)

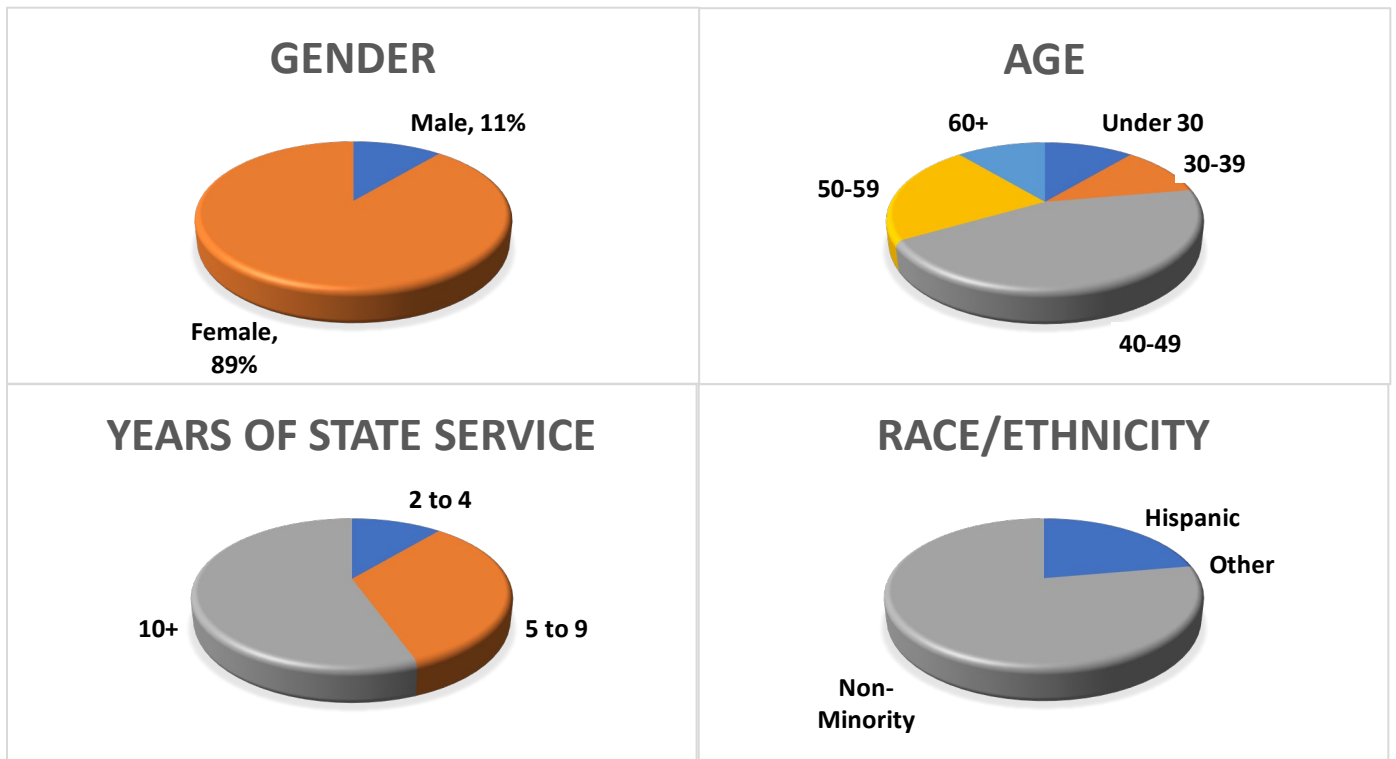
CRITICAL WORKFORCE SKILLS:

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, 2022. The Texas Legislature authorized 10.0 positions for the agency, consisting of attorneys, an actuary, analysts, and support staff. Currently, this workforce consists of nine positions filled, which is reflected as eleven percent (11%) males and eighty-nine percent (89%) females, with twenty percent (20%) under the age of 40 and seventy percent (70%) between the ages of 40 and 70.



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, twenty percent (20%) 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, 2022, for fiscal year (FY) 2022 is 10.1 percent (10.1%). An increase in that percentage between now and the end of FY 2022 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. The low turnover rate is reflective of OPIC’s positive work environment and overall flexibility. Flexibility and a good work environment have helped, but we anticipate difficulties in retention and recruiting in the future.

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.

As an additional example, OPIC's former Deputy Director retired at the end of fiscal year 2021. It was necessary to split the duties of that position. OPIC hired an actuary to fulfill only the rate filing analysis duty, shifted the supervisory role to the agency's Chief of Operations, and the risk management role to the Deputy Public Counsel.

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. OPIC made the strategic decision to expand the duties of these 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

Gap	Existing employees may not be adequately prepared for succession if there is turnover among key employees.
Goal	Further develop practices and procedures to maintain employee development and training for future succession and skill enhancement.
Rationale	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.
Action Steps	<ul style="list-style-type: none"> • Continue to employ project management strategies to ensure pairing of experienced employees with newer employees of lesser experience. • Routinely survey employees to determine which skills they feel require more development. • Examine alternatives for employee training that maximizes resources. Examples of avenues for research include internal training, internet training, cross-agency training, and external training. • Maintain and further develop internal cross-training procedures to allow for greater breadth of responsibility and knowledge. • Continue to include personnel turnover as an area for review in the internal audit risk assessment. • Engage the Legislature to address managing and staffing issues.