

***AGENCY STRATEGIC PLAN***  
***FISCAL YEARS 2025 TO 2029***

SUBMITTED TO THE  
OFFICE OF THE GOVERNOR'S BUDGET AND POLICY TEAMS  
AND THE LEGISLATIVE BUDGET BOARD

BY

***OFFICE OF PUBLIC INSURANCE COUNSEL***



***June 1, 2024***

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A handwritten signature in blue ink, appearing to read 'David Bolduc', is centered on the page.

**DAVID BOLDUC, PUBLIC COUNSEL**

**JUNE 1, 2024**

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## AGENCY MISSION

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

## AGENCY OPERATIONAL GOALS AND ACTION PLAN

### GOAL 1

**Represent the interest of Texas insurance consumers effectively in rate, rule, and policy form filings, as well as any judicial and legislative proceedings, and other public forums involving insurance matters. (Texas Insurance Code Chapter 501)**

### SPECIFIC ACTION ITEMS TO ACHIEVE GOAL (All Action Items Below Are Ongoing)

1. Review rate filings and work against unjustified, unfairly discriminatory, illegal, or excessive rate increases and toward increased benefits to policyholders;
2. Review policy form filings and rules for clarity and compliance with the law;
3. Prevent or limit the reduction of coverage available to insurance consumers;
4. Work to make the overall insurance market more responsive to Texas insurance consumers; and
5. Act as a resource for the Texas Legislature in legislative hearings and other legislative proceedings that address issues affecting Texas insurance consumers.

### HOW GOAL OR ACTION ITEM SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.

#### FUNDING AND ACCOUNTABILITY:

OPIC is a net positive contributor to General Revenue and is dedicated to diligently representing the interests of Texas consumers in a cost-efficient manner.

Texas Insurance Code Chapter 501, Subchapter E creates the primary funding mechanism for the agency. The General Appropriations Act (GAA) allocates this funding for Goal 1.

Goal 1 is funded by an annual 5.7 cent fee (collected by the Comptroller of Public Accounts (CPA) on certain insurance policies sold in Texas. In the last biennium, OPIC was appropriated \$808,420 each fiscal year, or 24% of the fees collected.

OPIC is currently appropriated about 39% of those funds, totaling \$1,299,521 for fiscal year 2024, and \$1,297,824 for fiscal year 2025.

Last biennium, OPIC had successful results in rate filing reviews, saving Texas consumers almost \$23 for every \$1 appropriated to the agency for Goal 1. Benefits from OPIC's policy form reviews are difficult to quantify in dollars, since they tend to preserve or extend consumer protections, rather than results in premium savings. Still, these reviews result in companies making policy changes that provide more clarity for policyholders and preserve important coverages that can result in less out-of-pocket expenses for Texas consumers.

OPIC tracks the number of consumers assisted, policy form revisions made at its request or because of objections, rate discussions and objections, and savings to consumers that result from its actions. The agency works with the Legislative Budget Board (LBB) to improve the relevance and transparency of its performance measures. The results show that OPIC's efforts save consumers much more money than the agency is allocated from the funding mechanism in the agency's authorizing statute.

Documented savings to consumers have historically exceeded the agency's operating budget.

#### DUTIES AND ACCOUNTABILITY:

OPIC's statutory duty is to represent the interests of insurance consumers in Texas, and the agency uses its funds to fulfill that duty. The affordability and availability of insurance is, and will continue to be, an important issue to Texans. Similarly, the ability of Texas residents to insure their businesses, property, and health are of vital importance to the state's economic health. OPIC's efforts are crucial in ensuring that consumers are able to make educated decisions about their insurance and purchase coverage that best protects their health and assets.

OPIC uses the funds to intervene, as appropriate, on rate, rule, and form filings. OPIC intervenes to increase transparency and clarity, protect Texans from unjustified rate increases, limit reductions in policy form coverages, and help other regulatory agencies produce rules that benefit Texas consumers. OPIC also engages in consumer outreach and education to provide meaningful information that helps Texas consumers obtain the insurance that best meets their needs. OPIC provides information about insurance issues affecting Texas consumers to the Texas Legislature both during the session and the interim.

2. Efficient by producing maximum results with no waste of taxpayer funds by identifying any function or provision considered redundant or not cost-effective.

Since OPIC is a small agency, redundancy and assumption of non-core functions are not issues that arise often. Each of OPIC's staff members has a specific, defined role with duties that need a high level of expertise, agency experience, and education. Accordingly, there is little overlap among the positions. Redundancy and assumption of non-core functions is further avoided by focusing the agency's time and resources on its statutory duties. OPIC is also prudent in

exercising its statutory duties, carefully focusing the agency's resources on the issues of greatest concern to Texas consumers.

OPIC negotiates rate reductions and form changes with insurance companies and TDI before initiating a State Office of Administrative Hearings proceeding or before the implementation of rates and forms, if possible. This avoids costly litigation or retroactive review of a rate or form while achieving appropriate savings and protections for consumers up front.

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

OPIC generally achieves a high rate of success in its core functions and performance measures by carefully focusing the agency's limited resources on the statutory duties defined in Texas Insurance Code Chapter 501.

OPIC is also looking to better meet its statutory duties. For example, since December 2018, OPIC has fulfilled its statutory duty to recommend legislation that positively affects insurance consumers by producing legislative recommendation reports for the 86<sup>th</sup>, 87<sup>th</sup>, and 88<sup>th</sup> Texas Legislatures. Several of the agency's recommendations became legislation and were passed into law. OPIC plans to provide a Recommendations Report to the 89<sup>th</sup> Texas Legislature as well.

OPIC maintains a system to track metrics related to core agency functions. The agency recently updated and revised this tracking system to better capture agency performance. This tracking system forms the basis of OPIC's performance measure reporting. Agency performance measures capture the effectiveness of the agency in fulfilling its statutory duties.

Over time, the agency's mission has evolved with technological advances and changes to the insurance regulatory structure. OPIC maximizes the impact of its 16 authorized full-time employees (FTEs) by hiring and retaining staff with specialized knowledge and experience, and by only filling positions when necessary and appropriate, when it finds qualified candidates, and when they are actually needed to perform functions. This staff, along with the agency's commitment to using technological advances available, allows the small agency to maximize the impact of its efforts. OPIC reviews hundreds of personal lines policy forms and endorsements each year for compliance with the law, clarity, and to limit reductions in coverage. The agency reviews a similar number of rate filings annually for instances of unjustified, unfairly discriminatory, illegal, or excessive rates.

4. Attentive to providing excellent customer service.

OPIC serves insurance consumers whose needs vary by line of insurance, such as drivers buying personal automobile insurance, and small employers and individuals shopping for life or health coverage. OPIC provides assistance to consumers, insurance agents, and other stakeholders on a

regular basis as part of its normal operations. In addition to its toll-free telephone number, OPIC receives inquiries and feedback through both its agent and consumer website portals, and through social media communications.

The website portals allow a broader range of staff to address questions and concerns. OPIC tracks all telephone, website, and electronic mail inquiries and documents all responses. The agency also administers an annual customer satisfaction survey, the results of which are reported to state leadership and certain state agencies.

OPIC recognizes both the local and statewide concerns facing Texas insurance consumers. OPIC monitors rules, policy forms, and rate filings on a statewide basis; however, the agency also considers how certain filings and rules impact specific areas in the state. OPIC staff also monitor insurance news and case law to identify potential new concerns for consumers and to begin thinking of ways that the agency can best address those concerns in the regulatory and legislative arenas.

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

OPIC considers openness and transparency with Texans paramount. OPIC ensures that public open records and other information requests receive timely and complete responses.

Due to its size and other factors, OPIC is not particularly well known by the public. OPIC, however, actively works to improve its visibility so that more Texans avail themselves of the agency's resources. The agency continually makes updates to its website and social media applications to improve their usefulness to consumers.

OPIC's resources are updated periodically to provide information in plain language. OPIC created and maintains resources such as the agency's policy comparison tool, articles on how to read a policy declarations page, and communications detailing the practical financial impact of changes in coverage. These resources are easy to use and provide meaningful, practical assistance to consumers. OPIC continues its plain language initiative, and develops new, and improves upon existing, resources to further help consumers in an effective way.

OPIC produces a summary at the end of every year of the agency's activities and achievements, including successes in reducing rates and preserving coverage. This compilation is available on the agency's website and communicated via social media. OPIC also develops projects such as Shop Your Policy where staff shop their own insurance policies for improved coverage and rates to better assess the insurance marketplace. The results of that project are communicated to consumers via the agency's website and social media.

## GOAL 2

**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)**

### SPECIFIC ACTION ITEMS TO ACHIEVE GOAL (All Action Items Below Are Ongoing)

1. Contact Texas insurance consumers by efficient and effective means to educate them about their rights and responsibilities;
2. Educate insurance consumers about the operation of Texas insurance markets and insurance products available; and
3. Help consumers obtain the insurance products that best meet their needs.

### HOW GOAL OR ACTION ITEM SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.

#### FUNDING AND ACCOUNTABILITY:

OPIC is a net positive contributor to General Revenue and is dedicated to diligently representing the interests of Texas consumers in a cost-efficient manner.

Texas Insurance Code Chapter 501, Subchapter E creates the primary funding mechanism for the agency. The GAA allocates this funding for Goal 2.

Goal 2 is funded by an annual 5.7 cent fee on certain insurance policies sold in Texas (collected by the Comptroller of Public Accounts (CPA) and by an Interagency Contract (IAC) for Insurance Information to Consumers with TDI. Of the fees collected, OPIC was appropriated \$127,848 for fiscal year 2024 and \$128,048 for fiscal year 2025. The IAC funds, currently totaling \$191,670 each fiscal year, come from maintenance taxes and fees in TDI's Fund 36. Together, these funds support OPIC in providing consumers with insurance information to make informed decisions. For example, OPIC's consumer education efforts include the HelpInsure.com website, social media outreach, and policy comparison tool; as well as a review of certain TDI consumer publications. Due to the agency's evolution in response to legislative and market changes, consumer outreach and education have become higher priorities for OPIC. OPIC tracks the number of consumers assisted, policy form revisions, and savings to consumers that result from agency actions. The agency also tracks the number of policyholders reached by the Consumer Bill of Rights. The Consumer Bill of Rights is a statutorily mandated document providing a summary of the protections for insurance consumers that have been put into law by the Texas Legislature.



NOTE: The remaining \$1.8 million per fiscal year generated by the fee after funding for Goal 1 and Goal 2 is deposited into General Revenue Fund 1 for the State to use as it deems necessary.

The agency works with the LBB to improve the relevance and transparency of OPIC's performance measures. OPIC tracks the number of consumers assisted, policyholders reached by the bills of rights, policy form revisions, and savings to consumers that result from the agency's actions.

#### DUTIES AND ACCOUNTABILITY:

OPIC's statutory duty is to represent the interests of insurance consumers in Texas, and the agency uses its funding to fulfill that duty. Educating Texas insurance consumers about their rights and responsibilities is, and will continue to be, an important issue. OPIC's efforts are crucial to ensure that consumers are able to make educated decisions about their insurance.

OPIC engages in consumer outreach and education to provide meaningful information that helps Texas consumers obtain the insurance that best meets their needs. OPIC provides information about insurance issues affecting Texas consumers to the Texas Legislature both during the session and the interim.

2. Efficient by producing maximum results with no waste of taxpayer funds and by identifying any function or provision considered redundant or not cost-effective.

OPIC maximizes the impact of its fulltime employees (FTEs) by hiring and retaining staff with specialized knowledge and experience, and by only filling positions when necessary and appropriate, when it finds qualified candidates, and when they are actually needed to perform functions. As a result, OPIC is liable to return unexpended funds.

By focusing on the internet and social media, OPIC continues to communicate with more consumers in a cost-effective manner through its website and social media applications of Facebook and Twitter. Recognizing that the agency's website and social media applications are one of the most efficient and effective means for consumer education, OPIC continues to review both for form, content, and usability to ensure they provide the most useful and current information to consumers in a manner that is easy to understand and easy to use.

OPIC similarly produces content daily for social media. OPIC staff creates social media content to address relevant issues for consumers and current day-to-day insurance concerns, such as hurricanes, floods, and wildfires. OPIC tracks a series of web and social media engagement metrics on both an absolute and historical basis to capture the agency's effectiveness in performing these tasks and reaching Texas consumers. These measures demonstrate overall growth in consumer outreach.

Additionally, OPIC produces news articles, brochures, health plan report cards, and other products that are disseminated via the website and social media at a nominal cost to the agency (and thus the taxpayer). OPIC's website contains a policy comparison tool that allows consumers to compare policies in order to choose the policy that best meets their coverage needs. OPIC also coordinates with TDI to maximize impact and to make sure that our efforts are not duplicative with respect to the agency's educational services and materials.

3. Effective by successfully fulfilling core functions, achieving performance measures, and implementing plans to continuously improve.

OPIC generally achieves a high rate of success in its core functions and performance measures by focusing the agency's limited resources on the statutory duties defined in Texas Insurance Code Chapter 501.

OPIC maintains a system to track metrics related to core agency functions. The agency recently updated and revised this tracking system to better capture agency performance and is in the process of further revisions. This tracking system forms the basis of OPIC's performance measures reporting. Agency performance measures capture the effectiveness of the agency in fulfilling its statutory duties.

Over time, the agency's mission has evolved with technological advances and changes to the insurance regulatory structure. OPIC maximizes the impact of its 16 authorized FTEs by hiring and retaining staff with specialized knowledge and experience. This staff, along with the agency's commitment to using technological advances available, allows the small agency to maximize the impact of its efforts. The agency's website and social media applications help a small agency in Austin, Texas, reach consumers across a vast and diverse state in an efficient and economical manner.

The agency's website portals allow feedback and questions from consumers, insurance agents, and other stakeholders electronically. OPIC staff regularly meet to address future efforts toward remaining an efficient and effective organization.

OPIC continues to produce and update the Consumer Bills of Rights for personal auto, and homeowners, in accordance with Texas Insurance Code Section 501.156. The Bills of Rights provide consumers with a summary of the protections put in place for insurance consumers by the Texas Legislature. Texas law requires Bills of Rights to be included with each consumer's policy, so they have a direct impact on consumers by helping policyholders understand the rights they have under state law.

OPIC also produces reports to enable consumers to compare Health Maintenance Organizations (HMOs) quality of care and performance, per requirements in Texas Insurance Code Chapter

501, Subchapter F. These reports are important to help consumers and small business owners navigate their often-confusing health insurance options.

4. Attentive to providing excellent customer service.

OPIC provides assistance to consumers, insurance agents, and other stakeholders on a regular basis as part of its normal operations. In addition to its toll-free telephone number, OPIC receives inquiries and feedback about various lines of insurance through both its agent and consumer website portals, and through social media communications.

The website portals and social media outreach efforts have resulted in an increasing consumer awareness of OPIC's mission and educational materials as measured by elevation in the number of visitors to the agency's website. OPIC tracks all telephone, website, social media, and electronic mail inquiries and documents responses. The agency administers an annual customer satisfaction survey, and the results are reported to state leadership and certain state agencies.

OPIC recognizes both the local and statewide concerns facing Texas insurance consumers. OPIC uses its website and social media applications to provide information of concern to consumers across the state and to consumers in particular areas of the state. OPIC staff also monitor insurance news and case law to identify potential new concerns for consumers and to begin thinking of ways that the agency can best address those concerns in the regulatory and legislative arenas.

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

OPIC considers openness and transparency with Texans paramount. OPIC ensures that public open records and other information requests receive timely and complete responses.

OPIC continues to actively work to improve its visibility so that more Texans will avail themselves of the agency's resources. The agency is continually monitoring and updating its website to improve accessibility and consumer-friendliness, and actively seeks new ways to reach consumers through social media.

To enhance transparency and reach more consumers, OPIC's resources have been updated to provide information in plain language. OPIC also created resources such as the agency's policy comparison tool, articles on how to read a policy declarations page, and communications detailing the practical financial impact of changes in coverage. Additionally, OPIC prepares toolkits to help Texans impacted by natural disasters such as wildfires or flooding and makes these toolkits available through its website and social media.

One of OPIC's most used web-based services is the policy comparison tool for personal automobile, homeowners, renters, and condo coverages. This tool allows consumers with no

insurance expertise to compare insurance coverages offered by different companies. The tool was the first of its kind launched in the United States and has received acclaim from consumers, agents, and regulators alike. OPIC recently began the process of overhauling the tool to make it more useful and to reflect market and legislative changes. This effort to keep the tool up to date will continue beyond the current overhaul, and the agency expects revisions to the tool to be an ongoing endeavor.

In addition, since September 2008, the agency has partnered with TDI to produce a website (HelpInsure.com) combining consumer information produced by the agencies as well as adding new information as required by legislation passed by the 80<sup>th</sup> Legislature. The website allows consumers to compare sample prices, find discounts, get complaint info, and see rankings of many insurers in Texas. Together with OPIC's policy comparison tool, consumers can compare insurer rates and coverages to see what best meets their needs. By virtue of legislation passed by the 84<sup>th</sup> Legislature, OPIC was also allowed to expand its offerings by posting property and casualty forms on the internet. These efforts work together to help consumers shop more effectively for the coverages they need.

As an example of OPIC's ongoing responsiveness to events, OPIC has revamped the health section of its website to better help consumers understand coverage types and purchase or availability options. The agency created new webpages about different ways to access health insurance and created comparisons of the four main types of health plans – HMOs, EPOs, PPOs, and POS – to help consumers decide which plan is best for them. OPIC plans to continue with plain language initiatives, and develop new, and improve upon existing, resources to help consumers with common insurance issues and emerging insurance issues in an effective way.

OPIC produces a summary at the end of every year of the agency's activities and achievements, including information about new consumer resources and the success of consumer education and outreach efforts. For example, in fiscal year 2023 OPIC reached over 5.8 million Texans with insurance-related content via its social media channels (Facebook and Twitter) and its website. Additionally, OPIC has revised the Auto and Residential Property Insurance Bill of Rights to reflect recent legislative changes and improve readability. The Insurance Bill of Rights documents outline important rights consumers have under Texas law regarding insurance. OPIC also began educational efforts around a consumer's right to appraisal. Finally, OPIC launched an overhaul project to update its web-based Insurance Policy Comparison Tool to make it more user-friendly.

# **SCHEDULE A: BUDGET STRUCTURE**

## **AGENCY GOAL 1: REPRESENT TX INSURANCE CONSUMERS**

**Represent the interest of Texas insurance consumers effectively in rate, rule, and policy form filings, as well as any judicial and legislative proceedings, and other public forums involving insurance matters. (Texas Insurance Code Chapter 501)**

### **OBJECTIVE 1: FAIR INSURANCE RATES/RULES**

In each year, participate in rate, rule, and policy form filings, as well any judicial proceedings, including appeals after administrative proceedings and amicus briefs, having a significant impact on Texas insurance consumers to ensure that insurance rates in Texas are fair and that rules are adequate to protect Texas insurance consumers; and act as a resource in legislative proceedings addressing issues affecting Texas insurance consumers.

### **STRATEGY 1: PARTICIPATE IN RATES/RULES/FORMS**

Participate in rate hearings, rate, rule, and policy form filings, as well as any judicial proceedings including appeals after administrative proceedings and amicus briefs, on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys; and provide information and research to the Legislature and executive branch.

### **OUTCOME MEASURES:**

- Percentage of Rate, Rule, and Policy Form Filings Participatory OPIC
- Percentage of Rates, Rules, and Policy Form Filings Through OPIC Participation
- Percentage of Policy Form Changes As a Result of OPIC Participation

### **OUTPUT MEASURES:**

- Number of Policy Form Filings Reviewed to Determine Need for Analysis
- Number of Policy Form Filings Analyzed to Determine Need for Revision
- Number of Policy Form Changes Requested for Revision
- Number of Rule Proposals Reviewed to Determine Need for Analysis
- Number of Rule Proposals Analyzed to Determine Need for Revision
- Number of Rule Proposal Changes Requested for Revision
- Number of Rate Filings Reviewed to Determine Need for Analysis
- Number of Rate Filings Analyzed to Determine Need for Revision
- Number of Rate Filings With Changes Requested for Revision
- Number of Responses to Legislative or Executive Office Requests for Research or Information

EFFICIENCY MEASURES:

- Dollar Amount Saved in Property and Casualty Insurance Policies in Texas

**AGENCY GOAL 2: INCREASE CONSUMER CHOICE**

**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 1: CONTACT INSURANCE CONSUMERS

Contact Insurance Consumers Regarding Insurance Coverage/Markets

To contact Texas insurance consumers by efficient means about insurance coverage and the insurance marketplace and to participate in public forums to obtain information in order to formulate positions advantageous to insurance consumers.

STRATEGY 1: INSURANCE INFORMATION

To contact Texas consumers to obtain market information and to provide consumers with information needed to make informed choices by conducting issue research, producing informational materials, and making public presentations, and formulating and revising consumer bills of rights.

OUTCOME MEASURES:

- Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts

OUTPUT MEASURES:

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

## **SCHEDULE B: PERFORMANCE MEASURES**

### **GOAL 1: REPRESENT TX INSURANCE CONSUMERS**

**Represent the interest of Texas insurance consumers effectively in rate, rule, and policy form filings, as well as any judicial and legislative proceedings, and other public forums involving insurance matters. (Texas Insurance Code Chapter 501)**

#### **OBJECTIVE 1: FAIR INSURANCE RATES/RULES/FORMS**

In each year, participate in rate, rule, and policy form filings, as well any judicial proceedings, including appeals after administrative proceedings and amicus briefs, having a significant impact on Texas insurance consumers to ensure that insurance rates in Texas are fair and that rules are adequate to protect Texas insurance consumers; and act as a resource in legislative proceedings addressing issues affecting Texas insurance consumers.

#### **STRATEGY 1: PARTICIPATE IN RATES/RULES/FORMS**

Participate in rate hearings, rate, rule, and policy form filings, as well as any judicial proceedings including appeals after administrative proceedings and amicus briefs, on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys; and provide information and research to the Legislature and executive branch.

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#### **OUTCOME MEASURE 1: Percentage of Rate, Rule, and Policy Form Filings Participatory OPIC**

**DEFINITION:** The percentage of rate, rule, and policy form filings in which the agency participated. These activities include rates filed by insurance companies, and rule and policy form changes filed by insurance companies, insurance industry trade groups, the Texas Department of Insurance staff, individual consumers, consumer groups, or the agency which are reviewed to determine if they affect, or have the potential to affect, a class or a substantial number of consumers.

**PURPOSE:** This measure addresses the agency's statutory duty to intervene on behalf of consumers in matters involving rate, rule, and policy form filings affecting various lines of insurance. It is important to monitor any trends in the number or type of these filings to determine market trends and aid the agency in its budget planning process.

**DATA SOURCE:** An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rate, rule, and policy form filings is entered by agency staff on a regular basis.

**METHODOLOGY:** The number of rate, rule, and policy form filings in which the agency participated during the reporting period is divided by the total number of reviewed filings for the reporting period.

DATA LIMITATIONS: The number of rate, rule, and policy form filings in which the agency participates is largely determined by outside influences such as the number of filings or proposals made and the reasonableness of the rate, rule, and policy form filings.

CALCULATION METHOD: Non-cumulative

NEW MEASURE: No

TARGET ATTAINMENT: Higher Than Target

OUTCOME MEASURE 2: Percentage of Rates, Rules, and Policy Form Filings Changed as a Result of OPIC Participation

DEFINITION: The percentage of rates, rules, and policy form filings changed as a result of agency participation. Rates, rules, and policy forms changed as a result of OPIC participation includes the adoption or partial adoption of a consumer benefit, including rate reductions, rate justifications, form changes, increased coverage, or other benefits.

PURPOSE: Participation in rate, rule, and policy form filings addresses the agency's statutory duty to intervene on behalf of consumers in matters involving rate, rule, and policy form filings affecting various lines of insurance. Participating and representing the interests of insurance consumers in these filings is one of the primary goals of the agency. It is important to monitor these goals to determine the level of benefit received by consumers.

DATA SOURCE: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rate, rule, and policy form filings is entered by agency staff on a regular basis.

METHODOLOGY: The total number of rate, rule, and policy form filings in which the agency was successful in obtaining benefits for consumers during the reporting period is divided by the total number of filings where changes were requested.

DATA LIMITATIONS: The number of rate, rule, and policy form filings changed as a result of agency participation is largely determined by outside influences such as the number of filings or proposals made and the reasonableness of the rate, rule, and policy form filings.

CALCULATION METHOD: Non-cumulative

NEW MEASURE: No

TARGET ATTAINMENT: Higher Than Target

OUTCOME MEASURE 3: Percentage of Policy Form Changes as a Result of OPIC Participation

DEFINITION: The percentage of policy form changes as a result of agency participation includes form changes, increased coverage, or other benefits.

PURPOSE: Changes in policy forms address the agency's statutory duty to intervene on behalf of consumers in matters involving policy form filings affecting various lines of insurance. Securing positive



changes in forms is one of the primary goals of the agency. It is important to monitor these goals to determine the level of benefit received by consumers.

DATA SOURCE: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding policy form changes is entered by agency staff on a regular basis.

METHODOLOGY: The total number of policy form changes in which the agency was successful in obtaining benefits for consumers during the reporting period is divided by the total number of changes requested for the reporting period.

DATA LIMITATIONS: The number of policy form changes is largely determined by outside influences such as the number of filings made and the reasonableness of the filings.

CALCULATION METHOD: Non-cumulative

NEW MEASURE: Yes

TARGET ATTAINMENT: Higher Than Target

OUTPUT MEASURE 1: Number of Policy Form Filings Reviewed to Determine Need for Analysis

DEFINITION: The number of policy form filings initiated at Texas Department of Insurance or other government agency which the agency reviewed to identify effects on consumers and whether any further analysis was necessary during the reporting period.

PURPOSE: This measure addresses the agency's statutory duty to intervene on behalf of consumers in matters involving policy form filings related to various lines of insurance. It is important to monitor the number or types of filings in order to determine market trends and to aid the agency in its budget planning process.

DATA SOURCE: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding policy form filings is entered by agency staff on a regular basis.

METHODOLOGY: Policy form filings which the agency reviewed during the reporting period are totaled.

DATA LIMITATIONS: The number of policy form filings reviewed by the agency is largely determined by the number and type of filings made by insurers. Filings may vary widely in size and complexity.

CALCULATION METHOD: Cumulative

NEW MEASURE: No

TARGET ATTAINMENT: Higher Than Target

OUTPUT MEASURE 2: Number of Policy Form Filings Analyzed to Determine Need for Revision

DEFINITION: The number of policy form filings which the agency analyzed or provided oral and/or written comments or testimony during the reporting period.

**PURPOSE:** This measure addresses the agency’s statutory duty to intervene on behalf of consumers in matters involving policy forms affecting various lines of insurance. It is important to monitor the number or type of filings in order to determine market trends and to aid the agency in its budget planning process.

**DATA SOURCE:** An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding policy form filings is entered by agency staff on a regular basis.

**METHODOLOGY:** Policy form filings which the agency analyzed or provided oral and/or written comments or testimony during the reporting period are totaled.

**DATA LIMITATIONS:** The number of policy form filings analyzed by the agency is largely determined by outside influences such as the number or type of filings made by others. Filings may vary widely in size and complexity.

**CALCULATION METHOD:** Cumulative

**NEW MEASURE:** No

**TARGET ATTAINMENT:** Higher Than Target

**OUTPUT MEASURE 3: Number of Policy Form Changes Requested for Revision**

**DEFINITION:** The number of policy form changes requested by the agency during the reporting period.

**PURPOSE:** This measure addresses the agency’s statutory duty to intervene on behalf of consumers in matters involving policy forms affecting various lines of insurance. It is important to monitor the agency's effort to secure policy changes.

**DATA SOURCE:** An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding policy form filings is entered by agency staff on a regular basis.

**METHODOLOGY:** Policy form changes requested by the agency during the reporting period are totaled.

**DATA LIMITATIONS:** The number of policy form changes requested by the agency after analysis is largely determined by outside influences such as the quality of filings made by insurers.

**CALCULATION METHOD:** Cumulative

**NEW MEASURE:** Yes

**TARGET ATTAINMENT:** Higher Than Target

**OUTPUT MEASURE 4: Number of Rule Proposals Reviewed to Determine Need for Analysis**

**DEFINITION:** The number of rule proposals initiated at Texas Department of Insurance or other government agency which the agency reviewed to identify effects on consumers and whether any further analysis was necessary during the reporting period.

PURPOSE: This measure addresses the agency's statutory duty to intervene on behalf of consumers in matters involving rules related to various lines of insurance. It is important to monitor the number or types of proposals in order to determine market trends and to aid the agency in its budget planning process.

DATA SOURCE: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rule proposals is entered by agency staff on a regular basis. Data is collected from the Texas Register and other sources.

METHODOLOGY: Rule proposals which the agency reviewed during the reporting period are totaled.

DATA LIMITATIONS: The number of rule proposals reviewed by the agency is largely determined by outside influences. Proposals may vary widely in size and complexity.

CALCULATION METHOD: Cumulative

NEW MEASURE: No

TARGET ATTAINMENT: Higher Than Target

OUTPUT MEASURE 5: Number of Rule Filings Analyzed to Determine Need for Revision

DEFINITION: The number of rule proposals initiated at the Texas Department of Insurance or other government agency which the agency analyzed or provided oral and/or written comments or testimony during the reporting period.

PURPOSE: This measure addresses the agency's statutory duty to intervene on behalf of consumers in matters involving rules affecting various lines of insurance. It is important to monitor the number or type of proposals in order to determine market trends and to aid the agency in its budget planning process.

DATA SOURCE: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rule proposals is entered by agency staff on a regular basis. Data is collected from the Texas Register and the agency receiving the rule filing.

METHODOLOGY: Rule proposals which the agency analyzed or provided oral and/or written comments or testimony during the reporting period are totaled.

DATA LIMITATIONS: The number of rule proposals analyzed by the agency is largely determined by outside influences. Proposals may vary widely in size and complexity.

CALCULATION METHOD: Cumulative

NEW MEASURE: No

TARGET ATTAINMENT: Higher Than Target

OUTPUT MEASURE 6: Number of Rule Proposal Changes Requested for Revision

DEFINITION: The number of Rule changes requested by the agency during the reporting period.

PURPOSE: This measure addresses the agency's statutory duty to intervene on behalf of consumers in matters involving Rule Proposals affecting various lines of insurance. It is important to monitor the agency's effort to secure necessary rule changes.

DATA SOURCE: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rules is entered by agency staff on a regular basis.

METHODOLOGY: Rule changes requested by the agency during the reporting period are totaled.

DATA LIMITATIONS: The number of Rule changes requested by the agency after analysis is largely determined by outside influences such as the quality of proposals made.

CALCULATION METHOD: Cumulative

NEW MEASURE: Yes

TARGET ATTAINMENT: Higher Than Target

OUTPUT MEASURE 7: Number of Rate Filings Reviewed to Determine Need for Analysis

DEFINITION: The number of rate filings which the agency reviewed to identify effects on consumers and whether any further analysis was necessary during the reporting period.

PURPOSE: This measure addresses the agency's statutory duty to intervene on behalf of consumers in matters involving rates related to various lines of insurance. It is important to monitor the number or type of filings in order to determine market trends and to aid the agency in its budget planning process.

DATA SOURCE: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rate filings is entered by agency staff on a regular basis.

METHODOLOGY: Rate filings which the agency reviewed during the reporting period are totaled.

DATA LIMITATIONS: The number of rate filings reviewed by the agency is largely determined by outside influences, such as the number and type of filings made by insurers. Filings may vary widely in size and complexity.

CALCULATION METHOD: Cumulative

NEW MEASURE: No

TARGET ATTAINMENT: Higher Than Target

OUTPUT MEASURE 8: Number of Rate Filings Analyzed to Determine Need for Revision

DEFINITION: The number of rate filings which the agency analyzed or provided oral and/or written comments or testimony during the reporting period.

PURPOSE: This measure addresses the agency's statutory duty to intervene on behalf of consumers in matters involving rates related to various lines of insurance. It is important to monitor the number or type of filings in order to determine market trends and to aid the agency in its budget planning process.

DATA SOURCE: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rate filings is entered by agency staff on a regular basis.

METHODOLOGY: Rate filings which the agency analyzed or provided oral and/or written comments or testimony during the reporting period are totaled.

DATA LIMITATIONS: The number of rate filings analyzed by the agency is largely determined by outside influences, such as the number and type of filing, and the reasonableness of the rates requested in the filings. Filings may vary widely in size and complexity.

CALCULATION METHOD: Cumulative

NEW MEASURE: No

TARGET ATTAINMENT: Higher Than Target

#### OUTPUT MEASURE 9: Number of Rate Filings With Changes Requested for Revision

DEFINITION: The number of Rate Filings where changes were requested by the agency during the reporting period.

PURPOSE: This measure addresses the agency's statutory duty to intervene on behalf of consumers in matters involving Rate Filings affecting various lines of insurance. It is important to monitor the agency's effort to secure rate filing changes.

DATA SOURCE: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rate filings is entered by agency staff on a regular basis.

METHODOLOGY: Rate Filings where changes were requested by the agency during the reporting period are totaled.

DATA LIMITATIONS: The number of Rate Filings where changes were requested by the agency after analysis is largely determined by outside influences such as the quality of filings made by insurers.

CALCULATION METHOD: Cumulative

NEW MEASURE: Yes

TARGET ATTAINMENT: Higher Than Target

#### OUTPUT MEASURE 10: Number of Responses to Legislative or Executive Requests for Research or Information

DEFINITION: The number of Legislative or Executive requests, including those related to a bill, in which the agency participated by performing an analysis of the bill and/or provided a written or oral response during the reporting period.

PURPOSE: This measure addresses the agency's statutory duty to intervene on behalf of consumers in matters affecting various lines of insurance and to recommend legislation to the Legislature that would positively affect the interests of insurance consumers. It is important to monitor this measure in order to aid the agency in its budget planning process.

DATA SOURCE: Data used for this calculation is from an agency database maintained and utilized to track legislative and executive requests for research or information.

METHODOLOGY: The number of responses to legislative or executive requests for research or information during the reporting period are totaled. Each request is only counted once for this measure.

DATA LIMITATIONS: The number of responses completed is dependent upon the number of requests received from sources outside of the agency.

CALCULATION METHOD: Cumulative

NEW MEASURE: No

TARGET ATTAINMENT: Higher Than Target

EFFICIENCY MEASURE: Dollar Amount Saved In Property and Casualty Insurance Policies in Texas

DEFINITION: The dollar amount saved for property and casualty insurance consumers in Texas resulting from the Office of Public Insurance Counsel intervention.

PURPOSE: This measure addresses property and casualty insurance consumers' cost savings by assessing the Office of Public Insurance Counsel's rate intervention on behalf of Texas insurance consumers.

DATA SOURCE: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rate filings is entered by agency staff on a regular basis.

METHODOLOGY: The impact of rate changes is estimated by calculating the apparent annualized rate impact using initially proposed and final implemented rates and determining the difference in the amount of premium attributable to those rates. The impact of refunds is estimated by calculating the dollar amount issued to policyholders in the form of premium refunds.

DATA LIMITATIONS: This measure is limited to rate changes and refunds that can be estimated by the agency, and does not include the results of policy changes, which would be extremely difficult to estimate.

CALCULATION METHOD: Non-cumulative

NEW MEASURE: Yes

TARGET ATTAINMENT: Higher Than Target

**AGENCY GOAL 2: INCREASE CONSUMER CHOICE**

**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 1: CONTACT INSURANCE CONSUMERS**

To contact Texas insurance consumers by efficient means about insurance coverage and the insurance marketplace and to participate in public forums to obtain information in order to formulate positions advantageous to insurance consumers.

**STRATEGY 1: INSURANCE INFORMATION**

To contact Texas consumers to obtain market information and to provide consumers with information needed in order to make informed choices by conducting issue research, producing informational materials, and making public presentations, and formulating and revising consumer bills of rights.

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**OUTCOME MEASURE 1: Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts**

**DEFINITION:** The percentage of insurance consumers reached by the agency's outreach efforts. Insurance consumers reached include consumers who access or receive agency publications and information through electronic or other means.

**PURPOSE:** The percentage of consumers reached addresses the agency's statutory duties to educate consumers, represent the interests of consumers, submit consumer bills of rights to be distributed to insurance policyholders, and provide consumers with a comparison and evaluation of HMOs in Texas. It is important to monitor these activities in order to determine market trends and to aid the agency in its budget planning process.

**DATA SOURCE:** Data regarding agency publications is maintained on a database and updated regularly. Market information such as the number of insurance policyholders in the state is available from the Texas Department of Insurance. The agency uses an internet service to summarize and report its web site activity.

**METHODOLOGY:** The estimated number of consumers to whom agency publications and information including interviews, HMO report cards, and consumer bills of rights are distributed through electronic or other means during the reporting period is divided by the total number of insurance consumers in the state during the reporting period. The result is multiplied by 100 to achieve a percentage.

**DATA LIMITATIONS:** Limited availability of data has resulted in estimates only for this measure. While web site visits and actual distribution of hard copy material is easily tracked, it is difficult to determine how many insurance consumers are accessing information through other media.

CALCULATION METHOD: Non-cumulative  
NEW MEASURE: No  
TARGET ATTAINMENT: Higher Than Target

OUTPUT MEASURE 1: Number of Bills of Rights or Revisions Proposed

DEFINITION: The number of completed consumer bills of rights or revisions submitted to the Texas Department of Insurance for adoption during the reporting period.

PURPOSE: This measure addresses the statutory duty of the agency to submit for adoption a consumer bill of rights for each personal line of insurance.

DATA SOURCE: Data used for this calculation is from an agency database maintained and utilized to track projects, activities, and outcomes of the agency. Information regarding bills of rights is entered by agency staff on a regular basis.

METHODOLOGY: Consumer bills of rights and revisions submitted to the Texas Department of Insurance during the reporting period are totaled.

DATA LIMITATIONS: Revisions to the bills of rights may be required depending upon legislative or regulatory action.

CALCULATION METHOD: Cumulative  
NEW MEASURE: No  
TARGET ATTAINMENT: Higher Than Target

OUTPUT MEASURE 2: Number of Report Cards and Publications Produced and Distributed

DEFINITION: The number of agency-produced publications, including but not limited to HMO report cards and educational brochures, which were distributed during the reporting period.

PURPOSE: This measure addresses the statutory duties of the agency to educate consumers and represent the interests of consumers. It is important to monitor these costs to aid the agency in its budget planning process.

DATA SOURCE: Data used for this calculation is from an agency database and monthly server profiles on the agency's internet activity.

METHODOLOGY: Agency-produced publications, including but not limited to HMO report cards and educational brochures, which were distributed during the reporting period are totaled.

DATA LIMITATIONS: Data used to determine internet activity is based on monthly reports from an outside source. While web site visits and actual distribution of hard copy material is easily tracked, it is difficult to determine how many insurance consumers are accessing agency-produced publications through other media.



CALCULATION METHOD: Cumulative  
NEW MEASURE: No  
TARGET ATTAINMENT: Higher Than Target

OUTPUT MEASURE 3: Number of Public Presentations or Communications

DEFINITION: The number of public presentations and communications, including presentations and communications to advisory groups or task forces, media, and other entities outside the agency.

PURPOSE: This measure addresses the agency's statutory duties to educate consumers, and represent the interests of insurance consumers, and provide information related to various lines of insurance. It is important to monitor this measure in order to aid the agency in its budget planning process.

DATA SOURCE: Data used for this calculation is from an agency database maintained and utilized to track projects, activities, and outcomes of the agency. Information regarding public presentations and communications to advisory groups or task forces, media, and other entities outside the agency is entered by agency staff on a regular basis.

METHODOLOGY: Public presentations and communications, including presentations and communications to advisory groups or task forces, media, and other entities outside the agency during the reporting period are totaled.

DATA LIMITATIONS: The number of public presentations and communications is largely determined by media interest and other outside interest in insurance issues during the reporting period. Advisory groups or task forces are usually set up by other agencies, often as directed by legislative mandate.

CALCULATION METHOD: Cumulative  
NEW MEASURE: No  
TARGET ATTAINMENT: Higher Than Target

## **SCHEDULE C: HISTORICALLY UNDERUTILIZED BUSINESS PLAN**

Texas Government Code Section 2161.181 requires that each state agency make a good faith effort to award procurement opportunities to businesses certified as historically underutilized, to ensure that a fair share of state business is awarded to Historically Underutilized Businesses (HUBs).

A certified HUB business must meet the criteria listed in 34 Texas Administrative Code Section 20.282. The HUB Program is governed by Texas Government Code Chapter 2161.

### POLICY STATEMENT

OPIC is committed to providing procurement and contracting opportunities for businesses owned by minorities, women, and service-disabled veterans.

OPIC has, and will continue to, make a good faith effort to award HUBs a portion of the total value of all contracts that OPIC expects to award in a fiscal year in accordance with the HUB goals set out by the State of Texas.

### HUB COORDINATOR/PURCHASER

The HUB Coordinator/Purchaser will use the CPA Centralized Master Bidders List/Historically Underutilized Business (CMBL/HUB) directory as its primary source for notifying businesses of procurement related opportunities.

The HUB Coordinator/Purchaser will use this HUB policy for reaching the HUB contracting goals under Texas Government Code Chapters 2261 and 2262, and 34 Texas Administrative Code Chapter 20.

The HUB Coordinator/Purchaser will continue to train to ensure increased HUB participation and contracting.

To meet these goals and objectives, OPIC will continue to do the following:

- Comply with HUB planning and reporting requirements;
- Use CPA's CMBL/HUB directory to ensure that a good faith effort is made to increase the award of goods and services contracts to HUBs;
- Follow the HUB purchasing procedures and requirements established by CPA's Statewide Procurement Division;
- Inform staff of procurement procedures and requirements that encourage HUBs to compete for state contracts;
- Hold internal meetings with HUB vendors;
- Attend HUB meetings and forums;
- Use HUB resellers from the Texas Department of Information Resources contracts as often as possible; and
- Promote HUBs in the competitive and non-competitive process on all goods and services.

OPIC is continually striving to increase procurements with HUB vendors and will continue to explore new opportunities whenever possible.

## **SCHEDULE D: STATEWIDE CAPITAL PLAN**

NOT APPLICABLE

## **SCHEDULE E: HEALTH AND HUMAN SERVICES STRATEGIC PLAN**

NOT APPLICABLE AND NO LONGER REQUIRED

# **SCHEDULE F: AGENCY WORKFORCE PLAN**

## **SECTION I – AGENCY OVERVIEW**

### **AGENCY 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.

### **GOALS**

Represent the interest of Texas insurance consumers effectively in rate, rule, and policy form filings, as well as any judicial and legislative proceedings, and other public forums involving insurance matters. (Texas Insurance Code Chapter 501)

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**

#### **FAIR INSURANCE RATES/RULES; CONTACT INSURANCE CONSUMERS**

In each year, participate in all rate hearings, rate, rule, and policy form filings, as well any judicial proceedings, including appeals subsequent to administrative proceedings and amicus briefs, having a significant impact on Texas insurance consumers to ensure that insurance rates in Texas are fair and that rules are adequate to protect Texas insurance consumers; and act as a resource in legislative proceedings addressing issues affecting Texas insurance consumers.

To contact Texas insurance consumers by efficient means about insurance coverage and the insurance marketplace and to participate in public forums to obtain information to formulate positions advantageous to insurance consumers.

### **CORE BUSINESS FUNCTIONS**

Participate in rate hearings, rate, rule, and policy form filings, as well as any judicial proceedings including appeals subsequent to administrative proceedings and amicus briefs, on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys; and provide information and research to the Legislature and the executive branch.

To contact Texas consumers to obtain market information and to provide consumers with information needed to make informed choices by conducting issue research, producing informational materials, and making public presentations, and formulating and revising consumer bills of rights.

## ANTICIPATED CHANGES

Senate Bill 14, 78<sup>th</sup> 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 legislative recommendations. 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, 86<sup>th</sup> 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 89<sup>th</sup> Session.

In the 88th legislature (2023), in response to some insurers trying to limit the right to appraisal, OPIC recommended that the Texas Legislature require personal auto and residential insurers to continue to afford consumers the right to appraisal when there is a dispute over the cost to repair or the amount of a total loss. Appraisal has long been the standard as an alternative dispute resolution option in Texas for both personal automobile and residential property insurance. Three appraisal bills passed the Texas House by large margins that session. One passed through the Senate Business & Commerce Committee without a dissenting vote, and made it to the Senate intent calendar, but time ran out.

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 currently accomplishes these tasks with 12 FTEs.

Until 2023, OPIC's experienced, knowledgeable staff had been able to cover the increased load, but few skills overlapped between positions. As a result of a statewide budget surplus, OPIC's authorized FTE count increased from 10 to 16 FTEs in the 2023 Texas Legislative session. OPIC is still working on filling the additional positions as appropriate and will likely return funds rather than simply filling positions.

OPIC continues to be successful performing its statutory duties 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 expects to be able to cover its personnel needs within the current FTE authorization. However, as more experienced staff leave the agency for retirement or other opportunities, it may be necessary to split some jobs between less experienced employees, or to examine compensation rates to ensure they are competitive. Additional staff and funding may also be needed if OPIC's statutory duties are expanded by the Texas Legislature.

## **SECTION II – WORKFORCE ANALYSIS**

### **CURRENT WORKFORCE PROFILE**

#### **CRITICAL WORKFORCE SKILLS**

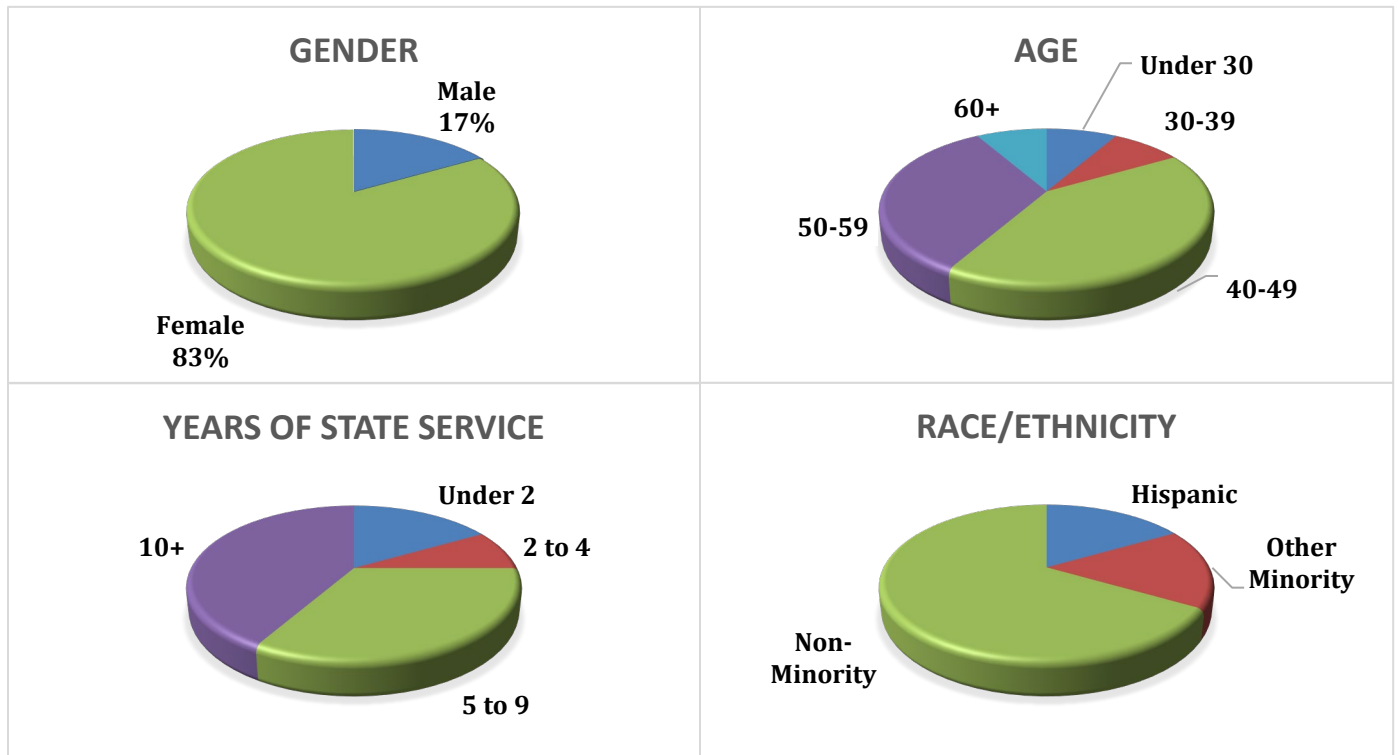
OPIC retains strong, well-qualified staff capable of performing the following functions that are critical to daily operations:

- 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, 2024. The Texas Legislature authorized 16.0 positions for the agency, consisting of attorneys, actuaries, analysts, and support staff. Currently, this workforce consists of twelve positions filled, which is reflected as 17% males and 83% females, with 17% under the age of 40 and 83% between the ages of 40 and 80.





The agency strives toward maintaining a diverse workplace and has had a significant change in the race/ethnic breakdown of its workforce in the past two years. At present, 33% of the agency’s employees are minorities. Tenure remains high with 41% of the agency workforce having over ten years of state service. None are military veterans.

**EMPLOYEE TURNOVER**

Historically, OPIC experiences less than one employee resignation or retirement per year. The turnover rate for fiscal year 2023 was 34%. As of June 1, 2024, the turnover rate has been 0% (no turnover) for fiscal year (FY) 2024. An increase in that percentage between now and the end of FY 2024 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 the agency anticipates 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 two employees eligible to retire immediately. There are no return-to-work retirees currently employed at the agency.

**FUTURE WORKFORCE PROFILE**

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, although hiring personnel with property and casualty and particularly health insurance experience continues to be a challenge because of difficulty in coming close to industry salaries. There remains potential for a gap if there is ever significant turnover in key positions. Over time, OPIC's FTE count had 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/payroll officer 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.

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 16 FTEs. OPIC made the strategic decision to expand the duties of these positions with people that have broad experience and specialized knowledge. The addition of six FTEs in the 88th legislative session makes the further distribution of duties possible. OPIC is still working on filling the additional positions as appropriate, and will likely return funds rather than simply filling positions.

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.

### **SECTION III – WORKFORCE STRATEGIES**

#### **STRATEGIES TO ADDRESS CHANGING WORKFORCE NEEDS**

Existing employees may not be adequately prepared for succession if there is turnover among key employees.

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.

The agency's goal is to further develop practices and procedures to maintain employee development and training for future succession and skill enhancement. Strategies include:

- 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.

#### **RESPONSIBLE PERSONNEL**

It is the responsibility of management to implement this strategy and develop and review action plans as necessary, with executive support and employee input where appropriate.

## **SCHEDULE G: WORKFORCE DEVELOPMENT SYSTEM STRATEGIC PLAN**

NOT APPLICABLE

## SCHEDULE H: REPORT ON CUSTOMER SERVICE

Texas Government Code Chapter 2114 requires state agencies to periodically create and distribute an assessment of their customers' satisfaction with their agency.

### Inventory Of External Customers Served By Strategy

Pursuant to Texas Government Code Chapter 2114, the agency has identified its customers in correlation to its budget strategies below.

Agency customers include all insurance policyholders in Texas. For purposes of the survey, customers include:

- Texas insurance consumers who interact with the agency by phone, email, through its website, or social media;
- consumer or civic organizations that represent various specific groups of insurance consumers the agency has worked with; and
- members of the Texas Legislature and staff the agency has worked with.

#### A.1.1. Strategy: PARTICIPATE IN RATES/RULES/FORMS

Participate in rate hearings, rate, rule, and policy form filings, as well as any judicial proceedings including appeals after administrative proceedings and amicus briefs, on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys; and provide information and research to the Legislature and executive branch.

Consumers or organizations that accessed the agency website and contacted the agency electronically to request information or services were contacted. In addition, consumer or civic organizations and members of the Legislature and their staff with which the agency worked were invited to fill the survey.

#### B.1.1. Strategy: INSURANCE INFORMATION

To contact Texas consumers to obtain market information and to provide consumers with information needed to make informed choices by conducting issue research, producing informational materials, and making public presentations, and formulating and revising consumer bills of rights.

Consumers or organizations that accessed the agency website and contacted the agency electronically to request information or services were contacted. In addition, consumer or civic organizations and members of the Legislature and their staff with which the agency worked were invited to fill the survey.

#### METHODOLOGY:

The customer satisfaction survey was distributed electronically in the spring of 2024. Because it would have been prohibitively expensive to obtain mailing lists and send surveys out to all insurance policyholders, the agency used its internal database, its website, and social media to distribute the survey. OPIC emailed the survey to recipients who contacted the agency, and for additional

transparency posted a link to the survey on our website and social media applications. An exact breakdown of the type of customer submitting surveys was not possible because the inclusion of personal information is optional.

**SUMMARY OF SURVEY RESPONSES:**

OPIC received a small number of responses to its survey requests. While these were overwhelmingly positive, analysis of the responses would not produce a statistically credible result. Nonetheless, an analysis follows per the instructions.

The agency's customer service survey measures satisfaction with the agency's facilities, staff interactions, communications, website, complaint handling processes, timeliness, printed information, and overall satisfaction with the agency. Customers responded using the following scale:

1 – Very unsatisfied 2 – Unsatisfied 3 – Neutral 4 – Satisfied 5 – Very satisfied N/A – Not Applicable

How satisfied customers are with the agency's:	1	2	3	4	5	N/A
1. <b>FACILITIES</b> , including their ability to access the agency, the office location, signs, and cleanliness	0%	0%	0%	0%	70%	30%
2. <b>STAFF</b> , including employee courtesy, friendliness, and knowledgeability, and whether staff members adequately identify themselves to customers by name, including the use of name plates or tags for accountability	0%	0%	0%	10%	90%	0%
3. <b>COMMUNICATIONS</b> , including toll-free telephone access, the average time spent on hold, call transfers, access to a live person, letters, electronic mail, and any applicable text messaging or mobile applications	0%	0%	0%	10%	80%	10%
4. <b>INTERNET SITE</b> , including the ease of use of the site, mobile access to the site, information on the location of the site and the agency, and information accessible through the site such as a listing of services and programs and whom to contact for further information or to complain	0%	0%	0%	10%	90%	0%
5. <b>COMPLAINT HANDLING PROCESS</b> , including whether it is easy to file a complaint and whether responses are timely	0%	0%	0%	0%	40%	60%
6. <b>ABILITY TO TIMELY SERVE THEM</b> , including the amount of time you wait for service in person	0%	0%	10%	10%	60%	20%
7. <b>BROCHURES OR OTHER PRINTED INFORMATION</b> , including the accuracy of that information	0%	0%	0%	10%	60%	30%

<b>8. OVERALL SATISFACTION WITH THE AGENCY</b>	0%	0%	0%	10%	90%	0%
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**ANALYSIS OF FINDINGS:**

Despite efforts by the agency to receive feedback, only ten customers responded to the survey. Survey respondents rated the agency highly with one hundred percent (100%) indicating they were “satisfied” or “very satisfied” with regard to overall satisfaction with the agency. One hundred percent (100%) of respondents were “satisfied” or “very satisfied” with agency staff and the agency’s ability to timely serve them.

One hundred percent (100%) of survey respondents indicated they were “satisfied” or “very satisfied” with the agency’s website. OPIC engaged in an extensive overhaul of its website beginning in 2018. It is continuously vetted for form, content, and usability to ensure it provides the most useful and current information to consumers in a manner that is easy to understand and easy to use. OPIC also increased social media efforts to direct people to the resources on OPIC’s website. OPIC created resources such as the agency’s policy comparison tool, articles on how to read a policy declarations page, and communications detailing the practical financial impact of changes in coverage. These resources are easy to use and provide meaningful, practical assistance to consumers. OPIC plans to continue with the plain language initiative and develop new, and improve upon existing, resources to further help consumers in an effective way.

Performance Measure Information

**OUTCOME MEASURE:**

**Percentage of Surveyed Customer Respondents Expressing Satisfaction with Services Received**

DEFINITION: The total number of agency survey respondents indicating in question 8 that they are satisfied or very satisfied with the agency, divided by the total number of survey respondents.  
100%

**OUTPUT MEASURES:**

**Total Customers Surveyed**

DEFINITION: The number of customers who receive access to the surveys regarding agency services. The number includes all customers who receive surveys in person or by phone, mail, email, web, or any other means.  
53

**Response Rate**

DEFINITION: The percentage of total customers surveyed who completed the survey.  
18.9%

**Total Customers Served**

DEFINITION: The number of customers receiving services through the agency’s programs.  
Unknown

EFFICIENCY MEASURE:

**Cost per Customer Surveyed**

DEFINITION: Total costs for the agency to administer customer surveys divided by the total number of customers surveyed.

\$ 0.00

EXPLANATORY MEASURES:

**Total Customers Identified**

DEFINITION: The total population of customers in all unique customer groups.

20.3 million

**Total Customers Groups Inventoried**

DEFINITION: The total number of unique customer groups identified for each agency program. Customer groups served by more than one agency program should be counted only once.

3



# **SCHEDULE I: CERTIFICATION OF COMPLIANCE WITH CYBERSECURITY TRAINING**

*ON FOLLOWING PAGE*



## CERTIFICATE

### Office of Public Insurance Counsel

Pursuant to the Texas Government Code, Section 2056.002(b)(12), this is to certify that the agency has complied with the cybersecurity training required pursuant to the Texas Government Code, Sections 2054.5191 and 2054.5192.

#### Chief Executive Officer or Presiding Judge

A handwritten signature in blue ink, appearing to read "David Bolduc".

Signature

David Bolduc

Printed Name

Public Counsel

Title

05/13/2024

Date

#### Board or Commission Chair

Signature

Printed Name

Title

Date

**SCHEDULE J: REPORT ON PROJECTS AND ACQUISITIONS FINANCED BY CERTAIN FUND SOURCES**

NOT APPLICABLE