

Request for

Legislative Appropriations

For Fiscal Years 2016 and 2017

*Submitted to the Governor's Office of Budget, Planning and Policy
and the Legislative Budget Board, by the*



Texas Department of Insurance

Julia Rathgeber

Julia Rathgeber, Commissioner of Insurance

August 25, 2014

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TEXAS DEPARTMENT OF INSURANCE
 REQUEST FOR LEGISLATIVE APPROPRIATIONS
 FISCAL YEARS 2016 AND 2017

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1. ADMINISTRATOR'S STATEMENT

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Administrator's Statement

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Automated Budget and Evaluation System of Texas (ABEST)

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GOVERNANCE: TDI COMMISSIONERS

The commissioner of insurance is the chief executive of the Texas Department of Insurance (TDI), and the commissioner of workers' compensation serves as the chief executive for TDI's Division of Workers' Compensation (DWC). The governor appoints both commissioners subject to Senate confirmation. The commissioner of insurance and commissioner of workers' compensation regulate the Texas insurance industry and workers' compensation system, respectively, by administering and enforcing the applicable laws. The Texas Insurance and Labor Codes define TDI's regulatory authority, and the agency's regulatory rules are contained within the Texas Administrative Code.

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

STRATEGIC MANAGEMENT

TDI is implementing a new approach to managing agency strategic direction using cutting-edge principles from the private sector, known as the balanced scorecard. The balanced scorecard allows TDI to consider a range of perspectives in managing internal operations. TDI uses the balanced scorecard to provide strategic direction for serving its customers; strengthen financial stewardship; improve policy and processes; and develop its people, tools, and technology. The balanced scorecard provides a meaningful communication process for managing the agency and includes initiatives directly connected to our core responsibilities. Moreover, it highlights the contributions of every employee, allowing each one to see how he or she contributes to TDI's overall strategic objectives.

It is also important to take resourceful, creative approaches to managing risk and prioritizing resources. Nationally, the insurance industry is responding to reforms that emphasize risk-focused regulation. TDI is holding itself to those same standards by enhancing enterprise risk management. TDI is also initiating an internal risk-based budget process to ensure that sufficient resources are directed to areas that pose the greatest risk to insurers' solvency and the public. This approach will require some regulatory flexibility and greater flexibility with our appropriations.

HIGHLIGHTS

In addition to the work TDI is doing to enhance its management and operations, TDI will continue to focus on priority initiatives:

- working with the Texas Windstorm Insurance Association to improve processes and funding;
- making Texas the most attractive regulatory jurisdiction for business;
- protecting Texans and the Texans health insurance market from changes resulting from the Affordable Care Act (ACA); and
- improving TDI's internal rulemaking process.

WORKERS' COMPENSATION

The Division of Workers' Compensation administers the workers' compensation system, enforces the Texas Workers' Compensation Act and rules, administers the certified self-insurance program for individual employers, and resolves claim-level disputes about medical and income benefits.

The Texas workers' compensation system has undergone significant changes since the passage of House Bill (HB) 7 in 2005. Since 2005, DWC has implemented several initiatives to reduce and stabilize claim costs and improve injured employee outcomes (such as quality of care, access to care, and return-to-work outcomes).

These initiatives include:

- adopting evidence-based treatment and return-to-work guidelines;
- adopting a closed pharmacy formulary – one of the first in the nation for workers' compensation;
- implementing a new enforcement structure to help align DWC enforcement activities with the rest of TDI;
- implementing changes to income benefits, including new work-search requirements for employees eligible for supplemental income benefits;

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- streamlining dispute resolution processes and reducing the amount of time it takes to resolve income, medical fee, and medical necessity disputes;
- developing a performance-based oversight program to monitor health care providers and insurance carriers on key performance measures;
- implementing Medicare-based fee guidelines for professional services, inpatient and outpatient hospital services, and ambulatory surgical center services; and
- implementing a return-to-work reimbursement program for Texas employers.

As a result, Texas employers now have lower workers' compensation insurance rates, stabilized claims costs, and better return-to-work outcomes. Texas employees have improved access to quality medical care that helps them return to work quickly and safely. Additionally, DWC's implementation of a closed pharmacy formulary has significantly reduced the utilization of opioids and other addictive prescription drugs for injured employees in Texas. Several other states are now considering the implementation of similar closed formularies in an attempt to reduce prescription drug abuse among injured employees.

TEXAS WINDSTORM INSURANCE ASSOCIATION (TWIA)

TDI placed TWIA under administrative oversight in 2011 after Hurricane Ike claims and related litigation stretched its resources. TDI has devoted significant resources to TWIA and has helped TWIA improve operations, develop policies and procedures, and build a stronger management team. TWIA has benefited from an absence of hurricane losses in recent years. In 2013, TWIA's estimated maximum funding capacity equated to about a 1-in-48 year storm. That estimate assumed the Texas Public Finance Authority would be unable to issue any of the first layer of TWIA's public securities authorized by law. TDI is assisting TWIA in negotiations related to a potential transaction that, if consummated, would provide funding to about a 1-in-70 year storm for the 2014 storm season. However, TDI continues to have serious concerns about TWIA's funding structure following a major storm or multiple smaller storms.

PROACTIVE RESPONSES TO CHANGING HEALTH CARE LANDSCAPE

The Texas Legislature did not adopt federal Affordable Care Act (ACA) requirements into Texas law. However, TDI must monitor its impact on the Texas insurance market and take action, when warranted, to protect consumers and minimize market disruptions. For example, TDI developed navigator rules to implement SB 1795, 83rd Legislative Session and address insufficient federal standards for navigators. Also for example, there was a concern that the wind down of the Texas Health Insurance Pool would cause enrollees to suffer insurance coverage disruptions given the difficulties with the federal health exchange rollout. Late last year, after working with state leadership and determining that an extension was the best option, an emergency rule extended existing insurance coverage for Texas Health Insurance Pool enrollees until March 31, 2014. Another program, called Healthy Texas, is also expiring. As the Texas Health Insurance Pool and Healthy Texas wind down, TDI is evaluating resource needs and options available to carry out the obligations during the current transitional period. In addition, the changes in the federal health care landscape may affect the provision of health care for injured workers in the workers' compensation system.

The Department received a \$4.3 million data center grant from the U.S. Department of Health and Human Services (HHS). The project period for the grant extends from October 1, 2013 through September 30, 2015. Through the grant, the Department has contracted with the University of Texas School of Public Health (UTSPH) to perform data analysis, research, and quality audit services. The deliverables under this contract will enhance the accuracy and relevance of the reimbursement rate data that the Department shares with consumers. Federal law does not require states to establish data centers. Texas chose to establish a collaborative data center project with UTSPH to expand price transparency in health services and to support research opportunities in Texas. These objectives represent a continuation of previous efforts by Texas policymakers to promote a consumer-driven health care system.

CENTRALIZED ACCOUNTING PAYROLL PERSONNEL SYSTEM (CAPPS) / ERP SYSTEM

CAPPS (Centralized Accounting and Payroll/Personnel System) is the official name of the statewide Enterprise Resource Planning (ERP) system created by the ProjectONE team.

CAPPS provides a single software solution for financial and human resources (HR)/payroll administration for Texas state agencies.

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TDI migrated to Integrated Statewide Administrative System (ISAS) on September 1, 2010. The ISAS project was consolidated into the CAPPs financials project on September 1, 2012. TDI is currently scheduled to implement the CAPPs HR/Payroll functionality during fiscal year 2017.

BACKGROUND CHECKS

TDI has the following statutory authority to conduct criminal background checks:

- Texas Insurance Code sections 801.056 and 4001.103 authorize TDI to deny an application for an authorization if the applicant fails to provide a complete set of fingerprints.
- Government Code sections 411.087 and 411.106 authorize access to an applicant's criminal history information from the Texas Department of Public Safety and the Federal Bureau of Investigations.

In addition, Chapter 53 of the Occupations Code; various sections of the Texas Insurance Code, including Section 4005; and Texas Administrative Code, Title 28, Section 1.501, provide authority to determine a person's fitness for holding a license, authorization or registration, or fitness to control licensed and authorized entities.

TDI has related policies and procedures for conducting criminal background checks. Further, TDI and the Texas Department of Public Safety have entered into a memorandum of understanding regarding staff training, requesting information, and the handling of confidential criminal histories. The purpose of these protocols is to establish guidelines for conducting criminal background checks on applicants for specific license types administered by TDI and to comply with state law. The Texas Department of Public Safety Crime Records Service (CRS) approves all TDI CRS users.

Trained and registered TDI staff may perform criminal background checks for the following purposes:

- To determine whether to grant specific license types administered by TDI, primarily insurance agents, claims adjusters and the proposed officers and directors of applicants for insurance company licenses.
- To determine whether or not to hire external applicants or allow internal final applicants to move into higher level positions.

BASELINE BUDGET REQUEST

TDI prepared its funding request in compliance with the policy letter dated June 23, 2014, and the instructions issued by the Legislative Budget Board and the Governor's Office of Budget, Planning, and Policy. TDI's baseline budget is \$215,133,184 with 1,382 full-time equivalent employees (FTEs).

Overall TDI feels that the baseline budget request is sufficient to meet agency goals, with some exceptions. The exceptional items identified below represent the additional need for fiscal years 2016 and 2017.

EXCEPTIONAL ITEMS

TDI has identified eight additional funding requests that will help the agency meet its statutory obligations and provide necessary technology resources. To perform at the high level of excellence demanded, TDI must continue to build a strong infrastructure of people, processes, and technology. TDI is engaged in a variety of efforts, and additional funding through these exceptional items are essential elements.

ADJUSTMENT TO SALARY CAP

TDI is requesting an adjustment to its full-time equivalent (FTE) cap to address changing workforce needs and to better align the cap with TDI's actual available funding for salaries. Like other state agencies, TDI is eliminating manual processes and increasing the use of automation. Today the agency is leaner with a smaller, more efficient staff. TDI achieved this, in part, by collapsing certain vacant positions and using the associated funds to recruit a more highly skilled staff and retain existing

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staff with greater knowledge and skills. The FTE adjustment request supports an overall strategy to bring TDI to industry standards in terms of automation and employee skill sets. The FTE adjustment also aligns with TDI's salary funding. The agency has collapsed positions in the past for budget reductions, Article IX salary changes, payroll health contribution, and employee retirement system contributions.

The exceptional items in priority order are:

- Regulatory Response Rider (\$4,400,000/40 FTEs)
- Reduce FTE Cap (\$0)
- Data Center Budget Shortfall (\$1,920,000)
- Gartner Cyber Security Enhancement (\$556,000/1 FTE)
- Information Technology Staffing Needs (\$1,040,000/5 FTEs)
- Consumer Protection & Licensing Staffing Needs (\$842,280/11 FTEs)
- SFMO Staffing, Training, and Vehicle Needs (\$1,450,900/2 FTEs)
- Fraud Staffing Needs (\$1,253,680/10 FTEs)

These requested items total \$11,462,860 and 69 FTEs over the FY 2014-15 biennium levels. However, forty of the FTEs would not be filled in the absence of a natural disaster or emergency response.

10 PERCENT SUPPLEMENTAL REDUCTION SCHEDULE

Agencies are required to submit a 10 percent supplemental reduction schedule for the 2014-15 biennium. To construct this 10 percent supplemental budget reduction schedule, TDI chose to set priorities within each 5 percent increment according to the regulatory priorities that the agency would follow at the lower funding levels.

TDI identified incremental reductions within its nine divisions. The first 5 percent increment eliminates 73.1 FTEs and reduces the budget by \$9,750,370. The second 5 percent increment further eliminates an additional 73.5 FTEs and reduces the agency budget again by \$9,750,370. The first 5 percent increment reduction would:

- reduce the number of loss control and windstorm inspections performed;
- limit the ability to pursue enforcement actions;
- impact service levels for fire safety inspections, outreach, investigations, and enforcement;
- impact the ability to resolve complaints and perform medical quality reviews;
- limit the ability to timely review rate and form filings;
- delay workers' compensation indemnity and medical dispute resolution services;
- create backlog in record management, which will delay processing of open records requests, employment verification, and official actions for system participants;
- delay advances of income benefits creating a financial hardship for injured employees; and
- impair the ability to detect financially troubled insurance companies.

The second 5 percent reduction would adversely affect the same business units, but would result in even more severe service reductions.

The combined impact of the two 5 percent reductions would impair TDI's ability to effectively regulate the insurance industry and workers' compensation system under current Texas law. TDI would likely need to seek interim approval from the Legislative Budget Board to change its performance measure targets.

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The severity of these cuts would impede TDI's timely review of at-risk companies. This could lead to more insurance insolvencies. An increase in the number of insolvent companies could result in higher costs to guaranty associations, the industry, and ultimately reduce general revenue. These cuts also affect fines and restitution recovered from enforcement and fraud cases (Monies collected from fines are deposited in General Revenue; restitution is returned to injured parties).

TDI's funding structure precludes returning savings from the budget reductions to the state's general revenue (GR) fund because revenue to Account 36 would be reduced. Account 36 is the GR-dedicated account from which the state funds TDI and other agencies. The Texas Insurance Code requires that the insurance maintenance taxes be set with the intention of collecting the revenue needed to fund appropriations; if the Legislature appropriates fewer dollars, the revenue would be adjusted downward. With TDI's self-leveling budget structure, the reduction would not result in savings to the state and would likely result in loss of revenue because of reduced fees and taxes.

CONCLUSION

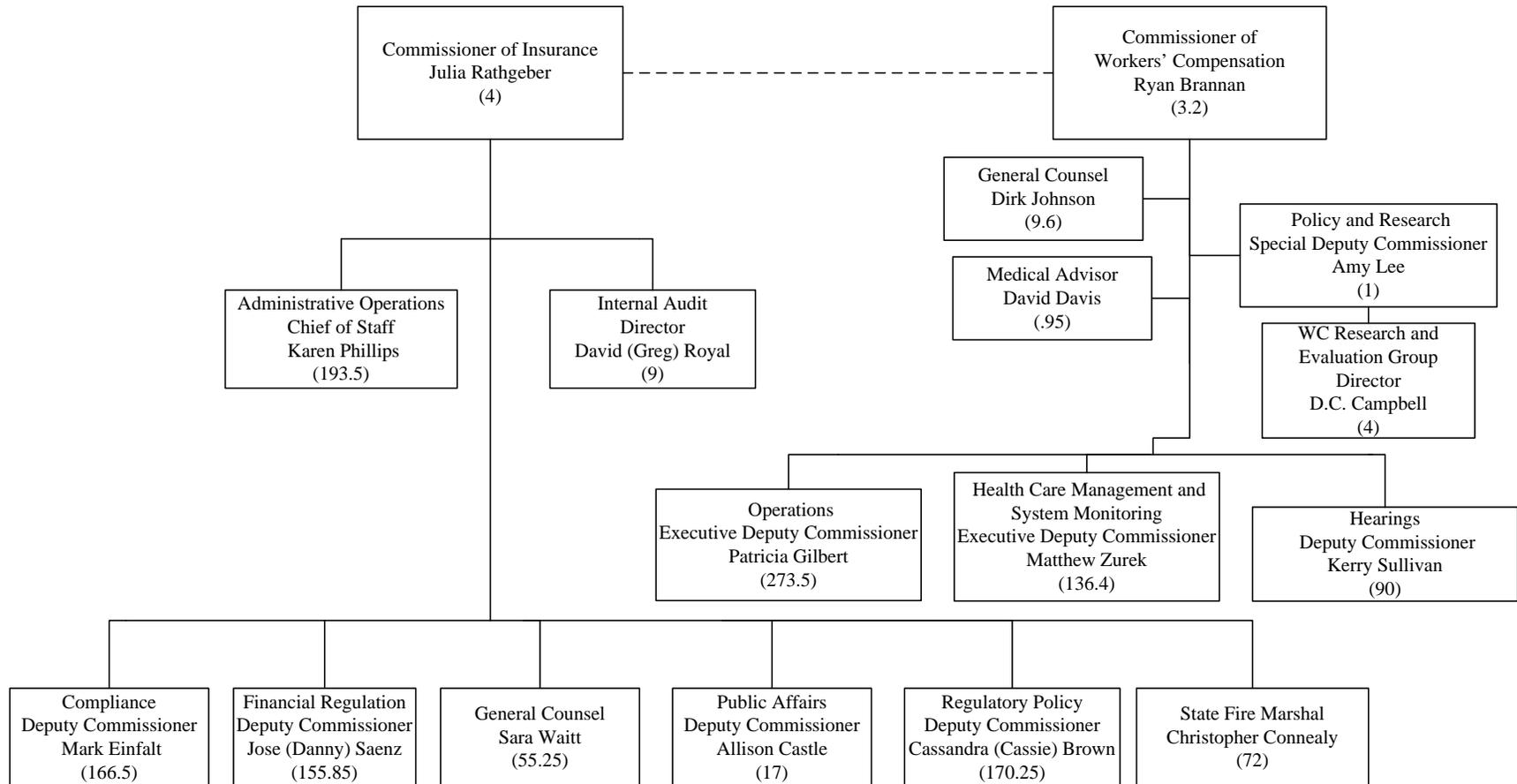
The agency requests a total of \$226.6 million and 1,451 FTEs for the 2016-2017 biennium. The approval of this baseline Legislative Appropriations Request, including rider revisions and exceptional items, will allow TDI to continue delivering services at the high level of excellence for which it has come to be recognized. The reduction of \$19.5 million depicted in the required supplemental schedule would impair the agency's effectiveness in regulating the insurance industry and workers' compensation system.

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1.A. ORGANIZATIONAL CHART

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**Texas Department of Insurance
Organizational Chart**



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2. SUMMARIES OF REQUEST

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Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt					
1 <i>Provide Insurance Consumers with Meaningful Information</i>					
1 CONSUMER EDUCATION AND OUTREACH	8,774,385	9,305,637	12,339,306	8,751,093	8,751,092
2 <i>Reduce Unfair & Illegal Insurer Practices</i>					
1 RESOLVE COMPLAINTS	2,382,776	2,402,085	2,722,786	2,684,190	2,684,190
2 INVESTIGATION AND ENFORCEMENT	2,304,168	2,481,227	3,027,936	2,983,274	2,983,274
3 INSURANCE FRAUD	3,240,040	3,141,304	3,458,647	2,998,802	2,998,802
4 WORKERS COMPENSATION FRAUD	264,036	347,507	379,141	367,027	367,027
3 <i>Reduce Impediments to Competition and Improve Insurance Availability</i>					
1 PROCESS RATES, FORMS & LICENSES	9,638,487	9,871,633	11,265,774	10,952,348	10,952,348
2 PROMOTE UNDERSERVED COVERAGE	159,519	176,618	232,799	220,481	220,481
3 TEXAS.GOV	459,963	488,694	380,000	380,000	380,000
4 CERTIFY SELF-INSURANCE	588,598	651,324	707,990	674,125	674,125

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>4</u> <i>Administer Innovative Insurance Initiatives</i>					
1 LONG-TERM CARE	167,220	173,261	175,919	182,528	182,528
2 THREE-SHARE PROGRAMS	435,606	1,260,573	1,128,345	444,866	444,866
3 HEALTHY TEXAS	19,702,684	16,101,585	75,000	0	0
<u>5</u> <i>Assure Loss Control Services & Windstorm Inspections</i>					
1 LOSS CONTROL PROGRAMS	2,406,579	2,500,398	2,866,793	2,798,742	2,798,742
TOTAL, GOAL 1	\$50,524,061	\$48,901,846	\$38,760,436	\$33,437,476	\$33,437,475
<u>2</u> <i>Promote Financial Strength of Ins. Industry</i>					
<u>1</u> <i>Regulate Insurance Industry Solvency</i>					
1 INSURERS FINANCIAL CONDITION	6,087,893	6,931,221	7,864,402	7,613,837	7,613,837
TOTAL, GOAL 2	\$6,087,893	\$6,931,221	\$7,864,402	\$7,613,837	\$7,613,837
<u>3</u> <i>Reduce Loss of Life & Property Due to Fire</i>					
<u>1</u> <i>Protect the Public from Loss of Life and Property due to fire</i>					

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Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
1 FIRE MARSHAL	4,833,412	5,744,291	5,169,359	4,748,631	4,748,631
TOTAL, GOAL 3	\$4,833,412	\$5,744,291	\$5,169,359	\$4,748,631	\$4,748,631
4 Effectively Regulate the Texas Workers' Compensation System					
1 Ensure Appropriate Delivery of Workers' Compensation Benefits					
1 OVERSIGHT AND ENFORCEMENT	5,349,768	5,812,268	6,427,278	7,576,685	6,376,685
2 DISPUTE RESOLUTION	13,292,705	14,031,510	16,276,116	14,742,589	13,842,589
3 SUBSEQUENT INJURY FUND ADMIN	5,801,473	6,566,775	4,500,040	5,546,723	5,546,722
2 Ensure Workers' Comp System Participants are Educated and Informed					
1 HEALTH AND SAFETY SERVICES	3,576,027	3,769,056	4,148,507	3,913,697	3,913,697
2 CUSTOMER SERVICE & RECORDS ADMIN	5,632,372	5,296,452	5,477,840	5,228,901	5,228,901
TOTAL, GOAL 4	\$33,652,345	\$35,476,061	\$36,829,781	\$37,008,595	\$34,908,594
5 Indirect Administration					
1 Indirect Administration					

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
1 CENTRAL ADMINISTRATION	8,955,393	8,957,809	10,489,137	10,415,102	10,415,103
2 INFORMATION RESOURCES	11,239,418	13,278,061	11,663,986	11,825,498	11,825,497
3 OTHER SUPPORT SERVICES	3,134,874	3,366,805	3,610,746	3,567,454	3,567,454
TOTAL, GOAL 5	\$23,329,685	\$25,602,675	\$25,763,869	\$25,808,054	\$25,808,054
6 Regulatory Response					
1 Regulatory Response					
1 CONTINGENCY REGULATORY RESPONSE	0	0	0	0	0
TOTAL, GOAL 6	\$0	\$0	\$0	\$0	\$0
TOTAL, AGENCY STRATEGY REQUEST	\$118,427,396	\$122,656,094	\$114,387,847	\$108,616,593	\$106,516,591
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$118,427,396	\$122,656,094	\$114,387,847	\$108,616,593	\$106,516,591

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	380,457	300,926	230,926	230,926	230,926
8042 Insurance Maint Tax Fees	35,145,804	37,588,215	40,131,953	39,081,725	39,081,724
SUBTOTAL	\$35,526,261	\$37,889,141	\$40,362,879	\$39,312,651	\$39,312,650
General Revenue Dedicated Funds:					
36 Dept Ins Operating Acct	48,525,503	51,672,953	57,118,511	55,776,167	53,676,168
5101 Subsequent Injury Fund	5,749,194	6,516,565	4,420,140	5,468,353	5,468,352
5138 Fire Prevention And Public Safety	69,324	0	0	0	0
SUBTOTAL	\$54,344,021	\$58,189,518	\$61,538,651	\$61,244,520	\$59,144,520
Federal Funds:					
555 Federal Funds	2,256,451	3,135,273	5,695,233	2,190,259	2,190,259
SUBTOTAL	\$2,256,451	\$3,135,273	\$5,695,233	\$2,190,259	\$2,190,259
Other Funds:					
6 State Highway Fund	5,559,818	4,995,930	5,151,575	5,073,753	5,073,752
329 Healthy TX Sm Emp Prem Stabil. Fund	14,880,272	16,026,585	0	0	0
666 Appropriated Receipts	919,327	2,229,567	1,509,509	675,030	675,030
777 Interagency Contracts	4,941,246	190,080	130,000	120,380	120,380
SUBTOTAL	\$26,300,663	\$23,442,162	\$6,791,084	\$5,869,163	\$5,869,162

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
TOTAL, METHOD OF FINANCING	\$118,427,396	\$122,656,094	\$114,387,847	\$108,616,593	\$106,516,591

*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: **454**

Agency name: **Department of Insurance**

METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2012-13 GAA)

\$230,926	\$0	\$0	\$0	\$0
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Comments: INS- \$6,520 (Texas.Gov)
DWC- \$224,406 (EFF)

Regular Appropriations from MOF Table (2014-15 GAA)

\$0	\$1,964,485	\$1,964,485	\$0	\$0
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Comments: \$1,733,559 for Commission on Fire Protection
INS- \$6,520 (Texas.Gov)
DWC- \$224,406 (EFF)

Regular Appropriations from MOF Table

\$0	\$0	\$0	\$230,926	\$230,926
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Comments: INS- \$6,520 (Texas.Gov)
DWC- \$224,406 (EFF)

RIDER APPROPRIATION

Art IX, Sec 8.04, Surplus Property (2012-13 GAA)

\$20,526	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance

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Agency code: **454**

Agency name: **Department of Insurance**

METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
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GENERAL REVENUE

Comments: Fire Marshal Vehicle Sales Reappropriation. 9 were sold in FY 2013. An evaluation would have been performed on each vehicle to determine to sell. Considerations would have been mileage, wear of vehicle, high maintenance costs.

Art IX, Sec 6.22, Earned Federal Funds (2012-13 GAA)

\$130,161	\$0	\$0	\$0	\$0
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Art IX, Sec 6.22, Earned Federal Funds (2014-15 GAA)

\$0	\$70,000	\$0	\$0	\$0
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Comments: See April 8, 2014 letter to LBB and GOBPP

LAPSED APPROPRIATIONS

Regular Appropriations from MOF Table (2012-13 GAA)

\$(1,156)	\$0	\$0	\$0	\$0
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Comments: Undercollection of speciality licenses.

Regular Appropriations from MOF Table (2014-15 GAA)

\$0	\$(1,733,559)	\$(1,733,559)	\$0	\$0
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Comments: Commission on Fire Protection Bill Did Not Pass

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE</u>						
TOTAL,	General Revenue Fund	\$380,457	\$300,926	\$230,926	\$230,926	\$230,926
<u>8042</u>	General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2012-13 GAA)	\$37,218,618	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2014-15 GAA)	\$0	\$40,103,379	\$39,202,662	\$0	\$0
	Regular Appropriations from MOF Table	\$0	\$0	\$0	\$39,081,725	\$39,081,724
	<i>RIDER APPROPRIATION</i>					
	Art IX, Sec 17.01(a), Data Center-Reductions for Cost of Living Adjustments (2012-13 GAA)	\$(151,294)	\$0	\$0	\$0	\$0
	Art IX, Sec 17.01(b), Data Center-Reductions for Administrative Rate Charge (2012-13 GAA)	\$(14,695)	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance

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84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017	
<u>GENERAL REVENUE</u>						
Art IX, Sec 18.44 Cont Appn HB 1772 Certain Benefits- INS (2012-13 GAA)	\$100,081	\$0	\$0	\$0	\$0	
Art IX, Sec 18.50 Cont Appn HB 2277 Life Settlements-INS (2012-13 GAA)	\$186,181	\$0	\$0	\$0	\$0	
Art IX, Sec 18.52 Cont Appn HB 2408 Title-INS (2012-13 GAA)	\$561,063	\$0	\$0	\$0	\$0	
SB 2, 82nd Leg, SS 1, Section 12 Healthcare Collaboratives- INS	\$461,901	\$0	\$0	\$0	\$0	
SB 2, 82nd Leg, SS 1, Section 20 TWIA - INS	\$121,767	\$0	\$0	\$0	\$0	
Art IX, Sec 17.08(b), Data Center Increases (2014-15 GAA)	\$0	\$(24,460)	\$47,540	\$0	\$0	
Comments: Decrease in 2014, Increase in 2015. Updated 36/8042 amounts in 2014 from External Operating Budget to reflect source of funds in Article IX.						

TRANSFERS

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE</u>					
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$0	\$328,883	\$922,164	\$0	\$0
Comments: All Insurance Related. 2% estimated for 2015 to be \$593,281.					
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2012-13 GAA)	\$(3,892,315)	\$0	\$0	\$0	\$0
Comments: INS Activities. Change from 2014 Operating Budget due to additional expenses from this year being paid in fiscal year 2014.					
Lapsed Appropriations-INS (2012-13 GAA) Regulatory Response Rider 23	\$(1,430,000)	\$0	\$0	\$0	\$0
Comments: Rider not activated					
Lapsed Appropriations-INS (2014-15 GAA) Regulatory Response Rider 19	\$0	\$(1,430,000)	\$(1,430,000)	\$0	\$0
Comments: Rider not expected to be activated					
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Art VIII- Rider 13 (page VII-21), (2012-13 GAA), UB Authority - INS					

2.B. Summary of Base Request by Method of Finance
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 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE</u>		\$1,925,385	\$0	\$0	\$0	\$0
Art IX Sec 18.15, Payments to DIR (2012-2013 GAA) - INS		\$59,112	\$0	\$0	\$0	\$0
Art VIII- Rider 12 (page VIII-22), (2014-15 GAA), UB Authority - INS		\$0	\$(1,389,587)	\$1,389,587	\$0	\$0
TOTAL,	General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	\$35,145,804	\$37,588,215	\$40,131,953	\$39,081,725	\$39,081,724
TOTAL, ALL	GENERAL REVENUE	\$35,526,261	\$37,889,141	\$40,362,879	\$39,312,651	\$39,312,650

GENERAL REVENUE FUND - DEDICATED

36 GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2012-13 GAA)

\$57,371,171	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2014-15 GAA)

\$0	\$55,517,930	\$52,957,230	\$0	\$0
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2.B. Summary of Base Request by Method of Finance
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Agency code: **454** Agency name: **Department of Insurance**

METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
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GENERAL REVENUE FUND - DEDICATED

Comments: 2014:
 INS- \$15,855,170
 DWC- \$39,662,760 (includes \$2.1 million from Rider 20)

2015:
 INS- \$15,390,344
 DWC- \$37,566,886

Regular Appropriations from MOF Table

	\$0	\$0	\$0	\$55,776,167	\$53,676,168
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Comments: 2016:
 INS- \$15,395,201
 DWC- \$40,573,962

2017:
 INS- \$15,009,209
 DWC- \$38,473,963

RIDER APPROPRIATION

Art IX, Sec 17.01(a), Data Center-Reductions for Cost of Living Adjustments (2012-13 GAA)

	\$(267,148)	\$0	\$0	\$0	\$0
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Art IX, Sec 17.01(b), Data Center-Reductions for Administrative Rate Charge (2012-13 GAA)

	\$(25,950)	\$0	\$0	\$0	\$0
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2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE FUND - DEDICATED</u>					
Art IX, Sec 18.44 Cont Appn HB 1772 Certain Benefits-INS (2012-13 GAA)	\$54,914	\$0	\$0	\$0	\$0
SB 2, 82nd Leg, SS 1, Section 12 Healthcare Collaboratives- INS	\$692,851	\$0	\$0	\$0	\$0
Art IX, Sec 18.78 Cont Appn SB 1291 Self Directed-INS (2012-13 GAA)	\$(7,421,489)	\$0	\$0	\$0	\$0
Art IX, Sec 9.05, TexasOnline: Occupational Licenses (2012-13 GAA)	\$81,119	\$0	\$0	\$0	\$0
Comments: This is the overage for the fees associated with the agents licenses that get deposited to fund 36 versus the speciality licenses that get deposited to fund 1. Both fees add to the base \$380,000. \$6,520 in Fund 0001 and 373,480 in Fund 0036.					
Art IX, Sec 17.08(b), Data Center Increases (2014-15 GAA)	\$0	\$(30,101)	\$55,962	\$0	\$0
Comments: Decrease in 2014, Increase in 2015. Updated 36/8042 amounts in 2014 from External Operating Budget to reflect source of funds in Article IX.					
Art IX, Sec 9.05, Texas.gov Project: Occupational Licenses (2014-15 GAA)					

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE FUND - DEDICATED</u>					
	\$0	\$108,694	\$0	\$0	\$0
Comments: The estimated 2014 overage for the fees associated with the agents licenses that get deposited to fund 36 versus the speciality licenses that get deposited to fund 1.					
<i>TRANSFERS</i>					
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)					
	\$0	\$476,092	\$1,245,657	\$0	\$0
Comments: 2014 (1% only): INS- \$122,754 DWC- \$353,338 2015 (1% plus add'l 2%). 2% amts: INS- \$224,532 DWC- \$545,033					
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2012-13 GAA)					
	\$(1,809,731)	\$0	\$0	\$0	\$0
Comments: INS Activities					
Regular Appropriations from MOF Table (2012-13 GAA)					
	\$(2,380,024)	\$0	\$0	\$0	\$0
Comments: DWC Activities					

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE FUND - DEDICATED</u>					
Lapsed Appropriations INS (2012-13 GAA) Regulatory Response Rider 23	\$(770,000)	\$0	\$0	\$0	\$0
Comments: Rider not activated					
Lapsed Appropriations DWC (2012-13 GAA) SOAH Medical Fee Dispute Rider 25	\$(1,755,540)	\$0	\$0	\$0	\$0
Comments: Actual hearings costs less than budgeted for biennium					
Lapsed Appropriations-INS (2014-15 GAA) Regulatory Response Rider 19	\$0	\$(770,000)	\$(770,000)	\$0	\$0
Comments: Rider not expected to be activated.					
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Art VIII- Rider 13 (page VIII-21), (2012-13 GAA), UB Authority - INS	\$925,916	\$0	\$0	\$0	\$0
Comments: INS Activities					
Art VIII- Rider 13 (page VIII-21), (2012-13 GAA), UB Authority - DWC	\$1,713,234	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE FUND - DEDICATED</u>					
Comments: DWC Activities					
Art VIII- Rider 25 (page VIII-23), GAA (2012-13 GAA), SOAH Medical Fee Dispute Rider	\$1,956,566	\$0	\$0	\$0	\$0
Comments: Rider allowed full UB within biennium					
Art IX Sec 18.15, Payments to DIR (2012-2013 GAA) - INS	\$32,442	\$0	\$0	\$0	\$0
Comments: INS Related Refund					
Art IX Sec 18.15, Payments to DIR (2012-2013 GAA) - DWC	\$127,172	\$0	\$0	\$0	\$0
Comments: DWC Related Refund					
Art VIII- Rider 12 (page VIII-22), GAA 14-15, UB Authority - INS	\$0	\$(540,297)	\$540,297	\$0	\$0
Comments: INS Activities					
Art VIII- Rider 12 (page VIII-22), GAA 14-15, UB Authority - DWC	\$0	\$(1,239,365)	\$1,239,365	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017	
<u>GENERAL REVENUE FUND - DEDICATED</u>						
Comments: DWC Activities						
Art VIII- Rider 20 (page VIII-24), GAA 14-15, UB Authority - Med Fee Dispute						
	\$0	\$(1,850,000)	\$1,850,000	\$0	\$0	
Comments: Rider allows full UB within biennium						
TOTAL,	GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036					
	\$48,525,503	\$51,672,953	\$57,118,511	\$55,776,167	\$53,676,168	
<u>5101</u>	GR Dedicated - Subsequent Injury Account No. 5101					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2012-13 GAA)					
	\$4,420,140	\$0	\$0	\$0	\$0	
	Regular Appropriations from MOF Table (2014-15 GAA)					
	\$0	\$4,420,140	\$4,420,140	\$0	\$0	
	Regular Appropriations from MOF Table					
	\$0	\$0	\$0	\$5,468,353	\$5,468,352	
	<i>RIDER APPROPRIATION</i>					

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017	
<u>GENERAL REVENUE FUND - DEDICATED</u>						
Art VIII, Rider 14 (page VIII-21), (2012-13 GAA), Additional Subsequent Injury Funds	\$1,330,026	\$0	\$0	\$0	\$0	
Comments: Finding of Fact received from CPA on August 1, 2013						
Art VIII- Rider 13 (page VIII-22), GAA 14-15, Additional Subsequent Injury Funds	\$0	\$2,096,425	\$0	\$0	\$0	
Comments: Finding of Fact received from CPA on May 14, 2014						
<i>LAPSED APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2012-13 GAA)	\$(107)	\$0	\$0	\$0	\$0	
Art VIII, Rider 14 (page VIII-21), (2012-13 GAA), Additional Subsequent Injury Funds	\$(865)	\$0	\$0	\$0	\$0	
TOTAL, GR Dedicated - Subsequent Injury Account No. 5101	\$5,749,194	\$6,516,565	\$4,420,140	\$5,468,353	\$5,468,352	
<u>5138</u> GR Dedicated - Fire Prevention and Public Safety Account No. 5138						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2012-13 GAA)						

2.B. Summary of Base Request by Method of Finance
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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE FUND - DEDICATED</u>						
		\$100,000	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>						
	Regular Appropriations from MOF Table (2012-13 GAA)	\$ (35,676)	\$0	\$0	\$0	\$0
	Comments: Lapse decreased from 2014 Operating Budget amounts to reflect payments in fiscal year 2104 for these activities. These were special use funds and purchases that were planned initially were changed late in the year causing the underspending of the account.					
<i>UNEXPENDED BALANCES AUTHORITY</i>						
	Art VIII- Rider 13 (page VIII-21), (2012-13 GAA), UB Authority - INS	\$5,000	\$0	\$0	\$0	\$0
TOTAL,	GR Dedicated - Fire Prevention and Public Safety Account No. 5138	\$69,324	\$0	\$0	\$0	\$0
<u>5140</u>	GR Dedicated - Specialty License Plates General					
<i>REGULAR APPROPRIATIONS</i>						
	Regular Appropriations from MOF Table (2014-15 GAA)	\$0	\$17,500	\$17,500	\$0	\$0
	Comments: Commission on Fire Protection					
<i>LAPSED APPROPRIATIONS</i>						

2.B. Summary of Base Request by Method of Finance
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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>GENERAL REVENUE FUND - DEDICATED</u>						
	Regular Appropriations from MOF Table (2014-15 GAA)	\$0	\$(17,500)	\$(17,500)	\$0	\$0
	Comments: CFP Bill Did Not Pass					
TOTAL,	GR Dedicated - Specialty License Plates General	\$0	\$0	\$0	\$0	\$0
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED	\$54,344,021	\$58,189,518	\$61,538,651	\$61,244,520	\$59,144,520
TOTAL,	GR & GR-DEDICATED FUNDS	\$89,870,282	\$96,078,659	\$101,901,530	\$100,557,171	\$98,457,170

FEDERAL FUNDS

555 Federal Funds

REGULAR APPROPRIATIONS

	Regular Appropriations from MOF Table (2012-13 GAA)	\$2,266,721	\$0	\$0	\$0	\$0
	Comments: CFDA 17.504: OSHA 21(d) Consultation Program CFDA 17.005: OSHA Suvey of Occupational Injries & Illnesses and Census of Fatal Occupational Injuries					
	Regular Appropriations from MOF Table (2014-15 GAA)	\$0	\$2,266,721	\$2,266,721	\$0	\$0

2.B. Summary of Base Request by Method of Finance
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Agency code: **454** Agency name: **Department of Insurance**

METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
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FEDERAL FUNDS

Comments: CFDA 17.504: OSHA 21(d) Consultation Program
 CFDA 17.005: OSHA Suvey of Occupational Injries & Illnesses and Census of
 Fatal Occupational Injuries

Regular Appropriations from MOF Table

	\$0	\$0	\$0	\$2,190,259	\$2,190,259
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RIDER APPROPRIATION

Art IX, Sec 8.02, Federal Funds/Block Grants (2012-13 GAA)

	\$101,365	\$0	\$0	\$0	\$0
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Comments: CFDA 93.511: Affordable Care Act - Cycle I Rate Review Grant.
 The rate review grant was used by the Regulatory division to review rate filings,
 enhanced elctonic filing technology, and purchased software to assist in rate
 reviews.

Art IX, Sec 8.02, Federal Funds/Block Grants (2014-15 GAA)

	\$0	\$99,999	\$0	\$0	\$0
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Comments: CFDA 16.738: Edward Byrne Justice Assistance Formula Grant
 (JAG) Program for SFMO. Grant to protect public, reduce crime and promote
 efficiency and effectiveness within the criminal justice system. The State Fire
 Marshal's Office will purchase various equipment including crime scene, GPS
 units, and fingerprint kits with this grant funding.

Art IX, Sec 8.02, Federal Funds/Block Grants (2014-15 GAA)

2.B. Summary of Base Request by Method of Finance
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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>FEDERAL FUNDS</u>						
		\$0	\$32,592	\$0	\$0	\$0
	Comments: CFDA 16.742: Coverdell Forensic Sciences Improvement Grant. SFMO will use grant funds to replace needed equipment at the arson lab.					
	Art IX, Sec 8.02, Federal Funds/Block Grants (2014-15 GAA)					
		\$0	\$821,824	\$3,504,974	\$0	\$0
	Comments: CFDA 93.511: New Cycle of ACA grants. This is a two year project for the establishment of the data center to expand price transparency in health services.					
<i>LAPSED APPROPRIATIONS</i>						
	Regular Appropriations from MOF Table (2012-13 GAA)					
		\$(111,635)	\$0	\$0	\$0	\$0
	Comments: Lapse primarily due to OSHA Data grant being cancelled.					
	Regular Appropriations from MOF Table (2014-15 GAA)					
		\$0	\$(85,863)	\$(76,462)	\$0	\$0
	Comments: Lapse primarily due to OSHA Data grant being cancelled.					
TOTAL,	Federal Funds	\$2,256,451	\$3,135,273	\$5,695,233	\$2,190,259	\$2,190,259
TOTAL, ALL	FEDERAL FUNDS	\$2,256,451	\$3,135,273	\$5,695,233	\$2,190,259	\$2,190,259

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/22/2014 9:56:03AM

Agency code: **454** Agency name: **Department of Insurance**

METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
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OTHER FUNDS

6 State Highway Fund No. 006

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2012-13 GAA)

\$4,228,766	\$0	\$0	\$0	\$0
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Comments: TexasSure Vehicle Insurance Verification Program

Regular Appropriations from MOF Table (2014-15 GAA)

\$0	\$4,995,930	\$5,151,575	\$0	\$0
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Comments: TexasSure Vehicle Insurance Verification Program

Regular Appropriations from MOF Table

\$0	\$0	\$0	\$5,073,753	\$5,073,752
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Comments: TexasSure Vehicle Insurance Verification Program

LAPSED APPROPRIATIONS

Regular Appropriations from MOF Table (2012-13 GAA)

\$(175,931)	\$0	\$0	\$0	\$0
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Comments: Lapse increased from 2014 Operating Budget due to release of encumbered funds as actual payments due to contractor were ultimately less than expected.

2.B. Summary of Base Request by Method of Finance
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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>OTHER FUNDS</u>						
<i>UNEXPENDED BALANCES AUTHORITY</i>						
	Art IX, Sec 14.05, UB Authority within the Same Biennium (2012-13 GAA)	\$1,506,983	\$0	\$0	\$0	\$0
	Comments: TexasSure program allows full UB within biennium.					
TOTAL,	State Highway Fund No. 006	\$5,559,818	\$4,995,930	\$5,151,575	\$5,073,753	\$5,073,752
<u>329</u>	Healthy Texas Small Employer Premium Stabilization Fund					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2014-15 GAA)	\$0	\$13,000,000	\$0	\$0	\$0
	<i>UNEXPENDED BALANCES AUTHORITY</i>					
	Art VIII Rider 18, (2014-15 GAA) pg 23, UB Authority - INS	\$0	\$3,026,585	\$0	\$0	\$0
	Comments: \$16 million was the remaining balance in fund 329 at the end of 2013. The appropriations bill contained the estimate of 13 million in the base appropriation and then the rider allowed for the additional remaining balance to be rolled forward to 2014.					
	Art VIII Rider 22, (2012-13 GAA) pg 22, UB Authority - INS	\$30,906,857	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/22/2014 9:56:03AM

Agency code: **454** Agency name: **Department of Insurance**

METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
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OTHER FUNDS

Comments: This is balance in fund 329 of original appropriations.
 Appropriation moved to 2013.

Art VIII Rider 18, (2014-15 GAA) pg 23, UB Authority - INS

	\$ (16,026,585)	\$ 0	\$ 0	\$ 0	\$ 0
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Comments: This amount reflects end of 2013 balance. Amounts moved to
 2014-15 biennium in two appropriations.

TOTAL,	Healthy Texas Small Employer Premium Stabilization Fund	\$14,880,272	\$16,026,585	\$0	\$0	\$0
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666 Appropriated Receipts
REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2012-13 GAA)

	\$ 689,116	\$ 0	\$ 0	\$ 0	\$ 0
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Comments: INS- \$218,430
 DWC- \$470,686

Regular Appropriations from MOF Table (2014-15 GAA)

	\$ 0	\$ 720,030	\$ 720,030	\$ 0	\$ 0
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Comments: \$45,000 for Commission on Fire Protection
 INS- \$290,030
 DWC- \$385,000

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/22/2014 9:56:03AM

Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>OTHER FUNDS</u>					
Regular Appropriations from MOF Table	\$0	\$0	\$0	\$675,030	\$675,030
Comments: INS- \$290,030 DWC- \$385,000					
<i>RIDER APPROPRIATION</i>					
Art IX, Sec 8.03, Reimbursements and Payments (2012-13 GAA)	\$75,213	\$0	\$0	\$0	\$0
Comments: TWIA COAST Program- INS Related. Estimated amount included in Regular Appropriations for 2014-15 biennium.					
Art VIII, Rider 3, (2012-13 GAA), pg 20, Rehabilitation of Insurance Companies-INS	\$558,060	\$0	\$0	\$0	\$0
Comments: Additional amounts collected above the appropriated \$125,000.					
Art IX, Sec 8.08, Seminars and Conferences (2012-13 GAA)	\$137,383	\$0	\$0	\$0	\$0
Comments: INS- Amounts are in excess of estimated amounts in the GAA and are for increased seminars that were offered (State Fire Marshal's Office & for a Hail Conference).					
Art IX, Sec 8.03, Reimbursements and Payments (2012-13 GAA)					

2.B. Summary of Base Request by Method of Finance

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84th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>OTHER FUNDS</u>					
	\$142,896	\$0	\$0	\$0	\$0
Comments: DWC- Amounts collected for New Designated Doctors conferences in FY 2013.					
Art VIII, Rider 14, (2014-15 GAA), pg 22, Three Share Fines and Penalties-INS	\$0	\$1,500,000	\$0	\$0	\$0
Comments: Fines & Penalties collected.					
Art IX, Sec 8.08, Seminars & Conferences (2014-15 GAA)-INS	\$0	\$117,559	\$0	\$0	\$0
Comments: These are estimated collections for the insurance related conferences (Fraud, SFMO, Compliance)					
Art IX, Sec 8.08, Seminars & Conferences (2014-15 GAA)-DWC	\$0	\$400,220	\$0	\$0	\$0
Comments: These are estimated collections for the insurance related conferences (various workplace safety and designated doctor conferences)					
Art IX, Sec 8.03, Reimbursements and Payments (2014-15 GAA)	\$0	\$14,277	\$0	\$0	\$0
Comments: SFMO received insurance payment for vehicle with total loss.					

2.B. Summary of Base Request by Method of Finance
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 Automated Budget and Evaluation System of Texas (ABEST)

8/22/2014 9:56:03AM

Agency code: 454	Agency name: Department of Insurance				
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METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
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OTHER FUNDS

LAPSED APPROPRIATIONS

Regular Appropriations from MOF Table (2014-15 GAA)

	\$0	\$(45,000)	\$(45,000)	\$0	\$0
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Comments: CFP Bill did not pass

Lapsed Appropriations-INS

	\$(616,869)	\$0	\$0	\$0	\$0
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Comments: Lapses are due to an under spending of additional receipts in FY 2013.

Lapsed Appropriations-DWC

	\$(149,688)	\$0	\$0	\$0	\$0
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Comments: Lapses are due to an under collection of appropriated receipts.

UNEXPENDED BALANCES AUTHORITY

Art IX, Sec 8.01, Acceptance of Gift of Money (2012-13 GAA)-DWC

	\$354,258	\$0	\$0	\$0	\$0
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Comments: This represents the balance of the TMIC Grant which was money was given to the agency from Texas Mutual Insurance Group to offset the costs of medical quality reviews. The grant has restrictions and the remaining balance has been carried forward.

2.B. Summary of Base Request by Method of Finance
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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>OTHER FUNDS</u>					
Art IX, Sec 8.01, Acceptance of Gift of Money (2014-15 GAA)-DWC	\$(169,525)	\$169,525	\$0	\$0	\$0
Comments: This represents the balance of the TMIC Grant which was money was given to the agency from Texas Mutual Insurance Group to offset the costs of medical quality reviews. The grant has restrictions and the remaining balance has been carried forward.					
Art IX, Sec 8.08, Seminars & Conferences (2012-13 GAA)-INS	\$18,138	\$0	\$0	\$0	\$0
Comments: This is the end of fiscal year 2012 balance of the Conference Fee appropriation related to the insurance conferences.					
Art IX, Sec 8.08, Seminars & Conferences (2014-15 GAA)-INS	\$(39,565)	\$39,565	\$0	\$0	\$0
Comments: Amounts UB'd are balances for Insurance Conferences. The increases are due to SFMO conferences in September and October (revenue received in 2013 but spent in 2014).					
Art IX, Sec 8.08, Seminars & Conferences (2012-13 GAA)-DWC	\$67,780	\$0	\$0	\$0	\$0
Comments: This is the end of fiscal year 2012 balance of the Conference Fee appropriation related to the workers' compensation conferences.					

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>OTHER FUNDS</u>						
	Art IX, Sec 8.08, Seminars & Conferences (2014-15 GAA)-DWC	\$(147,870)	\$147,870	\$0	\$0	\$0
	Comments: Amounts UB'd are balances for DWC Conferences. The increases are due to new Designated Doctor conferences in the fall (revenue received in 2013 but spent in 2014).					
	Art VIII, Rider 14, (2014-15 GAA), pg 22, Three Share Fines and Penalties-INS	\$0	\$(676,980)	\$676,980	\$0	\$0
	Comments: Rider allows for full UB of unspent funds.					
	Art IX, Sec 8.08, Seminars & Conferences (2014-15 GAA)-INS	\$0	\$(24,850)	\$24,850	\$0	\$0
	Comments: This is the estimated end of fiscal year 2014 balance of the Conference Fee appropriation related to the insurance conferences.					
	Art IX, Sec 8.08, Seminars & Conferences (2014-15 GAA)-DWC	\$0	\$(132,649)	\$132,649	\$0	\$0
	Comments: This is the estimated end of fiscal year 2014 balance of the Conference Fee appropriation related to the workers' compensation conferences.					
TOTAL,	Appropriated Receipts	\$919,327	\$2,229,567	\$1,509,509	\$675,030	\$675,030

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
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8/22/2014 9:56:03AM

Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
<u>OTHER FUNDS</u>						
<u>777</u> Interagency Contracts						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2012-13 GAA)						
		\$5,030,000	\$0	\$0	\$0	\$0
Comments: \$130,000 from DADS- HICAP program; \$4.9 million from HHSC - Healthy Texas Activities						
Regular Appropriations from MOF Table (2014-15 GAA)						
		\$0	\$130,000	\$130,000	\$0	\$0
Comments: From DADS- HICAP Program						
Regular Appropriations from MOF Table						
		\$0	\$0	\$0	\$120,380	\$120,380
<i>RIDER APPROPRIATION</i>						
Art IX, Sec 14.01 (f) Appropriation Transfers (2012-13 GAA)-INS						
		\$4,802,545	\$0	\$0	\$0	\$0
Comments: IAC Awarded from HHSC related to Healthy Texas program						
Art IX, Sec 14.01 (f) Appropriation Transfers (2012-13 GAA)-INS						

2.B. Summary of Base Request by Method of Finance
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017	
<u>OTHER FUNDS</u>						
	\$8,701	\$0	\$0	\$0	\$0	
Comments: Additional IAC funding received from DADS for HICAP program						
Art IX, Sec 14.01 (f) Appropriation Transfers (2014-15 GAA)-INS						
	\$0	\$60,080	\$0	\$0	\$0	
Comments: Additional IAC funding received from DADS.						
<i>LAPSED APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2012-13 GAA)						
	\$(4,900,000)	\$0	\$0	\$0	\$0	
Comments: Healthy Texas IAC funding cut at federal level.						
TOTAL,	Interagency Contracts	\$4,941,246	\$190,080	\$130,000	\$120,380	
TOTAL, ALL	OTHER FUNDS	\$26,300,663	\$23,442,162	\$6,791,084	\$5,869,163	
GRAND TOTAL		\$118,427,396	\$122,656,094	\$114,387,847	\$106,516,591	

2.B. Summary of Base Request by Method of Finance

8/22/2014 9:56:03AM

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Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2012-13 GAA)	1,679.5	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2014-15 GAA)	0.0	1,654.2	1,654.2	0.0	0.0
Regular Appropriations from MOF Table	0.0	0.0	0.0	1,382.0	1,382.0
RIDER APPROPRIATION					
Article IX Sec 18.78 Cont Appn SB 1291 Self Directed (2012-13 GAA)- INS	(85.8)	0.0	0.0	0.0	0.0
Art IX, Sec 18.44 Cont Appn HB 1772 Certain Benefits-INS (2012-13 GAA)	3.0	0.0	0.0	0.0	0.0
Art IX, Sec 18.50 Cont Appn HB 2277 Life Settlements-INS (2012-13 GAA)	3.0	0.0	0.0	0.0	0.0
Art IX, Sec 18.52 Cont Appn HB 2408 Title-INS (2012-13 GAA)	8.5	0.0	0.0	0.0	0.0
82nd Leg, SS 1, SB 2, Section 12 Healthcare Collaboratives-INS (2012-13 GAA)	16.0	0.0	0.0	0.0	0.0
82nd Leg, SS 1, SB 2, Section 20 TWIA-INS (2012-13 GAA)	2.0	0.0	0.0	0.0	0.0
LAPSED APPROPRIATIONS					

2.B. Summary of Base Request by Method of Finance
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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2013	Est 2014	Bud 2015	Req 2016	Req 2017	
Regular Appropriations from MOF Table (2014-15 GAA)	0.0	(28.0)	(28.0)	0.0	0.0	
Lapsed Appropriations-INS (2012-13 GAA) Regulatory Response Rider 23	(40.0)	0.0	0.0	0.0	0.0	
Lapsed Appropriations-INS (2014-15 GAA) Regulatory Response Rider 19	0.0	(40.0)	(40.0)	0.0	0.0	
UNAUTHORIZED NUMBER OVER (BELOW) CAP						
Unauthorized Number Over (Below) Cap	(281.4)	(297.2)	(224.2)	0.0	0.0	
TOTAL, ADJUSTED FTES	1,304.8	1,289.0	1,362.0	1,382.0	1,382.0	
NUMBER OF 100% FEDERALLY FUNDED FTEs	0.0	0.0	0.0	0.0	0.0	

2.C. Summary of Base Request by Object of Expense

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Automated Budget and Evaluation System of Texas (ABEST)

454 Department of Insurance

OBJECT OF EXPENSE	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$63,350,263	\$65,118,623	\$72,737,133	\$72,752,735	\$72,752,735
1002 OTHER PERSONNEL COSTS	\$3,143,538	\$2,507,606	\$2,548,401	\$2,548,399	\$2,548,399
2001 PROFESSIONAL FEES AND SERVICES	\$10,092,914	\$12,107,131	\$15,165,053	\$11,399,137	\$9,299,136
2002 FUELS AND LUBRICANTS	\$174,039	\$237,038	\$204,260	\$124,260	\$124,260
2003 CONSUMABLE SUPPLIES	\$408,600	\$567,847	\$549,357	\$540,487	\$540,487
2004 UTILITIES	\$828,016	\$1,590,299	\$775,887	\$1,148,601	\$1,148,600
2005 TRAVEL	\$1,574,009	\$1,663,190	\$1,617,724	\$1,430,204	\$1,430,204
2006 RENT - BUILDING	\$3,313,512	\$3,507,471	\$3,368,890	\$3,372,862	\$3,372,862
2007 RENT - MACHINE AND OTHER	\$703,788	\$715,704	\$654,774	\$655,974	\$655,974
2009 OTHER OPERATING EXPENSE	\$32,287,604	\$32,989,528	\$15,703,007	\$14,257,553	\$14,257,553
4000 GRANTS	\$386,381	\$1,210,000	\$1,063,361	\$386,381	\$386,381
5000 CAPITAL EXPENDITURES	\$2,164,732	\$441,657	\$0	\$0	\$0
OOE Total (Excluding Riders)	\$118,427,396	\$122,656,094	\$114,387,847	\$108,616,593	\$106,516,591
OOE Total (Riders)					
Grand Total	\$118,427,396	\$122,656,094	\$114,387,847	\$108,616,593	\$106,516,591

2.D. Summary of Base Request Objective Outcomes
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

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454 Department of Insurance

Goal/ Objective / Outcome	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt					
1 Provide Insurance Consumers with Meaningful Information					
KEY 1 % of Calls Answered by the TDI Consumer Help Line Call Center	93.00%	90.00%	90.00%	90.00%	90.00%
2 Reduce Unfair & Illegal Insurer Practices					
1 Percent of Enforcement Cases Concluded within 365 Days	92.00	90.00	60.00	60.00	60.00
2 Average Number of Dollars Returned to Consumers, Per Complaint	1,226.00	1,515.00	1,500.00	1,500.00	1,500.00
3 Percent of Insurance Related Fraud Reports Investigated and Resolved	5.00%	5.00%	5.00%	5.00%	5.00%
4 % of Workers' Comp Insurance Fraud Reports Investigated and Resolved	2.00%	3.00%	3.00%	3.00%	3.00%
3 Reduce Impediments to Competition and Improve Insurance Availability					
1 Percent of Company, TPA and PF License Apps Completed within 60 Days	98.00%	96.00%	96.00%	96.00%	96.00%
KEY 2 Percent of Agent License Filings Completed within 15 Days	94.00%	94.00%	94.00%	93.00%	93.00%
KEY 3 Percent of Statutory Rate and Form Filings Completed within 90 Days	91.00%	87.00%	87.00%	87.00%	87.00%
KEY 4 Percent Personal Auto/Res Property Form Filings Completed in 60 Days	89.00%	94.00%	94.00%	94.00%	94.00%
KEY 5 % of Autos in Underserved Mrkt w/Personal or Comm. Liability Insurance	80.00%	75.00%	75.00%	75.00%	75.00%
KEY 6 Percent of Licensees Who Renew Online	82.00%	82.00%	82.00%	82.00%	82.00%
5 Assure Loss Control Services & Windstorm Inspections					

2.D. Summary of Base Request Objective Outcomes
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

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454 Department of Insurance

Goal/ Objective / Outcome	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Percent of Insurers Providing Adequate Loss Control Programs	97.00%	99.00%	99.00%	99.00%	99.00%
2 % of Windstorm Inspections That Result in an "Approved" Status Code	41.00%	40.00%	35.00%	35.00%	35.00%
2 Promote Financial Strength of Ins. Industry 1 Regulate Insurance Industry Solvency					
1 Percent of Identified Companies Reviewed	99.00%	97.00%	97.00%	97.00%	97.00%
KEY 4 % of Companies Rehabilitated after TDI Solvency-Related Intervention	0.00%	18.00%	18.00%	18.00%	18.00%
3 Reduce Loss of Life & Property Due to Fire 1 Protect the Public from Loss of Life and Property due to fire					
1 Percent of Initial Reports Completed Annually	71.00	85.00	85.00	85.00	85.00
KEY 2 % of Fire Sfty Registrations, Licenses, Permits Issued w/in 20 Days	100.00%	99.00%	99.00%	99.00%	99.00%

2.D. Summary of Base Request Objective Outcomes
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

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454 Department of Insurance

Goal/ Objective / Outcome	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
4 Effectively Regulate the Texas Workers' Compensation System					
1 Ensure Appropriate Delivery of Workers' Compensation Benefits					
1 % of WC Enforcement Cases Concluded within 365 Days	95.00%	94.00%	65.00%	65.00%	65.00%
KEY 2 Percent of Medical Bills Processed Timely	98.00%	98.00%	95.00%	95.00%	95.00%
KEY 3 % of Med Fee Disputes Resolved or Upheld Upon Appeal	100.00%	100.00%	90.00%	90.00%	90.00%
KEY 4 Payments from the Subsequent Injury Fund	5,749,194.00	6,516,565.00	6,900,000.00	7,200,000.00	7,200,000.00
2 Ensure Workers' Comp System Participants are Educated and Informed					
KEY 1 Percent of TIBs Recipients Returning to Work Within 90 Days of Injury	57.00%	57.00%	54.00%	54.00%	54.00%

2.E. Summary of Exceptional Items Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
 TIME : 9:56:05AM

Agency code: 454

Agency name: Department of Insurance

Priority	Item	2016			2017			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Regulatory Response Rider	\$2,200,000	\$2,200,000	40.0	\$2,200,000	\$2,200,000	40.0	\$4,400,000	\$4,400,000
2	Reduce FTE Cap	\$0	\$0	0.0	\$0	\$0	0.0	\$0	\$0
3	Data Center Services	\$910,000	\$910,000	0.0	\$1,010,000	\$1,010,000	0.0	\$1,920,000	\$1,920,000
4	Gartner Security Enhancements	\$278,000	\$278,000	1.0	\$278,000	\$278,000	1.0	\$556,000	\$556,000
5	ITS Staffing Needs	\$520,000	\$520,000	5.0	\$520,000	\$520,000	5.0	\$1,040,000	\$1,040,000
6	Consumer Protection and Licensing	\$421,140	\$421,140	11.0	\$421,140	\$421,140	11.0	\$842,280	\$842,280
7	State Fire Marshal's Office	\$725,450	\$725,450	2.0	\$725,450	\$725,450	2.0	\$1,450,900	\$1,450,900
8	Fraud Staffing Needs	\$626,840	\$626,840	10.0	\$626,840	\$626,840	10.0	\$1,253,680	\$1,253,680
Total, Exceptional Items Request		\$5,681,430	\$5,681,430	69.0	\$5,781,430	\$5,781,430	69.0	\$11,462,860	\$11,462,860

Method of Financing

General Revenue	\$5,097,130	\$5,097,130		\$5,153,130	\$5,153,130		\$10,250,260	\$10,250,260
General Revenue - Dedicated	584,300	584,300		628,300	628,300		1,212,600	1,212,600
Federal Funds								
Other Funds								
	\$5,681,430	\$5,681,430		\$5,781,430	\$5,781,430		\$11,462,860	\$11,462,860

Full Time Equivalent Positions

69.0

69.0

Number of 100% Federally Funded FTEs

0.0

0.0

2.F. Summary of Total Request by Strategy
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/22/2014

TIME : 9:56:06AM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
1 Promote Consumer Access to Affordable Insur Products W/in a Fair M						
<i>1 Provide Insurance Consumers with Meaningful Information</i>						
1 CONSUMER EDUCATION AND OUTREACH	\$8,751,093	\$8,751,092	\$0	\$0	\$8,751,093	\$8,751,092
<i>2 Reduce Unfair & Illegal Insurer Practices</i>						
1 RESOLVE COMPLAINTS	2,684,190	2,684,190	237,240	237,240	2,921,430	2,921,430
2 INVESTIGATION AND ENFORCEMENT	2,983,274	2,983,274	0	0	2,983,274	2,983,274
3 INSURANCE FRAUD	2,998,802	2,998,802	626,840	626,840	3,625,642	3,625,642
4 WORKERS COMPENSATION FRAUD	367,027	367,027	0	0	367,027	367,027
<i>3 Reduce Impediments to Competition and Improve Insurance Availabi</i>						
1 PROCESS RATES, FORMS & LICENSES	10,952,348	10,952,348	183,900	183,900	11,136,248	11,136,248
2 PROMOTE UNDERSERVED COVERAGE	220,481	220,481	0	0	220,481	220,481
3 TEXAS.GOV	380,000	380,000	0	0	380,000	380,000
4 CERTIFY SELF-INSURANCE	674,125	674,125	0	0	674,125	674,125
<i>4 Administer Innovative Insurance Initiatives</i>						
1 LONG-TERM CARE	182,528	182,528	0	0	182,528	182,528
2 THREE-SHARE PROGRAMS	444,866	444,866	0	0	444,866	444,866
3 HEALTHY TEXAS	0	0	0	0	0	0
<i>5 Assure Loss Control Services & Windstorm Inspections</i>						
1 LOSS CONTROL PROGRAMS	2,798,742	2,798,742	0	0	2,798,742	2,798,742
TOTAL, GOAL 1	\$33,437,476	\$33,437,475	\$1,047,980	\$1,047,980	\$34,485,456	\$34,485,455

2.F. Summary of Total Request by Strategy
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/22/2014

TIME : 9:56:06AM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
2 Promote Financial Strength of Ins. Industry						
<i>1 Regulate Insurance Industry Solvency</i>						
1 INSURERS FINANCIAL CONDITION	\$7,613,837	\$7,613,837	\$0	\$0	\$7,613,837	\$7,613,837
TOTAL, GOAL 2	\$7,613,837	\$7,613,837	\$0	\$0	\$7,613,837	\$7,613,837
3 Reduce Loss of Life & Property Due to Fire						
<i>1 Protect the Public from Loss of Life and Property due to fire</i>						
1 FIRE MARSHAL	4,748,631	4,748,631	725,450	725,450	5,474,081	5,474,081
TOTAL, GOAL 3	\$4,748,631	\$4,748,631	\$725,450	\$725,450	\$5,474,081	\$5,474,081
4 Effectively Regulate the Texas Workers' Compensation System						
<i>1 Ensure Appropriate Delivery of Workers' Compensation Benefits</i>						
1 OVERSIGHT AND ENFORCEMENT	7,576,685	6,376,685	0	0	7,576,685	6,376,685
2 DISPUTE RESOLUTION	14,742,589	13,842,589	0	0	14,742,589	13,842,589
3 SUBSEQUENT INJURY FUND ADMIN	5,546,723	5,546,722	0	0	5,546,723	5,546,722
<i>2 Ensure Workers' Comp System Participants are Educated and Inform</i>						
1 HEALTH AND SAFETY SERVICES	3,913,697	3,913,697	0	0	3,913,697	3,913,697
2 CUSTOMER SERVICE & RECORDS ADMIN	5,228,901	5,228,901	0	0	5,228,901	5,228,901
TOTAL, GOAL 4	\$37,008,595	\$34,908,594	\$0	\$0	\$37,008,595	\$34,908,594

2.F. Summary of Total Request by Strategy
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DATE : 8/22/2014

TIME : 9:56:06AM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
5 Indirect Administration						
1 Indirect Administration						
1 CENTRAL ADMINISTRATION	\$10,415,102	\$10,415,103	\$0	\$0	\$10,415,102	\$10,415,103
2 INFORMATION RESOURCES	11,825,498	11,825,497	1,708,000	1,808,000	13,533,498	13,633,497
3 OTHER SUPPORT SERVICES	3,567,454	3,567,454	0	0	3,567,454	3,567,454
TOTAL, GOAL 5	\$25,808,054	\$25,808,054	\$1,708,000	\$1,808,000	\$27,516,054	\$27,616,054
6 Regulatory Response						
1 Regulatory Response						
1 CONTINGENCY REGULATORY RESPONSE	0	0	2,200,000	2,200,000	2,200,000	2,200,000
TOTAL, GOAL 6	\$0	\$0	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000
TOTAL, AGENCY STRATEGY REQUEST	\$108,616,593	\$106,516,591	\$5,681,430	\$5,781,430	\$114,298,023	\$112,298,021
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$108,616,593	\$106,516,591	\$5,681,430	\$5,781,430	\$114,298,023	\$112,298,021

2.F. Summary of Total Request by Strategy
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/22/2014

TIME : 9:56:06AM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2016	Base 2017	Exceptional 2016	Exceptional 2017	Total Request 2016	Total Request 2017
General Revenue Funds:						
1 General Revenue Fund	\$230,926	\$230,926	\$0	\$0	\$230,926	\$230,926
8042 Insurance Maint Tax Fees	39,081,725	39,081,724	5,097,130	5,153,130	44,178,855	44,234,854
	\$39,312,651	\$39,312,650	\$5,097,130	\$5,153,130	\$44,409,781	\$44,465,780
General Revenue Dedicated Funds:						
36 Dept Ins Operating Acct	55,776,167	53,676,168	584,300	628,300	56,360,467	54,304,468
5101 Subsequent Injury Fund	5,468,353	5,468,352	0	0	5,468,353	5,468,352
5138 Fire Prevention And Public Safety	0	0	0	0	0	0
	\$61,244,520	\$59,144,520	\$584,300	\$628,300	\$61,828,820	\$59,772,820
Federal Funds:						
555 Federal Funds	2,190,259	2,190,259	0	0	2,190,259	2,190,259
	\$2,190,259	\$2,190,259	\$0	\$0	\$2,190,259	\$2,190,259
Other Funds:						
6 State Highway Fund	5,073,753	5,073,752	0	0	5,073,753	5,073,752
329 Healthy TX Sm Emp Prem Stabil. Fund	0	0	0	0	0	0
666 Appropriated Receipts	675,030	675,030	0	0	675,030	675,030
777 Interagency Contracts	120,380	120,380	0	0	120,380	120,380
	\$5,869,163	\$5,869,162	\$0	\$0	\$5,869,163	\$5,869,162
TOTAL, METHOD OF FINANCING	\$108,616,593	\$106,516,591	\$5,681,430	\$5,781,430	\$114,298,023	\$112,298,021
FULL TIME EQUIVALENT POSITIONS	1,382.0	1,382.0	69.0	69.0	1,451.0	1,451.0

2.G. Summary of Total Request Objective Outcomes
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/22/2014
 Time: 9:56:07AM

Agency code: 454

Agency name: Department of Insurance

Goal/ Objective / Outcome

		BL 2016	BL 2017	Excp 2016	Excp 2017	Total Request 2016	Total Request 2017
1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt						
1	<i>Provide Insurance Consumers with Meaningful Information</i>						
KEY	1 % of Calls Answered by the TDI Consumer Help Line Call Center	90.00%	90.00%			90.00%	90.00%
2	<i>Reduce Unfair & Illegal Insurer Practices</i>						
	1 Percent of Enforcement Cases Concluded within 365 Days	60.00	60.00			60.00	60.00
	2 Average Number of Dollars Returned to Consumers, Per Complaint	1,500.00	1,500.00			1,500.00	1,500.00
	3 Percent of Insurance Related Fraud Reports Investigated and Resolved	5.00%	5.00%	7.00%	7.00%	7.00%	7.00%
	4 % of Workers' Comp Insurance Fraud Reports Investigated and Resolved	3.00%	3.00%			3.00%	3.00%
3	<i>Reduce Impediments to Competition and Improve Insurance Availability</i>						
	1 Percent of Company, TPA and PF License Apps Completed within 60 Days	96.00%	96.00%			96.00%	96.00%
KEY	2 Percent of Agent License Filings Completed within 15 Days	93.00%	93.00%	96.00%	96.00%	96.00%	96.00%

2.G. Summary of Total Request Objective Outcomes
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/22/2014
 Time: 9:56:07AM

Agency code: **454** Agency name: **Department of Insurance**

Goal/ Objective / Outcome

		BL 2016	BL 2017	Excp 2016	Excp 2017	Total Request 2016	Total Request 2017
KEY	3 Percent of Statutory Rate and Form Filings Completed within 90 Days	87.00%	87.00%			87.00%	87.00%
KEY	4 Percent Personal Auto/Res Property Form Filings Completed in 60 Days	94.00%	94.00%			94.00%	94.00%
KEY	5 % of Autos in Underserved Mrkt w/Personal or Comm. Liability Insurance	75.00%	75.00%			75.00%	75.00%
KEY	6 Percent of Licensees Who Renew Online	82.00%	82.00%			82.00%	82.00%
5	<i>Assure Loss Control Services & Windstorm Inspections</i>						
	1 Percent of Insurers Providing Adequate Loss Control Programs	99.00%	99.00%			99.00%	99.00%
	2 % of Windstorm Inspections That Result in an "Approved" Status Code	35.00%	35.00%			35.00%	35.00%
2	Promote Financial Strength of Ins. Industry						
1	<i>Regulate Insurance Industry Solvency</i>						
	1 Percent of Identified Companies Reviewed	97.00%	97.00%			97.00%	97.00%
KEY	4 % of Companies Rehabilitated after TDI Solvency-Related Intervention	18.00%	18.00%			18.00%	18.00%

2.G. Summary of Total Request Objective Outcomes
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/22/2014
 Time: 9:56:07AM

Agency code: 454

Agency name: Department of Insurance

Goal/ Objective / Outcome

		BL 2016	BL 2017	Excp 2016	Excp 2017	Total Request 2016	Total Request 2017
3	Reduce Loss of Life & Property Due to Fire						
1	<i>Protect the Public from Loss of Life and Property due to fire</i>						
	1 Percent of Initial Reports Completed Annually						
		85.00	85.00			85.00	85.00
KEY	2 % of Fire Sfty Registrations, Licenses, Permits Issued w/in 20 Days						
		99.00%	99.00%			99.00%	99.00%
4	Effectively Regulate the Texas Workers' Compensation System						
1	<i>Ensure Appropriate Delivery of Workers' Compensation Benefits</i>						
	1 % of WC Enforcement Cases Concluded within 365 Days						
		65.00%	65.00%			65.00%	65.00%
KEY	2 Percent of Medical Bills Processed Timely						
		95.00%	95.00%			95.00%	95.00%
KEY	3 % of Med Fee Disputes Resolved or Upheld Upon Appeal						
		90.00%	90.00%			90.00%	90.00%
KEY	4 Payments from the Subsequent Injury Fund						
		7,200,000.00	7,200,000.00			7,200,000.00	7,200,000.00
2	<i>Ensure Workers' Comp System Participants are Educated and Informed</i>						
KEY	1 Percent of TIBs Recipients Returning to Work Within 90 Days of Injury						
		54.00%	54.00%			54.00%	54.00%

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3. STRATEGY REQUESTS

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454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Provide Insurance Consumers with Meaningful Information Service Categories:
 STRATEGY: 1 Educate Consumers and Industry by Providing Outreach and Information Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of Inquiries Answered	591,251.00	533,000.00	533,000.00	550,000.00	550,000.00
KEY 2	Number of Consumer Information Publications Distributed	8,497,047.00	5,500,000.00	5,500,000.00	4,000,000.00	4,000,000.00
	3 Number of Consumer Information Presentations Made	740.00	800.00	650.00	500.00	500.00
	4 Number of TDI Calls to Insurance Industry for Data	22.00	20.00	23.00	23.00	23.00
Explanatory/Input Measures:						
	1 Percent of Premiums Expended on Insurer Overhead Costs	19.00 %	21.00 %	21.00 %	21.00 %	21.00 %
	2 % of Vehicles W/ Personal or Commercial Automobile Liability Insurance	86.00 %	80.00 %	80.00 %	80.00 %	80.00 %
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,386,337	\$2,548,041	\$2,640,682	\$2,785,545	\$2,785,545
1002	OTHER PERSONNEL COSTS	\$148,490	\$108,125	\$112,471	\$113,115	\$113,115
2001	PROFESSIONAL FEES AND SERVICES	\$3,596,087	\$5,379,126	\$8,195,744	\$4,610,873	\$4,610,872
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$9,683	\$14,117	\$12,275	\$11,115	\$11,115
2004	UTILITIES	\$6,252	\$7,412	\$6,026	\$6,140	\$6,140
2005	TRAVEL	\$63,828	\$38,682	\$28,846	\$29,773	\$29,773
2006	RENT - BUILDING	\$30,361	\$6,309	\$5,913	\$6,570	\$6,570

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Provide Insurance Consumers with Meaningful Information	Service Categories:		
STRATEGY:	1	Educate Consumers and Industry by Providing Outreach and Information	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2007	RENT - MACHINE AND OTHER	\$15,705	\$18,167	\$11,735	\$11,735	\$11,735
2009	OTHER OPERATING EXPENSE	\$884,776	\$1,185,658	\$1,325,614	\$1,176,227	\$1,176,227
5000	CAPITAL EXPENDITURES	\$1,632,866	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$8,774,385	\$9,305,637	\$12,339,306	\$8,751,093	\$8,751,092
Method of Financing:						
8042	Insurance Maint Tax Fees	\$2,317,147	\$2,423,311	\$2,608,010	\$2,610,469	\$2,610,469
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,317,147	\$2,423,311	\$2,608,010	\$2,610,469	\$2,610,469
Method of Financing:						
36	Dept Ins Operating Acct	\$634,664	\$711,849	\$777,448	\$781,461	\$781,461
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$634,664	\$711,849	\$777,448	\$781,461	\$781,461
Method of Financing:						
555	Federal Funds					
	93.511.000 ACA-Grnts St Hlth Ins Premium Revw	\$0	\$821,824	\$3,504,974	\$0	\$0
CFDA Subtotal, Fund	555	\$0	\$821,824	\$3,504,974	\$0	\$0
SUBTOTAL, MOF (FEDERAL FUNDS)		\$0	\$821,824	\$3,504,974	\$0	\$0

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Provide Insurance Consumers with Meaningful Information Service Categories:
 STRATEGY: 1 Educate Consumers and Industry by Providing Outreach and Information Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Method of Financing:						
6	State Highway Fund	\$5,559,818	\$4,995,930	\$5,151,575	\$5,073,753	\$5,073,752
666	Appropriated Receipts	\$136,876	\$181,157	\$180,039	\$165,030	\$165,030
777	Interagency Contracts	\$125,880	\$171,566	\$117,260	\$120,380	\$120,380
SUBTOTAL, MOF (OTHER FUNDS)		\$5,822,574	\$5,348,653	\$5,448,874	\$5,359,163	\$5,359,162
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$8,751,093	\$8,751,092
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$8,774,385	\$9,305,637	\$12,339,306	\$8,751,093	\$8,751,092
FULL TIME EQUIVALENT POSITIONS:		43.9	45.5	46.1	48.1	48.1
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Provide Insurance Consumers with Meaningful Information	Service Categories:		
STRATEGY:	1	Educate Consumers and Industry by Providing Outreach and Information	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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Statute (Tex. Ins. Code, Ch. 38) directs the Texas Department of Insurance (TDI) to collect and analyze market data and provide information/reports to elected officials, consumers, and industry; to collect consumer complaints data and distribute information to the public (Sections 521.001-.002, 521.004, 521.052, and 521.054-.055); and to provide requested assistance to the Legislature (Tex. Gov. Code, §301.028). Data for statutorily mandated reports are collected through agency statistical plans/special data calls (e.g., Legislative Report on Market Conditions).

TDI supports competition by educating consumers via its toll free Consumer Help Line, website, publications, and presentations (Tex. Ins. Code, §521.051). Information provided includes company complaints/financial data, publications on auto, homeowners, life, and health insurance;; as well as price comparison guides on auto, homeowners and, long-term care insurance.

This strategy coordinates with agency strategies 1.3.2 Promote Underserved Coverage; 1.2.1 Resolve Complaints; 1.2.2 Investigation and Enforcement; 1.2.3 Insurance Fraud;. Strategy 1.1.1 contributes to statewide goal 07 and benchmark 01 by assisting market competition, helping consumers with purchasing decisions, and providing legislators/agency leadership with information for decision making.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Legislation, market trends, population and demographic changes, and the information needs of stakeholders affect this strategy. Changes in state or federal laws may expand or decrease regulation. As product variety continues to increase and market conditions change, both policymakers and consumers face greater challenges. Policymakers, whose decisions affect available products, need data and analysis for public policy decisions. Consumers face challenges in selecting policies that most cost-effectively meet their needs, thus increasing the agency’s role in consumer education. As the population ages and becomes more diverse, TDI will ensure its information is available in appropriate languages and formats. Internal factors include the increased degree of automation and the need to use technology that is compatible with what is used by the industry, consumers, and others. Market conditions may also change rapidly, and the agency must balance the need to provide comprehensive data with the need to provide it quickly. Changing market conditions also require the agency to manage resources to ensure that data collected, analyzed, and distributed reflects the information needs of consumers, legislators, and other interested parties.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	1	Respond Promptly and Act on Complaints	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of Complaints Resolved	20,163.00	17,500.00	20,000.00	20,000.00	20,000.00
Efficiency Measures:						
KEY 1	Average Response Time (in Days) to Complaints	51.00	40.00	45.00	60.00	60.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,087,986	\$2,126,790	\$2,226,237	\$2,403,443	\$2,403,443
1002	OTHER PERSONNEL COSTS	\$112,088	\$84,075	\$111,580	\$104,343	\$104,343
2001	PROFESSIONAL FEES AND SERVICES	\$37,750	\$8,002	\$2,709	\$1,385	\$1,385
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$12,178	\$13,777	\$12,184	\$10,936	\$10,936
2004	UTILITIES	\$1,834	\$3,055	\$3,131	\$2,345	\$2,345
2005	TRAVEL	\$33,406	\$15,024	\$18,595	\$9,807	\$9,807
2006	RENT - BUILDING	\$0	\$540	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$20,184	\$14,228	\$11,292	\$11,292	\$11,292
2009	OTHER OPERATING EXPENSE	\$77,350	\$136,594	\$337,058	\$140,639	\$140,639
TOTAL, OBJECT OF EXPENSE		\$2,382,776	\$2,402,085	\$2,722,786	\$2,684,190	\$2,684,190

Method of Financing:

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices Service Categories:
 STRATEGY: 1 Respond Promptly and Act on Complaints Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
8042	Insurance Maint Tax Fees	\$1,787,702	\$1,745,338	\$1,982,581	\$1,952,368	\$1,952,368
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,787,702	\$1,745,338	\$1,982,581	\$1,952,368	\$1,952,368
Method of Financing:						
36	Dept Ins Operating Acct	\$595,074	\$656,747	\$740,205	\$731,822	\$731,822
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$595,074	\$656,747	\$740,205	\$731,822	\$731,822
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,684,190	\$2,684,190
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,382,776	\$2,402,085	\$2,722,786	\$2,684,190	\$2,684,190
FULL TIME EQUIVALENT POSITIONS:		45.1	46.0	47.2	47.2	47.2

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Department of Insurance (TDI) is directed by statute to facilitate the resolution of consumer complaints and help consumers recover valid claims (Tex. Ins. Code §§521.002 and 843.282). The agency has a complaint resolution process to resolve complaints from the public and, while doing so, to educate consumers about insurance coverages and policies. To ensure that insurers are promoting certain insurance products in a fair and equitable manner, TDI also reviews advertising for long-term care, Medicare supplement, and other products (§§31.002, 101.102, 541.051-53, and 541.061).

In addition, this strategy contributes to the statewide goal 07 and benchmark 01 by encouraging fair competition in the insurance industry.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	1	Respond Promptly and Act on Complaints	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Changes in the economy, natural disasters or other catastrophes, market changes, industry compliance, and publicity about insurance issues may lead to increased consumer complaints. However, for the past eight fiscal years, with the exception of FY 2009 and 2010 following Hurricane Ike, TDI received fewer complaints than projected. This downward trend is consistent with a national trend across state insurance regulatory agencies. At the same time, TDI is receiving more complex consumer complaints, reflecting the development of new and more sophisticated insurance products.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	2	Investigate Trade Practices and Bring Enforcement Actions as Needed	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
1	Dollar Amount of Restitution Assessed for Statute and Rule Violations	1,844,172.00	109,000,000.00	10,500,000.00	10,500,000.00	10,500,000.00
2	Number of Quality Assurance Examinations Conducted	46.00	40.00	35.00	35.00	35.00
Efficiency Measures:						
1	Average Cost Per QA Examination Conducted	1,682.00	2,500.00	6,000.00	6,000.00	6,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,098,503	\$2,098,391	\$2,487,251	\$2,543,007	\$2,543,007
1002	OTHER PERSONNEL COSTS	\$80,682	\$84,107	\$71,994	\$71,994	\$71,994
2001	PROFESSIONAL FEES AND SERVICES	\$11,868	\$88,065	\$136,375	\$106,375	\$106,375
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$12,803	\$17,625	\$17,997	\$16,657	\$16,657
2004	UTILITIES	\$986	\$2,372	\$1,057	\$1,057	\$1,057
2005	TRAVEL	\$1,818	\$21,392	\$22,163	\$22,493	\$22,493
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$17,060	\$10,933	\$9,963	\$9,963	\$9,963
2009	OTHER OPERATING EXPENSE	\$80,448	\$158,342	\$281,136	\$211,728	\$211,728

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7 1
OBJECTIVE:	2 Reduce Unfair & Illegal Insurer Practices	Service Categories:	
STRATEGY:	2 Investigate Trade Practices and Bring Enforcement Actions as Needed	Service: 17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, OBJECT OF EXPENSE		\$2,304,168	\$2,481,227	\$3,027,936	\$2,983,274	\$2,983,274
Method of Financing:						
8042	Insurance Maint Tax Fees	\$1,728,725	\$1,802,842	\$2,204,774	\$2,169,909	\$2,169,909
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,728,725	\$1,802,842	\$2,204,774	\$2,169,909	\$2,169,909
Method of Financing:						
36	Dept Ins Operating Acct	\$575,443	\$678,385	\$823,162	\$813,365	\$813,365
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$575,443	\$678,385	\$823,162	\$813,365	\$813,365
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,983,274	\$2,983,274
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,304,168	\$2,481,227	\$3,027,936	\$2,983,274	\$2,983,274
FULL TIME EQUIVALENT POSITIONS:		36.4	35.2	38.6	38.6	38.6
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	2	Investigate Trade Practices and Bring Enforcement Actions as Needed	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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The Texas Department of Insurance (TDI) is directed by statute (Tex. Ins. Code §31.002; and Ch. 82, Subchapter B) to ensure that insurance laws are executed and to take action against entities engaged in unfair/illegal practices. TDI investigates possible deceptive fraudulent practices or other violations by regulated entities and resolves violations of state law or rules through a process that includes warning letters, consent orders, and informal settlements. Violations are also resolved through contested case proceedings before the State Office of Administrative Hearings (SOAH). The commissioner enters a final order based on the proposal of the SOAH administrative law judge. Resolutions may include cessation of illegal conduct, license revocations, fines, or restitution.

TDI also conducts examinations of the state's HMOs, workers' compensation networks, commercial exclusive provider benefit plans, health care collaboratives, IROs and URAs in order to monitor compliance with Texas' quality of care guidelines and network access and availability. Network access and availability is monitored and evaluated through the review of access plans submitted by regulated entities on an annual basis as required by reporting requirements, and on an ad hoc basis as regulated entities request to expand and contract their approved service areas.

This strategy contributes to the statewide goal 07 and benchmark 01 by investigating and enforcing Texas statutes, which supports fair rates and practices by insurance companies and other regulated entities.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Legislation, economic changes, and market forces affect this strategy. Changes in economy or market forces may lead to increased enforcement activity. For example, high reinsurance rates and weather concerns could result in companies restricting their writing insurance policies, and TDI is required to monitor those practices to ensure compliance with Texas law. New legislation may create additional industry requirements, which invoke TDI's compliance and enforcement duties. Internal factors affecting this strategy include agency practices to achieve swift and efficient resolution of compliance issues. Opportunity for informal resolution of actions, and concern for particular issues, such as availability of insurance at reasonable rates, non-discrimination, and unauthorized insurance activities, affects TDI's enforcement efforts.

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices Service Categories:
 STRATEGY: 3 Investigate Insurance Fraud and Refer Violations for Prosecution Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Investigations of Criminal Activity Related to Insurance Fraud Rslvd	535.00	550.00	550.00	550.00	550.00
Efficiency Measures:						
1	Percentage of Insurer Fraud Cases Resolved within 365 Days	63.00 %	75.00 %	75.00 %	75.00 %	75.00 %
2	% of Consumer or Provider Fraud Cases Resolved within 365 Days	69.00 %	75.00 %	75.00 %	75.00 %	75.00 %
Explanatory/Input Measures:						
1	Number of Reports of Insurer Fraud Received	692.00	550.00	710.00	710.00	710.00
2	Number of Reports of Consumer and Provider Fraud Received	9,784.00	10,100.00	9,400.00	9,400.00	9,400.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,713,438	\$2,635,246	\$2,931,858	\$2,635,102	\$2,635,102
1002	OTHER PERSONNEL COSTS	\$78,963	\$81,186	\$64,958	\$63,434	\$63,434
2001	PROFESSIONAL FEES AND SERVICES	\$106,272	\$15,622	\$14,706	\$1,244	\$1,244
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$16,538	\$19,849	\$19,130	\$19,064	\$19,064

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices Service Categories:
 STRATEGY: 3 Investigate Insurance Fraud and Refer Violations for Prosecution Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2004	UTILITIES	\$18,944	\$30,032	\$28,050	\$24,000	\$24,000
2005	TRAVEL	\$101,250	\$119,130	\$103,130	\$105,908	\$105,908
2006	RENT - BUILDING	\$70,759	\$17,577	\$658	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$16,561	\$27,167	\$12,842	\$12,842	\$12,842
2009	OTHER OPERATING EXPENSE	\$112,133	\$195,495	\$283,315	\$137,208	\$137,208
5000	CAPITAL EXPENDITURES	\$5,182	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$3,240,040	\$3,141,304	\$3,458,647	\$2,998,802	\$2,998,802
Method of Financing:						
8042	Insurance Maint Tax Fees	\$2,369,409	\$2,233,399	\$2,501,951	\$2,181,204	\$2,181,204
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,369,409	\$2,233,399	\$2,501,951	\$2,181,204	\$2,181,204
Method of Financing:						
36	Dept Ins Operating Acct	\$788,708	\$840,397	\$934,115	\$817,598	\$817,598
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$788,708	\$840,397	\$934,115	\$817,598	\$817,598
Method of Financing:						
666	Appropriated Receipts	\$69,102	\$48,994	\$9,841	\$0	\$0
777	Interagency Contracts	\$12,821	\$18,514	\$12,740	\$0	\$0

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	3	Investigate Insurance Fraud and Refer Violations for Prosecution	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL, MOF (OTHER FUNDS)		\$81,923	\$67,508	\$22,581	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,998,802	\$2,998,802
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,240,040	\$3,141,304	\$3,458,647	\$2,998,802	\$2,998,802
FULL TIME EQUIVALENT POSITIONS:		48.2	46.7	50.6	50.6	50.6

STRATEGY DESCRIPTION AND JUSTIFICATION:

Statute (Tex. Ins. Code, §701, Subchapter C) directs the Texas Department of Insurance (TDI) to investigate cases involving fraud committed by those in the insurance industry, providers, consumers, and those conducting unauthorized insurance business and, when appropriate, to initiate legal action. TDI evaluates and investigates potentially fraudulent insurance activities reported by staff, the public, the insurance industry, and other regulatory or law enforcement agencies. The Fraud Unit is a law enforcement agency (Tex. Crim. Proc. Code, Art. 2.12(28)) and has access to crime databases. It may make arrests, execute search warrants and subpoenas, refer cases to district attorneys, and participate in state and federal criminal investigation task forces. Cases may culminate in referrals to district attorneys and federal prosecutors for criminal prosecution.

This strategy protects consumers and ensures that the insurance industry maintains integrity in its business practices. In order to reduce fraud, the program works with strategy 1.1.1 Consumer Education and Outreach.

This strategy contributes to statewide goal 07 and benchmark 01. Eliminating and deterring fraud reduces unfair and illegal practices, which encourages fair competition in the insurance industry. It protects consumers' insurance assets from financial loss related to the purchase of fraudulent products.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	3	Investigate Insurance Fraud and Refer Violations for Prosecution	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Fraud victimizes insurance consumers when agents convert premiums, unauthorized insurers sell fake coverage, or company employees use company assets for personal gain, causing a company to fail. Conversely, consumers defraud insurance companies through material misrepresentations and misstatements, which cause insurance companies to lose money and increase premium rates for all consumers. State and federal legislation affects this strategy. The TDI Fraud Unit also supports a governor's executive order to prevent and eliminate fraud, waste, and abuse. Insurance fraud committed by those within the industry is addressed by the National Association of Insurance Commissioners, which maintains an antifraud task force that recommends model laws relating to insurance fraud. As states enact tougher fraud laws, insurance consumers and taxpayers will benefit. Economic trends affect the amount and type of fraudulent activities occurring in the state. The regulatory climate may lead to voids in the marketplace, which are filled by fraudulent operators. TDI participated in the Texas Committee on Insurance Fraud to enhance fraud awareness. Memorandums of understanding with district attorney offices for Dallas, Harris, and Bexar counties allow TDI to support special prosecutors and investigators. Continued funding for access to national and statewide insurer databases, as well as maintenance, enhancement, and expanded use of existing TDI databases and case management systems are essential.

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	2 Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
1	# of Prosecutions for Workers' Comp Fraud Cases	6.00	4.00	8.00	8.00	8.00
2	# Invest of Criminal Activity Related to Workers' Comp Fraud Resolved	42.00	55.00	55.00	55.00	55.00
Efficiency Measures:						
1	% of Workers' Compensation Fraud Cases Resolved within 365 Days	53.00 %	75.00 %	80.00 %	80.00 %	80.00 %
Explanatory/Input Measures:						
1	Number of Reports of WC Insurance Fraud Received	1,972.00	1,730.00	2,000.00	2,000.00	2,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$217,412	\$290,743	\$310,841	\$310,842	\$310,842
1002	OTHER PERSONNEL COSTS	\$4,240	\$5,522	\$5,146	\$5,146	\$5,146
2001	PROFESSIONAL FEES AND SERVICES	\$11,750	\$452	\$452	\$0	\$0
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$605	\$1,006	\$1,055	\$1,055	\$1,055
2004	UTILITIES	\$2,639	\$4,640	\$3,822	\$3,822	\$3,822
2005	TRAVEL	\$1,513	\$8,115	\$8,115	\$8,115	\$8,115
2006	RENT - BUILDING	\$20,542	\$23,925	\$23,420	\$22,670	\$22,670

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	4	Investigate Workers' Comp Fraud & Refer Violations for Prosecution	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2007	RENT - MACHINE AND OTHER	\$2,624	\$3,363	\$3,744	\$3,744	\$3,744
2009	OTHER OPERATING EXPENSE	\$2,711	\$9,741	\$22,546	\$11,633	\$11,633
TOTAL, OBJECT OF EXPENSE		\$264,036	\$347,507	\$379,141	\$367,027	\$367,027
Method of Financing:						
36	Dept Ins Operating Acct	\$264,036	\$347,507	\$379,141	\$367,027	\$367,027
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$264,036	\$347,507	\$379,141	\$367,027	\$367,027
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$367,027	\$367,027
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$264,036	\$347,507	\$379,141	\$367,027	\$367,027
FULL TIME EQUIVALENT POSITIONS:		4.3	5.8	6.0	6.0	6.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	2	Reduce Unfair & Illegal Insurer Practices	Service Categories:		
STRATEGY:	4	Investigate Workers' Comp Fraud & Refer Violations for Prosecution	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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Statutes (Tex. Ins. Code, §701, Subchapter C) direct TDI to investigate possible workers' compensation claimant, provider, and premium insurance fraud and to refer violations for prosecution as appropriate. TDI's Fraud Unit receives, evaluates, and investigates reports of fraud from the industry, public, and regulatory/law enforcement agencies. TDI's Fraud Unit is a law enforcement agency (Tex. Crim. Proc. Code, Art. 2.12(28)) and has access to national/regional crime databases. The Fraud Unit may make arrests, execute search warrants and subpoenas, refer cases to district attorneys, and participate in joint state and federal criminal investigation task forces. TDI provides technical assistance to the industry and prosecutors on fraud cases. TDI provides speakers for insurance industry groups (particularly companies' special investigation units) and advises industry officials regarding relevant statutes/fraud prevention procedures. Insurance fraud is an offense that is costly to insurance companies and consumers alike. This strategy ensures that the insurance industry has effective antifraud business practices. In addition, the program works with strategy 1.1.1 Consumer Education and Outreach to educate the public about fraudulent activities, reduce the number of fraud cases committed, and increase detection. This strategy contributes to the statewide goal 07 and benchmark 01 by eliminating or deterring fraud; it also reduces unfair and illegal practices and insurance costs related to fraudulent claims.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

State and federal legislation affects this strategy. Antifraud efforts are addressed at the national level. Claimant insurance fraud is addressed by the Coalition against Insurance Fraud and the National Insurance Crime Bureau (NICB), and provider fraud is addressed by the National Health Care Anti-Fraud Association. As fraud reduction efforts increase, all insurance consumers and taxpayers will benefit. On a statewide level, TDI continues to support a governor's executive order relating to preventing and eliminating fraud, waste, and abuse. Changes in the economy have an effect on the volume of fraudulent activities since a downturn in the economy and a tight market creates an optimal climate for fraudulent operators. An increase in fraudulent activities usually causes an increase in fraud reports to TDI. Additionally, the Fraud Unit's liaison initiative with insurance industry officials and statutory requirements increase the number of claimant fraud cases reported. TDI participated in the Texas Committee on Insurance Fraud to enhance fraud awareness. Memorandums of understanding with district attorney's offices for Bexar, Dallas, and Harris counties allow TDI to support special prosecutors and investigators. Continued funding for and access to national and statewide databases is essential to this strategy. The maintenance, enhancement, and expanded use of existing TDI databases and case management systems are also essential to the success of this strategy.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	1	Process Rates, Forms & Licenses Promptly	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
1	Number of Life/Health Filings Completed	22,064.00	21,000.00	21,785.00	21,785.00	21,785.00
2	Number of Property and Casualty Rate and Form Filings Completed	18,551.00	18,000.00	16,000.00	16,000.00	16,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$8,670,370	\$8,767,651	\$9,841,482	\$9,921,832	\$9,921,832
1002	OTHER PERSONNEL COSTS	\$418,853	\$320,118	\$345,596	\$345,144	\$345,144
2001	PROFESSIONAL FEES AND SERVICES	\$159,126	\$71,064	\$47,743	\$47,993	\$47,993
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$42,406	\$61,366	\$57,154	\$56,257	\$56,257
2004	UTILITIES	\$5,732	\$10,620	\$9,790	\$9,490	\$9,490
2005	TRAVEL	\$22,301	\$51,534	\$40,731	\$44,909	\$44,909
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$70,407	\$54,663	\$48,710	\$48,710	\$48,710
2009	OTHER OPERATING EXPENSE	\$249,292	\$534,617	\$874,568	\$478,013	\$478,013
TOTAL, OBJECT OF EXPENSE		\$9,638,487	\$9,871,633	\$11,265,774	\$10,952,348	\$10,952,348

Method of Financing:

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7 1
OBJECTIVE:	3 Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:	
STRATEGY:	1 Process Rates, Forms & Licenses Promptly	Service: 17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
8042	Insurance Maint Tax Fees	\$7,155,321	\$7,172,660	\$8,203,107	\$7,966,282	\$7,966,282
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$7,155,321	\$7,172,660	\$8,203,107	\$7,966,282	\$7,966,282
Method of Financing:						
36	Dept Ins Operating Acct	\$2,381,801	\$2,698,973	\$3,062,667	\$2,986,066	\$2,986,066
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$2,381,801	\$2,698,973	\$3,062,667	\$2,986,066	\$2,986,066
Method of Financing:						
555	Federal Funds					
	93.511.000 ACA-Grnts St Hlth Ins Premium Revw	\$101,365	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$101,365	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (FEDERAL FUNDS)		\$101,365	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$10,952,348	\$10,952,348
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)					\$11,265,774	\$10,952,348
FULL TIME EQUIVALENT POSITIONS:		170.4	164.6	178.8	181.8	181.8

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	1	Process Rates, Forms & Licenses Promptly	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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STRATEGY DESCRIPTION AND JUSTIFICATION:

Statutes require the agency to review rate and policy form filings for property, casualty, credit, life, accident and health, annuity, workers' compensation networks, and HMO coverages (Tex. Ins. Code, Ch. 2052, 2053, 2251, 2301, 3502, 1811, 1701, 37, 843, 1271, 1272, 1305, 1111A, 1153). TDI also reviews/approves applications for agents, adjusters, insurers, third party administrators, utilization review agents, independent review organizations, workers' compensation health care networks and self-insured groups as well as other specialized risk-bearing entities (Tex. Ins. Code, Ch. 801, 822, 841, 1111A, 4001, 4101, 4151, 4152, 4201, 4202). After licensure, TDI reviews subsequent filings submitted in connection with moving books and records, contracting with life settlement entities, withdrawing from lines of business, and expanding service areas.

Form filings consist of policy forms, certificates of insurance, applications, rules, riders, evidence or outline of coverages, advertisements, actuarial memorandum, amendments and endorsements. Rate filings consist of rates, actuarial memorandum and support, rating plans, rating methodologies, rating rules, and rating manuals. Licensing and registration of insurers and other risk-bearing entities consist of applications, business plans, and background checks.

Strategy 1.3.1 provides information to support strategies 1.2.2, 1.2.3, and 1.3.2. This strategy contributes to statewide goal 07 and benchmark 01 by assisting the agency in regulating the industry and in examining rates and policy forms for appropriateness.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	1	Process Rates, Forms & Licenses Promptly	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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State and federal legislation, changes in the economy, and market trends impact this strategy. Federal health care reform legislation has impacted the number and types of filings reviewed. State legislation has increased the number of rate and form filings in the property and casualty markets and authorized new policy forms. State legislation has also provided carriers the opportunity to design new health coverages.

In response to changes in the economy, market trends, and state statutes, insurers have developed more complex products and rating plans. Changes in market conditions can also affect the type of coverages offered and the rates charged. Mergers and consolidations, particularly in the HMO market, have resulted in fewer form filings. Economic conditions, including costs of medical services, building materials, repair services, and other cost factors associated with claims also affect the type of coverages offered and the rates charged.

Internal factors affecting this strategy include the increased degree of automation necessary to track and review filings. Due to the variety of lines of insurance, as well as the variety of coverages offered within individual lines, the cost-effective use of staff resources requires significant cross-training to ensure timely processing of filings. In addition, competitive private sector salaries affect the agency's ability to attract and retain qualified staff, such as actuaries.

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	3 Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	2 Promote Coverage in Underserved Markets	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$155,529	\$165,846	\$219,550	\$215,423	\$215,423
1002	OTHER PERSONNEL COSTS	\$0	\$6,995	\$1,112	\$1,011	\$1,011
2001	PROFESSIONAL FEES AND SERVICES	\$276	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$519	\$38	\$38	\$38	\$38
2004	UTILITIES	\$156	\$559	\$559	\$559	\$559
2005	TRAVEL	\$205	\$857	\$469	\$800	\$800
2007	RENT - MACHINE AND OTHER	\$913	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$1,921	\$2,323	\$11,071	\$2,650	\$2,650
TOTAL, OBJECT OF EXPENSE		\$159,519	\$176,618	\$232,799	\$220,481	\$220,481
Method of Financing:						
8042	Insurance Maint Tax Fees	\$119,681	\$128,329	\$169,511	\$160,369	\$160,369
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$119,681	\$128,329	\$169,511	\$160,369	\$160,369
Method of Financing:						
36	Dept Ins Operating Acct	\$39,838	\$48,289	\$63,288	\$60,112	\$60,112
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$39,838	\$48,289	\$63,288	\$60,112	\$60,112

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	2	Promote Coverage in Underserved Markets	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$220,481	\$220,481
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$159,519	\$176,618	\$232,799	\$220,481	\$220,481
FULL TIME EQUIVALENT POSITIONS:		2.3	2.5	3.4	3.4	3.4

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Department of Insurance (TDI) is directed by various statutes to improve insurance availability by identifying underserved markets, creating incentives, and implementing requirements for insurers to write automobile and residential property insurance in underserved markets. TDI is also directed by statute to promote programs that provide access to healthcare and long-term care through the Three-Share Program and the Long-Term Care Insurance Partnership Program.

The Texas Automobile Insurance Plan Association has incentive programs to encourage companies to move policyholders from the assigned risk program to the voluntary market based on underserved areas identified by TDI (Tex. Ins. Code, §2151.153). The commissioner is authorized to establish a Fair Access to Insurance Requirements (FAIR) Plan (Tex. Ins. Code, Ch. 2211), which is an insurer of last resort.

Other strategies support coverage in underserved areas by providing consumer education and market analysis, resolving consumer complaints, and enforcing regulations against unfair trade practices that may result in insurance availability problems (Tex. Ins. Code, §§32.102, 544.002 and 544.052). Success in enforcement actions will reduce illegal refusal by the industry to write insurance for certain segments of the population and certain geographical areas.

This strategy contributes to statewide goal 07 and benchmark 01 in that incentive programs comply with statutes regulating the industry in underserved areas and help to reduce rates paid by those in underserved areas.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	2	Promote Coverage in Underserved Markets	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The primary external factors affecting this strategy are market conditions and legislation. Texas Insurance Code Chapter 2211 established the FAIR Plan to address availability problems in the homeowners market.

Senate Bill 14 (78th Leg., 2003) authorized the use of new policy forms for residential property and personal automobile insurance. TDI believes this flexibility in forms increases the availability of insurance, in general, and also encourages companies to write in underserved areas. SB 14 also provided for reduced rate filing and approval requirements for insurers writing residential property in underserved areas if they meet certain criteria (Tex. Ins. Code, Sec. 2251.252). SB 1951 (82nd Leg., 2011) required the commissioner to establish rules which may subject an insurer to prior approval of rates when there is an order finding that a statewide insurance emergency exists affecting the availability of insurance.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	7
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	3	Texas.gov. Estimated and Nontransferable	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$459,963	\$488,694	\$380,000	\$380,000	\$380,000
TOTAL, OBJECT OF EXPENSE		\$459,963	\$488,694	\$380,000	\$380,000	\$380,000
Method of Financing:						
1	General Revenue Fund	\$5,364	\$6,520	\$6,520	\$6,520	\$6,520
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$5,364	\$6,520	\$6,520	\$6,520	\$6,520
Method of Financing:						
36	Dept Ins Operating Acct	\$454,599	\$482,174	\$373,480	\$373,480	\$373,480
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$454,599	\$482,174	\$373,480	\$373,480	\$373,480
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$380,000	\$380,000
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$459,963	\$488,694	\$380,000	\$380,000	\$380,000
FULL TIME EQUIVALENT POSITIONS:						

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	7
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	3	Texas.gov. Estimated and Nontransferable	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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STRATEGY DESCRIPTION AND JUSTIFICATION:

In 2000, the Texas Department of Insurance (TDI) began on-line agent license renewals as a pilot project of the Electronic Government Task Force, authorized by the 76th Legislature. This Texas e-government initiative (Gov. Code, §Ch.2054, Subchapter I) was established to provide the citizens of Texas access to Texas governmental services 24 hours a day, seven days a week, and 365 days a year.

TDI prints and mails out renewal notices as required by the Texas Insurance Code, Ch. 4003, however, licensees have the option to renew their license(s) online by submitting payment through a third-party system, including, but not limited to Texas.Gov, Sircon, and the National Insurance Producer Registry. The online payment is sent through ePay, Global Payment Services (the bank that handles the state’s credit card transactions), and the Comptroller. The Comptroller processes the payments and sends a credit card (ePay) file to TDI daily.

Strategy 1.3.3 provides information to support strategy 1.3.1 Process Rates, Forms and Licenses. This strategy contributes to statewide goal 07 and benchmark 07 by providing on-line access for professional license renewals.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Online services increase customer convenience, access to government services, and allows for automated error-checking. The number of licensees renewing online is hard to predict due to many external factors. However, the continued growth in Texas’ population, the number of agents remaining active in the insurance industry, the steady recruitment of new agents, and the continued evolution of the online service industry are contributing factors. This development provides an infrastructure upon which subsequent programs and services can be added so TDI can continue to progress in the online technology era and be a positive change in the way government does business in Texas.

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 3 Reduce Impediments to Competition and Improve Insurance Availability Service Categories:
 STRATEGY: 4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Efficiency Measures:						
1	Average Cost Per Certified Self-Insured Certificate Holder	19,374.00	20,500.00	21,000.00	21,000.00	21,000.00
Explanatory/Input Measures:						
1	% Market Share of Self-insurance to Total WC Insurance Market	6.93 %	9.00 %	8.00 %	10.00 %	10.00 %
Objects of Expense:						
1001	SALARIES AND WAGES	\$470,945	\$508,634	\$537,596	\$537,595	\$537,595
1002	OTHER PERSONNEL COSTS	\$28,555	\$17,550	\$17,957	\$17,957	\$17,957
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$1,673	\$875	\$875	\$875
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$1,402	\$3,581	\$3,518	\$3,518	\$3,518
2004	UTILITIES	\$4,217	\$4,828	\$4,392	\$4,392	\$4,392
2005	TRAVEL	\$7,921	\$11,085	\$10,935	\$10,935	\$10,935
2006	RENT - BUILDING	\$45,162	\$43,916	\$39,961	\$38,683	\$38,683
2007	RENT - MACHINE AND OTHER	\$5,738	\$6,203	\$5,990	\$5,990	\$5,990
2009	OTHER OPERATING EXPENSE	\$24,658	\$53,854	\$86,766	\$54,180	\$54,180
TOTAL, OBJECT OF EXPENSE		\$588,598	\$651,324	\$707,990	\$674,125	\$674,125

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	4	Regulate Private Employers that Qualify to Self-Ins w/in the WC System	Service:	17	
			Income:	A.2	
			Age:		B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Method of Financing:						
36	Dept Ins Operating Acct	\$588,598	\$651,324	\$707,990	\$674,125	\$674,125
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$588,598	\$651,324	\$707,990	\$674,125	\$674,125
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$674,125	\$674,125
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$588,598	\$651,324	\$707,990	\$674,125	\$674,125
FULL TIME EQUIVALENT POSITIONS:		9.6	9.9	9.2	9.2	9.2

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Department of Insurance (TDI) is directed by statute to ensure certified self-insuring employers meet statutory financial, claims administration, and safety requirements through an ongoing process of qualifying, renewing, and revoking certification (Tex. Labor Code, §§ 407.001 – 407.133). The Division of Workers' Compensation administers a regulatory program for private sector employers who qualify to become certified workers' compensation self-insurers. The program serves as an alternative to commercial workers' compensation coverage and, as a result, helps to moderate general insurance rates charged by insurance companies in Texas. The costs of regulation are directly paid by the active certified self-insurers in the form of a regulatory fee.

This strategy coordinates with agency strategy 1.3.1 Process Rates, Forms and Licenses to ensure the processes for certification of group self-insurers and private employer self-insurers are consistent. Strategy 1.3.4 contributes to statewide goal 07 and benchmark 05 by establishing a clear process for employer certification to self-insure workers' compensation liabilities and by monitoring the ability of certified employers to cover those liabilities.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	3	Reduce Impediments to Competition and Improve Insurance Availability	Service Categories:		
STRATEGY:	4	Regulate Private Employers that Qualify to Self-Ins w/in the WC System	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The availability and cost of commercial workers' compensation insurance versus the cost and availability of self-insurance products and resources affect participation in the self-insurance program. The risk of assessment by the guaranty association to cover the liabilities of an impaired certified self-insurer may also limit participation in the program.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	1	Support the State's Long-term Care Partnership Initiatives	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$160,483	\$167,562	\$169,026	\$176,724	\$176,724
1002	OTHER PERSONNEL COSTS	\$2,600	\$3,329	\$4,148	\$4,148	\$4,148
2001	PROFESSIONAL FEES AND SERVICES	\$321	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$599	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$1,061	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$2,156	\$2,370	\$2,745	\$1,656	\$1,656
TOTAL, OBJECT OF EXPENSE		\$167,220	\$173,261	\$175,919	\$182,528	\$182,528
Method of Financing:						
8042	Insurance Maint Tax Fees	\$167,220	\$173,261	\$175,919	\$182,528	\$182,528
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$167,220	\$173,261	\$175,919	\$182,528	\$182,528
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$182,528	\$182,528
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$167,220	\$173,261	\$175,919	\$182,528	\$182,528
FULL TIME EQUIVALENT POSITIONS:		3.0	3.0	3.0	3.0	3.0

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	1	Support the State's Long-term Care Partnership Initiatives	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Department of Insurance (TDI) is directed by Chapter 1651, Texas Insurance Code, to create a long-term care insurance partnership (LTCP) program to reduce future reliance on Medicaid. Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission (HHSC) (Human Resources Code §32.106), and to the commissioner of insurance (Tex. Ins. Code §1651.107). TDI in consultation with the HHSC is charged with adopting minimum standards for a long-term care benefit plan that may qualify as an approved plan under the LTCP. TDI is charged with ensuring that anyone selling LTCP policies receives training and demonstrates evidence of understanding long-term care and how it relates to other public and private coverage of long-term care.

This strategy contributes to statewide goal 07 and benchmark 0.

This strategy supports agency strategies 1.1.1 Consumer Education and Outreach; 1.3.1 Process Rates, Forms and Licenses Promptly; and 1.3.2 Promote Coverage in Underserved Markets. This strategy reduces impediments to competition and improves insurance availability in the long-term care market by providing for the review of the actuarial memorandum and rates to ensure assumptions used are reasonable and appropriate and that rates comply with Texas law; education of agents and consumers; and licensure of agents.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Implementation of the LTCP is a joint effort between TDI, HHSC, and the Department of Aging and Disability Services (DADS). TDI regulates the insurers, their policy forms, advertising, and agents. Additionally, rates are required to be filed and are subject to review. HHSC with assistance/cooperation from TDI and DADS is charged with implementing a public awareness and education campaign designed to educate the public on the need to plan for future long-term care expense needs, the limits of Medicaid eligibility and benefits, and the value and availability of long-term care insurance. The LTCP program also encourages individuals to proactively prepare to address their long-term care needs, including giving consideration to obtaining long-term care insurance.

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7 0
OBJECTIVE:	4 Administer Innovative Insurance Initiatives	Service Categories:	
STRATEGY:	2 Administer Three-Share Grant Program	Service: 17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$47,112	\$49,457	\$56,601	\$56,601	\$56,601
1002	OTHER PERSONNEL COSTS	\$220	\$384	\$735	\$735	\$735
2001	PROFESSIONAL FEES AND SERVICES	\$179	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$366	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$648	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$700	\$732	\$7,648	\$1,149	\$1,149
4000	GRANTS	\$386,381	\$1,210,000	\$1,063,361	\$386,381	\$386,381
TOTAL, OBJECT OF EXPENSE		\$435,606	\$1,260,573	\$1,128,345	\$444,866	\$444,866
Method of Financing:						
36	Dept Ins Operating Acct	\$435,606	\$437,553	\$451,365	\$444,866	\$444,866
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$435,606	\$437,553	\$451,365	\$444,866	\$444,866
Method of Financing:						
666	Appropriated Receipts	\$0	\$823,020	\$676,980	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$823,020	\$676,980	\$0	\$0

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	2	Administer Three-Share Grant Program	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017				
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)						\$444,866	\$444,866			
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)						\$435,606	\$1,260,573	\$1,128,345	\$444,866	\$444,866
FULL TIME EQUIVALENT POSITIONS:						1.0	1.0	1.0	1.0	1.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The agency is directed by the General Appropriations Act for the 2014-15 Biennium (83rd Leg., SB 1, Art. 8, Rider 14) to award through a competitive application process, grants to local government entities for the research, planning, and development of three-share premium assistance programs. TDI provides technical assistance and project oversight to grantees, with the long-term goal of increasing access to private healthcare coverage for the uninsured through the provisions of affordable benefit plans. The three-share programs use a combination of employer, employee, and public funds with each participant contributing one-third of the premium.

This strategy supports strategy 1.1.1 Consumer Education and Outreach by issuing a competitive Request for Proposal and awarding the three-share premium assistance grant funds to a consortium of local government entities. TDI provides on-going technical assistance to grantees and oversees project activities to ensure the grantees comply with the contractual requirements. This strategy supports strategy 1.3.2 Promote Coverage in Underserved Markets by encouraging fair competition in the health coverage market and identifying underserved markets and implementing legislative incentives for insurers to write business in those same underserved markets.

This strategy contributes to statewide goal 7 and benchmark 0.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	2	Administer Three-Share Grant Program	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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Tex. Health and Safety Code Ch. 75 authorizes the establishment of regional or local health care programs for employees of small employers and states that a governing body operating the health care program is not an insurer or health maintenance organization and is not subject to regulation by the Texas Department of Insurance.

Since the 80th Legislature directed TDI to administer grants for these programs, three of the six three-share programs have ended operations. One of the three remaining terminated coverage in June 2013 and completely restructured its program for the 2014-2015 Biennium.

Changes in the health insurance marketplace under the Patient Protection and Affordable Care Act have created uncertainty. Two of the three remaining programs have seen slow declines in enrollment as they evaluate strategies for continued operations. The other has seen slower than expected enrollment.

As directed by the Legislature, TDI has administered grants for appropriated funds to qualified programs.

454 Department of Insurance

GOAL:	1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4 Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	3 Promote the Healthy Texas program	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$83,478	\$0	\$0	\$0	\$0
1002	OTHER PERSONNEL COSTS	\$520	\$0	\$0	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$325,588	\$75,000	\$75,000	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$1,193	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$19,291,905	\$16,026,585	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$19,702,684	\$16,101,585	\$75,000	\$0	\$0
Method of Financing:						
8042	Insurance Maint Tax Fees	\$19,867	\$75,000	\$75,000	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$19,867	\$75,000	\$75,000	\$0	\$0
Method of Financing:						
329	Healthy TX Sm Emp Prem Stabil. Fund	\$14,880,272	\$16,026,585	\$0	\$0	\$0
777	Interagency Contracts	\$4,802,545	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$19,682,817	\$16,026,585	\$0	\$0	\$0

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	3	Promote the Healthy Texas program	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017	
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)						\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)						\$19,702,684	\$16,101,585
FULL TIME EQUIVALENT POSITIONS:						1.1	0.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Healthy Texas (Tex. Ins. Code, Ch. 1508) established a statewide health insurance program to help reduce the number of uninsured Texans. Healthy Texas was designed to bridge the affordability gap for uninsured small businesses.

Healthy Texas was designed to pay for 80 percent of the costs if an individual's total claims fall between \$5,000 and \$75,000 in a calendar year. The health plan covers 100 percent of claims below the \$5,000 threshold and above \$75,000, up to the annual benefit limit. The health plan also covers the remaining 20 percent of costs between the \$5,000 and \$75,000.

For small business owners to have participated in Healthy Texas, the employer must have: qualified as a small business with 2 to 50 employees; not have provided group insurance 12 months prior to Healthy Texas application; and pay at least 50 percent of the premium costs for employees. In addition, at least 30 percent of employees must receive annual wages at or below 300 percent of the federal poverty level; and at least 60 percent of eligible employees must elect to participate in the program.

This strategy coordinated with strategy 1.4.2 Three-Share Programs. This strategy contributed to statewide goal 7 and benchmark 0.

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	4	Administer Innovative Insurance Initiatives	Service Categories:		
STRATEGY:	3	Promote the Healthy Texas program	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The legislature did not renew funding so Healthy Texas will terminate its last enrollees by November 30, 2014.

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 0
 OBJECTIVE: 5 Assure Loss Control Services & Windstorm Inspections Service Categories:
 STRATEGY: 1 Inspect Loss Control Programs & Assure Code & Schedule Compliance Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of Windstorm Inspections Completed	9,409.00	7,500.00	7,500.00	7,500.00	7,500.00
Efficiency Measures:						
KEY 1	Average Cost Per Windstorm Inspection	84.00	83.00	83.00	83.00	83.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,006,253	\$2,018,974	\$2,346,442	\$2,339,019	\$2,339,019
1002	OTHER PERSONNEL COSTS	\$87,278	\$98,036	\$79,174	\$79,342	\$79,342
2001	PROFESSIONAL FEES AND SERVICES	\$10,306	\$1,867	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$9,734	\$12,469	\$12,224	\$12,224	\$12,224
2004	UTILITIES	\$12,333	\$17,643	\$16,570	\$24,570	\$24,570
2005	TRAVEL	\$140,843	\$151,891	\$151,344	\$139,796	\$139,796
2006	RENT - BUILDING	\$82,082	\$82,309	\$81,831	\$85,831	\$85,831
2007	RENT - MACHINE AND OTHER	\$16,265	\$12,024	\$11,735	\$11,735	\$11,735
2009	OTHER OPERATING EXPENSE	\$41,485	\$105,185	\$167,473	\$106,225	\$106,225
TOTAL, OBJECT OF EXPENSE		\$2,406,579	\$2,500,398	\$2,866,793	\$2,798,742	\$2,798,742
Method of Financing:						
8042	Insurance Maint Tax Fees	\$1,805,560	\$1,816,772	\$2,087,438	\$2,035,688	\$2,035,688

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	5	Assure Loss Control Services & Windstorm Inspections	Service Categories:		
STRATEGY:	1	Inspect Loss Control Programs & Assure Code & Schedule Compliance	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,805,560	\$1,816,772	\$2,087,438	\$2,035,688	\$2,035,688
Method of Financing:						
36	Dept Ins Operating Acct	\$601,019	\$683,626	\$779,355	\$763,054	\$763,054
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$601,019	\$683,626	\$779,355	\$763,054	\$763,054
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,798,742	\$2,798,742
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,406,579	\$2,500,398	\$2,866,793	\$2,798,742	\$2,798,742
FULL TIME EQUIVALENT POSITIONS:		40.8	42.2	46.4	46.4	46.4

STRATEGY DESCRIPTION AND JUSTIFICATION:

454 Department of Insurance

GOAL:	1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	5	Assure Loss Control Services & Windstorm Inspections	Service Categories:		
STRATEGY:	1	Inspect Loss Control Programs & Assure Code & Schedule Compliance	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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Statutes direct TDI to provide: windstorm inspection for coastal structures as required for windstorm and hail insurance coverage through the Texas Windstorm Insurance Association and oversight of non-TDI inspectors who provide windstorm inspections, training and education on windstorm building code requirements (Tex. Ins. Code, Art. 2210); evaluation of loss control programs provided to commercial policyholders (Tex. Ins. Code, §§1903.001; 1903.051; 1952.058); enforcement of amusement ride inspections (Tex. Occ. Code, §§2151.001 - 2151.153); and certify inspectors for the state Voluntary Inspection Program, which assists homeowners with proof of insurability (Tex. Ins. Code, Ch. 2003, Subch. C).

This strategy provides: a reduction of insured losses through safety precautions; overall cost reductions; and a reduction of property losses, injuries, and loss of life.

TDI evaluates insurers' loss control services for effectiveness. Coastal construction is inspected to ensure compliance with the windstorm building codes and to determine eligibility for wind/hail insurance coverage through the Texas Windstorm Insurance Association.

This strategy contributes to statewide goal 07 and benchmark 0 by reducing costs that may increase rates and financial exposure to the general revenue fund. Strategy 1.5.1 supports strategies 1.1.1 Consumer Education and Outreach by educating consumers about loss prevention/safety, and 1.3.2 Promote Underserved Coverage by providing recourse for homeowners needing proof of insurability and benefiting businesses in underserved areas.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Legislation, market conditions, population changes, and weather patterns may impact this strategy. Since the adoption of the International Residential Code and International Building Code as the standards for windstorm certification, TDI has provided training for engineers, builders, architects and homeowners to promote compliance with building code requirements. Except after significant wind events such as Hurricanes Rita and Ike, the market reflects decreasing requests for TDI inspections in favor of inspections by private sector entities. As a result, TDI has increased its emphasis on oversight of non-TDI inspections and expanded training related to building requirements for property owners and building trade professionals. Population growth and coastal development have increased the number of insured residences in windstorm prone areas, and many meteorologists believe increased hurricane activity will continue in the near future.

454 Department of Insurance

GOAL:	2	Promote Financial Strength of Ins. Industry	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Regulate Insurance Industry Solvency	Service Categories:		
STRATEGY:	1	Analyze the Financial Condition of Insurers and Take Solvency Action	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Explanatory/Input Measures:						
1	Number of Insurance Company Insolvencies	3.00	2.00	2.00	2.00	2.00
2	Number of Entities Receiving TDI Solvency-related Intervention	4.00	0.00	5.00	5.00	5.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$5,239,444	\$5,772,675	\$6,587,848	\$6,475,281	\$6,475,281
1002	OTHER PERSONNEL COSTS	\$178,485	\$189,732	\$181,337	\$189,837	\$189,837
2001	PROFESSIONAL FEES AND SERVICES	\$69,253	\$14,666	\$2,670	\$3,670	\$3,670
2003	CONSUMABLE SUPPLIES	\$35,334	\$46,318	\$51,941	\$53,032	\$53,032
2004	UTILITIES	\$7,822	\$22,402	\$12,444	\$11,804	\$11,804
2005	TRAVEL	\$99,539	\$224,891	\$219,462	\$218,534	\$218,534
2006	RENT - BUILDING	\$65,663	\$78,020	\$78,020	\$78,020	\$78,020
2007	RENT - MACHINE AND OTHER	\$61,553	\$51,299	\$59,780	\$59,780	\$59,780
2009	OTHER OPERATING EXPENSE	\$330,800	\$531,218	\$670,900	\$523,879	\$523,879
TOTAL, OBJECT OF EXPENSE		\$6,087,893	\$6,931,221	\$7,864,402	\$7,613,837	\$7,613,837
Method of Financing:						
8042	Insurance Maint Tax Fees	\$4,473,720	\$4,945,353	\$5,635,400	\$5,447,068	\$5,447,068

454 Department of Insurance

GOAL:	2	Promote Financial Strength of Ins. Industry	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Regulate Insurance Industry Solvency	Service Categories:		
STRATEGY:	1	Analyze the Financial Condition of Insurers and Take Solvency Action	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,473,720	\$4,945,353	\$5,635,400	\$5,447,068	\$5,447,068
Method of Financing:						
36	Dept Ins Operating Acct	\$1,489,173	\$1,860,868	\$2,104,002	\$2,041,769	\$2,041,769
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,489,173	\$1,860,868	\$2,104,002	\$2,041,769	\$2,041,769
Method of Financing:						
666	Appropriated Receipts	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
SUBTOTAL, MOF (OTHER FUNDS)		\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$7,613,837	\$7,613,837
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$6,087,893	\$6,931,221	\$7,864,402	\$7,613,837	\$7,613,837
FULL TIME EQUIVALENT POSITIONS:		113.3	108.5	103.9	106.9	106.9
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

GOAL:	2	Promote Financial Strength of Ins. Industry	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Regulate Insurance Industry Solvency	Service Categories:		
STRATEGY:	1	Analyze the Financial Condition of Insurers and Take Solvency Action	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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TDI is directed by statute to monitor the financial stability of insurers by analyzing their financial statement filings (Texas Insurance Code (TIC) §§401.051, 401.002, 404.001 and 802.001), reviewing actuarial opinions, providing actuarial expertise and reserve analysis (TIC §§404.001, 425.055, 425.054 and 802.002), reviewing holding company transactions and risk sharing contracts (TIC Ch 823, §§492.002 and 493.002). This is also supported by on-site examinations (TIC §401.051, §751.152).

TDI uses various intervention strategies to address insurers with financial problems including holding informal insurer management conferences, requiring insurers to file corrective business plans, placing insurers under administrative oversight, and taking formal administrative action to rehabilitate troubled companies such as issuing orders that place companies in conservation (TIC §§401.051, 404.001, 443.001 and 441.001). TDI conducts additional follow-up monitoring of companies released from rehabilitation. When rehabilitation is not possible, TDI appoints Special Deputy Receivers (SDRs) to liquidate insolvent companies. TDI analyzes the business plans, budgets, and expenses of all SDRs to assure that they appropriately manage the estates (TIC §443.001). TDI also monitors the guaranty associations to ascertain that claims are paid in a timely manner (TIC, Ch. 2602, and §§462,001 and 463.001).

This strategy contributes to the statewide goal 07 and benchmark 01 by encouraging the financial health of the industry.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Changes in federal legislation may preempt state regulations and TDI’s ability to regulate certain segments of the insurance industry. Many external factors affect insurers including the general health of the economy, changes in investment yields and the volatility of financial markets, adverse trends in claims due to catastrophic or unexpected losses, and an increasing number of acquisitions, mergers and reorganizations. These factors affect the complexity of TDI’s analysis as well as the amount of time required to perform that analysis. The health of the economy also affects TDI’s ability to carry out this strategy as recruitment/retention of qualified staff replacements can be difficult. Adequate computer resources are critical to the success of this strategy. The automation of data and the development of automated programs, as well as access to the NAIC database, will continue to be important to the financial analysis process.

454 Department of Insurance

GOAL: 3 Reduce Loss of Life & Property Due to Fire Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:
 STRATEGY: 1 Provide Fire Protection through Education, Enforcement and Engineering Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
	1 # of Fire Prevention and Fire Safety Presentations Coordinated by SFMO	59.00	110.00	40.00	40.00	40.00
KEY	2 Number of Investigations Initiated by State Fire Marshal's Office	558.00	600.00	600.00	600.00	600.00
	3 Number of Samples Analyzed in the Arson Lab	2,965.00	2,300.00	2,300.00	2,300.00	2,300.00
KEY	5 Number of SFMO Registrations, Licenses, & Permits Issued	13,874.00	12,500.00	12,500.00	12,500.00	12,500.00
	6 Number of Licensing Investigations or Inspections Conducted	640.00	550.00	550.00	550.00	550.00
	7 Number of Buildings Inspected or Reinspected for Fire Safety Hazards	5,471.00	4,650.00	4,650.00	5,200.00	5,200.00
Efficiency Measures:						
	1 Average Cost Per Fire Safety Inspection	155.00	145.00	145.00	145.00	145.00
	2 Average Time to Complete Initial Investigation Report	92.00	60.00	60.00	60.00	60.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$3,371,881	\$3,601,845	\$3,873,722	\$3,873,722	\$3,873,722
1002	OTHER PERSONNEL COSTS	\$186,611	\$139,057	\$127,890	\$127,890	\$127,890
2001	PROFESSIONAL FEES AND SERVICES	\$94,604	\$195,277	\$3,500	\$3,500	\$3,500

454 Department of Insurance

GOAL: 3 Reduce Loss of Life & Property Due to Fire Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:
 STRATEGY: 1 Provide Fire Protection through Education, Enforcement and Engineering Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2002	FUELS AND LUBRICANTS	\$160,122	\$219,658	\$188,300	\$108,300	\$108,300
2003	CONSUMABLE SUPPLIES	\$39,378	\$45,799	\$44,585	\$44,585	\$44,585
2004	UTILITIES	\$44,763	\$62,019	\$49,020	\$49,020	\$49,020
2005	TRAVEL	\$272,515	\$345,959	\$365,959	\$185,959	\$185,959
2006	RENT - BUILDING	\$314	\$2,687	\$7,693	\$7,693	\$7,693
2007	RENT - MACHINE AND OTHER	\$26,431	\$22,184	\$18,808	\$18,808	\$18,808
2009	OTHER OPERATING EXPENSE	\$337,814	\$783,923	\$489,882	\$329,154	\$329,154
5000	CAPITAL EXPENDITURES	\$298,979	\$325,883	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$4,833,412	\$5,744,291	\$5,169,359	\$4,748,631	\$4,748,631
Method of Financing:						
1	General Revenue Fund	\$20,526	\$0	\$0	\$0	\$0
8042	Insurance Maint Tax Fees	\$3,544,041	\$4,018,256	\$3,764,038	\$3,453,957	\$3,453,957
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$3,564,567	\$4,018,256	\$3,764,038	\$3,453,957	\$3,453,957
Method of Financing:						
36	Dept Ins Operating Acct	\$1,179,709	\$1,512,014	\$1,405,321	\$1,294,674	\$1,294,674
5138	Fire Prevention And Public Safety	\$69,324	\$0	\$0	\$0	\$0

454 Department of Insurance

GOAL: 3 Reduce Loss of Life & Property Due to Fire Statewide Goal/Benchmark: 7 1
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:
 STRATEGY: 1 Provide Fire Protection through Education, Enforcement and Engineering Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,249,033	\$1,512,014	\$1,405,321	\$1,294,674	\$1,294,674
Method of Financing:						
555	Federal Funds					
16.738.000	Justice Assistance Grant	\$0	\$99,999	\$0	\$0	\$0
16.742.000	Coverdell Forensic Sciences Grant	\$0	\$32,592	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$0	\$132,591	\$0	\$0	\$0
SUBTOTAL, MOF (FEDERAL FUNDS)		\$0	\$132,591	\$0	\$0	\$0
Method of Financing:						
666	Appropriated Receipts	\$19,812	\$81,430	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$19,812	\$81,430	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$4,748,631	\$4,748,631
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$4,833,412	\$5,744,291	\$5,169,359	\$4,748,631	\$4,748,631
FULL TIME EQUIVALENT POSITIONS:		65.0	68.6	72.0	74.0	74.0

454 Department of Insurance

GOAL:	3	Reduce Loss of Life & Property Due to Fire	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Protect the Public from Loss of Life and Property due to fire	Service Categories:		
STRATEGY:	1	Provide Fire Protection through Education, Enforcement and Engineering	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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STRATEGY DESCRIPTION AND JUSTIFICATION:

State Fire Marshal’s Office (SFMO) is directed by statute (TX. Ins. Code, Ch. 6001-03, and Occupations Code, Title 13, Subtitle D, Ch. 2154) to license companies and individuals and enforce regulations pertaining to the sales, service, and installation of fire alarms, extinguishers, sprinklers, and the sales, storage and public display of fireworks. SFMO inspects fire standard compliant cigarettes/responds to related complaints (Health and Safety Code, Ch. 796).

SFMO conducts fire safety inspections of public buildings (TX. Gov. Code, §417.008), inspections of state owned and leased buildings (TX. Gov. Code, §417.0081), and inspections of retail service stations for potential violations of flammable liquid storage tanks (TX. Health & Safety Code, Ch. 753). Upon request, SFMO investigates fires and assists the prosecution of related criminal offenses (TX. Gov. Code, Ch. 417.006-07). Statute (TX. Gov. Code, §417.004) authorizes TDI to provide engineering assistance to local governments and investigate firefighter line-of-duty deaths (TX. Gov. Code, §417.0075). Statute (TX. Gov. Code, §§417.0051-52) authorizes SFMO to provide fire prevention education to Texans and maintain TX Fire Incident Reporting System. SFMO maintains the statewide Juvenile Firesetter Intervention Program, a Know Your Way Out Plan utilizing Have an Exit Strategy program, and the development and distribution of school fire safety curriculum.

Strategy 3.1.1 contributes to the statewide goal 07 and benchmark 01 by helping lower insurance premiums through the reduction of risks associated with fire.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	3	Reduce Loss of Life & Property Due to Fire	Statewide Goal/Benchmark:	7	1
OBJECTIVE:	1	Protect the Public from Loss of Life and Property due to fire	Service Categories:		
STRATEGY:	1	Provide Fire Protection through Education, Enforcement and Engineering	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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SFMO is impacted by external factors such as demographic changes and the capabilities of local jurisdictions. The delivery of fire prevention, investigation, inspection, and education services continues to be impacted by increases in the state population and its demographic composition. Increases in population and the growth of cities and local municipalities not only exposes more people to the risk of preventable fires, but could redefine the types of services currently required of the SFMO. The State Fire Marshal continually assesses its service delivery plan to ensure that it remains an effective fire prevention resource for Texas. A key component of inspections and investigations is the need for reliable state-owned vehicles for transport of equipment and personnel to perform mission critical functions, as well as professional training as recommended by the Texas Forensic Science Commission. In addition, SFMO will work to implement a systematic method whereby its resources are leveraged in a manner designed to enhance local official's ability to provide needed services in their communities. The SFMO continues to work with local communities to provide training and assist in enforcing laws and regulations.

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:
 STRATEGY: 1 Oversee Activities of System Participants and Take Enforcement Action Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
	1 # of Workers' Compensation Enforcement Cases Concluded with Action	240.00	450.00	220.00	220.00	220.00
	2 \$ of Penalties Assessed for Violations for WC Statues and Rules	990,370.00	1,300,000.00	750,000.00	750,000.00	750,000.00
	3 \$ Returned to WC Participants through Complaint Resolution and Review	528,718.00	1,556,998.00	400,000.00	400,000.00	400,000.00
KEY 4	Number of Quality of Care Reviews Completed	334.00	397.00	97.00	97.00	97.00
KEY 5	# of Complaints Closed Involving WC System Participants	4,120.00	5,993.00	6,308.00	6,308.00	6,308.00
	6 Number of Performance Reviews Completed	65.00	65.00	65.00	65.00	65.00
Efficiency Measures:						
KEY 1	AVG # Days Per Q of C Reviews of Provider Carriers/URAS/IROS Completed	82.00	115.00	180.00	180.00	180.00
KEY 2	AVG # of Days to Close a Complaint Involving WC System	68.00	120.00	120.00	120.00	120.00
	3 Average Number of Days to Complete a Performance Review	127.00	180.00	180.00	180.00	180.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$4,057,854	\$4,260,561	\$5,010,779	\$5,140,825	\$5,140,825

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:
 STRATEGY: 1 Oversee Activities of System Participants and Take Enforcement Action Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1002	OTHER PERSONNEL COSTS	\$191,964	\$152,423	\$186,414	\$186,414	\$186,414
2001	PROFESSIONAL FEES AND SERVICES	\$530,746	\$577,345	\$357,198	\$1,557,198	\$357,198
2003	CONSUMABLE SUPPLIES	\$10,243	\$18,870	\$18,159	\$18,159	\$18,159
2004	UTILITIES	\$32,611	\$37,097	\$37,296	\$37,296	\$37,296
2005	TRAVEL	\$17,764	\$46,347	\$57,286	\$25,047	\$25,047
2006	RENT - BUILDING	\$350,659	\$327,729	\$339,340	\$328,484	\$328,484
2007	RENT - MACHINE AND OTHER	\$45,053	\$46,250	\$52,412	\$52,412	\$52,412
2009	OTHER OPERATING EXPENSE	\$112,874	\$345,646	\$368,394	\$230,850	\$230,850
TOTAL, OBJECT OF EXPENSE		\$5,349,768	\$5,812,268	\$6,427,278	\$7,576,685	\$6,376,685
Method of Financing:						
36	Dept Ins Operating Acct	\$5,113,930	\$5,538,743	\$6,323,278	\$7,472,685	\$6,272,685
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$5,113,930	\$5,538,743	\$6,323,278	\$7,472,685	\$6,272,685
Method of Financing:						
666	Appropriated Receipts	\$235,838	\$273,525	\$104,000	\$104,000	\$104,000
SUBTOTAL, MOF (OTHER FUNDS)		\$235,838	\$273,525	\$104,000	\$104,000	\$104,000

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	1	Oversee Activities of System Participants and Take Enforcement Action	Service:	17	Income: A.2
					Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$7,576,685	\$6,376,685
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$5,349,768	\$5,812,268	\$6,427,278	\$7,576,685	\$6,376,685
FULL TIME EQUIVALENT POSITIONS:		75.3	75.5	87.4	90.4	90.4

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Department of Insurance Division of Workers' Compensation (DWC) regulates delivery of quality medical care and ensures compliance with the Texas Workers' Compensation Act. Delivery of quality medical care is mandated through policies relating to payment of medical services/delivery of medical benefits to ensure timely and appropriate care and reimbursement. DWC performs medical quality reviews of health care providers, insurance carriers, peer review/designated doctors, and independent review organizations. DWC processes/approves applications of treating doctors who qualify to determine maximum medical improvement/impairment rating, maintains Designated Doctor List, and provides educational outreach.

DWC uses data to conduct performance reviews/investigations, identify outreach, and place insurance carriers/health care providers into performance tiers. DWC resolves complaints, reports complaint data, and refers matters for investigation and enforcement action. DWC investigates allegations of noncompliance, makes referrals to authorities, and assesses penalties/sanctions. Violations are resolved through warning letters, consent orders, informal settlements, or contested case proceedings before State Office of Administrative Hearings (SOAH).

Strategy coordinates with agency strategies 1.2.1, 1.3.1, 1.3.4, 4.1.2, 4.2.1, and 4.2.2. Strategy 4.1.1 contributes to statewide goal 07 and benchmark 05 by ensuring timely access to quality care.

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	1	Oversee Activities of System Participants and Take Enforcement Action	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Future court decisions could affect the activities performed in this strategy. Increased use of technology for data collection and analysis continues to be important to the medical quality review process. The availability and quality of data provided to the DWC may affect the DWC's monitoring activities. Internal factors impacting this strategy include the use of automation to collect, analyze, and disseminate performance information and to conduct investigations.

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:
 STRATEGY: 2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
1	Number of Benefit Review Conferences Held	15,755.00	15,549.00	15,900.00	15,900.00	15,900.00
2	Number of Contested Case Hearings Held	7,438.00	7,085.00	7,500.00	7,500.00	7,500.00
3	Number of Appellate Decisions Issued	3,009.00	2,909.00	3,000.00	3,000.00	3,000.00
Efficiency Measures:						
KEY 1	Average Number of Days to Resolve a Medical Fee Dispute	1,092.00	500.00	300.00	300.00	300.00
KEY 2	Avg # of Days to Resolve Indemnity Disputes Via Resolution Proceedings	133.00	132.00	135.00	135.00	135.00
Explanatory/Input Measures:						
1	Number of Initial Benefit Review Conferences Set	12,403.00	12,349.00	14,200.00	14,200.00	14,200.00
2	Number of Medical Fee Disputes Received	3,457.00	3,850.00	4,800.00	4,800.00	4,800.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$10,206,938	\$10,412,758	\$11,300,525	\$11,276,487	\$11,276,487
1002	OTHER PERSONNEL COSTS	\$605,712	\$440,120	\$556,693	\$556,693	\$556,693
2001	PROFESSIONAL FEES AND SERVICES	\$305,450	\$452,949	\$1,900,000	\$950,000	\$50,000
2003	CONSUMABLE SUPPLIES	\$94,724	\$132,075	\$115,775	\$115,775	\$115,775
2004	UTILITIES	\$27,742	\$60,008	\$45,088	\$45,088	\$45,088

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	2	Resolve Indemnity, Medical Fee and Medical Necessity Disputes	Service:	17	
			Income:	A.2	
			Age:	B.3	

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2005	TRAVEL	\$444,386	\$260,628	\$243,753	\$235,977	\$235,977
2006	RENT - BUILDING	\$946,107	\$1,200,190	\$768,962	\$758,741	\$758,741
2007	RENT - MACHINE AND OTHER	\$161,781	\$194,155	\$168,318	\$168,318	\$168,318
2009	OTHER OPERATING EXPENSE	\$499,865	\$878,627	\$1,177,002	\$635,510	\$635,510
TOTAL, OBJECT OF EXPENSE		\$13,292,705	\$14,031,510	\$16,276,116	\$14,742,589	\$13,842,589
Method of Financing:						
36	Dept Ins Operating Acct	\$13,209,193	\$13,650,983	\$16,104,931	\$14,670,589	\$13,770,589
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$13,209,193	\$13,650,983	\$16,104,931	\$14,670,589	\$13,770,589
Method of Financing:						
666	Appropriated Receipts	\$83,512	\$380,527	\$171,185	\$72,000	\$72,000
SUBTOTAL, MOF (OTHER FUNDS)		\$83,512	\$380,527	\$171,185	\$72,000	\$72,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$14,742,589	\$13,842,589
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$13,292,705	\$14,031,510	\$16,276,116	\$14,742,589	\$13,842,589
FULL TIME EQUIVALENT POSITIONS:		232.5	228.9	237.2	240.2	240.2

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	2	Resolve Indemnity, Medical Fee and Medical Necessity Disputes	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Department of Insurance Division of Workers' Compensation (DWC) provides dispute resolution services relating to indemnity, medical fee, and medical necessity disputes, to system participants including injured employees, insurance carriers, health care providers, employers, pharmacy processing agents, and sub-claimants. For indemnity disputes, DWC provides a multi-tiered administrative system consisting of benefit review conferences (BRC), contested case hearings (CCH), and appeals panel reviews. For medical fee disputes, DWC provides informal dispute resolution, conducts BRCs, and provides for appeals through the State Office of Administrative Hearings. For medical necessity disputes, DWC conducts CCHs as an appeal process for Independent Review Organization decisions.

For disputes that occurred prior to 1/1/1991, DWC conducts pre-hearing conferences, issues award recommendations, approves Compromise Settlement Agreements, and performs other regulatory functions [V.T.C.S., Arts. 8306, 8307, 8309; SB1 (1989 Act) Art. 17, §17.18].

Strategy 4.1.2 coordinates with agency strategies 1.2.1 Resolve Complaints and 4.1.1 Oversight and Enforcement. Strategy 4.1.2 contributes to the statewide goal 07 and benchmark 05 by resolving disputes effectively and efficiently.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The volume of DWC's dispute resolution services depends on the number of claims filed by injured employees and the number of claims or issues disputed. Changes in agency rules and statutory changes may affect this strategy.

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:
 STRATEGY: 3 Administer Subsequent Injury Fund Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	# of Injured Workers Receiving Lifetime Income Benefits through SIF	34.00	33.00	43.00	43.00	43.00
Efficiency Measures:						
1	Avg Days from Receipt of SIF Request for Reimbursement to Payment	28.00	36.00	62.00	62.00	62.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$38,227	\$43,073	\$70,486	\$70,486	\$70,486
1002	OTHER PERSONNEL COSTS	\$1,660	\$1,810	\$337	\$337	\$337
2001	PROFESSIONAL FEES AND SERVICES	\$59	\$0	\$1,750	\$1,750	\$1,750
2003	CONSUMABLE SUPPLIES	\$162	\$0	\$0	\$0	\$0
2004	UTILITIES	\$498	\$468	\$414	\$414	\$414
2005	TRAVEL	\$0	\$0	\$300	\$300	\$300
2006	RENT - BUILDING	\$5,332	\$4,261	\$3,767	\$3,646	\$3,646
2007	RENT - MACHINE AND OTHER	\$700	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$5,754,835	\$6,517,163	\$4,422,986	\$5,469,790	\$5,469,789
TOTAL, OBJECT OF EXPENSE		\$5,801,473	\$6,566,775	\$4,500,040	\$5,546,723	\$5,546,722

Method of Financing:

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	3	Administer Subsequent Injury Fund	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
36	Dept Ins Operating Acct	\$52,279	\$50,210	\$79,900	\$78,370	\$78,370
5101	Subsequent Injury Fund	\$5,749,194	\$6,516,565	\$4,420,140	\$5,468,353	\$5,468,352
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$5,801,473	\$6,566,775	\$4,500,040	\$5,546,723	\$5,546,722
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$5,546,723	\$5,546,722
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$5,801,473	\$6,566,775	\$4,500,040	\$5,546,723	\$5,546,722
FULL TIME EQUIVALENT POSITIONS:		1.1	1.1	1.0	1.0	1.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Tex. Labor Code §403.006 requires the Texas Department of Insurance Division of Workers' Compensation (DWC) to maintain the Subsequent Injury Fund (SIF), a general revenue dedicated account. The SIF is liable for the timely payment of authorized lifetime income benefits to injured employees who meet the statutory criteria due to a second work-related injury (Tex. Labor Code, §408.162). The SIF is also liable for insurance carrier reimbursement of overpayments made pursuant to a DWC interlocutory order or decision that is later reversed or modified (Tex. Labor Code, §§410.209 and 413.055), multiple employment claims (Tex. Labor Code, §408.042), certain pharmaceutical claims (Tex. Labor Code, §413.0141), and overpayment of benefits made due to designated doctor opinions which are reversed or modified by final arbitration or final order or decision (Tex. Labor Code §408.0041).

This strategy coordinates with agency strategy 4.1.2 Dispute Resolution. Strategy 4.1.3 contributes to statewide goal 07 and benchmark 05 by ensuring eligible injured employees receive lifetime income benefits in accordance with the Texas Labor Code and by effectively distributing reimbursements to eligible insurance carriers for overpayment of benefits.

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	1	Ensure Appropriate Delivery of Workers' Compensation Benefits	Service Categories:		
STRATEGY:	3	Administer Subsequent Injury Fund	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The amount of SIF payments is dependent on the number and amount of claims filed by injured employees who meet the statutory criteria due to a second work-related injury and the number of requests for reimbursement submitted by insurance carriers. The financial condition of the SIF may be affected by changes in statute regarding the types of payments and reimbursements that may be made from the SIF and by the number and amount of death benefits insurance carriers pay to the SIF when they are unable to identify an eligible beneficiary.

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed Service Categories:
 STRATEGY: 1 Provide Educational Services&WPS Consultations to System Participants Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
KEY 1	Number of Consultations and Inspections Provided to Employers	2,953.00	2,330.00	3,000.00	3,000.00	3,000.00
	2 Number of Divisions of Workers' Compensation Presentations Made	315.00	344.00	250.00	250.00	250.00
	3 # RTW, Provider, WPS Educational Products & Services	4,637,605.00	5,200,000.00	3,500,000.00	3,500,000.00	3,500,000.00
	4 Number of WC Income Benefit Recipients Referred to DARS	22,214.00	22,752.00	20,000.00	20,000.00	20,000.00
Efficiency Measures:						
	1 Average Cost Per Consultation and Inspection	984.00	1,250.00	1,100.00	1,100.00	1,100.00
Explanatory/Input Measures:						
	1 Incidence of Injuries/Illness per 100 FTEs in the Private Sector	2.70	2.70	3.50	3.50	3.50
KEY 2	Number of Workplace Safety Hazards Identified	7,537.00	4,450.00	7,500.00	7,500.00	7,500.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,595,387	\$2,629,185	\$3,094,648	\$3,052,581	\$3,052,581
1002	OTHER PERSONNEL COSTS	\$126,037	\$95,277	\$112,379	\$112,379	\$112,379
2001	PROFESSIONAL FEES AND SERVICES	\$46,625	\$6,229	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$12,636	\$15,227	\$13,639	\$13,639	\$13,639

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed Service Categories:
 STRATEGY: 1 Provide Educational Services&WPS Consultations to System Participants Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2004	UTILITIES	\$22,589	\$31,652	\$17,694	\$17,694	\$17,694
2005	TRAVEL	\$225,520	\$222,381	\$150,370	\$145,948	\$145,948
2006	RENT - BUILDING	\$296,535	\$359,128	\$298,490	\$293,340	\$293,340
2007	RENT - MACHINE AND OTHER	\$38,683	\$49,458	\$41,930	\$41,930	\$41,930
2009	OTHER OPERATING EXPENSE	\$165,465	\$313,454	\$419,357	\$236,186	\$236,186
5000	CAPITAL EXPENDITURES	\$46,550	\$47,065	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$3,576,027	\$3,769,056	\$4,148,507	\$3,913,697	\$3,913,697
Method of Financing:						
36	Dept Ins Operating Acct	\$1,323,112	\$1,481,284	\$1,924,784	\$1,723,438	\$1,723,438
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,323,112	\$1,481,284	\$1,924,784	\$1,723,438	\$1,723,438
Method of Financing:						
555	Federal Funds					
	17.005.001 OSHA BUREAU OF LABOR STATISTICS	\$184,830	\$169,622	\$181,069	\$181,069	\$181,069
	17.504.001 OSHA Consultation Agreements	\$1,936,158	\$2,011,236	\$2,009,190	\$2,009,190	\$2,009,190
	17.504.002 OSHA Consultation Agreements	\$34,098	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund	555	\$2,155,086	\$2,180,858	\$2,190,259	\$2,190,259	\$2,190,259

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	2	Ensure Workers' Comp System Participants are Educated and Informed	Service Categories:		
STRATEGY:	1	Provide Educational Services&WPS Consultations to System Participants	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL, MOF (FEDERAL FUNDS)		\$2,155,086	\$2,180,858	\$2,190,259	\$2,190,259	\$2,190,259
Method of Financing:						
	666 Appropriated Receipts	\$97,829	\$106,914	\$33,464	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$97,829	\$106,914	\$33,464	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,913,697	\$3,913,697
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,576,027	\$3,769,056	\$4,148,507	\$3,913,697	\$3,913,697
FULL TIME EQUIVALENT POSITIONS:		63.6	60.5	70.2	70.2	70.2
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	2	Ensure Workers' Comp System Participants are Educated and Informed	Service Categories:		
STRATEGY:	1	Provide Educational Services&WPS Consultations to System Participants	Service:	17	Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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Statute (Tex. Labor Code Ch. 411, 413 and Tex. Ins. Code Article 5.76-3 §8) directs the Texas Department of Insurance Division of Workers' Compensation (DWC) to promote safe/healthy workplaces and help employees return to work (RTW). DWC provides outreach to increase effectiveness of health/safety programs. DWC conducts inspections, consultations and investigations of employers and insurance companies to help develop effective health/safety programs, identify and control workplace hazards, and understand state/federal regulations. DWC compiles/analyzes data on occupational injuries, illnesses and fatalities by industry, case characteristics, and demographics. DWC maintains a bilingual hotline to report suspected violations.

DWC provides RTW education to system participants (Tex. Labor Code Ch. 413). DWC assists injured employees to RTW (Tex. Labor Code §413.025). RTW guidelines (Tex. Labor Code §413.011) provide benchmarks for expected lost time durations for injuries/illnesses. DWC administers an RTW program for employers with 50 or less employees to reimburse/advance certain expenses for accommodations that help injured employees return to work as early as possible (Tex. Labor Code §413.022).

Strategy coordinates with agency strategies 4.1.1, 4.1.2, and 4.2.2. Strategy 4.2.1 contributes to statewide goal 07 and benchmark 05 by assisting employers/employees in providing safe workplaces, reducing workplace injuries, and establishing clear standards for expected lost time durations.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The agency's ability to appropriately focus its safety education and outreach efforts depends on the receipt of accurate injury and employment data. Consultations and inspections are dependent on a number of external factors including the number of insurance companies writing workers' compensation insurance; the number of employers in the Rejected Risk program; and the number of employers requesting Occupational Safety and Health Consultation (OSHCON) services. Changes to state and federal laws, court rulings, and federal funding of grant programs may require program adjustments.

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed Service Categories:
 STRATEGY: 2 Provide Customer Assistance & Records Admin for System Participants Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures:						
1	Number of Injury Records in Which Indemnity Benefits are Initiated	60,532.00	47,707.00	65,800.00	65,800.00	65,800.00
Explanatory/Input Measures:						
1	Number of Documents Received Electronically by the DWC	7,610,819.00	6,785,434.00	4,500,000.00	4,500,000.00	4,500,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$3,771,986	\$3,608,514	\$3,873,468	\$3,866,051	\$3,866,051
1002	OTHER PERSONNEL COSTS	\$262,690	\$183,827	\$101,285	\$101,285	\$101,285
2001	PROFESSIONAL FEES AND SERVICES	\$320,702	\$147,848	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$51,868	\$68,179	\$66,739	\$66,739	\$66,739
2004	UTILITIES	\$51,100	\$64,970	\$30,481	\$30,481	\$30,481
2005	TRAVEL	\$53,843	\$30,272	\$32,260	\$32,260	\$32,260
2006	RENT - BUILDING	\$851,591	\$819,782	\$696,059	\$688,163	\$688,163
2007	RENT - MACHINE AND OTHER	\$74,317	\$79,297	\$80,101	\$80,101	\$80,101
2009	OTHER OPERATING EXPENSE	\$194,275	\$293,763	\$597,447	\$363,821	\$363,821
TOTAL, OBJECT OF EXPENSE		\$5,632,372	\$5,296,452	\$5,477,840	\$5,228,901	\$5,228,901

Method of Financing:

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System Statewide Goal/Benchmark: 7 5
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed Service Categories:
 STRATEGY: 2 Provide Customer Assistance & Records Admin for System Participants Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
36	Dept Ins Operating Acct	\$5,481,014	\$5,087,452	\$5,268,840	\$5,019,901	\$5,019,901
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$5,481,014	\$5,087,452	\$5,268,840	\$5,019,901	\$5,019,901
Method of Financing:						
666	Appropriated Receipts	\$151,358	\$209,000	\$209,000	\$209,000	\$209,000
SUBTOTAL, MOF (OTHER FUNDS)		\$151,358	\$209,000	\$209,000	\$209,000	\$209,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$5,228,901	\$5,228,901
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$5,632,372	\$5,296,452	\$5,477,840	\$5,228,901	\$5,228,901
FULL TIME EQUIVALENT POSITIONS:		113.4	107.4	110.7	110.7	110.7

STRATEGY DESCRIPTION AND JUSTIFICATION:

454 Department of Insurance

GOAL:	4	Effectively Regulate the Texas Workers' Compensation System	Statewide Goal/Benchmark:	7	5
OBJECTIVE:	2	Ensure Workers' Comp System Participants are Educated and Informed	Service Categories:		
STRATEGY:	2	Provide Customer Assistance & Records Admin for System Participants	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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The Texas Department of Insurance Division of Workers' Compensation (DWC) is directed by statute to receive, collect and maintain information on every compensable injury that is reported to DWC. DWC also provides information and reports to qualified individuals, insurance carriers, and employers. (Tex. Labor Code Ch. 402, 406, 408, and 409). The information received is maintained in paper, microfiche, microfilm, and electronic format and as required by records retention schedules established under Ch. 441.185 Tex. Gov't. Code.

DWC is charged with educating system participants regarding their rights and responsibilities, how to interact within the workers' compensation system, and best practices for return-to-work/workplace safety programs (Tex. Labor Code Ch. 402). DWC also has a duty to provide education to healthcare providers about rules and procedures (Tex. Labor Code 413). DWC provides educational and training materials through various methods, including making the materials available on its website.

This strategy supports agency strategies 4.1.1 Oversight and Enforcement, 4.1.2 Dispute Resolution, 4.1.3 Subsequent Injury Fund Administration, and 4.2.1 Health and Safety Services. Strategy 4.2.2 contributes to statewide goal 07 and benchmark 05 by efficiently maintaining records and effectively educating system participants regarding the workers' compensation system.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Legislative changes and information needs of system participants impact this strategy. Changes in state law and agency rules may expand or decrease the functions performed under this strategy, based on the information required to be received and maintained by the agency, and based on the effect that rule and policy changes have on system participants. The use of technology can have a major impact on this strategy. Increasing the ability to process and store information electronically is a key goal for the agency. Identifying and implementing alternate methods of providing educational materials and training to system participants through technology can also augment the agency's ability to inform the public.

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	1	Central Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$7,218,818	\$7,416,467	\$8,129,789	\$7,987,822	\$7,987,822
1002	OTHER PERSONNEL COSTS	\$335,178	\$258,379	\$228,580	\$228,580	\$228,580
2001	PROFESSIONAL FEES AND SERVICES	\$299,601	\$297,101	\$197,724	\$197,724	\$197,724
2003	CONSUMABLE SUPPLIES	\$27,291	\$36,892	\$33,043	\$32,793	\$32,793
2004	UTILITIES	\$32,357	\$38,286	\$46,021	\$48,521	\$48,521
2005	TRAVEL	\$51,515	\$80,354	\$126,279	\$180,458	\$180,458
2006	RENT - BUILDING	\$261,734	\$230,514	\$728,228	\$771,749	\$771,749
2007	RENT - MACHINE AND OTHER	\$58,223	\$52,317	\$45,927	\$45,927	\$45,927
2009	OTHER OPERATING EXPENSE	\$670,676	\$547,499	\$953,546	\$921,528	\$921,529
TOTAL, OBJECT OF EXPENSE		\$8,955,393	\$8,957,809	\$10,489,137	\$10,415,102	\$10,415,103
Method of Financing:						
1	General Revenue Fund	\$354,567	\$294,406	\$224,406	\$224,406	\$224,406
8042	Insurance Maint Tax Fees	\$3,682,989	\$3,582,992	\$4,364,852	\$4,307,773	\$4,307,773
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,037,556	\$3,877,398	\$4,589,258	\$4,532,179	\$4,532,179

Method of Financing:

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	1	Central Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
36	Dept Ins Operating Acct	\$4,917,837	\$5,080,411	\$5,899,879	\$5,882,923	\$5,882,924
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$4,917,837	\$5,080,411	\$5,899,879	\$5,882,923	\$5,882,924
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$10,415,102	\$10,415,103
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)					\$8,955,393	\$8,957,809
FULL TIME EQUIVALENT POSITIONS:		119.1	117.5	119.3	121.3	121.3

STRATEGY DESCRIPTION AND JUSTIFICATION:

Central Administration is comprised of two Commissioners' administrative support activities, Financial Services (FS), Office of Strategy Management (OSM), and Human Resources (HR), and provides leadership direction, oversight, and support for TDI programs.

The Commissioners' areas ensure activities are compliant with all statutory and regulatory requirements as well as consistent with TDI goals, objectives, purpose, and policies. In addition, these areas ensure agency accountability and integrity; provide assistance and information to the Legislature, the public and the media. FS manages agency-wide budget including the LAR, the operating budget, and performance measures. FS handles all accounting and financial reporting. FS also monitors the agency's compliance with certain Article IX provisions of the General Appropriations Act and provides administrative support to the Office of Injured Employee Counsel. OSM administers the balanced scorecard, enterprise risk management and project portfolio management. OSM is responsible for the Strategic Plan. HR ensures compliance with employment laws, implements professional development training, maintains payroll records, and manages other personnel activities. Additionally, HR leads the agency's recruitment and succession planning activities and promotes a positive working environment.

TDI strives to maintain a highly serviceable Central Administration to better allow agency programs time to focus on the effective and efficient regulation of the Texas insurance market and workers' compensation system.

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	1	Central Administration	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

As TDI services expand to meet the insurance and workers' compensation needs of Texans, administrative resources are critical for communicating direction and policy, establishing new programs, recruiting and hiring additional employees, and managing budgetary and planning activities.

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Resources	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$4,223,860	\$4,426,732	\$5,297,222	\$5,297,222	\$5,297,222
1002	OTHER PERSONNEL COSTS	\$204,949	\$163,658	\$171,729	\$171,729	\$171,729
2001	PROFESSIONAL FEES AND SERVICES	\$4,161,929	\$4,754,467	\$4,217,107	\$3,905,050	\$3,905,050
2003	CONSUMABLE SUPPLIES	\$14,347	\$28,442	\$36,026	\$36,026	\$36,026
2004	UTILITIES	\$522,428	\$1,149,059	\$431,325	\$789,201	\$789,200
2005	TRAVEL	\$17,426	\$18,707	\$24,010	\$17,843	\$17,843
2006	RENT - BUILDING	\$151,951	\$147,644	\$140,682	\$136,182	\$136,182
2007	RENT - MACHINE AND OTHER	\$36,637	\$34,079	\$34,181	\$34,181	\$34,181
2009	OTHER OPERATING EXPENSE	\$1,749,193	\$2,486,564	\$1,311,704	\$1,438,064	\$1,438,064
5000	CAPITAL EXPENDITURES	\$156,698	\$68,709	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$11,239,418	\$13,278,061	\$11,663,986	\$11,825,498	\$11,825,497
Method of Financing:						
8042	Insurance Maint Tax Fees	\$4,631,283	\$6,045,060	\$4,862,318	\$5,099,015	\$5,099,014
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,631,283	\$6,045,060	\$4,862,318	\$5,099,015	\$5,099,014

Method of Financing:

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Resources	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
36	Dept Ins Operating Acct	\$6,608,135	\$7,233,001	\$6,801,668	\$6,726,483	\$6,726,483
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$6,608,135	\$7,233,001	\$6,801,668	\$6,726,483	\$6,726,483
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$11,825,498	\$11,825,497
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$11,239,418	\$13,278,061	\$11,663,986	\$11,825,498	\$11,825,497
FULL TIME EQUIVALENT POSITIONS:		74.4	76.9	86.0	88.0	88.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Information Technology Services (ITS) provides automation and computer support for all TDI agency programs as well as for the Office of Injured Employee Counsel (OIEC) and ensures the agency's infrastructure and networked computer systems are fully operational. ITS responsibilities include application development, quality assurance, direct customer support, project management, systems analysis, planning and monitoring of the operational budget, data center services, desk side software support, office automation support, and telephone systems support. These responsibilities are performed for both Austin headquarter locations as well as mobile workers, and 28 field and support office locations across the state. Innovations in hardware, software, and the increased need to provide around the clock access to agency information, data, and systems to the public may affect this strategy.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	2	Information Resources	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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Innovations in hardware, software, and the increased need to provide around the clock access to agency information, data, and systems to the public may affect this strategy. TDI agency programs and OIEC recognize the evolution of the workforce and constituents. TDI's hardware, software, and applications must meet the needs of agency staff and the public. TDI must ensure security of the agency's data and systems. The introduction of new technologies may require training, and hiring additional resources with new skill sets to develop, maintain, and support TDI's systems.

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	3	Other Support Services	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,528,022	\$1,569,478	\$1,731,080	\$1,787,125	\$1,787,125
1002	OTHER PERSONNEL COSTS	\$87,763	\$73,896	\$66,886	\$66,886	\$66,886
2001	PROFESSIONAL FEES AND SERVICES	\$4,422	\$20,378	\$11,500	\$11,500	\$11,500
2002	FUELS AND LUBRICANTS	\$13,917	\$17,380	\$15,960	\$15,960	\$15,960
2003	CONSUMABLE SUPPLIES	\$15,784	\$32,217	\$33,875	\$28,875	\$28,875
2004	UTILITIES	\$33,013	\$43,177	\$32,707	\$42,707	\$42,707
2005	TRAVEL	\$18,416	\$15,941	\$13,717	\$15,342	\$15,342
2006	RENT - BUILDING	\$134,720	\$162,940	\$155,866	\$153,090	\$153,090
2007	RENT - MACHINE AND OTHER	\$32,051	\$39,917	\$37,306	\$38,506	\$38,506
2009	OTHER OPERATING EXPENSE	\$1,242,309	\$1,391,481	\$1,511,849	\$1,407,463	\$1,407,463
5000	CAPITAL EXPENDITURES	\$24,457	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$3,134,874	\$3,366,805	\$3,610,746	\$3,567,454	\$3,567,454
Method of Financing:						
8042	Insurance Maint Tax Fees	\$1,343,139	\$1,425,642	\$1,497,054	\$1,515,095	\$1,515,095
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,343,139	\$1,425,642	\$1,497,054	\$1,515,095	\$1,515,095

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	3	Other Support Services	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Method of Financing:						
36	Dept Ins Operating Acct	\$1,791,735	\$1,941,163	\$2,113,692	\$2,052,359	\$2,052,359
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,791,735	\$1,941,163	\$2,113,692	\$2,052,359	\$2,052,359
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,567,454	\$3,567,454
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,134,874	\$3,366,805	\$3,610,746	\$3,567,454	\$3,567,454
FULL TIME EQUIVALENT POSITIONS:		41.0	41.7	44.0	44.0	44.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy consists of the Procurement and General Services Office. The Purchasing and Contract Administration section of this office processes all agency purchasing and contracting transactions, coordinates the agency's Historically Underutilized Business (HUB) program and is responsible for the administration of all agency contracts. The Staff Services sections of the office provide and coordinate facility-related and operational support consisting of seven primary functions: Facilities Management, Mail Services, Copy Center Services, Records Retention, Property Management, Warehouse Services, and Safety and Risk Management.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

GOAL:	5	Indirect Administration	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Indirect Administration	Service Categories:		
STRATEGY:	3	Other Support Services	Service: 09	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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TDI maintains two headquarters facilities and 28 field and other support offices. Procurement and General Services must coordinate support activities to meet the needs of staff housed at various locations. This includes providing services for a separate state agency, the Office of Injured Employee Counsel, which receives various administrative services from TDI. Moreover, the mail, copy center and facility management activities operate from both headquarters. Relocating the headquarters locations to a common or nearby location would impact this strategy. A relocation of staff would require significant resources from facilities management; however, once completed, it could result in processing efficiencies and benefit the agency overall. Implementation of imaging and workflow solutions could positively impact this strategy by improving processing timeframes for mail services and by providing staff electronic access to agency contracts.

454 Department of Insurance

GOAL:	6	Regulatory Response	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Regulatory Response	Service Categories:		
STRATEGY:	1	Contingency Regulatory Response	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense:						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0	\$0	\$0
Method of Financing:						
8042	Insurance Maint Tax Fees	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$0	\$0	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:		0.0	0.0	0.0	0.0	0.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

State Regulatory Response Contingency Strategy allows TDI to respond to the following regulatory issues: a significant change in insurance regulatory environment, demands for federal healthcare reform implementation, a weather related disaster in the state of Texas, a public health crisis, such as a pandemic, a fire that has been declared as a disaster situation in the State of Texas, and non-weather related disasters.

454 Department of Insurance

GOAL:	6	Regulatory Response	Statewide Goal/Benchmark:	7	0
OBJECTIVE:	1	Regulatory Response	Service Categories:		
STRATEGY:	1	Contingency Regulatory Response	Service: 17	Income: A.2	Age: B.3

CODE	DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The Regulatory Response Rider will only be activated if there is a natural or health disaster or if there are significant changes to the regulatory environment such as new legislation or economic changes.

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$118,427,396	\$122,656,094	\$114,387,847	\$108,616,593	\$106,516,591
METHODS OF FINANCE (INCLUDING RIDERS):				\$108,616,593	\$106,516,591
METHODS OF FINANCE (EXCLUDING RIDERS):	\$118,427,396	\$122,656,094	\$114,387,847	\$108,616,593	\$106,516,591
FULL TIME EQUIVALENT POSITIONS:	1,304.8	1,289.0	1,362.0	1,382.0	1,382.0

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**3.B. RIDER REVISIONS AND ADDITIONS
REQUEST**

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3.B. Rider Revisions and Additions Request

Agency Code: 454	Agency Name: Texas Department of Insurance	Prepared By: Nancy Clark	Date: August 25, 2014	Request Level:																																																			
Current Rider Number	Page Number in 2014-15 GAA	Proposed Rider Language																																																					
2	VIII-21	<p>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 15%;">2014 2016</th> <th style="text-align: right; width: 15%;">2015-2017</th> </tr> </thead> <tbody> <tr> <td>a. Acquisition of Information Resource Technologies</td> <td></td> <td></td> </tr> <tr> <td>(1) TexasSure Vehicle Insurance Verification</td> <td style="text-align: right;">\$ 4,995,930 5,073,753</td> <td style="text-align: right;">\$ 5,151,575 5,073,752</td> </tr> <tr> <td>(2) Obsolescence Hardware and Software Replacement and Network Security</td> <td style="text-align: right;">1,221,375 1,234,088</td> <td style="text-align: right;">1,246,800 1,234,088</td> </tr> <tr> <td>(3) Capitol Complex Telephone System Replacement</td> <td style="text-align: right;">1,415,751</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Total, Acquisition of Information Resource Technologies</td> <td style="text-align: right;">\$ 7,633,056 6,307,841</td> <td style="text-align: right;">\$ 6,398,375 6,307,840</td> </tr> <tr> <td>b. Data Center Consolidation</td> <td></td> <td></td> </tr> <tr> <td>(1) Data Center Consolidation</td> <td style="text-align: right;">3,841,565 3,899,060</td> <td style="text-align: right;">3,907,615 3,899,060</td> </tr> <tr> <td>Total, Data Center Consolidation</td> <td style="text-align: right;">\$3,841,565 3,899,060</td> <td style="text-align: right;">\$3,907,615 3,899,060</td> </tr> <tr> <td>Total, Capital Budget</td> <td style="text-align: right;">\$11,474,621 10,206,901</td> <td style="text-align: right;">\$10,305,990 10,206,900</td> </tr> <tr> <td colspan="3">Method of Financing (Capital Budget):</td> </tr> <tr> <td>General Revenue - Insurance Companies</td> <td></td> <td></td> </tr> <tr> <td>Maintenance Tax and Insurance Department Fees</td> <td style="text-align: right;">\$ 3,129,897 2,054,935</td> <td style="text-align: right;">\$ 2,229,180 2,054,935</td> </tr> <tr> <td>GR Dedicated - Texas Department of Insurance</td> <td></td> <td></td> </tr> <tr> <td>Operating Fund Account No. 036</td> <td style="text-align: right;">3,348,794 3,078,213</td> <td style="text-align: right;">2,925,235 3,078,213</td> </tr> <tr> <td>State Highway Fund No. 006</td> <td style="text-align: right;">5,073,753</td> <td style="text-align: right;">5,073,752</td> </tr> <tr> <td>Total, Method of Financing</td> <td style="text-align: right;">\$ 6,478,691 10,206,901</td> <td style="text-align: right;">\$ 5,154,415 10,206,900</td> </tr> </tbody> </table> <p><i>Updated fiscal years and modified the split between 2016 & 2017 for the data center and the method of finance (MOF).</i></p>				2014 2016	2015-2017	a. Acquisition of Information Resource Technologies			(1) TexasSure Vehicle Insurance Verification	\$ 4,995,930 5,073,753	\$ 5,151,575 5,073,752	(2) Obsolescence Hardware and Software Replacement and Network Security	1,221,375 1,234,088	1,246,800 1,234,088	(3) Capitol Complex Telephone System Replacement	1,415,751	0	Total, Acquisition of Information Resource Technologies	\$ 7,633,056 6,307,841	\$ 6,398,375 6,307,840	b. Data Center Consolidation			(1) Data Center Consolidation	3,841,565 3,899,060	3,907,615 3,899,060	Total, Data Center Consolidation	\$3,841,565 3,899,060	\$3,907,615 3,899,060	Total, Capital Budget	\$11,474,621 10,206,901	\$10,305,990 10,206,900	Method of Financing (Capital Budget):			General Revenue - Insurance Companies			Maintenance Tax and Insurance Department Fees	\$ 3,129,897 2,054,935	\$ 2,229,180 2,054,935	GR Dedicated - Texas Department of Insurance			Operating Fund Account No. 036	3,348,794 3,078,213	2,925,235 3,078,213	State Highway Fund No. 006	5,073,753	5,073,752	Total, Method of Financing	\$ 6,478,691 10,206,901	\$ 5,154,415 10,206,900
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3.B. Rider Revisions and Additions Request

3	VIII-21	<p>Appropriation Source, Rehabilitation of Insurance Companies. Of the amounts appropriated above, \$125,000 each year of the biennium is from fees that the Department of Insurance shall collect from companies that are successfully rehabilitated by the department. Fees collected and appropriated above shall be in amounts sufficient to cover, yet not exceed, costs of rehabilitating those companies. Any such fees collected in excess of \$125,000 each year of the biennium are also hereby appropriated for the biennium beginning September 1, 20132015, for the sole purpose of the rehabilitation of other insurance companies pursuant to 441.203 of the Texas Insurance Code (estimated to be \$0).</p> <p><i>Updated fiscal years.</i></p>
4	VIII-21	<p>State Support for NAIC Activities. The agency is prohibited from using resources in support of the National Association of Insurance Commissioners in the absence of NAIC accreditation of the Department of Insurance for compliance with NAIC Financial Regulation Standards. The prohibition would be effective immediately upon loss of accreditation. The only exceptions to this prohibition shall be limited to expenditures necessary for (1) continued departmental use of the NAIC database for monitoring financial solvency of companies doing business in Texas; (2) solvency-related training; and (3) efforts to regain accreditation. The prohibition on using resources does not apply in the event that the Commissioner voluntarily determines not to participate in the state insurance department accreditation program.</p> <p><i>No changes.</i></p>
5	VIII-21	<p>Liquidation Oversight and Title Examiner Full-Time-Equivalent Positions. In addition to the "Number of Full-Time-Equivalents (FTE)" positions authorized above, an additional 38.5 FTE positions are authorized for each year of the 2014-15 2016-17 biennium to support liquidation oversight and title examiner activities. These positions are excluded from the FTE cap.</p> <p><i>Updated fiscal years.</i></p>
6	VIII-21	<p>Appropriations Limited to Revenue Collections. The application of special provisions limiting appropriations to revenue collections elsewhere in this Article shall be consistent with relevant statutory provisions governing the agency's assessment of tax rates and fees. As provided by the Texas Insurance Code and the Texas Labor Code, the Commissioners shall take into account unexpended funds in the preceding year when adjusting rates of assessment necessary to pay all expenses of regulating insurance and conducting the operations of the State Fire Marshal and the Office of Injured Employee Counsel during the succeeding year.</p> <p><i>No changes.</i></p>
7	VIII-22	<p>Limit on Estimated Appropriations. Excluding appropriations for the Texas.Gov Authority, the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203) and Insurance Department Fees (Object Code 3215), and General Revenue Fund-Dedicated-Texas Department of Insurance Operating Fund Account No. Fund 36 shall not exceed \$91,807,840 94,484,412 in fiscal year 2014 <u>2016</u> or \$89,707,840 92,384,412 in fiscal year 2015 <u>2017</u>.</p> <p><i>Updated to reflect FY2016/2017MOF.</i></p>

3.B. Rider Revisions and Additions Request

8	VIII-22	<p>State Support for NCOIL Activities. Funds appropriated above include funds from the General Revenue - Insurance Companies Maintenance Tax, Insurance Department Fees and General Revenue Fund-Dedicated for payment of state dues for the National Conference of Insurance Legislators.</p> <p><i>No changes.</i></p>
9	VIII-22	<p>Crash Records Information System. Included in Strategy D.2.1, Traffic Safety, at the Department of Transportation is \$750,000 for fiscal year 2014 <u>2016</u> and \$750,000 for fiscal year 2015 <u>2017</u> from General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees for on-going maintenance of the Crash Records Information System.</p> <p><i>Updated fiscal years.</i></p>
10	VIII-22	<p>Increase Consumer Choice. Out of amounts appropriated above, the Department of Insurance shall contract with the Office of Public Insurance Counsel in the amount of \$191,670 each fiscal year from the GR Dedicated-Texas Department of Insurance Operating Fund Account No. 036 to provide consumers with insurance information to make informed decisions.</p> <p><i>No changes.</i></p>
11	VIII-22	<p>Consumer Information Report. The Department of Insurance shall submit a report quarterly to the Legislature and the public no later than the 90th day after the last day of the quarter covered by the report the following information for each insurer that writes property and casualty insurance, including workers' compensation insurance, in the state: market share, profits and losses, average rate, and average loss ratio. The report shall include the change in rate over the previous 12, 24, and 36 months.</p> <p><i>No changes.</i></p>
12	VIII-22	<p>Appropriation of Unexpended Balances. Any unexpended balances as of August 31, 2014 <u>2016</u>, not to exceed 5 percent for any item of appropriation above unless granted elsewhere in this act are hereby appropriated for the same purposes, in the same strategies, for the fiscal year beginning September 1, 2014 <u>2016</u></p> <p><i>Updated fiscal years.</i></p>
13	VIII-22	<p>13. Subsequent Injury Fund. Amounts appropriated above in Strategy D.1.3, Subsequent Injury Fund Administration, include an estimated \$5,468,353 \$4,420,140 in fiscal year 2014 <u>2016</u> and \$5,468,352 \$4,420,140 in fiscal year 2015 <u>2017</u> out of the GR Dedicated - Subsequent Injury Account No. 5101 for payment of liabilities pursuant to Labor Code, Chapter 403. In the event that actual liabilities exceed the estimated amounts, the Division of Workers' Compensation shall furnish information supporting the estimated additional liabilities to the Comptroller of Public Accounts. If the Comptroller finds that there are sufficient balances in the GR Dedicated - Subsequent Injury Account No. 5101 to support the payment of projected liabilities, a finding of fact to that effect shall be issued and a contingent appropriation shall be made available for the intended purposes.</p> <p><i>Updated fiscal years and appropriated amounts.</i></p>

3.B. Rider Revisions and Additions Request

14	VIII-22	<p>Three-Share Premium Assistance Programs.</p> <p>a. Amounts appropriated above to the Department of Insurance of \$443,714 in fiscal year 2014 <u>2016</u> and \$443,714 in fiscal year 2015 <u>2017</u> in General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees in Strategy A.4.2, Three-Share Assistance Programs, and 1.0 Full-Time-Equivalents (FTE) position each fiscal year included above in the "Number of Full-Time-Equivalents (FTE)" is for the purpose of awarding, through a competitive application process, grants to local government entities for the research, planning, development, and continuation of "three-share" premium assistance programs to increase access to private healthcare coverage for the uninsured, and providing technical assistance to grant recipients. The agency shall consider the following factors in selecting recipients of grant funds:</p> <ol style="list-style-type: none"> (1) proposals to match grant awards with local funds (2) percentage of uninsured in the applicable area (3) existing efforts in pursuing "three-share" premium assistance programs (4) healthcare use and delivery factors affecting the area's healthcare infrastructure and capacity. <p>b. In addition to amounts appropriated above, out of funds collected from regulated entities except for workers' compensation for fines, penalties, and sanctions and deposited to General Revenue, the Texas Department of Insurance is appropriated, out of amounts collected in excess of those contained in the Comptroller's Biennial Revenue Estimate (estimated to be \$0), an amount not to exceed \$1,500,000 in each year of the biennium for the Three Share Premium Assistance Program. Any unexpended and unobligated balances of appropriations for the fiscal year ending August 31, 20132015, (estimated to be \$0) are appropriated to the agency for the same purposes for the fiscal year beginning September 1, 20132015. In addition, any unexpended and unobligated balances of appropriations for the fiscal year ending August 31, 20142016, are appropriated to the agency for the same purposes for the fiscal year beginning September 1, 20142016.</p> <p>The agency shall report a summary of the grants awarded to local government entities to the Legislative Budget Board and the Governor no later than January 1, 2015<u>2017</u>.</p> <p><i>Updated fiscal years.</i></p>
15	VIII-23	<p>Division of Workers' Compensation Reporting Requirement. The Division of Workers' Compensation shall include information collected about on-the-job injuries and occupational diseases, compliance with notice requirements regarding whether employers carry workers' compensation insurance from non-subscribing employers and administrative penalties levied against non-complying employers under the provisions of the Labor Code § 411.032 and Texas Administrative Code, Title 28, Insurance §§ 110.1, 110.101, and 160.2 in its biennial report submitted to the Legislature.</p> <p><i>No changes.</i></p>

3.B. Rider Revisions and Additions Request

16	VIII-23	<p>Self-Leveling Agency Fee Change Notification Requirements.</p> <p>a. Upon completion of actions to increase fees to cover an increase in appropriations and other necessary costs, the Texas Department of Insurance shall furnish copies of the agency's minutes and other information supporting the estimated revenues to be generated for the biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the increased appropriations shall be made available for the intended purposes.</p> <p>b. Upon completion of actions to decrease fees or upon receiving information that actual and/or projected revenue collections will be insufficient to offset appropriations and other necessary costs, the Texas Department of Insurance shall immediately provide notification to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts. The Comptroller of Public Accounts shall reduce the appropriation authority provided by this Act to be within the amount of revenue expected to be available unless the agency completes actions to increase revenues and receives a finding of fact from the Comptroller of Public Accounts pursuant to the requirements of subsection (a) above.</p> <p><i>No Changes.</i></p>
17	VIII-23	<p>TexasSure. Amounts appropriated above in Strategy A.1.1, Consumer Education and Outreach, include \$5,073,753,4995,930 in fiscal year 2014 <u>2016</u> and \$5,073,752 5,151,575 in fiscal year 2015 <u>2017</u> out of the State Highway Fund No. 006 for the purpose of on-going maintenance of the TexasSure Motor Vehicle Financial Responsibility Verification program from fees collected pursuant to Transportation Code § 502.1715.</p> <p><i>Updated fiscal years and appropriated amounts.</i></p>
18	VIII-23	<p>Appropriation of Unexpended Balances: Healthy Texas Program. Any unexpended balances remaining as of August 31, 2013, from the Healthy Texas Small Employer Premium Stabilization Fund, in an amount not to exceed \$13,000,000 are appropriated for the same purposes for the fiscal year beginning September 1, 2013 to wind down the program and pay for claims run out.</p> <p><i>Delete Rider – program will end in FY 2015</i></p>

3.B. Rider Revisions and Additions Request

19	VIII-23	<p>Contingency Appropriation: State Regulatory Response.</p> <p>a. Amounts appropriated above to the Department of Insurance not to exceed \$1,430,000 in General Revenue Insurance Companies Maintenance Tax and Insurance Department Fees and \$770,000 in General Revenue Dedicated Fund 36 each year in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full Time Equivalents (FTE) positions each fiscal year included above in the "Number of Full Time Equivalents (FTE)" are contingent upon a finding of fact by the Commissioner of Insurance that additional resources are needed by the Department of Insurance due to:</p> <p>(1) a significant change in insurance regulatory environment, demands for federal healthcare reform implementation, a weather related disaster in the state of Texas, a public health crisis, such as a pandemic, a fire that has been declared as a disaster situation in the State of Texas, and non-weather related disasters.</p> <p>b. None of the funds appropriated above in Strategy F.1.1, Contingency Regulatory Response, may be expended and none of the 40.0 Full Time Equivalents (FTE) positions each fiscal year included above in the "Number of Full Time Equivalents (FTE)" may be used by the Department of Insurance unless the Commissioner of Insurance files a finding of fact with the Governor and the Legislative Budget Board and neither the Governor nor the Legislative Budget Board issues a written disapproval not later than:</p> <p>(1) the 10th day after the date the staff of the Legislative Budget Board concludes its review of the findings of fact and forwards those findings of fact along with the conclusions or comments of the Legislative Budget Board staff to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and</p> <p>(2) within 10 business days of the receipt of the finding of fact by the Governor.</p> <p>e. The appropriations above in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full Time Equivalents (FTE) positions each fiscal year included above in the "Number of Full Time Equivalents (FTE)" are also contingent upon the Department of Insurance maintaining a sufficient fund balance in General Revenue Dedicated Fund 36 to cover these contingency appropriations and related employee benefits, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the revenues are/will be available to fund the increased appropriations.</p> <p>d. Funds appropriated above in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full Time Equivalents (FTE) positions each fiscal year included above in the "Number of Full Time Equivalents (FTE)" may only be used to address issues included in the finding of fact submitted to the Governor and the Legislative Budget Board pursuant to subsection (b) above, and apply only to the 2012-2013 biennium unless otherwise appropriated. It is the intent of the Legislature that these funds not be included in base level funding requests for the 2014-2015 biennium.</p> <p>e. Notwithstanding transfer limits under Section 14.01, Article IX of this Act, at the discretion of the agency, amounts appropriated above may be transferred to another appropriation item in an amount not to exceed \$1,430,000 in General Revenue Insurance Companies Maintenance Tax and Insurance Department Fees and \$770,000 in General Revenue Dedicated Fund 36 each year in Strategy F.1.1, Contingency Regulatory Response.</p> <p><i>Funding of this rider was excluded from the approved Base level funding. The agency will request restoration of this rider via an exceptional item request.</i></p>
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3.B. Rider Revisions and Additions Request

20	VIII-24	<p>25. Medical Fee Disputes. Out of the amounts appropriated above to the Department of Insurance, \$2,100,000 for fiscal year 2014 <u>2016</u> in Strategy D.1.2, Dispute Resolution, Goal D, Regulate Workers' Comp System, out of General Revenue - Dedicated Fund 36 is appropriated for the purpose of financing the cost of appeals of medical disputes, including appeals handled at the State Office of Administrative Hearings, and the cost of conducting medical quality review cases pursuant to Labor Code Chapter 413, Subchapter E, including financing the cost of appeals for those cases. <u>The Department of Insurance shall allocate \$1,200,000 for Strategy D.1.1, Oversight and Enforcement and \$900,000 for Strategy D.1.2, Dispute Resolution.</u> Any unexpended balance as of August 31, 2014 <u>2016</u>, is hereby appropriated for the same purpose, for the fiscal year beginning September 1, 2014 <u>2016</u>.</p> <p><i>Updated strategy and fiscal years.</i></p> <p>The Texas Department of Insurance, Division of Workers' Compensation (Division) is required by Labor Code Chapter 413, Subchapter E to monitor health care providers, insurance carriers, utilization review agents, independent review organizations, and designated doctors to ensure the compliance of those persons with rules adopted by the Commissioner of Workers' Compensation relating to the quality and timeliness of health care provided to injured employees. The Division employs a Medical Advisor and has established a Medical Quality Review Panel and a Quality Assurance Panel of health care providers to assist the Medical Advisor in handling complaint-based medical case reviews as well as conducting compliance audits.</p> <p>Since 2003, the primary funding of these medical quality reviews, except for reviews of insurance carriers and utilization review agents, has been through a one-time grant from the Texas Workers' Compensation Insurance Fund (now Texas Mutual Insurance Company), which was authorized by the 76th Legislature (H.B. 2510). These grant funds have now been depleted. Since 2009, the Division has increased the number of medical quality reviews conducted as well as the number of enforcement actions completed as a result of medical quality reviews, compared to previous years. The Division estimates that the cost of conducting these medical quality reviews as well as providing expert witness testimony to support enforcement actions that result from these reviews is approximately \$1,200,000 for the next biennium.</p> <p>The Division proposes to use some of the funds appropriated to the Division for the cost of medical dispute appeals at the State Office of Administrative Hearings (SOAH) to fund these medical quality reviews required by statute in lieu of requesting additional appropriation. As of August 5, 2014, the Division has approximately 2,800 medical dispute cases pending at SOAH and is expected to spend around \$250,000-\$400,000 each fiscal year on SOAH expenses to handle medical dispute appeals.</p>
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4. EXCEPTIONAL ITEM REQUEST

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4.A. Exceptional Item Request Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2014**
 TIME: **9:56:10AM**

Agency code: **454**

Agency name:
Department of Insurance

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2016</u>	<u>Excp 2017</u>
	Item Name: Restore contingency appropriation State Regulatory Response		
	Item Priority: 1		
	Includes Funding for the Following Strategy or Strategies: 06-01-01 Contingency Regulatory Response		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,000,000	2,000,000
2005	TRAVEL	200,000	200,000
	TOTAL, OBJECT OF EXPENSE	\$2,200,000	\$2,200,000
METHOD OF FINANCING:			
8042	Insurance Maint Tax Fees	2,200,000	2,200,000
	TOTAL, METHOD OF FINANCING	\$2,200,000	\$2,200,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		40.00	40.00

DESCRIPTION / JUSTIFICATION:

The TX Dept. of Ins. (TDI) is requesting restoration of the State Regulatory Response Contingency Rider. Approval of this item will allow TDI to respond to the following regulatory issues: a significant change in insurance regulatory environment, demands for federal healthcare reform implementation, weather related disasters in Texas, a public health or insurance crisis, a fire declared as a disaster situation in Texas, and non-weather related disasters.

TDI is requesting \$2,200,000 for FY 16 from GR-Ins. Companies Maint. Tax and Ins. Dept. Fees and \$2,200,000 for FY 17 from GR-Ins. Companies Maint. Tax and Ins. Dept. Fees and 40 Full-Time-Equivalents (FTEs). TDI is requesting the appropriations be restored to the Strategy F.1.1, Contingency Regulatory Response.

The agency is requesting the funds and FTEs to be used with the following conditions:

- a. A finding of fact by the Commissioner of Insurance (COI) declares that additional resources are needed by TDI for reasons stated above.
- b. None of the funds appropriated above in Strategy F.1.1, may be expended and none of the 40.0 FTEs each fiscal year included above may be used by TDI unless the COI files a finding of fact with the Governor and the Legislative Budget Board (LBB) and neither the Governor nor the LBB issues a written disapproval not later than:
 - a. the 10th day after the date the staff of the LBB concludes its review of the findings of fact and forwards those findings of fact along with the conclusions or comments of the LBB staff to the Chair of the House Appropriations Comm., Chair of the Senate Finance Comm., Speaker of the House, and Lt. Governor; and
 - b. within 10 business days of the receipt of the finding of fact by the Governor.
- c. Notwithstanding transfer limits of the GAA, at the discretion of the agency, amounts appropriated above may be transferred to another appropriation item in an amount not to exceed \$2,200,000 in each year in Strategy F.1.1, Contingency Regulatory Response.

EXTERNAL/INTERNAL FACTORS:

4.A. Exceptional Item Request Schedule
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Department of Insurance

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The rider will only be activated if there is a significant change in insurance regulatory environment, demands for federal healthcare reform implementation, a weather related disaster in Texas, a public health or insurance crisis, a fire that has been declared as a disaster situation in Texas, and non-weather related disasters.

The appropriations above in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full-Time-Equivalents (FTE) positions each fiscal year included above in the "Number of Full-Time-Equivalents (FTE)" are also contingent upon the Department of Insurance maintaining a sufficient fund balance in the TDI operating account fund 36 to cover these contingency appropriations and related employee benefits, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the revenues are/will be available to fund the increased appropriations.

4.A. Exceptional Item Request Schedule
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DATE: **8/22/2014**
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Agency code: **454**

Agency name:
Department of Insurance

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: Reduce FTE Cap		
	Item Priority: 2		
	Includes Funding for the Following Strategy or Strategies: 01-01-01 Educate Consumers and Industry by Providing Outreach and Information		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	0	0
TOTAL, OBJECT OF EXPENSE		\$0	\$0
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	0	0
8042	Insurance Maint Tax Fees	0	0
TOTAL, METHOD OF FINANCING		\$0	\$0

DESCRIPTION / JUSTIFICATION:

TDI is requesting an adjustment to our full-time equivalent (FTE) cap to better align with TDI's salary funding. The current base cap is 1586.2. TDI is requesting to drop this base cap to 1382.0. TDI does not have the salary budget to fund these 204.2 positions. Several factors have contributed to this funding shortage. Prior to TDI's expansion of the unexpended balance rider, TDI lost base level funding for under spending appropriations. At the time of the reduction of funding, the FTE cap was not lowered to reflect the reduced salary funding.

In addition to the previous budget reductions, TDI has had to absorb costs for the Class B schedule change made to Article IX in the General Appropriations Act (GAA) of the 81st Legislative Session. This resulted in a funding shortage of approximately \$1 million dollars per year.

A further shortage in funding was the result of additional health insurance expenses per Article IX provision (sec. 18.09) in the GAA of the 82nd Legislative Session. This resulted in a funding shortage of approximately \$700,000 per year.

Additional costs were absorbed for retirement plan expenses per the Article IX provision (sec. 17.13) in the GAA of the 83rd Legislative Session. This resulted in a funding shortage of approximately \$300,000 per year.

Another factor in the lowering of TDI's FTE cap is a result of addressing our changing workforce needs. Like other state agencies, TDI is eliminating manual processes and increasing the use of automation. Today the agency is leaner with a smaller, more efficient staff. TDI achieved this, in part, by collapsing certain vacant positions and using the associated funds to recruit a more highly skilled staff and retain existing staff with greater knowledge and skills. The FTE adjustment request supports an overall strategy to bring TDI to industry standards in terms of automation and employee skill sets.

EXTERNAL/INTERNAL FACTORS:

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Agency name:

Department of Insurance

CODE DESCRIPTION

Excp 2016

Excp 2017

The FTE adjustment will align the FTE cap with TDI's current salary funding. The agency has collapsed positions in the past for budget reductions, Article IX salary changes, payroll health contribution, employee retirement system contributions, and changing workforce needs.

4.A. Exceptional Item Request Schedule
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Agency code: **454**

Agency name:
Department of Insurance

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: Data Center Services		
	Item Priority: 3		
	Includes Funding for the Following Strategy or Strategies: 05-01-02 Information Resources		
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	910,000	1,010,000
TOTAL, OBJECT OF EXPENSE		\$910,000	\$1,010,000
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	400,400	444,400
8042	Insurance Maint Tax Fees	509,600	565,600
TOTAL, METHOD OF FINANCING		\$910,000	\$1,010,000

DESCRIPTION / JUSTIFICATION:

Funding for this exceptional item will allow TDI to support the agency's information resources activities for strategy 5.1.2. The funding will allow TDI to replace software and equipment that is no longer supported, provide for better business continuity, and maintain current contracted service levels with the Data Center. TDI has worked with the Department of Information Resources (DIR) to estimate the additional needs above the current base appropriated level for FY 2016 and FY 2017. TDI estimates that this will be \$910,000 for FY 2016 and \$1,010,000 for FY 2017 respectively.

EXTERNAL/INTERNAL FACTORS:

The Data Center Services contract provides TDI, as a participating agency, data center (server operations), disaster recovery, and bulk print and mail services. The contract included transition of legacy agency data center operations to the service provider, consolidation of these operations to the state data centers and transformation of services for greater consistency, efficiency, and value. While TDI is fully consolidated into the data centers, some services are maintained in TDI's legacy data centers.

Without additional funding TDI will be forced to reduce the level of support services provided by the Data Center which will negatively impact performance measures. Service hours will be reduced and as a result, employees may experience increased outages or work stoppages. Delays in service requests will impact productivity for all agency staff and will have a direct impact on response time to the public.

4.A. Exceptional Item Request Schedule
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Agency name:
Department of Insurance

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2016</u>	<u>Excp 2017</u>
	Item Name: Gartner Cyber Security Enhancements		
	Item Priority: 4		
	Includes Funding for the Following Strategy or Strategies: 05-01-02 Information Resources		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	76,272	76,272
2009	OTHER OPERATING EXPENSE	1,728	1,728
5000	CAPITAL EXPENDITURES	200,000	200,000
	TOTAL, OBJECT OF EXPENSE	\$278,000	\$278,000
 METHOD OF FINANCING:			
8042	Insurance Maint Tax Fees	278,000	278,000
	TOTAL, METHOD OF FINANCING	\$278,000	\$278,000
 FULL-TIME EQUIVALENT POSITIONS (FTE):		1.00	1.00

DESCRIPTION / JUSTIFICATION:

In 2011, to address the cyber security challenges faced by state agencies, the Department of Information Resources (DIR) established a statewide Enterprise Security and Risk Management (ESRM) program aimed at strengthening the overall security posture of the State. As a significant component of this program, DIR signed a two year contract with a leading independent information technology research and advisory firm, to provide security assessments to 30 state agencies.

As of July 2013, DIR has worked with the vendor to deliver 35 state agency assessments. These assessments have allowed DIR to make some observations and identified trends that provide early insights into possible risks and opportunities for the State.

Gartner conducted a Security Assessment of the current state of TDI's security framework. A roadmap of recommendations was presented to TDI with key initiatives and additional staffing requirements. During the FY14/15 biennium TDI addressed immediate and short-term recommendations.

As a result the completed security assessments, risks have been identified that may need to be mitigated. Those include:

- Agencies may not have sufficient levels of staffing focused on IT security and risk management.
- Security requirements are not always consider as part of IT project planning.
- Security governance processes and security awareness programs are not mature.
- Agencies may not have a standardized approach to identity management and access control which prevents users from improperly accessing systems or data.
- Agencies may not classify data to optimize security protection.
- Agencies may not be consistently and comprehensively analyzing network and system monitoring data.

Funding for this exceptional item will allow TDI to support the agency's information resources activities. The funding will allow TDI to implement key initiatives that were

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addressed in the Garter Security Assessment.

EXTERNAL/INTERNAL FACTORS:

The risk of a security incident increases with time as hackers continue to seek new ways to exploit weaknesses in computer systems and networks. As these types of threats become more sophisticated, TDI must take a more proactive approach by preventing attacks. These security issues will persist until TDI dedicates funding to the purchasing of the required hardware and software along with the increased level of staffing required to implement, maintain and support these Gartner initiatives.

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Agency code: **454**

Agency name:
Department of Insurance

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: ITS Staffing Needs		
	Item Priority: 5		
	Includes Funding for the Following Strategy or Strategies: 05-01-02 Information Resources		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	485,816	485,816
2005	TRAVEL	27,000	27,000
2009	OTHER OPERATING EXPENSE	7,184	7,184
	TOTAL, OBJECT OF EXPENSE	\$520,000	\$520,000
METHOD OF FINANCING:			
8042	Insurance Maint Tax Fees	520,000	520,000
	TOTAL, METHOD OF FINANCING	\$520,000	\$520,000
	FULL-TIME EQUIVALENT POSITIONS (FTE):	5.00	5.00

DESCRIPTION / JUSTIFICATION:

Funding for this exceptional item will allow TDI to support the agency's information resources activities and modernize services for consumers and the insurance industry.

The Department of Information Resources (DIR) top ten priorities include the following areas:

- Security and privacy
- Cloud computing
- Legacy modernization
- Business continuity
- Enterprise planning and collaboration
- IT workforce
- Data management
- Mobility
- Network
- Virtualization

As technology advances opportunities arise to provide more efficient processes and services to consumers and the insurance industry. TDI's top priorities for the next biennium are consistent with the DIR priorities. Key priorities for TDI are mobility, expanded self service, data integration, modernization of legacy software (HB 2738) and networks, security, business continuity, and developing and recruiting qualified IT workforce.

TDI needs two additional network specialist and three additional systems analyst to make these priorities a reality. By adding these additional five FTEs, TDI will be able to provide these essential services to better equip the agency to meet its regulatory and administrative responsibilities including but not limited to: effectively regulating Worker?

4.A. Exceptional Item Request Schedule
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Compensation system and improving the insurance regulatory approach.

Some of the services that will be enhanced by the additional IT positions include: increased electronic payment processing, licensing, certification and registration; examination, monitoring and solvency intervention; education, outreach and customer assistance, enforcement, fraud and investigations, and inspections and consultations.

In addition to the additional staff, funding is needed for staff development. To take advantage of the latest technology, staff need additional training. This funding will better prepare ITS staff for new technology implementation.

EXTERNAL/INTERNAL FACTORS:

DIR and Gartner have produced a Legacy System Study as required in HB2738. TDI must invest in new software and infrastructure to address shortcomings documented in that report to the Legislative Budget Board. The infrastructure for development and the network to deliver data and services must be in place with robust service levels in order to provision the application and service delivery.

4.A. Exceptional Item Request Schedule
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Agency code: 454

Agency name:
Department of Insurance

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: Consumer Protection and Licensing Needs		
	Item Priority: 6		
	Includes Funding for the Following Strategy or Strategies: 01-02-01 Respond Promptly and Act on Complaints		
	01-03-01 Process Rates, Forms & Licenses Promptly		
 OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	421,140	421,140
	TOTAL, OBJECT OF EXPENSE	\$421,140	\$421,140
 METHOD OF FINANCING:			
36	Dept Ins Operating Acct	183,900	183,900
8042	Insurance Maint Tax Fees	237,240	237,240
	TOTAL, METHOD OF FINANCING	\$421,140	\$421,140
FULL-TIME EQUIVALENT POSITIONS (FTE):		11.00	11.00

DESCRIPTION / JUSTIFICATION:

Funding for this exceptional item will increase staffing for TDI's Consumer Protection Division and the Agent and Adjuster Licensing Office.

Growth in the Texas economy has resulted in a growing demand for licenses issued by the Agent and Adjuster Licensing Office. Along with the general growth in filings, effective September 1, 2011, the TDI was authorized to issue a new type of adjuster license which is referred to as the designated home state license. Due to the uniqueness of this type of license and the constantly changing statutes of other states, the processing of an application for a designated home state license is much more time consuming and complex than other types of licenses. Additionally, as a result of bills passed during the 83rd Session of the Texas Legislature, the Agent and Adjuster Office has also become responsible for registering navigators and captive managers, two processes that are significantly different from other types of licenses that the Office processes.

The agency has also received more consumer complaints since January 2014 when the Marketplace health plans purchased by more than 770,000 Texans became effective. As a result, TDI's Consumer Protection Division workload has increased due to volume and complexity. Of the newly insured Texans, an estimated 57 percent have never had health insurance before. Many have experienced problems using their new health insurance, have complex health issues, or have many questions about how health insurance works. As a result, it takes longer to resolve their complaints.

EXTERNAL/INTERNAL FACTORS:

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Agency name:

Department of Insurance

CODE	DESCRIPTION	Excp 2016	Excp 2017
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The growth in the number of filings and the increased complexity of the filings have resulted in a backlog of between 6-8 weeks for filings made with TDI's Agent and Adjuster Licensing Office. This type of backlog results in Texans not being able to enter the insurance market since they cannot perform the acts authorized by the license until one is issued to them. The backlog also places stress on insurance carriers since they need these individuals authorized to represent the insurance carrier in order to conduct its business. In short, this backlog harms the health of the insurance market in Texas. In order to ensure that the Texas Department of Insurance can meet its obligation to issue licenses in a timely manner, additional staff is being requested to meet the continued growing demand for licenses as well as maintaining the quality of the review of transactions that Texas is known for nationally.

Forecasts for the next open enrollment period beginning in October 2014 are that even more people will enroll in the Marketplace plans. Some insurers are projecting twice as many new enrollees. With the increased staffing, CP would have a better chance of helping Texans faster and resolving complaints in less than 40 days. Without the increased staffing, the average response time would likely increase to 60 days or longer.

4.A. Exceptional Item Request Schedule
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Agency code: 454

Agency name:
Department of Insurance

CODE	DESCRIPTION	Excp 2016	Excp 2017
	Item Name: State Fire Marshal's Office – Staffing, Training and Vehicle Needs		
	Item Priority: 7		
	Includes Funding for the Following Strategy or Strategies: 03-01-01 Provide Fire Protection through Education, Enforcement and Engineering		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	89,550	89,550
2002	FUELS AND LUBRICANTS	110,000	110,000
2005	TRAVEL	165,900	165,900
2009	OTHER OPERATING EXPENSE	160,000	160,000
5000	CAPITAL EXPENDITURES	200,000	200,000
	TOTAL, OBJECT OF EXPENSE	\$725,450	\$725,450
METHOD OF FINANCING:			
8042	Insurance Maint Tax Fees	725,450	725,450
	TOTAL, METHOD OF FINANCING	\$725,450	\$725,450
FULL-TIME EQUIVALENT POSITIONS (FTE):		2.00	2.00

DESCRIPTION / JUSTIFICATION:

Funding for this item will allow SFMO to handle increasing demand for forensic scientific analysis and to increase the amount of fire safety inspections. SFMO is requesting one inspector and one forensic scientist. In addition to staff, TDI is requesting additional funds for travel, operating expenses, and capital expenditures.

For FY14 the number of forensic samples is expected to be 2,900. This translates to approximately 125 samples per month for each forensic scientist and is far greater than national averages. The State Fire Marshal's Office (SFMO) is required by legislation to perform fire safety inspections. Currently, inspectors conduct approximately 3,000 initial inspections per year and 3,000 re-inspections. Of the 3,000 initial inspections, approximately 2,000 of those are state leased or owned buildings. State facilities with significant life hazards (state hospitals, prisons, dorms, etc.) are inspected annually, every two years, or every three years.

Training and Travel Needs

SFMO needs additional travel and operating expenses to fund training costs and travel expenses incurred for traveling to attend training and to conduct business. Arson investigation staff will be attending various training classes to improve their skills as arson investigators, as well as to maintain/enhance their certifications and credentials.

Restoration of Vehicle Capital Budget Project and Additional Funds for Fuel

SFMO investigators and inspectors travel approximately 60-80% of their working time. State-owned vehicles provide the most cost-effective means of transportation for staff to perform these duties. Also, by increasing the funding to accommodate rising gasoline prices, SFMO would be able to meet performance measures and current statutory obligations. TDI is requesting to restore the \$200,000 per year capital budget project for vehicle replacement. TDI is also requesting an additional \$110,000 per year for additional fuel costs.

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CODE DESCRIPTION

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EXTERNAL/INTERNAL FACTORS:

Forensic Science Analysis & Fire Safety Inspections

Due to the nature of the evidence being analyzed (e.g. evidence will evaporate and be lost with time and exposure), the lab is required to analyze as soon as possible after receipt. Lab protocol is to work cases no later than the next business day after official receipt. Investigators / agencies have come to rely on prompt turn-around in order to determine if further investigation is warranted. The Lab has always been in the range of 3-5 days to deliver results, but increased caseload has pushed that to 7 to 10 days. Currently the state owns or leases approximately 16,000 buildings.

Currently the state owns or leases approximately 16,000 buildings.

Training

Based on recommendation from the Texas Forensic Science Commission (FSC), TDI has eight experts that provide training and professional services for the arson investigation staff through a contract for the Science Advisory Workgroup (SAW). These experts meet with arson investigators quarterly in various regions in the state to maximize outreach. Because these quarterly meetings are four days long plus an additional travel day for a total of five days, our staff incur more expenses due to hotel and per diem costs. Training and credentials are important for fire investigation staff being recognized by the court as an expert witness. This necessitates travel for all fire investigators to attend these mandatory training courses eight (four of these courses are for fire investigation forums described above) times a year with each class requiring three to five days of hotel and per diem expenses.

Vehicles

If vehicles are not replaced, safety may become an issue because SFMO staff are on the road daily, averaging 1,200 miles per month.

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Agency code: 454

Agency name:
Department of Insurance

CODE	DESCRIPTION		Excp 2016	Excp 2017
	Item Name:	Fraud Staffing Needs		
	Item Priority:	8		
	Includes Funding for the Following Strategy or Strategies:	01-02-03 Investigate Insurance Fraud and Refer Violations for Prosecution		
OBJECTS OF EXPENSE:				
1001	SALARIES AND WAGES		531,960	531,960
2005	TRAVEL		56,000	56,000
2009	OTHER OPERATING EXPENSE		38,880	38,880
TOTAL, OBJECT OF EXPENSE			\$626,840	\$626,840
METHOD OF FINANCING:				
8042	Insurance Maint Tax Fees		626,840	626,840
TOTAL, METHOD OF FINANCING			\$626,840	\$626,840
FULL-TIME EQUIVALENT POSITIONS (FTE):			10.00	10.00

DESCRIPTION / JUSTIFICATION:

Funding for this exceptional item will increase staffing for TDI's Fraud Unit.

Reports of fraud submitted to the Fraud Unit have experienced significant growth in recent years. Since FY 07, the amount of reports of fraud submitted has increased 23%. On average, the Fraud Unit opens investigations on approximately 4.5% of all fraud reports received which has resulted in a 60% increase in investigations opened. However, the number of FTE investigators assigned to investigate the increase in caseload has remained static, ranging from 26 to 28 investigators. As a result of the 60% increase in opened investigations, the average caseload for investigators has increased over 300%.

In order for the Fraud Unit to protect consumers and investigate insurance fraud, the Fraud Unit needs two additional Insurance Specialists for intake to process the increase in fraud reports received and eight additional investigators to conduct the investigations. By adding the additional two Insurance Specialists, the Fraud Unit will be able to process the increased number of fraud reports received annually resulting in more opened investigations. The additional eight investigators are needed for the growth in caseloads, but also to investigate a larger number of cases opened.

With the increased staffing, the Fraud Unit estimates that it will be able to increase the number of insurance fraud cases resolved with more cases referred for prosecution. By referring more cases for prosecution, the Fraud Unit expects that court-ordered restitutions will also increase. For example, in FY 2013 restitution results were \$7.5 million. With 28 fraud investigators on board in FY 2013, the average amount of restitution per investigator was approximately \$268,000. By adding eight investigators, the total amount of restitution could potentially increase to over \$9.6 million a difference of \$2.1 million.

EXTERNAL/INTERNAL FACTORS:

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The Fraud Unit's mission is to protect the public from economic harm by investigating allegations of criminal insurance fraud. In FY 13, over \$197 million in loss exposure from suspected insurance fraud was reported to the Fraud Unit. However, this number is derived from only 1/3 of the total number of reports received. Many of the fraud reports received by the Fraud Unit do not include a dollar amount of loss exposure thus the real number of possible loss exposure from suspected insurance fraud in Texas is likely much greater.

While the number of reports of fraud received by the Fraud Unit has been trending upward, the number of reports submitted to the Fraud Unit is controlled by external factors beyond the Fraud Unit's control. However, with the increase in staffing, the Fraud Unit will be able to open a greater percentage of those reports received which will likely lead to more cases referred for prosecution.

While the Fraud Unit anticipates that court-ordered restitutions will increase as a result of more cases referred for prosecution, the amount of restitution is determined by the court where the case is adjudicated.

Agency code: 454 Agency name: Department of Insurance

Code	Description	Excp 2016	Excp 2017
Item Name: Restore contingency appropriation State Regulatory Response			
Allocation to Strategy: 6-1-1 Contingency Regulatory Response			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,000,000	2,000,000
2005	TRAVEL	200,000	200,000
TOTAL, OBJECT OF EXPENSE		\$2,200,000	\$2,200,000
METHOD OF FINANCING:			
8042	Insurance Maint Tax Fees	2,200,000	2,200,000
TOTAL, METHOD OF FINANCING		\$2,200,000	\$2,200,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		40.0	40.0

4.B. Exceptional Items Strategy Allocation Schedule
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Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2016	Excp 2017
Item Name: Reduce FTE Cap			
Allocation to Strategy:		1-1-1	Educate Consumers and Industry by Providing Outreach and Information
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	0	0
TOTAL, OBJECT OF EXPENSE		\$0	\$0
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	0	0
8042	Insurance Maint Tax Fees	0	0
TOTAL, METHOD OF FINANCING		\$0	\$0
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2016	Excp 2017
Item Name: Data Center Services			
Allocation to Strategy: 5-1-2 Information Resources			
OBJECTS OF EXPENSE:			
2001	PROFESSIONAL FEES AND SERVICES	910,000	1,010,000
TOTAL, OBJECT OF EXPENSE		\$910,000	\$1,010,000
METHOD OF FINANCING:			
36	Dept Ins Operating Acct	400,400	444,400
8042	Insurance Maint Tax Fees	509,600	565,600
TOTAL, METHOD OF FINANCING		\$910,000	\$1,010,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		0.0	0.0

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2016	Excp 2017
Item Name: Gartner Cyber Security Enhancements			
Allocation to Strategy: 5-1-2 Information Resources			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	76,272	76,272
2009	OTHER OPERATING EXPENSE	1,728	1,728
5000	CAPITAL EXPENDITURES	200,000	200,000
TOTAL, OBJECT OF EXPENSE		\$278,000	\$278,000
METHOD OF FINANCING:			
8042	Insurance Maint Tax Fees	278,000	278,000
TOTAL, METHOD OF FINANCING		\$278,000	\$278,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		1.0	1.0

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2016	Excp 2017
Item Name: ITS Staffing Needs			
Allocation to Strategy: 5-1-2 Information Resources			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	485,816	485,816
2005	TRAVEL	27,000	27,000
2009	OTHER OPERATING EXPENSE	7,184	7,184
TOTAL, OBJECT OF EXPENSE		\$520,000	\$520,000
METHOD OF FINANCING:			
8042	Insurance Maint Tax Fees	520,000	520,000
TOTAL, METHOD OF FINANCING		\$520,000	\$520,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		5.0	5.0

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2016	Excp 2017
Item Name: Consumer Protection and Licensing Needs			
Allocation to Strategy: 1-2-1 Respond Promptly and Act on Complaints			
EFFICIENCY MEASURES:			
<u>1</u>	Average Response Time (in Days) to Complaints	40.00	40.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	237,240	237,240
TOTAL, OBJECT OF EXPENSE		\$237,240	\$237,240
METHOD OF FINANCING:			
8042	Insurance Maint Tax Fees	237,240	237,240
TOTAL, METHOD OF FINANCING		\$237,240	\$237,240
FULL-TIME EQUIVALENT POSITIONS (FTE):		6.0	6.0

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2016	Excp 2017
Item Name: Consumer Protection and Licensing Needs			
Allocation to Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly			
STRATEGY IMPACT ON OUTCOME MEASURES:			
	<u>2</u> Percent of Agent License Filings Completed within 15 Days	96.00%	96.00%
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	183,900	183,900
TOTAL, OBJECT OF EXPENSE		\$183,900	\$183,900
METHOD OF FINANCING:			
	36 Dept Ins Operating Acct	183,900	183,900
TOTAL, METHOD OF FINANCING		\$183,900	\$183,900
FULL-TIME EQUIVALENT POSITIONS (FTE):		5.0	5.0

Agency code: 454 Agency name: Department of Insurance

Code	Description	Excp 2016	Excp 2017
Item Name: State Fire Marshal's Office – Staffing, Training and Vehicle Needs			
Allocation to Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering			
OUTPUT MEASURES:			
7	Number of Buildings Inspected or Reinspected for Fire Safety Hazards	5,600.00	5,600.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	89,550	89,550
2002	FUELS AND LUBRICANTS	110,000	110,000
2005	TRAVEL	165,900	165,900
2009	OTHER OPERATING EXPENSE	160,000	160,000
5000	CAPITAL EXPENDITURES	200,000	200,000
TOTAL, OBJECT OF EXPENSE		\$725,450	\$725,450
METHOD OF FINANCING:			
8042	Insurance Maint Tax Fees	725,450	725,450
TOTAL, METHOD OF FINANCING		\$725,450	\$725,450
FULL-TIME EQUIVALENT POSITIONS (FTE):		2.0	2.0

Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2016	Excp 2017
Item Name: Fraud Staffing Needs			
Allocation to Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution			
STRATEGY IMPACT ON OUTCOME MEASURES:			
	<u>3</u> Percent of Insurance Related Fraud Reports Investigated and Resolved	7.00%	7.00%
OUTPUT MEASURES:			
	<u>1</u> Investigations of Criminal Activity Related to Insurance Fraud Rslvd	730.00	730.00
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	531,960	531,960
2005	TRAVEL	56,000	56,000
2009	OTHER OPERATING EXPENSE	38,880	38,880
TOTAL, OBJECT OF EXPENSE		\$626,840	\$626,840
METHOD OF FINANCING:			
	8042 Insurance Maint Tax Fees	626,840	626,840
TOTAL, METHOD OF FINANCING		\$626,840	\$626,840
FULL-TIME EQUIVALENT POSITIONS (FTE):		10.0	10.0

4.C. Exceptional Items Strategy Request
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
TIME: 9:56:10AM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 1

OBJECTIVE: 1 Provide Insurance Consumers with Meaningful Information Service Categories:

STRATEGY: 1 Educate Consumers and Industry by Providing Outreach and Information Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2016	Excp 2017
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Reduce FTE Cap

4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
TIME: 9:56:10AM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 1
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices Service Categories:
 STRATEGY: 1 Respond Promptly and Act on Complaints Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2016	Exp 2017
-------------------------	-----------------	-----------------

EFFICIENCY MEASURES:

<u>1</u> Average Response Time (in Days) to Complaints	40.00	40.00
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	237,240	237,240
Total, Objects of Expense	\$237,240	\$237,240

METHOD OF FINANCING:

8042 Insurance Maint Tax Fees	237,240	237,240
Total, Method of Finance	\$237,240	\$237,240

FULL-TIME EQUIVALENT POSITIONS (FTE):

6.0	6.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Consumer Protection and Licensing Needs

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 1
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices Service Categories:
 STRATEGY: 3 Investigate Insurance Fraud and Refer Violations for Prosecution Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2016	Excp 2017
-------------------------	------------------	------------------

STRATEGY IMPACT ON OUTCOME MEASURES:

<u>3</u> Percent of Insurance Related Fraud Reports Investigated and Resolved	7.00 %	7.00 %
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OUTPUT MEASURES:

<u>1</u> Investigations of Criminal Activity Related to Insurance Fraud Rslvd	730.00	730.00
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	531,960	531,960
2005 TRAVEL	56,000	56,000
2009 OTHER OPERATING EXPENSE	38,880	38,880
Total, Objects of Expense	\$626,840	\$626,840

METHOD OF FINANCING:

8042 Insurance Maint Tax Fees	626,840	626,840
Total, Method of Finance	\$626,840	\$626,840

FULL-TIME EQUIVALENT POSITIONS (FTE):

10.0	10.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Fraud Staffing Needs

4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
TIME: 9:56:10AM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt Statewide Goal/Benchmark: 7 - 1
 OBJECTIVE: 3 Reduce Impediments to Competition and Improve Insurance Availability Service Categories:
 STRATEGY: 1 Process Rates, Forms & Licenses Promptly Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2016	Exp 2017
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STRATEGY IMPACT ON OUTCOME MEASURES:

<u>2</u> Percent of Agent License Filings Completed within 15 Days	96.00 %	96.00 %
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	183,900	183,900
Total, Objects of Expense	\$183,900	\$183,900

METHOD OF FINANCING:

36 Dept Ins Operating Acct	183,900	183,900
Total, Method of Finance	\$183,900	\$183,900

FULL-TIME EQUIVALENT POSITIONS (FTE):

5.0	5.0
-----	-----

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Consumer Protection and Licensing Needs

4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
TIME: 9:56:10AM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 3 Reduce Loss of Life & Property Due to Fire Statewide Goal/Benchmark: 7 - 1
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:
 STRATEGY: 1 Provide Fire Protection through Education, Enforcement and Engineering Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2016	Exp 2017
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	89,550	89,550
2002 FUELS AND LUBRICANTS	110,000	110,000
2005 TRAVEL	165,900	165,900
2009 OTHER OPERATING EXPENSE	160,000	160,000
5000 CAPITAL EXPENDITURES	200,000	200,000
Total, Objects of Expense	\$725,450	\$725,450

METHOD OF FINANCING:

8042 Insurance Maint Tax Fees	725,450	725,450
Total, Method of Finance	\$725,450	\$725,450

FULL-TIME EQUIVALENT POSITIONS (FTE): 2.0 2.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

State Fire Marshal's Office – Staffing, Training and Vehicle Needs

4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
TIME: 9:56:10AM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 5 Indirect Administration Statewide Goal/Benchmark: 7 - 0
 OBJECTIVE: 1 Indirect Administration Service Categories:
 STRATEGY: 2 Information Resources Service: 09 Income: A.2 Age: B.3

CODE DESCRIPTION	Exp 2016	Exp 2017
OBJECTS OF EXPENSE:		
1001 SALARIES AND WAGES	562,088	562,088
2001 PROFESSIONAL FEES AND SERVICES	910,000	1,010,000
2005 TRAVEL	27,000	27,000
2009 OTHER OPERATING EXPENSE	8,912	8,912
5000 CAPITAL EXPENDITURES	200,000	200,000
Total, Objects of Expense	\$1,708,000	\$1,808,000

METHOD OF FINANCING:

36 Dept Ins Operating Acct	400,400	444,400
8042 Insurance Maint Tax Fees	1,307,600	1,363,600
Total, Method of Finance	\$1,708,000	\$1,808,000

FULL-TIME EQUIVALENT POSITIONS (FTE): 6.0 6.0

EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Data Center Services
 Gartner Cyber Security Enhancements
 ITS Staffing Needs

4.C. Exceptional Items Strategy Request
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
TIME: 9:56:10AM

Agency Code: **454** Agency name: **Department of Insurance**

GOAL: 6 Regulatory Response Statewide Goal/Benchmark: 7 - 0
 OBJECTIVE: 1 Regulatory Response Service Categories:
 STRATEGY: 1 Contingency Regulatory Response Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2016	Excp 2017
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OBJECTS OF EXPENSE:

1001 SALARIES AND WAGES	2,000,000	2,000,000
2005 TRAVEL	200,000	200,000
Total, Objects of Expense	\$2,200,000	\$2,200,000

METHOD OF FINANCING:

8042 Insurance Maint Tax Fees	2,200,000	2,200,000
Total, Method of Finance	\$2,200,000	\$2,200,000

FULL-TIME EQUIVALENT POSITIONS (FTE):

40.0	40.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore contingency appropriation State Regulatory Response

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5. CAPITAL BUDGET

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5.A. Capital Budget Project Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2014**
 TIME : **9:56:11AM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2014	Bud 2015	BL 2016	BL 2017
5005 Acquisition of Information Resource Technologies					
<i>1/1 Capitol Complex Telephone System Replacement</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	2004 UTILITIES	\$754,033	\$0	\$0	\$0
General	2009 OTHER OPERATING EXPENSE	\$700,879	\$0	\$0	\$0
General	5000 CAPITAL EXPENDITURES	\$25,088	\$0	\$0	\$0
Capital Subtotal OOE, Project		1	\$1,480,000	\$0	\$0
Subtotal OOE, Project		1	\$1,480,000	\$0	\$0
TYPE OF FINANCING					
<u>Capital</u>					
General	CA 36 Dept Ins Operating Acct	\$404,642	\$0	\$0	\$0
General	CA 8042 Insurance Maint Tax Fees	\$1,075,358	\$0	\$0	\$0
Capital Subtotal TOF, Project		1	\$1,480,000	\$0	\$0
Subtotal TOF, Project		1	\$1,480,000	\$0	\$0
<i>3/3 Obsolescence Hardware and Software Replacement and Network Security</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	2009 OTHER OPERATING EXPENSE	\$1,526,718	\$1,246,800	\$1,234,088	\$1,234,088
Capital Subtotal OOE, Project		3	\$1,526,718	\$1,234,088	\$1,234,088
Subtotal OOE, Project		3	\$1,526,718	\$1,234,088	\$1,234,088
TYPE OF FINANCING					

5.A. Capital Budget Project Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2014**
 TIME : **9:56:11AM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE				Est 2014	Bud 2015	BL 2016	BL 2017
<u>Capital</u>							
General	CA	36	Dept Ins Operating Acct	\$862,360	\$774,720	\$767,321	\$767,321
General	CA	8042	Insurance Maint Tax Fees	\$664,358	\$472,080	\$466,767	\$466,767
Capital Subtotal TOF, Project				\$1,526,718	\$1,246,800	\$1,234,088	\$1,234,088
Subtotal TOF, Project				\$1,526,718	\$1,246,800	\$1,234,088	\$1,234,088
<i>4/4 Texassure Vehicle Insurance Verification</i>							
OBJECTS OF EXPENSE							
<u>Capital</u>							
General	2001	PROFESSIONAL FEES AND SERVICES		\$4,315,000	\$4,471,575	\$4,393,753	\$4,393,752
General	2004	UTILITIES		\$5,112	\$5,000	\$5,000	\$5,000
General	2009	OTHER OPERATING EXPENSE		\$675,818	\$675,000	\$675,000	\$675,000
Capital Subtotal OOE, Project				\$4,995,930	\$5,151,575	\$5,073,753	\$5,073,752
Subtotal OOE, Project				\$4,995,930	\$5,151,575	\$5,073,753	\$5,073,752
TYPE OF FINANCING							
<u>Capital</u>							
General	CA	6	State Highway Fund	\$4,995,930	\$5,151,575	\$5,073,753	\$5,073,752
Capital Subtotal TOF, Project				\$4,995,930	\$5,151,575	\$5,073,753	\$5,073,752
Subtotal TOF, Project				\$4,995,930	\$5,151,575	\$5,073,753	\$5,073,752
<i>6/6 Gartner Cyber Security Enhancements</i>							
OBJECTS OF EXPENSE							
<u>Capital</u>							
General	5000	CAPITAL EXPENDITURES		\$0	\$0	\$0	\$0

5.A. Capital Budget Project Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2014**
 TIME : **9:56:11AM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE			Est 2014	Bud 2015	BL 2016	BL 2017
Capital Subtotal OOE, Project	6		\$0	\$0	\$0	\$0
Subtotal OOE, Project	6		\$0	\$0	\$0	\$0
TYPE OF FINANCING						
<u>Capital</u>						
General CA 36 Dept Ins Operating Acct			\$0	\$0	\$0	\$0
General CA 8042 Insurance Maint Tax Fees			\$0	\$0	\$0	\$0
Capital Subtotal TOF, Project	6		\$0	\$0	\$0	\$0
Subtotal TOF, Project	6		\$0	\$0	\$0	\$0
Capital Subtotal, Category	5005		\$8,002,648	\$6,398,375	\$6,307,841	\$6,307,840
Informational Subtotal, Category	5005					
Total, Category	5005		\$8,002,648	\$6,398,375	\$6,307,841	\$6,307,840
5006 Transportation Items						
<i>7/7 State Fire Marshal Vehicle Replacement</i>						
OBJECTS OF EXPENSE						
<u>Capital</u>						
General 5000 CAPITAL EXPENDITURES			\$0	\$0	\$0	\$0
Capital Subtotal OOE, Project	7		\$0	\$0	\$0	\$0
Subtotal OOE, Project	7		\$0	\$0	\$0	\$0
TYPE OF FINANCING						
<u>Capital</u>						
General CA 8042 Insurance Maint Tax Fees			\$0	\$0	\$0	\$0

5.A. Capital Budget Project Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
 TIME : 9:56:11AM

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2014	Bud 2015	BL 2016	BL 2017
Capital Subtotal TOF, Project	7	\$0	\$0	\$0	\$0
Subtotal TOF, Project	7	\$0	\$0	\$0	\$0
Capital Subtotal, Category	5006	\$0	\$0	\$0	\$0
Informational Subtotal, Category	5006				
Total, Category	5006	\$0	\$0	\$0	\$0
7000 Data Center Consolidation					
<i>2/2 Data Center Consolidation</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	2001 PROFESSIONAL FEES AND SERVICES	\$4,115,770	\$4,011,117	\$3,899,060	\$3,899,060
Capital Subtotal OOE, Project	2	\$4,115,770	\$4,011,117	\$3,899,060	\$3,899,060
Subtotal OOE, Project	2	\$4,115,770	\$4,011,117	\$3,899,060	\$3,899,060
TYPE OF FINANCING					
<u>Capital</u>					
General	CA 36 Dept Ins Operating Acct	\$2,353,432	\$2,375,541	\$2,310,892	\$2,310,892
General	CA 8042 Insurance Maint Tax Fees	\$1,762,338	\$1,635,576	\$1,588,168	\$1,588,168
Capital Subtotal TOF, Project	2	\$4,115,770	\$4,011,117	\$3,899,060	\$3,899,060
Subtotal TOF, Project	2	\$4,115,770	\$4,011,117	\$3,899,060	\$3,899,060
Capital Subtotal, Category	7000	\$4,115,770	\$4,011,117	\$3,899,060	\$3,899,060
Informational Subtotal, Category	7000				
Total, Category	7000	\$4,115,770	\$4,011,117	\$3,899,060	\$3,899,060

5.A. Capital Budget Project Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2014**
 TIME : **9:56:11AM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2014

Bud 2015

BL 2016

BL 2017

8000 Centralized Accounting and Payroll/Personnel System(CAPPS)

5/5 ProjectONE/CAPPS (Centralized Accounting and Payroll Personnel System)- Enterprise Resource Planning (ERP) Project.

OBJECTS OF EXPENSE

Capital

General	2001	PROFESSIONAL FEES AND SERVICES		\$70,613	\$70,613	\$70,613	\$70,613
	Capital Subtotal OOE, Project		5	\$70,613	\$70,613	\$70,613	\$70,613
	Subtotal OOE, Project		5	\$70,613	\$70,613	\$70,613	\$70,613

TYPE OF FINANCING

Capital

General	CA	36	Dept Ins Operating Acct	\$35,451	\$19,197	\$19,252	\$19,252
General	CA	8042	Insurance Maint Tax Fees	\$35,162	\$51,416	\$51,361	\$51,361
	Capital Subtotal TOF, Project		5	\$70,613	\$70,613	\$70,613	\$70,613
	Subtotal TOF, Project		5	\$70,613	\$70,613	\$70,613	\$70,613
	Capital Subtotal, Category	8000		\$70,613	\$70,613	\$70,613	\$70,613
	Informational Subtotal, Category	8000					
	Total, Category	8000		\$70,613	\$70,613	\$70,613	\$70,613

AGENCY TOTAL -CAPITAL

\$12,189,031

\$10,480,105

\$10,277,514

\$10,277,513

AGENCY TOTAL -INFORMATIONAL

AGENCY TOTAL

\$12,189,031

\$10,480,105

\$10,277,514

\$10,277,513

5.A. Capital Budget Project Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/22/2014**
 TIME : **9:56:11AM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2014	Bud 2015	BL 2016	BL 2017
METHOD OF FINANCING:					
<u>Capital</u>					
General	6 State Highway Fund	\$4,995,930	\$5,151,575	\$5,073,753	\$5,073,752
General	36 Dept Ins Operating Acct	\$3,655,885	\$3,169,458	\$3,097,465	\$3,097,465
General	8042 Insurance Maint Tax Fees	\$3,537,216	\$2,159,072	\$2,106,296	\$2,106,296
Total, Method of Financing-Capital		\$12,189,031	\$10,480,105	\$10,277,514	\$10,277,513
Total, Method of Financing		\$12,189,031	\$10,480,105	\$10,277,514	\$10,277,513
TYPE OF FINANCING:					
<u>Capital</u>					
General	CA CURRENT APPROPRIATIONS	\$12,189,031	\$10,480,105	\$10,277,514	\$10,277,513
Total, Type of Financing-Capital		\$12,189,031	\$10,480,105	\$10,277,514	\$10,277,513
Total,Type of Financing		\$12,189,031	\$10,480,105	\$10,277,514	\$10,277,513

5.B. Capital Budget Project Information
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
 TIME: 9:56:11AM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	1	Project Name:	CCTS Replacement

PROJECT DESCRIPTION

General Information

Replacement of telephone system with a VOIP system.

A VoIP system is a more enhanced technology option including unified communications, advanced call center functions and mobility/teleworker enhancements, improved business collaboration capabilities, more efficient management and administration of the call processing system.

Number of Units / Average Unit Cost	N/A			
Estimated Completion Date	10/2014			
Additional Capital Expenditure Amounts Required		2018		2019
		0		0
Type of Financing	CA	CURRENT APPROPRIATIONS		
Projected Useful Life	Varies			
Estimated/Actual Project Cost	\$0			
Length of Financing/ Lease Period	N/A			

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

	2016	2017	2018	2019	Total over project life
	0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: This project covers the TDI's replacement of existing Capitol Complex Telephone System (CCTS) with an upgraded call processing system. This system uses the voice over internet protocol (VoIP) technology.

Implementation includes replacing all CCTS telephones with VoIP telephones, and all necessary equipment to transition from analog to digital.

Project Location: TDI & OIEC headquarters and field offices

Beneficiaries: TDI & OIEC staff and stakeholders

Frequency of Use and External Factors Affecting Use:

Daily

5.B. Capital Budget Project Information
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
 TIME: 9:56:11AM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	7000	Category Name:	Data Center Consolidation
Project number:	2	Project Name:	DATA CENTER CONSOL

PROJECT DESCRIPTION

General Information

In accordance with, HB 1516, 79th Leg. Regular Session; TDI, is one of the 27 participating agencies, transitioned data center services.

TDI resources monitor contractor's level of support and ensure that contractor and TDI's responsibilities are met, in accordance with the contract and the Service Responsibility Matrices.

Number of Units / Average Unit Cost N/A

Estimated Completion Date N/A

Additional Capital Expenditure Amounts Required	2018	2019
	0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life Varies

Estimated/Actual Project Cost \$0

Length of Financing/ Lease Period N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2016	2017	2018	2019	Total over project life
0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: The Data Center Services contract provides TDI, as a participating agency, data center (server operations), disaster recovery, and bulk print and mail services. The contract includes transition of legacy agency data center operations to the service provider, consolidation of these operations to the state data centers and transformation of services for greater consistency, efficiency, and value.

Project Location: Austin & San Angelo Data Center, TDI & OIEC headquarters and field offices.

Beneficiaries: TDI & OIEC staff and stakeholders

Frequency of Use and External Factors Affecting Use:

Daily

5.B. Capital Budget Project Information
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
 TIME: 9:56:11AM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	3	Project Name:	Obsolescence and Network Security

PROJECT DESCRIPTION

General Information

TDI's obsolescence plan encompasses the replacement of deteriorated or functionally obsolete hardware for all aspects of the agency's technical infrastructure including specialty high-end desktops, monitors, desktop, and laptop computers. TDI's plan also includes updating software to keep pace with current software technology, remaining compatible with outside entities, and ensuring the use of versions of software for which support is available.

Number of Units / Average Unit Cost N/A

Estimated Completion Date N/A

Additional Capital Expenditure Amounts Required	2018	2019
	0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life Varies

Estimated/Actual Project Cost \$0

Length of Financing/ Lease Period N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2016	2017	2018	2019	Total over project life
0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: Obsolescence Hardware and Software Replacement and Network Security

Project Location: TDI & OIEC headquarters and field offices

Beneficiaries: TDI & OIEC staff and stakeholders

Frequency of Use and External Factors Affecting Use:

Daily

5.B. Capital Budget Project Information
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
 TIME: 9:56:11AM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	4	Project Name:	TEXASSURE VEHICLE INS VERIF (1250)

PROJECT DESCRIPTION

General Information

The 79th Texas Legislature passed Senate Bill 1670, which directed TDI, in consultation with TxDMV and other agencies, to “establish a program for verification of whether owners of motor vehicles have established financial responsibility.” The agencies established TexasSure, a secure database that matches the records of registered passenger vehicles in Texas to personal auto insurance policy data submitted by Texas insurance companies.

On September 1, 2012, TexasSure funds were transferred to TDI from TxDMV to streamline efficiency and oversight of the invoice and payment processes.

Number of Units / Average Unit Cost	N/A			
Estimated Completion Date	N/A			
Additional Capital Expenditure Amounts Required		2018		2019
		0		0
Type of Financing	CA	CURRENT APPROPRIATIONS		
Projected Useful Life	Varies			
Estimated/Actual Project Cost	\$0			
Length of Financing/ Lease Period	N/A			

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					
	2016	2017	2018	2019	Total over project life
	0	0	0	0	0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: This capitol budget project funds the on-going maintenance and operational costs for the TexasSure Motor Vehicle Financial Responsibility Verification Program from fees collected pursuant to Transportation Code §502.1715.

Project Location: TDI headquarters

Beneficiaries: TDI staff and stakeholders

Frequency of Use and External Factors Affecting Use:

Daily

5.B. Capital Budget Project Information
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
 TIME: 9:56:11AM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	8000	Category Name:	CAPPS Statewide ERP System
Project number:	5	Project Name:	ProjectONE/CAPPS

PROJECT DESCRIPTION

General Information

CAPPS (Centralized Accounting and Payroll Personnel System) is the official name of the statewide Enterprise Resource Planning (ERP) system created by the statewide ProjectONE team.

Number of Units / Average Unit Cost N/A

Estimated Completion Date N/A

Additional Capital Expenditure Amounts Required	2018	2019
	0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life Varies

Estimated/Actual Project Cost \$0

Length of Financing/ Lease Period N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2016	2017	2018	2019	Total over project life
0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: TDI participates in the Financials application. Beginning in fiscal year 2017, TDI will also be a participant in the Human Resources application. CAPPS provides a single software solution for the financial system administration for Texas state agencies. Legacy systems were replaced with financial systems under the Project One umbrella. CAPPS gives decision makers a seamless data source, and allows the state to fully leverage the power of the data at its fingertips.

Project Location: TDI & OIEC headquarters and field offices

Beneficiaries: TDI & OIEC staff and stakeholders

Frequency of Use and External Factors Affecting Use:

Daily

5.B. Capital Budget Project Information
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
 TIME: 9:56:11AM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	6	Project Name:	Gartner Security Enhancements

PROJECT DESCRIPTION

General Information

In 2011, to address the cyber security challenges faced by state agencies, the Department of Information Resources (DIR) established a statewide Enterprise Security and Risk Management (ESRM) program aimed at strengthening the overall security posture of the State. As a significant component of this program, DIR signed a two year contract with a leading independent information technology research and advisory firm, to provide security assessments to 30 state agencies.

As of July 2013, DIR has worked with the vendor to deliver 35 state agency assessments. These assessments have allowed DIR to make some observations and identified trends that provide early insights into possible risks and opportunities for the State.

Number of Units / Average Unit Cost	N/A
Estimated Completion Date	N/A
Additional Capital Expenditure Amounts Required	
	2018
	0
	2019
	0
Type of Financing	CA CURRENT APPROPRIATIONS
Projected Useful Life	Varies
Estimated/Actual Project Cost	\$0
Length of Financing/ Lease Period	N/A

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					Total over project life
2016	2017	2018	2019		
0	0	0	0		0

<u>REVENUE GENERATION / COST SAVINGS</u>		
<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>

Explanation: Gartner conducted a Security Assessment of the current state of TDI's security framework. A roadmap of recommendations was presented to TDI with key initiatives and additional staffing requirements. During the FY14/15 biennium TDI addressed immediate and short-term recommendations. This capital project will continue the work started in FY14/FY15 biennium

Project Location: TDI & OIEC headquarters and field offices

Beneficiaries: TDI & OIEC staff and stakeholders

Frequency of Use and External Factors Affecting Use:
 Daily

5.B. Capital Budget Project Information
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
 TIME: 9:56:11AM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	5006	Category Name:	TRANSPORTATION ITEMS
Project number:	7	Project Name:	SFMO Vehicle Replacement

PROJECT DESCRIPTION

General Information

The State Fire Marshal's Office (SFMO) is required by legislation to investigate firefighter fatalities, and inspect state colleges, universities, and state-owned and state leased buildings for fire safety. In addition, the SFMO responds to requests for fire investigations from local law enforcement and fire service agencies, and conducts investigations related to complaints received about entities licensed in the fireworks and fire safety industries. The SFMO must replace vehicles for field staff on a regular basis to ensure the safety of staff and its ability to perform mission critical activities.

If vehicles are not replaced, safety may become an issue because SFMO staff are on the road daily, averaging 1,200 miles per month. Maintenance issues with vehicles could prohibit staff from traveling resulting in a reduction of services, which would negatively impact performance measures, customer service, and the SFMO's ability to conduct statutorily required functions.

Number of Units / Average Unit Cost N/A
Estimated Completion Date N/A

Additional Capital Expenditure Amounts Required		2018	2019
		0	0
Type of Financing	CA	CURRENT APPROPRIATIONS	
Projected Useful Life	Varies		
Estimated/Actual Project Cost	\$0		
Length of Financing/ Lease Period	N/A		

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

	2016	2017	2018	2019	Total over project life
	0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

<u>REVENUE COST FLAG</u>	<u>MOF CODE</u>	<u>AVERAGE AMOUNT</u>
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Explanation: The SFMO's goal is to discontinue the use of fleet vehicles in excess of 100,000 miles for F150 and 200,000 miles for F350. It is SFMO's belief that this milestone represents the most cost-effective use of the asset, diminishing the amount of vehicle repairs; and is the most prudent approach as a retirement indicator for vehicle safety reasons. By the beginning of FY16, the SFMO estimates forty percent of its vehicles will have exceeded the 100,000 mile threshold.

Project Location: TDI headquarters and field offices

Beneficiaries: TDI staff and stakeholders

Frequency of Use and External Factors Affecting Use:

Daily

Agency code: 454 Agency name: Department of Insurance

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017	
5005 Acquisition of Information Resource Technologies						
<i>1/1</i>	<i>CCTS Replacement</i>					
<u>GENERAL BUDGET</u>						
Capital	5-1-2	INFORMATION RESOURCES	1,480,000	0	\$0	\$0
		TOTAL, PROJECT	\$1,480,000	\$0	\$0	\$0
<i>3/3</i>	<i>Obsolescence and Network Security</i>					
<u>GENERAL BUDGET</u>						
Capital	5-1-1	CENTRAL ADMINISTRATION	145,210	118,590	117,381	117,381
	5-1-2	INFORMATION RESOURCES	91,559	74,006	73,251	73,251
	5-1-3	OTHER SUPPORT SERVICES	43,674	36,380	36,010	36,010
	1-1-1	CONSUMER EDUCATION AND OUTREACH	57,535	40,803	40,387	40,387
	1-2-3	INSURANCE FRAUD	55,419	39,299	38,899	38,899
	1-2-1	RESOLVE COMPLAINTS	73,208	51,901	51,372	51,372
	1-2-2	INVESTIGATION AND ENFORCEMENT	59,428	42,137	41,708	41,708
	1-2-4	WORKERS COMPENSATION FRAUD	4,580	4,476	4,430	4,430
	1-3-1	PROCESS RATES, FORMS & LICENSES	249,134	176,645	174,844	174,844
	1-3-4	CERTIFY SELF-INSURANCE	10,076	9,846	9,745	9,745
	1-5-1	LOSS CONTROL PROGRAMS	53,884	38,216	37,826	37,826
	2-1-1	INSURERS FINANCIAL CONDITION	114,025	80,854	80,029	80,029
	3-1-1	FIRE MARSHAL	83,557	59,243	58,639	58,639
	4-1-1	OVERSIGHT AND ENFORCEMENT	77,851	76,084	75,308	75,308
	4-1-2	DISPUTE RESOLUTION	229,068	223,863	221,582	221,582

Agency code: **454** Agency name: **Department of Insurance**

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
Capital	4-2-1	HEALTH AND SAFETY SERVICES	64,021	62,568	\$61,930	\$61,930
	4-2-2	CUSTOMER SERVICE & RECORDS ADMIN	114,489	111,889	110,747	110,747
		TOTAL, PROJECT	<u>\$1,526,718</u>	<u>\$1,246,800</u>	<u>\$1,234,088</u>	<u>\$1,234,088</u>

4/4 *TEXASSURE VEHICLE INS VERIF (1250)*

GENERAL BUDGET

Capital	1-1-1	CONSUMER EDUCATION AND OUTREACH	4,995,930	5,151,575	5,073,753	5,073,752
		TOTAL, PROJECT	<u>\$4,995,930</u>	<u>\$5,151,575</u>	<u>\$5,073,753</u>	<u>\$5,073,752</u>

6/6 *Gartner Security Enhancements*

GENERAL BUDGET

Capital	5-1-2	INFORMATION RESOURCES	0	0	0	0
		TOTAL, PROJECT	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

5006 Transportation Items

7/7 *SFMO Vehicle Replacement*

GENERAL BUDGET

Capital	3-1-1	FIRE MARSHAL	0	0	0	0
		TOTAL, PROJECT	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

7000 Data Center Consolidation

2/2 *DATA CENTER CONSOL*

GENERAL BUDGET

Agency code: **454** Agency name: **Department of Insurance**

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
Capital	5-1-2	INFORMATION RESOURCES	4,115,770	4,011,117	\$3,899,060	\$3,899,060
		TOTAL, PROJECT	\$4,115,770	\$4,011,117	\$3,899,060	\$3,899,060

8000 Centralized Accounting and Payroll/Personnel System(CAPPS)

5/5 ProjectONE/CAPPS

GENERAL BUDGET

Capital	5-1-1	CENTRAL ADMINISTRATION	70,613	70,613	70,613	70,613
		TOTAL, PROJECT	\$70,613	\$70,613	\$70,613	\$70,613
		TOTAL CAPITAL, ALL PROJECTS	\$12,189,031	\$10,480,105	\$10,277,514	\$10,277,513
		TOTAL INFORMATIONAL, ALL PROJECTS				
		TOTAL, ALL PROJECTS	\$12,189,031	\$10,480,105	\$10,277,514	\$10,277,513

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
5005 Acquisition of Information Resource Technologies					
1 CCTS Replacement					
OOE					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2004	UTILITIES	754,033	0	0	0
2009	OTHER OPERATING EXPENSE	700,879	0	0	0
5000	CAPITAL EXPENDITURES	25,088	0	0	0
TOTAL, OOE's		\$1,480,000	\$0	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	1,075,358	0	0	0
TOTAL, GENERAL REVENUE FUNDS		\$1,075,358	\$0	0	0
GR DEDICATED					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	404,642	0	0	0
TOTAL, GR DEDICATED		\$404,642	\$0	0	0
TOTAL, MOF's		\$1,480,000	\$0	0	0

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
3 Obsolescence and Network Security					
OOE					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	57,535	40,803	40,387	40,387
1-2-1 RESOLVE COMPLAINTS					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	73,208	51,901	51,372	51,372
1-2-2 INVESTIGATION AND ENFORCEMENT					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	59,428	42,137	41,708	41,708
1-2-3 INSURANCE FRAUD					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	55,419	39,299	38,899	38,899
1-2-4 WORKERS COMPENSATION FRAUD					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	4,580	4,476	4,430	4,430
1-3-1 PROCESS RATES, FORMS & LICENSES					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	249,134	176,645	174,844	174,844

454 Department of Insurance

Category Code/Name		Est 2014	Bud 2015	BL 2016	BL 2017
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
3 Obsolescence and Network Security					
1-3-4 CERTIFY SELF-INSURANCE					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	10,076	9,846	9,745	9,745
1-5-1 LOSS CONTROL PROGRAMS					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	53,884	38,216	37,826	37,826
2-1-1 INSURERS FINANCIAL CONDITION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	114,025	80,854	80,029	80,029
3-1-1 FIRE MARSHAL					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	83,557	59,243	58,639	58,639
4-1-1 OVERSIGHT AND ENFORCEMENT					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	77,851	76,084	75,308	75,308
4-1-2 DISPUTE RESOLUTION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	229,068	223,863	221,582	221,582
4-2-1 HEALTH AND SAFETY SERVICES					
<u>General Budget</u>					

454 Department of Insurance

Category Code/Name		Est 2014	Bud 2015	BL 2016	BL 2017
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
3 Obsolescence and Network Security					
2009	OTHER OPERATING EXPENSE	64,021	62,568	61,930	61,930
4-2-2 CUSTOMER SERVICE & RECORDS ADMIN					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	114,489	111,889	110,747	110,747
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	145,210	118,590	117,381	117,381
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	91,559	74,006	73,251	73,251
5-1-3 OTHER SUPPORT SERVICES					
<u>General Budget</u>					
2009	OTHER OPERATING EXPENSE	43,674	36,380	36,010	36,010
TOTAL, OOE's		\$1,526,718	\$1,246,800	1,234,088	1,234,088
MOF					
GENERAL REVENUE FUNDS					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	41,805	29,710	29,376	29,376
1-2-1 RESOLVE COMPLAINTS					

454 Department of Insurance

Category Code/Name		Est 2014	Bud 2015	BL 2016	BL 2017
<i>Project Sequence/Name</i>					
Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
3 Obsolescence and Network Security					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	53,193	37,791	37,366	37,366
1-2-2 INVESTIGATION AND ENFORCEMENT					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	43,180	30,682	30,337	30,337
1-2-3 INSURANCE FRAUD					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	40,267	28,615	28,294	28,294
1-3-1 PROCESS RATES, FORMS & LICENSES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	181,019	128,623	127,174	127,174
1-5-1 LOSS CONTROL PROGRAMS					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	39,152	27,827	27,513	27,513
2-1-1 INSURERS FINANCIAL CONDITION					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	82,850	58,873	58,210	58,210
3-1-1 FIRE MARSHAL					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	60,712	43,137	42,652	42,652
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	63,184	44,899	44,394	44,394

454 Department of Insurance

Category Code/Name		Est 2014	Bud 2015	BL 2016	BL 2017
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
3 Obsolescence and Network Security					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	41,904	29,772	29,436	29,436
5-1-3 OTHER SUPPORT SERVICES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	17,092	12,151	12,015	12,015
TOTAL, GENERAL REVENUE FUNDS		\$664,358	\$472,080	466,767	466,767
GR DEDICATED					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
36	Dept Ins Operating Acct	15,730	11,093	11,011	11,011
1-2-1 RESOLVE COMPLAINTS					
<u>General Budget</u>					
36	Dept Ins Operating Acct	20,015	14,110	14,006	14,006
1-2-2 INVESTIGATION AND ENFORCEMENT					
<u>General Budget</u>					
36	Dept Ins Operating Acct	16,248	11,455	11,371	11,371
1-2-3 INSURANCE FRAUD					
<u>General Budget</u>					
36	Dept Ins Operating Acct	15,152	10,684	10,605	10,605
1-2-4 WORKERS COMPENSATION FRAUD					
<u>General Budget</u>					

454 Department of Insurance

Category Code/Name		Est 2014	Bud 2015	BL 2016	BL 2017
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
3 Obsolescence and Network Security					
36	Dept Ins Operating Acct	4,580	4,476	4,430	4,430
1-3-1 PROCESS RATES, FORMS & LICENSES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	68,115	48,022	47,670	47,670
1-3-4 CERTIFY SELF-INSURANCE					
<u>General Budget</u>					
36	Dept Ins Operating Acct	10,076	9,846	9,745	9,745
1-5-1 LOSS CONTROL PROGRAMS					
<u>General Budget</u>					
36	Dept Ins Operating Acct	14,732	10,389	10,313	10,313
2-1-1 INSURERS FINANCIAL CONDITION					
<u>General Budget</u>					
36	Dept Ins Operating Acct	31,175	21,981	21,819	21,819
3-1-1 FIRE MARSHAL					
<u>General Budget</u>					
36	Dept Ins Operating Acct	22,845	16,106	15,987	15,987
4-1-1 OVERSIGHT AND ENFORCEMENT					
<u>General Budget</u>					
36	Dept Ins Operating Acct	77,851	76,084	75,308	75,308
4-1-2 DISPUTE RESOLUTION					
<u>General Budget</u>					
36	Dept Ins Operating Acct	229,068	223,863	221,582	221,582

454 Department of Insurance

Category Code/Name		Est 2014	Bud 2015	BL 2016	BL 2017
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
3 Obsolescence and Network Security					
4-2-1 HEALTH AND SAFETY SERVICES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	64,021	62,568	61,930	61,930
4-2-2 CUSTOMER SERVICE & RECORDS ADMIN					
<u>General Budget</u>					
36	Dept Ins Operating Acct	114,489	111,889	110,747	110,747
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
36	Dept Ins Operating Acct	82,026	73,691	72,987	72,987
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	49,655	44,234	43,815	43,815
5-1-3 OTHER SUPPORT SERVICES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	26,582	24,229	23,995	23,995
	TOTAL, GR DEDICATED	\$862,360	\$774,720	767,321	767,321
	TOTAL, MOFs	\$1,526,718	\$1,246,800	1,234,088	1,234,088

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
4 TEXASSURE VEHICLE INS VERIF (1250)					
OOE					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	4,315,000	4,471,575	4,393,753	4,393,752
2004	UTILITIES	5,112	5,000	5,000	5,000
2009	OTHER OPERATING EXPENSE	675,818	675,000	675,000	675,000
TOTAL, OOE's		\$4,995,930	\$5,151,575	5,073,753	5,073,752
MOF					
OTHER FUNDS					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
6	State Highway Fund	4,995,930	5,151,575	5,073,753	5,073,752
TOTAL, OTHER FUNDS		\$4,995,930	\$5,151,575	5,073,753	5,073,752
TOTAL, MOFs		\$4,995,930	\$5,151,575	5,073,753	5,073,752

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
6 Gartner Security Enhancements					
OOE					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	0	0	0	0
TOTAL, OOE's		\$0	\$0	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
TOTAL, GENERAL REVENUE FUNDS		\$0	\$0	0	0
GR DEDICATED					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	0	0	0
TOTAL, GR DEDICATED		\$0	\$0	0	0
TOTAL, MOF's		\$0	\$0	0	0

5006 Transportation Items

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
7 SFMO Vehicle Replacement					
OOE					
Capital					
3-1-1 FIRE MARSHAL					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	0	0	0	0
TOTAL, OOE's		\$0	\$0	0	0
MOF					
GENERAL REVENUE FUNDS					
Capital					
3-1-1 FIRE MARSHAL					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	0	0	0
TOTAL, GENERAL REVENUE FUNDS		\$0	\$0	0	0
TOTAL, MOFs		\$0	\$0	0	0

7000 Data Center Consolidation

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2014	Bud 2015	BL 2016	BL 2017
2 DATA CENTER CONSOL					
OOE					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	4,115,770	4,011,117	3,899,060	3,899,060
TOTAL, OOE's		\$4,115,770	\$4,011,117	3,899,060	3,899,060
MOF					
GENERAL REVENUE FUNDS					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	1,762,338	1,635,576	1,588,168	1,588,168
TOTAL, GENERAL REVENUE FUNDS		\$1,762,338	\$1,635,576	1,588,168	1,588,168
GR DEDICATED					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	2,353,432	2,375,541	2,310,892	2,310,892
TOTAL, GR DEDICATED		\$2,353,432	\$2,375,541	2,310,892	2,310,892
TOTAL, MOFs		\$4,115,770	\$4,011,117	3,899,060	3,899,060

8000 Centralized Accounting and Payroll/Personnel System(CAPPS)

454 Department of Insurance

Category Code/Name		Est 2014	Bud 2015	BL 2016	BL 2017
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
5 ProjectONE/CAPPS					
OOE					
Capital					
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	70,613	70,613	70,613	70,613
TOTAL, OOE's		\$70,613	\$70,613	70,613	70,613
MOF					
GENERAL REVENUE FUNDS					
Capital					
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	35,162	51,416	51,361	51,361
TOTAL, GENERAL REVENUE FUNDS		\$35,162	\$51,416	51,361	51,361
GR DEDICATED					
Capital					
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
36	Dept Ins Operating Acct	35,451	19,197	19,252	19,252
TOTAL, GR DEDICATED		\$35,451	\$19,197	19,252	19,252
TOTAL, MOF's		\$70,613	\$70,613	70,613	70,613

454 Department of Insurance

	Est 2014	Bud 2015	BL 2016	BL 2017
CAPITAL				
<u>General Budget</u>				
GENERAL REVENUE FUNDS	\$3,537,216	\$2,159,072	2,106,296	2,106,296
GR DEDICATED	\$3,655,885	\$3,169,458	3,097,465	3,097,465
OTHER FUNDS	\$4,995,930	\$5,151,575	5,073,753	5,073,752
TOTAL, GENERAL BUDGET	12,189,031	10,480,105	10,277,514	10,277,513
TOTAL, ALL PROJECTS	\$12,189,031	\$10,480,105	10,277,514	10,277,513

454 Department of Insurance

Category Code / Category Name <i>Project Number / Name</i>	Excp 2016	Excp 2017
OOE / TOF / MOF CODE		
5005 Acquisition of Information Resource Technologies		
<u>6 Gartner Security Enhancements</u>		
Objects of Expense		
5000 CAPITAL EXPENDITURES	200,000	200,000
Subtotal OOE, Project 6	200,000	200,000
Type of Financing		
CA 36 Dept Ins Operating Acct	88,000	88,000
CA 8042 Insurance Maint Tax Fees	112,000	112,000
Subtotal TOF, Project 6	200,000	200,000
Subtotal Category 5005	200,000	200,000
5006 Transportation Items		
<u>7 SFMO Vehicle Replacement</u>		
Objects of Expense		
5000 CAPITAL EXPENDITURES	200,000	200,000
Subtotal OOE, Project 7	200,000	200,000
Type of Financing		
CA 8042 Insurance Maint Tax Fees	200,000	200,000
Subtotal TOF, Project 7	200,000	200,000
Subtotal Category 5006	200,000	200,000
7000 Data Center Consolidation		
<u>2 DATA CENTER CONSOL</u>		
Objects of Expense		
2001 PROFESSIONAL FEES AND SERVICES	910,000	1,010,000

454 Department of Insurance

Category Code / Category Name <i>Project Number / Name</i>		Excp 2016	Excp 2017
OOE / TOF / MOF CODE			
Subtotal OOE, Project	2	910,000	1,010,000
Type of Financing			
CA	36 Dept Ins Operating Acct	400,400	444,400
CA	8042 Insurance Maint Tax Fees	509,600	565,600
Subtotal TOF, Project	2	910,000	1,010,000
Subtotal Category	7000	910,000	1,010,000
AGENCY TOTAL		1,310,000	1,410,000
METHOD OF FINANCING:			
	36 Dept Ins Operating Acct	488,400	532,400
	8042 Insurance Maint Tax Fees	821,600	877,600
Total, Method of Financing		1,310,000	1,410,000
TYPE OF FINANCING:			
CA	CURRENT APPROPRIATIONS	1,310,000	1,410,000
Total, Type of Financing		1,310,000	1,410,000

454 Department of Insurance

Category Code/Name

Project Number/Name

Goal/Obj/Str	Strategy Name	Excp 2016	Excp 2017
5005 Acquisition of Information Resource Technologies			
6	Gartner Security Enhancements		
5 1 2	INFORMATION RESOURCES	200,000	200,000
	TOTAL, PROJECT	200,000	200,000
5006 Transportation Items			
7	SFMO Vehicle Replacement		
3 1 1	FIRE MARSHAL	200,000	200,000
	TOTAL, PROJECT	200,000	200,000
7000 Data Center Consolidation			
2	DATA CENTER CONSOL		
5 1 2	INFORMATION RESOURCES	910,000	1,010,000
	TOTAL, PROJECT	910,000	1,010,000
	TOTAL, ALL PROJECTS	1,310,000	1,410,000

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6. SUPPORTING SCHEDULES

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6.A. Historically Underutilized Business Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/22/2014**
 Time: **9:56:15AM**

Agency Code: **454** Agency: **Department of Insurance**

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2012 - 2013 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2012			Total Expenditures FY 2012		HUB Expenditures FY 2013			Total Expenditures FY 2013	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	% Goal	% Actual	Diff
32.7%	Special Trade Construction	17.3 %	17.3%	0.0%	\$1,100	\$6,374	0.0 %	0.0%	0.0%	\$0	\$946	
23.6%	Professional Services	0.6 %	0.6%	0.0%	\$3,555	\$618,453	0.6 %	0.6%	0.0%	\$3,825	\$605,996	
24.6%	Other Services	35.2 %	35.2%	0.0%	\$4,074,286	\$11,566,803	26.1 %	26.1%	0.0%	\$2,458,586	\$9,419,370	
21.0%	Commodities	0.0 %	22.4%	22.4%	\$377,416	\$1,685,945	0.0 %	17.6%	17.6%	\$372,324	\$2,118,866	
	Total Expenditures		32.1%		\$4,456,357	\$13,877,575		23.3%		\$2,834,735	\$12,145,178	

B. Assessment of Fiscal Year 2012 - 2013 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained or exceeded one of the three, or 33.33 percent, of the applicable statewide HUB procurement goals in FY 2012.
 The agency attained or exceeded one of the three, or 33.33 percent, of the applicable statewide HUB procurement goals in FY 2013.

Applicability:

TDI's functions do not include construction, therefore, "Heavy Construction," "Building Construction," and "Special Trade Construction" categories are not applicable to the agency. However, TDI did incur incidental construction expenses associated with building maintenance through the special trade category.

Factors Affecting Attainment:

Professional Services. The contracts established under the professional service category were for actuarial service contracts. TDI continues to competitively bid these services, but has found that there are few HUB actuarial firms certified in Texas that can provide the specialized actuarial services required by the agency.

Other Services. Several of the contracts established under the "Other Services" category were specialized contracts with low HUB participation, such as proprietary maintenance contracts.

"Good-Faith" Efforts:

TDI made the following good faith efforts in FY 2012 and 2013. One HUB forum was sponsored in FY 2012 and 2013, respectively. The forums primary objective was to fulfill TDI's procurement needs and to locate professional services needed to implement the Special Deputy Receiver Program. TDI participated in several forums sponsored by organizations and businesses and governmental entities to locate businesses that would provide goods and services for the agency. In addition, TDI attended quarterly HUB Discussion Group meetings. TDI distributed brochures and other informational items regarding HUB and the procurement process and ensured that contract specifications, terms, and conditions did not impose unreasonable or unnecessary requirements for contractors. A statewide Mentor Protégé Program was promoted and resulted in maintaining active mentor protégé relationship with a HUB and non-HUB vendors.

6.B. Current Biennium One-time Expenditure Schedule

Agency Code: 454	Agency Name: Texas Department of Insurance	Prepared By: Nancy Clark	Date: August 25, 2014		
PROJECT ITEM: Implementation of Telecommunications System					
ALLOCATION TO STRATEGY:					5/1/2002
Code	Strategy Allocation	Estimated 2014	Budgeted 2015	Requested 2016	Requested 2017
	Objects of Expense:				
2004	Utilities	\$754,033	\$0	\$357,876	\$357,875
2009	Other Operating	\$661,718	\$0	\$350,000	\$350,000
Total, Objects of Expense		\$1,415,751	\$0	\$707,876	\$707,875
	Method of Financing:				
36	General Revenue Dedicated 36	\$231,707	\$0	\$109,972	\$109,971
8042	Insurance Maintenance Tax	\$522,326	\$0	\$247,904	\$247,904
Total, Method of Financing		\$754,033	\$0	\$357,876	\$357,875

Description of Item for 2014-15

Replaced the CCTS telephone system with a VOIP telecommunications system that utilizes latest technology.

		454 Department of Insurance				
CFDA NUMBER/ STRATEGY		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
16.738.000	Justice Assistance Grant					
3 - 1 - 1	FIRE MARSHAL	0	99,999	0	0	0
	TOTAL, ALL STRATEGIES	\$0	\$99,999	\$0	\$0	\$0
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$0	\$99,999	\$0	\$0	\$0
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
16.742.000	Coverdell Forensic Sciences Grant					
3 - 1 - 1	FIRE MARSHAL	0	32,592	0	0	0
	TOTAL, ALL STRATEGIES	\$0	\$32,592	\$0	\$0	\$0
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$0	\$32,592	\$0	\$0	\$0
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
17.005.001	OSHA BUREAU OF LABOR STATISTICS					
4 - 2 - 1	HEALTH AND SAFETY SERVICES	184,830	169,622	181,069	181,069	181,069
	TOTAL, ALL STRATEGIES	\$184,830	\$169,622	\$181,069	\$181,069	\$181,069
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$184,830	\$169,622	\$181,069	\$181,069	\$181,069
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
17.504.001	OSHA Consultation Agreements					
4 - 2 - 1	HEALTH AND SAFETY SERVICES	1,936,158	2,011,236	2,009,190	2,009,190	2,009,190
	TOTAL, ALL STRATEGIES	\$1,936,158	\$2,011,236	\$2,009,190	\$2,009,190	\$2,009,190
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$1,936,158	\$2,011,236	\$2,009,190	\$2,009,190	\$2,009,190
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
17.504.002	OSHA Consultation Agreements					

6.C. Federal Funds Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/22/2014 9:56:16AM

		454 Department of Insurance				
CFDA NUMBER/ STRATEGY		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
4 - 2 - 1	HEALTH AND SAFETY SERVICES	34,098	0	0	0	0
	TOTAL, ALL STRATEGIES	\$34,098	\$0	\$0	\$0	\$0
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$34,098	\$0	\$0	\$0	\$0
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
93.511.000	ACA-Grnts St Hlth Ins Premium Revw					
1 - 1 - 1	CONSUMER EDUCATION AND OUTREACH	0	821,824	3,504,974	0	0
1 - 3 - 1	PROCESS RATES, FORMS & LICENSES	101,365	0	0	0	0
	TOTAL, ALL STRATEGIES	\$101,365	\$821,824	\$3,504,974	\$0	\$0
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$101,365	\$821,824	\$3,504,974	\$0	\$0
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0

		454 Department of Insurance				
CFDA NUMBER/ STRATEGY		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
<u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u>						
16.738.000	Justice Assistance Grant	0	99,999	0	0	0
16.742.000	Coverdell Forensic Sciences Grant	0	32,592	0	0	0
17.005.001	OSHA BUREAU OF LABOR STATISTICS	184,830	169,622	181,069	181,069	181,069
17.504.001	OSHA Consultation Agreements	1,936,158	2,011,236	2,009,190	2,009,190	2,009,190
17.504.002	OSHA Consultation Agreements	34,098	0	0	0	0
93.511.000	ACA-Grnts St Hlth Ins Premium Revw	101,365	821,824	3,504,974	0	0
TOTAL, ALL STRATEGIES		\$2,256,451	\$3,135,273	\$5,695,233	\$2,190,259	\$2,190,259
TOTAL , ADDL FED FUNDS FOR EMPL BENEFITS		0	0	0	0	0
TOTAL, FEDERAL FUNDS		\$2,256,451	\$3,135,273	\$5,695,233	\$2,190,259	\$2,190,259
TOTAL, ADDL GR FOR EMPL BENEFITS		\$0	\$0	\$0	\$0	\$0

SUMMARY OF SPECIAL CONCERNS/ISSUES

Assumptions and Methodology:

454 Department of Insurance

CFDA NUMBER/ STRATEGY

Exp 2013

Est 2014

Bud 2015

BL 2016

BL 2017

Potential Loss:

6.D. Federal Funds Tracking Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
 TIME : 9:56:16AM

Agency code: 454 Agency name: **Department of Insurance**

Federal FY	Award Amount	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Expended SFY 2014	Expended SFY 2015	Budgeted SFY 2016	Estimated SFY 2017	Total	Difference from Award
CFDA 16.738.000 Justice Assistance Grant										
2014	\$99,999	\$0	\$0	\$0	\$99,999	\$0	\$0	\$0	\$99,999	\$0
Total	\$99,999	\$0	\$0	\$0	\$99,999	\$0	\$0	\$0	\$99,999	\$0
Empl. Benefit Payment										
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

6.D. Federal Funds Tracking Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014
 TIME : 9:56:16AM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Expended SFY 2014	Expended SFY 2015	Budgeted SFY 2016	Estimated SFY 2017	Total	Difference from Award
CFDA 16.742.000 Coverdell Forensic Sciences Grant										
2014	\$32,592	\$0	\$0	\$0	\$32,592	\$0	\$0	\$0	\$32,592	\$0
Total	\$32,592	\$0	\$0	\$0	\$32,592	\$0	\$0	\$0	\$32,592	\$0
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Empl. Benefit Payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

6.D. Federal Funds Tracking Schedule

DATE: 8/22/2014

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME : 9:56:16AM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Expended SFY 2014	Expended SFY 2015	Budgeted SFY 2016	Estimated SFY 2017	Total	Difference from Award
CFDA 17.005.001 OSHA BUREAU OF LABOR STATISTICS										
2011	\$291,600	\$225,916	\$28,018	\$0	\$0	\$0	\$0	\$0	\$253,934	\$37,666
2012	\$275,000	\$0	\$234,340	\$36,552	\$0	\$0	\$0	\$0	\$270,892	\$4,108
2013	\$278,500	\$0	\$0	\$250,858	\$27,642	\$0	\$0	\$0	\$278,500	\$0
2014	\$282,300	\$0	\$0	\$0	\$258,775	\$23,525	\$0	\$0	\$282,300	\$0
2015	\$282,300	\$0	\$0	\$0	\$0	\$258,775	\$23,525	\$0	\$282,300	\$0
2016	\$282,300	\$0	\$0	\$0	\$0	\$0	\$258,775	\$23,525	\$282,300	\$0
2017	\$282,300	\$0	\$0	\$0	\$0	\$0	\$0	\$258,775	\$258,775	\$23,525
Total	\$1,974,300	\$225,916	\$262,358	\$287,410	\$286,417	\$282,300	\$282,300	\$282,300	\$1,909,001	\$65,299

Empl. Benefit Payment		\$48,926	\$51,391	\$60,452	\$64,088	\$64,088	\$64,088	\$64,088	\$417,121	
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6.D. Federal Funds Tracking Schedule

DATE: 8/22/2014

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME : 9:56:16AM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Expended SFY 2014	Expended SFY 2015	Budgeted SFY 2016	Estimated SFY 2017	Total	Difference from Award
CFDA 17.504.001 OSHA Consultation Agreements										
2011	\$2,628,000	\$2,327,795	\$299,261	\$0	\$0	\$0	\$0	\$0	\$2,627,056	\$944
2012	\$2,741,000	\$0	\$2,229,094	\$511,495	\$0	\$0	\$0	\$0	\$2,740,589	\$411
2013	\$2,619,000	\$0	\$0	\$2,201,186	\$417,814	\$0	\$0	\$0	\$2,619,000	\$0
2014	\$2,628,000	\$0	\$0	\$0	\$2,489,459	\$138,541	\$0	\$0	\$2,628,000	\$0
2015	\$2,628,000	\$0	\$0	\$0	\$0	\$2,409,000	\$219,000	\$0	\$2,628,000	\$0
2016	\$2,628,000	\$0	\$0	\$0	\$0	\$0	\$2,409,000	\$219,000	\$2,628,000	\$0
2017	\$2,628,000	\$0	\$0	\$0	\$0	\$0	\$0	\$2,409,000	\$2,409,000	\$219,000
Total	\$18,500,000	\$2,327,795	\$2,528,355	\$2,712,681	\$2,907,273	\$2,547,541	\$2,628,000	\$2,628,000	\$18,279,645	\$220,355
Empl. Benefit Payment		\$381,666	\$418,150	\$431,983	\$479,842	\$479,842	\$479,842	\$479,842	\$3,151,167	

6.D. Federal Funds Tracking Schedule

DATE: 8/22/2014

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME : 9:56:16AM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Expended SFY 2014	Expended SFY 2015	Budgeted SFY 2016	Estimated SFY 2017	Total	Difference from Award
CFDA 17.504.002 OSHA Consultation Agreements										
2011	\$113,620	\$75,786	\$17,609	\$0	\$0	\$0	\$0	\$0	\$93,395	\$20,225
2012	\$113,620	\$0	\$87,535	\$21,707	\$0	\$0	\$0	\$0	\$109,242	\$4,378
2013	\$41,630	\$0	\$0	\$41,630	\$0	\$0	\$0	\$0	\$41,630	\$0
2014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$268,870	\$75,786	\$105,144	\$63,337	\$0	\$0	\$0	\$0	\$244,267	\$24,603

Empl. Benefit Payment		\$18,543	\$19,868	\$10,854	\$0	\$0	\$0	\$0	\$49,265	
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6.D. Federal Funds Tracking Schedule

DATE: 8/22/2014

84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

TIME : 9:56:16AM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2011	Expended SFY 2012	Expended SFY 2013	Expended SFY 2014	Expended SFY 2015	Budgeted SFY 2016	Estimated SFY 2017	Total	Difference from Award
CFDA 93.511.000 ACA-Grnts St Hlth Ins Premium Revw										
2011	\$1,000,000	\$437,031	\$444,985	\$114,685	\$0	\$0	\$0	\$0	\$996,701	\$3,299
2014	\$4,326,798	\$0	\$0	\$0	\$821,824	\$3,504,974	\$0	\$0	\$4,326,798	\$0
Total	\$5,326,798	\$437,031	\$444,985	\$114,685	\$821,824	\$3,504,974	\$0	\$0	\$5,323,499	\$3,299
<hr/>										
Empl. Benefit Payment		\$29,781	\$59,508	\$4,869	\$0	\$0	\$0	\$0	\$94,158	

6.E. Estimated Revenue Collections Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
<u>1</u> General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3103 Limited Sales & Use Tax-State	401	317	300	300	300
3105 Discounts for Sales Tax-State	2	2	2	2	2
3175 Professional Fees	61,461	63,834	63,000	63,000	63,000
3206 Insurance Companies Fees	82,700	99,000	90,700	90,700	90,700
3210 Insurance Agents Licenses	643,497	702,544	645,848	615,899	653,367
3215 Insurance Dept Fees - Misc	290	225	225	225	225
3221 Unauthorized Insurance Penalty	250	21,201,771	32,805,590	32,805,590	32,805,590
3222 Ins Penalty Lieu of Suspension	9,915,723	4,990,931	1,800,000	1,800,000	1,500,000
3557 Health Care Facilities Fees	40,340	28,668	29,500	29,500	29,500
3714 Judgments	4,870	452	500	500	500
3727 Fees - Administrative Services	359,999	298,000	393,000	293,000	418,500
3733 Workers Compensation Penalties	790,897	1,373,480	911,000	911,000	911,000
3775 Returned Check Fees	1,020	1,500	1,300	1,300	1,300
3795 Other Misc Government Revenue	719	0	0	0	0
3839 Sale of Motor Vehicle/Boat/Aircraft	82,105	0	15,000	25,000	25,000
Subtotal: Actual/Estimated Revenue	11,984,274	28,760,724	36,755,965	36,636,016	36,498,984
Total Available	\$11,984,274	\$28,760,724	\$36,755,965	\$36,636,016	\$36,498,984
DEDUCTIONS:					
Expended/Budgeted/Requested	(5,364)	(6,520)	(6,520)	(6,520)	(6,520)
Art IX Sec 8.04 Surplus Property	(20,256)	0	0	0	0
Other (balances swept by Agency 902)	(11,958,654)	(28,754,204)	(36,749,445)	(36,629,496)	(36,492,464)
Total, Deductions	\$(11,984,274)	\$(28,760,724)	\$(36,755,965)	\$(36,636,016)	\$(36,498,984)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

The Department assumes fee rates will remain the same. COBJ 3221 contains estimated penalty revenues due to the implementation of SB 1367 from the 83rd Legislature.

6.E. Estimated Revenue Collections Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
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CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
36 Dept Ins Operating Acct					
Beginning Balance (Unencumbered):	\$82,887,431	\$88,579,426	\$104,137,704	\$96,349,475	\$97,704,187
Estimated Revenue:					
3149 Amusement Ride Inspection	334,724	345,900	340,000	340,000	340,000
3175 Professional Fees	2,744,607	2,700,585	2,810,699	2,817,052	2,871,235
3206 Insurance Companies Fees	348,737	268,250	248,700	248,700	248,700
3210 Insurance Agents Licenses	17,331,874	18,904,733	18,194,432	19,835,720	19,075,558
3211 Tx Work Comp Self - Ins App Fees	2,000	2,000	1,000	1,000	1,000
3212 Tx Work Comp Self - Ins Reg Fees	510,472	1,020,000	825,000	833,000	841,000
3213 Catastrophe Prop Ins Pool Fees	49,049,814	58,186,957	54,565,630	53,789,365	54,154,570
3214 Insur Maint Tax/Fee Coll-Comptrollr	6,330	4,240	5,000	5,000	5,000
3215 Insurance Dept Fees - Misc	993,801	948,228	963,515	961,715	958,198
3216 Insurance Dept Exam/Audit Fees	4,074,288	9,607,821	9,465,829	20,179,722	27,523,885
3219 Workers Comp Comm-Ins Co Maint Tax	938,470	835,064	800,000	808,000	816,000
3220 W/C Res & Oversight CNCL/Maint Tax	9,598	7,946	7,800	7,800	7,800
3722 Conf, Semin, & Train Regis Fees	6,216	8,424	0	0	0
3727 Fees - Administrative Services	117,620	55,000	170,000	120,000	55,000
3795 Other Misc Government Revenue	3,378	0	0	0	0
Subtotal: Actual/Estimated Revenue	76,471,929	92,895,148	88,397,605	99,947,074	106,897,946
Total Available	\$159,359,360	\$181,474,574	\$192,535,309	\$196,296,549	\$204,602,133

DEDUCTIONS:

Expended/Budgeted/Requested	(47,696,619)	(51,088,167)	(55,872,854)	(55,776,168)	(53,676,168)
Art. IX, Section 9.05 - Tx Online (2010-11 GAA)	(81,119)	(108,694)	0	0	0
Art. IX, Section 17.06, Salary Increase (2014-15 GAA)	0	(476,092)	(1,245,657)	0	0
Transfer-Employee Benefits (OASI, ERS, Insurance)	(11,052,463)	(12,077,209)	(12,618,235)	(13,080,325)	(13,572,891)
Benefit Replacement Pay	(236,400)	(207,157)	(186,441)	(167,797)	(151,018)
82nd Leg, Art. I-31, Rider 17, Reimburse GR for Exam Tax Credit	0	0	(12,732,323)	(16,115,972)	(23,460,135)
Art IX, 13.10/15.04-Statewide Allocated Costs	(1,375,836)	(1,550,274)	(1,550,274)	(1,550,274)	(1,550,274)
Workers Compensation Reimb. (GAA)	(17,473)	(10,388)	(14,000)	(14,000)	(14,000)
Art. I - 36 & I - 36 Texas Facilities Commission (GAA)	(1,030,083)	(1,030,083)	(1,030,083)	(1,030,083)	(1,030,083)
Art. VII-23 & 15 - Office of Injured Employee Counsel	(8,988,350)	(10,467,345)	(10,564,510)	(10,645,877)	(10,733,581)
Art VII-98 & 80 Lease Payments (GAA)	(255,406)	(276,596)	(327,484)	(165,066)	(167,534)

6.E. Estimated Revenue Collections Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
Fees for Electronic Payments	(6,216)	0	0	0	0
Transfer to Comptroller (TIC 201.052)	(39,969)	(44,864)	(43,973)	(46,800)	(45,630)
Total, Deductions	\$(70,779,934)	\$(77,336,869)	\$(96,185,834)	\$(98,592,362)	\$(104,401,314)
Ending Fund/Account Balance	\$88,579,426	\$104,137,705	\$96,349,475	\$97,704,187	\$100,200,819

REVENUE ASSUMPTIONS:

The Department assumes there will not be changes to the current fee rate structure. The Department assumes a 5% increase in revenues for 3210 Agents License fees. The Commissioner of Insurance annually sets assessment rates for object codes 3214 and 3216 (examination overhead assessment). In setting the assessment rates, the Department takes into consideration appropriations, other revenue sources and fund balance. Revenue for COBJ 3216 reflect increases necessary to reimburse the General Revenue fund for premium tax credits for examination costs as required by GAA rider 16 for Fiscal Programs - Comptroller of Public Accounts.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
<u>329</u> Healthy TX Sm Emp Prem Stabil. Fund					
Beginning Balance (Unencumbered):	\$30,906,857	\$16,026,585	\$47,083,053	\$47,083,053	\$47,083,053
Estimated Revenue:					
3221 Unauthorized Insurance Penalty	0	47,083,053	0	0	0
Subtotal: Actual/Estimated Revenue	0	47,083,053	0	0	0
Total Available	\$30,906,857	\$63,109,638	\$47,083,053	\$47,083,053	\$47,083,053
DEDUCTIONS:					
Expended/Budgeted/Requested	(14,880,272)	(13,000,000)	0	0	0
GAA VII 23 - Rider 18	0	(3,026,585)	0	0	0
Total, Deductions	\$(14,880,272)	\$(16,026,585)	\$0	\$0	\$0
Ending Fund/Account Balance	\$16,026,585	\$47,083,053	\$47,083,053	\$47,083,053	\$47,083,053

REVENUE ASSUMPTIONS:

COBJ 3221 contains estimated penalty revenues due to the implementation of SB 1367 from the 83rd Legislature.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
666 Appropriated Receipts					
Beginning Balance (Unencumbered):	\$440,176	\$813,261	\$1,345,354	\$425,189	\$425,189
Estimated Revenue:					
3206 Insurance Companies Fees	683,060	88,779	125,000	125,000	125,000
3222 Ins Penalty Lieu of Suspension	0	1,500,000	0	0	0
3719 Fees/Copies or Filing of Records	207,366	366,619	363,131	363,131	363,131
3722 Conf, Semin, & Train Regis Fees	264,448	586,630	0	0	0
3752 Sale of Publications/Advertising	8,117	19,995	18,485	18,485	18,485
3783 Insurance Recovery w Loss - Other	0	14,277	0	0	0
3802 Reimbursements-Third Party	2,465,119	2,537,625	2,591,367	2,664,008	2,738,868
Subtotal: Actual/Estimated Revenue	3,628,110	5,113,925	3,097,983	3,170,624	3,245,484
Total Available	\$4,068,286	\$5,927,186	\$4,443,337	\$3,595,813	\$3,670,673
DEDUCTIONS:					
Expended/Budgeted/Requested	(480,619)	(675,030)	(760,716)	(675,030)	(675,030)
Art IX, Sec 8.08, Seminars & Conferences 10-11, 12-13 GAA-Hobby	(178,762)	(547,715)	(157,499)	0	0
Art IX, Sec 8.03, Reimbursements & Payments GAA	(75,213)	(14,277)	0	0	0
Art IX Sec 8.03 Reim; ArtVIII,Pg 8-22(31),Rider 5,Title Exam & Liq Ov	(1,933,119)	(1,935,380)	(1,990,323)	(2,051,230)	(2,113,424)
Art VIII, Rider 14 14-15 GAA 3 Share	0	(823,020)	(676,980)	0	0
Transfer-Employee Benefits (OASI, ERS, Insurance)	(394,924)	(409,759)	(426,216)	(438,592)	(451,835)
Benefit Replacement Pay (Art IX - 41, Sec 6.10 (b))	(7,655)	(7,126)	(6,414)	(5,772)	(5,195)
Labor Code Sec 402.062, GAA 09-10, 11-12, Art IX Sec 8.01 (TMIC Grant)	(184,733)	(169,525)	0	0	0
Total, Deductions	\$(3,255,025)	\$(4,581,832)	\$(4,018,148)	\$(3,170,624)	\$(3,245,484)
Ending Fund/Account Balance	\$813,261	\$1,345,354	\$425,189	\$425,189	\$425,189

REVENUE ASSUMPTIONS:

Assumes revenues will be collected to sustain current appropriated receipt funding levels. The Department assumes that revenue reimbursements from Liquidation and Title Allocated accounts equal estimated disbursements including matching and BRP benefits.

6.E. Estimated Revenue Collections Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
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CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
<u>777</u> Interagency Contracts					
Beginning Balance (Unencumbered):	\$115,304	\$0	\$0	\$0	\$0
Estimated Revenue:					
3971 Federal Pass-Through Rev/Exp Codes	4,968,161	190,080	130,000	120,380	120,380
Subtotal: Actual/Estimated Revenue	4,968,161	190,080	130,000	120,380	120,380
Total Available	\$5,083,465	\$190,080	\$130,000	\$120,380	\$120,380
DEDUCTIONS:					
Expended/Budgeted/Requested DADS	(130,000)	(130,000)	(130,000)	(120,380)	(120,380)
Art IX, Sec 14.01 (d) Approp Trfs -GAA DADS	(8,701)	(60,080)	0	0	0
Art IX, Sec 14.01 (d) Approp Trfs -GAA DSHS	(4,802,545)	0	0	0	0
Transfer-Employee Benefits (OASI, ERS, Insurance)	(15,061)	0	0	0	0
Total, Deductions	\$(4,956,307)	\$(190,080)	\$(130,000)	\$(120,380)	\$(120,380)
Ending Fund/Account Balance	\$127,158	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
888 Earned Federal Funds					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3702 Fed Receipts-Earned Federal Funds	443,387	348,364	272,968	272,968	272,968
3971 Federal Pass-Through Rev/Exp Codes	16,779	0	0	0	0
Subtotal: Actual/Estimated Revenue	460,166	348,364	272,968	272,968	272,968
Total Available	\$460,166	\$348,364	\$272,968	\$272,968	\$272,968
DEDUCTIONS:					
Expended/Budgeted/Requested	(224,406)	(224,406)	(224,406)	(224,406)	(224,406)
Art. IX Sec 6.22(c) - Earned Federal	(149,531)	(70,000)	0	0	0
Transfer-Employee Benefits (OASI, ERS, Insurance)	(40,710)	(52,931)	(47,638)	(47,638)	(47,638)
Benefit Replacement Pay	(1,027)	(1,027)	(924)	(924)	(924)
Swept by Comptroller	(44,492)	0	0	0	0
Total, Deductions	\$(460,166)	\$(348,364)	\$(272,968)	\$(272,968)	\$(272,968)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
 84th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
<u>5101</u> Subsequent Injury Fund					
Beginning Balance (Unencumbered):	\$63,442,170	\$65,127,733	\$68,711,168	\$71,335,028	\$73,516,420
Estimated Revenue:					
3869 Workers'CompDeathBenefits to State	7,435,715	10,100,000	7,044,000	7,255,145	7,472,619
Subtotal: Actual/Estimated Revenue	7,435,715	10,100,000	7,044,000	7,255,145	7,472,619
Total Available	\$70,877,885	\$75,227,733	\$75,755,168	\$78,590,173	\$80,989,039
DEDUCTIONS:					
Expended/Budgeted/Requested	(4,420,126)	(4,420,140)	(4,420,140)	(5,073,753)	(5,073,752)
Art VII, Rider 14 Subsequent Injury Fund	(1,330,026)	(2,096,425)	0	0	0
Total, Deductions	\$(5,750,152)	\$(6,516,565)	\$(4,420,140)	\$(5,073,753)	\$(5,073,752)
Ending Fund/Account Balance	\$65,127,733	\$68,711,168	\$71,335,028	\$73,516,420	\$75,915,287

REVENUE ASSUMPTIONS:

The Department assumes the projected revenue is based on contracted actuarial study estimate.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
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 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
<u>5138</u> Fire Prevention And Public Safety					
Beginning Balance (Unencumbered):	\$118,477	\$49,153	\$49,153	\$49,153	\$49,153
Estimated Revenue:					
DEDUCTIONS:					
Expended/Budgeted/Requested	(69,324)	0	0	0	0
Total, Deductions	\$(69,324)	\$0	\$0	\$0	\$0
Ending Fund/Account Balance	\$49,153	\$49,153	\$49,153	\$49,153	\$49,153

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
8042 Insurance Maint Tax Fees					
Beginning Balance (Unencumbered):	\$60,344,442	\$63,090,650	\$55,475,467	\$55,363,779	\$55,552,609
Estimated Revenue:					
3203 Insurance Comp Maintenance Tax	73,983,219	80,591,696	90,690,161	90,487,006	90,558,623
3206 Insurance Companies Fees	2,122,572	1,232,367	1,386,788	1,383,681	1,384,776
3215 Insurance Dept Fees - Misc	217,099	236,824	225,000	225,000	225,000
Subtotal: Actual/Estimated Revenue	76,322,890	82,060,887	92,301,949	92,095,687	92,168,399
Total Available	\$136,667,332	\$145,151,537	\$147,777,416	\$147,459,466	\$147,721,008
DEDUCTIONS:					
Expended/Budgeted/Requested	(33,714,811)	(37,560,258)	(39,209,789)	(39,081,725)	(39,081,724)
82nd Leg. SS1, SB section 12 Collabratives, 12-13GAA	(461,901)	0	0	0	0
82nd Leg. SS1, SB section 20 TWIA, 12-13GAA	(121,767)	0	0	0	0
Art. IX Sec 18.52 Cont. Appn HB2408 Title	(561,063)	0	0	0	0
Art. IX, Section 17.06, Salary Increase (2014-14 GAA)	0	(328,883)	(922,164)	0	0
Transfer-Employee Benefits (OASI, ERS, Insurance)	(10,811,537)	(11,888,510)	(12,425,965)	(12,910,684)	(13,424,363)
Benefit Replacement Pay	(170,334)	(142,636)	(128,373)	(115,535)	(103,982)
Art IX , 11.18/13.10 - Statewide Allocated Costs	(1,058,824)	(1,110,152)	(1,110,152)	(1,110,152)	(1,110,152)
Unemployment Reimb. (GAA)	0	(8,848)	(8,900)	(8,900)	(8,900)
GAA - Texas Forest Service - III-232, Rider 7	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Art. I - 4, I - 4 - Attorney General (GAA)	(3,751,553)	(4,043,562)	(4,043,562)	(4,043,562)	(4,043,562)
Art. II - 41 & 47 Dept of Health Servs (GAA)	(6,755,244)	(7,486,710)	(7,486,711)	(7,486,711)	(7,486,711)
Art. III - 213 & 227 - Texas Forest Service (GAA)	(12,735,172)	(24,214,805)	(24,214,805)	(24,214,805)	(24,214,805)
Art. IV - 31 & 32 Comptroller Judiciary (GAA)	(824,808)	0	0	0	0
Art. VII p. 18 VII-20, Crash Records Info (TXDot) (GAA)	(628,807)	(750,000)	(750,000)	(750,000)	(750,000)
Transfer to Comptroller (TIC Art. 201.052)	(980,861)	(1,141,706)	(1,113,216)	(1,184,782)	(1,155,163)
Total, Deductions	\$(73,576,682)	\$(89,676,070)	\$(92,413,637)	\$(91,906,856)	\$(92,379,362)
Ending Fund/Account Balance	\$63,090,650	\$55,475,467	\$55,363,779	\$55,552,610	\$55,341,646

REVENUE ASSUMPTIONS:

6.E. Estimated Revenue Collections Supporting Schedule
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Agency Code: **454** Agency name: **Department of Insurance**

FUND/ACCOUNT	Act 2013	Exp 2014	Exp 2015	Bud 2016	Est 2017
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The Department assumes the appropriated FY 2015 funding level for agencies 302, 303, 454, 576, and 601 plus fringe benefits for object 3203 (maintenance taxes) for FY 2016 and 2017. The Department also included other funding requirements such as reimbursement of statewide allocated costs and costs associated with the Comptroller tax function. The Department takes into consideration estimated fund balances and combined revenues and deductions in fund 8042 and account 0036 exclusive of DWC. The Commissioner sets maintenance tax rates annually. The Department did not include \$3.05 million deducted by the Comptroller as required by chapter 252 of the Texas Insurance Code.

CONTACT PERSON:

Joe Meyer

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2016-17 GAA BILL PATTERN	\$ 888,611,711
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Texas Department of Insurance - All Funds

Estimated Beginning Balance in FY 2014	\$	196,435,228
Estimated Revenues FY 2014	\$	36,978,744
Estimated Revenues FY 2015	\$	220,373,964
FY 2014-15 Total	\$	453,787,936
Estimated Beginning Balance in FY 2016	\$	439,700,607
Estimated Revenues FY 2016	\$	230,936,448
Estimated Revenues FY 2017	\$	217,974,656
FY 2016-17 Total	\$	888,611,711

Constitutional or Statutory Creation and Use of Funds:

See Pages 2-7.

Method of Calculation and Revenue Assumptions:

See Pages 2-7.

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2016-17 GAA BILL PATTERN	\$ 858,758,631
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Catastrophe Reserve Trust Fund

Estimated Beginning Balance in FY 2014	\$ 183,573,726
Estimated Revenues FY 2014	\$ 29,869,412
Estimated Revenues FY 2015	\$ 212,423,608
FY 2014-15 Total	\$ 425,866,746
Estimated Beginning Balance in FY 2016	\$ 425,866,746
Estimated Revenues FY 2016	\$ 223,098,063
Estimated Revenues FY 2017	\$ 209,793,822
FY 2016-17 Total	\$ 858,758,631

Constitutional or Statutory Creation and Use of Funds:

The Texas Legislature established the Catastrophe Reserve Trust Fund (CRTF) in 1993 as part of the state's overall plan for funding catastrophic losses caused by windstorm and hail damage for designated areas on the Texas Gulf Coast (designated catastrophe area). In the event of a major storm affecting the Texas coast, the Texas Windstorm Insurance Association (TWIA) would use the CRTF to pay certain losses. See Tex. Ins. Code Chapter 2210.

Chapter 2210 of the Insurance Code requires that the TDI adopt rules to keep and maintain the CRTF and that the Comptroller administer the fund in accordance with the statute and the rules adopted by the Commissioner of Insurance. The rules regarding the procedures for payments to, disbursements from, and the maintenance of the CRTF became effective on August 21, 2000. The commissioner incorporated those rules regarding the CRTF and other loss funding mechanisms in 28 TAC Chapter 5, Subchapter E, Division 3, effective February 3, 2011.

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern

Constitutional or Statutory Creation and Use of Funds (Continued):

Under Texas law, in the event of a catastrophic storm, losses on policies issued through TWIA are paid by a sequential combination of TWIA's available assets, the CRTF, any available reinsurance, and the proceeds of public securities issued on behalf of TWIA. These public securities will be funded from TWIA income, member insurer assessments, and policyholder surcharges. Thus, the CRTF is an integral part of the Texas statutory method of funding catastrophic windstorm losses. A change to the Insurance Code that would permit disbursements from the CRTF for reasons other than losses caused by a catastrophic storm may leave TWIA's policyholders without adequate protection from potential losses. Further, without the CRTF, TWIA would be more likely to need to resort to the class 2 and class 3 public securities for loss funding, resulting in assessments on member insurers and premium surcharges on all policyholders of policies that cover insured property located in the designated catastrophe area. Another major coastal storm like Hurricane Katrina or Ike could create insurance industry-wide property losses of many billions of dollars. The availability of the CRTF to pay for TWIA's catastrophic losses is critical to TDI, the State of Texas, policyholders, TWIA, and its members.

In October 1998, the IRS issued a Technical Advice Memorandum adverse to the CRTF. The IRS found that the CRTF was subject to federal taxes because the CRTF was not an integral part of the State in that the State did not provide seed money for the CRTF and did not contribute financially to its current operations. In 1999, the Texas legislature enacted House Bill 2253, which amended Article 21.49 of the Insurance Code. House Bill 2253 clarified the legislature's original intent that the CRTF was a state fund and not subject to federal taxation. The bill specifically stated that all money, including investment income, is state money with legal title in TDI. The Texas legislature also included TDI Rider 10 in the General Appropriations Act. In Rider 10, the legislature appropriated to the Texas Department of Insurance \$2 million in 2000 and \$2 million in 2001 out of the Texas Department of Insurance Operating Fund Account to be transferred each year to the CRTF for maintaining the CRTF. The legislature expressly stated that the amount appropriated constituted the state's contribution to the funding of the CRTF. To the extent that any monies are removed from the CRTF for purposes other than losses due to a catastrophic storm, there may be federal tax implications to the CRTF. In June of 2010, TWIA received informal notification that the IRS would be issuing a favorable ruling regarding the tax status of TWIA. This ruling was received in August 2010 and stated that TWIA's income is excluded from gross income, meaning that it is tax-exempt.

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern

Method of Calculation and Revenue Assumptions:

Fiscal Year (FY) 2014

The FY 2014 revenue estimate is composed of deposits made by TWIA, estimated interest earned, and the estimated management fee. The annual rate used for the CRTF management fees was 0.0002, based on the published fee schedule of the Texas Treasury Safekeeping Trust Company (TTSTC), applied to the average daily balance of the fund during the fiscal year. The assumed average annual investment yield was 0.0242%, based on the average yield actually paid in April through June of 2014, applied to the average daily balance of the fund during the fiscal year.

General Assumptions Applicable to FY 2015 through FY 2017

- No hurricanes strike Texas in FYs 2015 – 2017
- During FY2014, the Texas Public Finance Authority issues \$500 million in Class 1 Pre-Event Public Securities on behalf of TWIA. The bonds mature in 2024 and TWIA pays an annual interest rate of 8% on the bonds. Until 2016, only interest payments are due with the first interest payment due in December 2014. After 2016, level interest and principal payments of \$80 million per year are due, and TWIA does not redeem the bonds ahead of schedule. Additional costs are assumed to 1 percent of the bond payments.
- TWIA pays 3 percent more for reinsurance in 2014 than it did in 2013. For FY 2015 through FY 2017, TWIA's reinsurance costs continue to increase with its exposure (*see also* exposure increase).
- TWIA is not be subject to Federal income taxes in 2014 and thereafter
- The annual average growth in exposures (both inflationary increases in coverage limits and numbers of policyholders insured) is 3 percent.
- Average rates are increased 5 percent effective January 1 of each year.
- The non-hurricane loss experience and the expenses of TWIA will approximate recent historical averages.
- There is no adverse loss development from outstanding Hurricane Ike claims in FY2015 - FY2017.
- TWIA does not assess its member insurers for Hurricane Ike claim payments in FY2015 - FY2017.

Fiscal Year 2015

The deposits to the CRTF consist of the projected 2014 operating profit of TWIA plus the statutory 15 percent surcharges on the premiums of certain noncompliant structures (§2210.259). The latter are estimated based on the average deposits for surcharges in the first 10 months of fiscal year 2014 and adjusted for assumed subsequent rate increases. It was further assumed that any inflationary increases in the amount of coverage on policies subject to the surcharge would be offset by attrition in the number of policies subject to the surcharge. It was assumed that the 2014 operating profit will be deposited in the CRTF on June 1, 2015, and the statutory premium surcharges were deposited at approximately the 29th day of the month. The annual rate used for the CRTF management fee was 0.0002, based on the published fee schedules of the TTSTC, applied to the average daily balance of the fund during the fiscal year. The assumed average annual investment yield applied to the average daily balance of the fund during the fiscal year was 0.0242%, based on the assumption the average annual yield would remain the same as that actually paid in April through June 2014.

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern

Method of Calculation and Revenue Assumptions (Continued):

Fiscal Year 2016

The deposits to the CRTF consist of the projected 2015 operating profit of TWIA plus the statutory 15 percent surcharges on the premiums of certain noncompliant structures (§2210.259). The latter are estimated based on the average deposits for surcharges in the first 10 months of fiscal year 2014 and adjusted for assumed subsequent rate increases. It was further assumed that any inflationary increases in the amount of coverage on policies subject to the surcharge would be offset by attrition in the number of policies subject to the surcharge. It was assumed that the 2015 operating profit was deposited in the CRTF on June 1, 2016, and the statutory premium surcharges were deposited at approximately the 29th day of the month. The annual rate used for the CRTF management fee was 0.0002, based on the published fee schedules of the TTSTC, applied to the average daily balance of the fund during the fiscal year. The assumed average annual investment yield applied to the average daily balance of the fund during the fiscal year was 0.0242%, based on the assumption the average annual yield would remain the same as that actually paid in April through June 2014.

Fiscal Year 2017

The deposits to the CRTF consist of the projected 2016 operating profit of TWIA plus the statutory 15 percent surcharges on the premiums of certain noncompliant structures (§2210.259). The latter are estimated based on the average deposits for surcharges in the first 10 months of fiscal year 2014 and adjusted for assumed subsequent rate increases. It was further assumed that any inflationary increases in the amount of coverage on policies subject to the surcharge would be offset by attrition in the number of policies subject to the surcharge. It was assumed that the 2016 operating profit was deposited in the CRTF on June 1, 2017, and the statutory premium surcharges were deposited at approximately the 29th day of the month. The annual rate used for the CRTF management fees was 0.0002, based on the published fee schedules of the TTSTC, applied to the average daily balance of the fund during the fiscal year. The assumed average annual investment yield applied to the average daily balance of the fund during the fiscal year was 0.0242%, based on the assumption the average annual yield would remain the same as that actually paid in April through June 2014.

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2016-17 GAA BILL PATTERN	\$ 3,631,883
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Abandoned Property / Liquidation Operating Fund (1999)

Estimated Beginning Balance in FY 2014	\$	3,691,241
Estimated Revenues FY 2014	\$	190,425
Estimated Revenues FY 2015	\$	649,179
FY 2014-15 Total	\$	4,530,845
Estimated Beginning Balance in FY 2016	\$	3,447,515
Estimated Revenues FY 2016	\$	133,818
Estimated Revenues FY 2017	\$	50,550
FY 2016-17 Total	\$	3,631,883

Constitutional or Statutory Creation and Use of Funds:

TIC Chapter 443 - These are non-appropriated funds representing unclaimed amounts from financially troubled insurers that have been placed in receivership under a court sanctioned process. The court may declare such funds abandoned if no claim is made on the amounts. Pursuant to statute, these funds can be used to: (1) operate insurance company receivership liquidations where the insolvent estate's funds are inadequate to pay for the costs of administration, and (2) pay for expenses related to insurance receiverships that cannot be allocated to any receivership estate.

Method of Calculation and Revenue Assumptions:

Revenue estimated include interest earned and potential future transfers of unclaimed assets from estates. Revenue estimates for FY2014 are based on actual interest received and projected through fiscal year end and loan repayments from five closed title agency receiverships. Revenue estimated for FY2015 is based on projected interest and funds eligible for abandonment. Estimates for FY2016 & FY2017 are interest and estimates of funds deposited in 2014 and potentially in 2014 that may be eligible for abandonment in 2 years. The estimated beginning balance for FY2016 was calculated using projected expenditures based on the FY2014 RLO budget and projected needs for funding of no asset receiverships administered by RLO staff.

Development of a methodology to project expenditures for inclusion in the GAA is dependent on predicting the cash needs of newly created estates that have insufficient assets for their administration. Development of a methodology to project revenues for inclusion in the GAA is dependent on predicting the amount of unclaimed property that will become abandoned.

6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2016-17 GAA BILL PATTERN	\$	26,221,197
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Examination Self Directed Budget Account

Estimated Beginning Balance in FY 2014	\$	9,170,261
Estimated Revenues FY 2014	\$	6,918,907
Estimated Revenues FY 2015	\$	7,301,177
FY 2014-15 Total	\$	23,390,345
Estimated Beginning Balance in FY 2016	\$	10,386,346
Estimated Revenues FY 2016	\$	7,704,567
Estimated Revenues FY 2017	\$	8,130,284
FY 2016-17 Total	\$	26,221,197

Constitutional or Statutory Creation and Use of Funds:

Pursuant to Chapter 401 Subchapter F, all employees of the Actuarial Office and Financial Examinations were moved to self directed budget. Examination costs by statute {Section 401.251(2)} are defined as salary, travel, or other personnel expenses associated with the examination of insurers and other entities by staff of these two areas, both of which are part of the Financial Regulation Division.

Method of Calculation and Revenue Assumptions:

1. Assumes staffing levels will remain constant during the period.
2. Interest rate credit of .5% for trust fund account.
3. Majority of revenue will be collected from direct billings to insurers and other entities being examined.
All indirect salary and travel will be reimbursed through examination overhead assessments.
4. 5% growth rate for FY 2016 and FY 2017 to fund merit raises, promotions, and certifications in accordance to Section's career ladder.
5. FY 2016 is estimated by using FY 2015 estimated ending balance of \$10,386,346.

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	

1 Property & Casualty Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: The reduced funding would eliminate 8.8 FTEs and decrease the agency budget by \$1,193,536. This reduction would affect critical activities of Property and Casualty including reducing staff's ability to perform thorough loss control inspections and may delay the conducting of windstorm inspections in a timely manner, particularly in catastrophic events. Reduced staff to process form filings and manual rules may delay the introduction of the new policy forms into the market and will decrease the number of form filings reviewed each year. Reduced WC Classification & Premium Calculation staff may decrease the agency's ability to respond to inquiries and will delay the processing of NCCI filings as well as the rulemaking process.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$16,114	\$16,114	\$32,228	\$16,114	\$16,114	\$32,228
General Revenue Funds Total	\$16,114	\$16,114	\$32,228	\$16,114	\$16,114	\$32,228

Gr Dedicated

36 Dept Ins Operating Acct	\$6,040	\$6,040	\$12,080	\$6,040	\$6,040	\$12,080
Gr Dedicated Total	\$6,040	\$6,040	\$12,080	\$6,040	\$6,040	\$12,080

Strategy: 1-2-1 Respond Promptly and Act on Complaints

General Revenue Funds

8042 Insurance Maint Tax Fees	\$2,044	\$2,044	\$4,088	\$2,044	\$2,044	\$4,088
General Revenue Funds Total	\$2,044	\$2,044	\$4,088	\$2,044	\$2,044	\$4,088

Gr Dedicated

36 Dept Ins Operating Acct	\$766	\$766	\$1,532	\$766	\$766	\$1,532
Gr Dedicated Total	\$766	\$766	\$1,532	\$766	\$766	\$1,532

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

General Revenue Funds

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
8042 Insurance Maint Tax Fees	\$5,025	\$5,025	\$10,050	\$5,025	\$5,025	\$10,050	
General Revenue Funds Total	\$5,025	\$5,025	\$10,050	\$5,025	\$5,025	\$10,050	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,883	\$1,883	\$3,766	\$1,883	\$1,883	\$3,766	
Gr Dedicated Total	\$1,883	\$1,883	\$3,766	\$1,883	\$1,883	\$3,766	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,984	\$1,984	\$3,968	\$1,984	\$1,984	\$3,968	
General Revenue Funds Total	\$1,984	\$1,984	\$3,968	\$1,984	\$1,984	\$3,968	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$743	\$743	\$1,486	\$743	\$743	\$1,486	
Gr Dedicated Total	\$743	\$743	\$1,486	\$743	\$743	\$1,486	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$150,049	\$150,049	\$300,098	\$150,049	\$150,049	\$300,098	
General Revenue Funds Total	\$150,049	\$150,049	\$300,098	\$150,049	\$150,049	\$300,098	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$56,244	\$56,244	\$112,488	\$56,244	\$56,244	\$112,488	
Gr Dedicated Total	\$56,244	\$56,244	\$112,488	\$56,244	\$56,244	\$112,488	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$114,934	\$114,934	\$229,868	\$114,934	\$114,934	\$229,868	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
General Revenue Funds Total	\$114,934	\$114,934	\$229,868	\$114,934	\$114,934	\$229,868	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$43,081	\$43,081	\$86,162	\$43,081	\$43,081	\$86,162	
Gr Dedicated Total	\$43,081	\$43,081	\$86,162	\$43,081	\$43,081	\$86,162	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$17,321	\$17,321	\$34,642	\$17,321	\$17,321	\$34,642	
General Revenue Funds Total	\$17,321	\$17,321	\$34,642	\$17,321	\$17,321	\$34,642	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6,493	\$6,493	\$12,986	\$6,493	\$6,493	\$12,986	
Gr Dedicated Total	\$6,493	\$6,493	\$12,986	\$6,493	\$6,493	\$12,986	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$2,891	\$2,891	\$5,782	\$2,891	\$2,891	\$5,782	
General Revenue Funds Total	\$2,891	\$2,891	\$5,782	\$2,891	\$2,891	\$5,782	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,083	\$1,083	\$2,166	\$1,083	\$1,083	\$2,166	
Gr Dedicated Total	\$1,083	\$1,083	\$2,166	\$1,083	\$1,083	\$2,166	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$55,767	\$55,767	\$111,534	\$55,767	\$55,767	\$111,534	
General Revenue Funds Total	\$55,767	\$55,767	\$111,534	\$55,767	\$55,767	\$111,534	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$20,904	\$20,904	\$41,808	\$20,904	\$20,904	\$41,808	
Gr Dedicated Total	\$20,904	\$20,904	\$41,808	\$20,904	\$20,904	\$41,808	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$50,089	\$50,089	\$100,178	\$50,089	\$50,089	\$100,178	
General Revenue Funds Total	\$50,089	\$50,089	\$100,178	\$50,089	\$50,089	\$100,178	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$18,775	\$18,775	\$37,550	\$18,775	\$18,775	\$37,550	
Gr Dedicated Total	\$18,775	\$18,775	\$37,550	\$18,775	\$18,775	\$37,550	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$17,848	\$17,848	\$35,696	\$17,848	\$17,848	\$35,696	
General Revenue Funds Total	\$17,848	\$17,848	\$35,696	\$17,848	\$17,848	\$35,696	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6,690	\$6,690	\$13,380	\$6,690	\$6,690	\$13,380	
Gr Dedicated Total	\$6,690	\$6,690	\$13,380	\$6,690	\$6,690	\$13,380	
Item Total	\$596,768	\$596,768	\$1,193,536	\$596,768	\$596,768	\$1,193,536	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				8.8	8.8		

2 Fire Safe Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<p>Item Comment: The reduced funding would eliminate 5.9 FTEs and decrease the agency budget by \$808,740. This reduction would critically impair fire safety activities including service levels to local fire service, law enforcement agencies, and rural communities who rely on SFMO expertise for fire safety inspections, outreach, investigations, and enforcement. Forensic and fire science related training would be reduced along with opportunities to train and collaborate with other experts due to the reduction in budget.</p> <p>Fire and arson investigations, building inspections, licensing, field staff travel to provide services, fire fighter fatality investigations, and training for staff would all be critically impacted.</p> <p>In addition, SFMO would be unable to fulfill Sunset Advisory Commission recommendations regarding inspections of state leased buildings and forensic and fire science training and certification due to lack of resources. The reduction would impact SFMO performance measures, relating to presentations, inspections, and investigations.</p> <p>Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information</p>							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$10,919	\$10,919	\$21,838	\$10,919	\$10,919	\$21,838	
General Revenue Funds Total	\$10,919	\$10,919	\$21,838	\$10,919	\$10,919	\$21,838	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,093	\$4,093	\$8,186	\$4,093	\$4,093	\$8,186	
Gr Dedicated Total	\$4,093	\$4,093	\$8,186	\$4,093	\$4,093	\$8,186	
<p>Strategy: 1-2-1 Respond Promptly and Act on Complaints</p>							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,385	\$1,385	\$2,770	\$1,385	\$1,385	\$2,770	
General Revenue Funds Total	\$1,385	\$1,385	\$2,770	\$1,385	\$1,385	\$2,770	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$519	\$519	\$1,038	\$519	\$519	\$1,038	
Gr Dedicated Total	\$519	\$519	\$1,038	\$519	\$519	\$1,038	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$3,405	\$3,405	\$6,810	\$3,405	\$3,405	\$6,810	
General Revenue Funds Total	\$3,405	\$3,405	\$6,810	\$3,405	\$3,405	\$6,810	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,276	\$1,276	\$2,552	\$1,276	\$1,276	\$2,552	
Gr Dedicated Total	\$1,276	\$1,276	\$2,552	\$1,276	\$1,276	\$2,552	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,344	\$1,344	\$2,688	\$1,344	\$1,344	\$2,688	
General Revenue Funds Total	\$1,344	\$1,344	\$2,688	\$1,344	\$1,344	\$2,688	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$504	\$504	\$1,008	\$504	\$504	\$1,008	
Gr Dedicated Total	\$504	\$504	\$1,008	\$504	\$504	\$1,008	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$10,075	\$10,075	\$20,150	\$10,075	\$10,075	\$20,150	
General Revenue Funds Total	\$10,075	\$10,075	\$20,150	\$10,075	\$10,075	\$20,150	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,776	\$3,776	\$7,552	\$3,776	\$3,776	\$7,552	
Gr Dedicated Total	\$3,776	\$3,776	\$7,552	\$3,776	\$3,776	\$7,552	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,255	\$1,255	\$2,510	\$1,255	\$1,255	\$2,510	
General Revenue Funds Total	\$1,255	\$1,255	\$2,510	\$1,255	\$1,255	\$2,510	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$470	\$470	\$940	\$470	\$470	\$940	
Gr Dedicated Total	\$470	\$470	\$940	\$470	\$470	\$940	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$11,737	\$11,737	\$23,474	\$11,737	\$11,737	\$23,474	
General Revenue Funds Total	\$11,737	\$11,737	\$23,474	\$11,737	\$11,737	\$23,474	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,400	\$4,400	\$8,800	\$4,400	\$4,400	\$8,800	
Gr Dedicated Total	\$4,400	\$4,400	\$8,800	\$4,400	\$4,400	\$8,800	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$170,181	\$170,181	\$340,362	\$170,181	\$170,181	\$340,362	
General Revenue Funds Total	\$170,181	\$170,181	\$340,362	\$170,181	\$170,181	\$340,362	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$63,791	\$63,791	\$127,582	\$63,791	\$63,791	\$127,582	
Gr Dedicated Total	\$63,791	\$63,791	\$127,582	\$63,791	\$63,791	\$127,582	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$37,788	\$37,788	\$75,576	\$37,788	\$37,788	\$75,576	
General Revenue Funds Total	\$37,788	\$37,788	\$75,576	\$37,788	\$37,788	\$75,576	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$14,164	\$14,164	\$28,328	\$14,164	\$14,164	\$28,328	
Gr Dedicated Total	\$14,164	\$14,164	\$28,328	\$14,164	\$14,164	\$28,328	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$33,939	\$33,939	\$67,878	\$33,939	\$33,939	\$67,878	
General Revenue Funds Total	\$33,939	\$33,939	\$67,878	\$33,939	\$33,939	\$67,878	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$12,722	\$12,722	\$25,444	\$12,722	\$12,722	\$25,444	
Gr Dedicated Total	\$12,722	\$12,722	\$25,444	\$12,722	\$12,722	\$25,444	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$12,094	\$12,094	\$24,188	\$12,094	\$12,094	\$24,188	
General Revenue Funds Total	\$12,094	\$12,094	\$24,188	\$12,094	\$12,094	\$24,188	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,533	\$4,533	\$9,066	\$4,533	\$4,533	\$9,066	
Gr Dedicated Total	\$4,533	\$4,533	\$9,066	\$4,533	\$4,533	\$9,066	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Item Total	\$404,370	\$404,370	\$808,740	\$404,370	\$404,370	\$808,740	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				5.9	5.9		

3 Injured Employee Customer Service

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: The reduction would eliminate 24.9 FTEs and reduce the agency budget by \$2,071,886. It would impact DWC's Field Operations (FO), Records Management and Support (RMS), and Self-Insurance (SI), as well as administrative, executive, and legal support. FO reductions would increase the time to process inquiries and complaints, official actions, and requests for dispute proceedings. FO reductions may impact monitoring of system participants for violations. It would delay scheduling of designated doctor exam requests, affect offices, and convert field offices to hearings-only sites. It would extend customer wait-time, delay data entry, and affect availability of claim and system information.

The RMS reduction would delay creating claim records and the processing of all records and official actions; this may result in non-compliance with the Public Information Act.

Delayed access to information could impact treatment/actions, timeframes for benefit payments, and the injured employee's return to work. It would inhibit DWC's ability to provide records and reports to carriers, injured employees, attorneys, and internal customers. It would also jeopardize efficiency initiatives.

The SI reduction would increase processing time, result in lapses in certification dates and cause outdated financial information to be used on applications. It would impact support for the Texas Certified Self-Insurer Guaranty Association and affect security deposits required by the Certified Self-Insurers due to outdated claims information.

Strategy: 1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution

Gr Dedicated

36 Dept Ins Operating Acct	\$1,864	\$1,864	\$3,728	\$1,864	\$1,864	\$3,728
Gr Dedicated Total	\$1,864	\$1,864	\$3,728	\$1,864	\$1,864	\$3,728

Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System

Gr Dedicated

36 Dept Ins Operating Acct	\$41,456	\$41,456	\$82,912	\$41,456	\$41,456	\$82,912
Gr Dedicated Total	\$41,456	\$41,456	\$82,912	\$41,456	\$41,456	\$82,912

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$0	\$0	\$0				
Gr Dedicated Total	\$0	\$0	\$0				
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$76,279	\$76,279	\$152,558	\$76,279	\$76,279	\$152,558	
Gr Dedicated Total	\$76,279	\$76,279	\$152,558	\$76,279	\$76,279	\$152,558	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$263,386	\$263,386	\$526,772	\$263,386	\$263,386	\$526,772	
Gr Dedicated Total	\$263,386	\$263,386	\$526,772	\$263,386	\$263,386	\$526,772	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$255	\$255	\$510	\$255	\$255	\$510	
Gr Dedicated Total	\$255	\$255	\$510	\$255	\$255	\$510	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$14,321	\$14,321	\$28,642	\$14,321	\$14,321	\$28,642	
Gr Dedicated Total	\$14,321	\$14,321	\$28,642	\$14,321	\$14,321	\$28,642	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$265,256	\$265,256	\$530,512	\$265,256	\$265,256	\$530,512	
Gr Dedicated Total	\$265,256	\$265,256	\$530,512	\$265,256	\$265,256	\$530,512	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$219,139	\$219,139	\$438,278	\$219,139	\$219,139	\$438,278	
Gr Dedicated Total	\$219,139	\$219,139	\$438,278	\$219,139	\$219,139	\$438,278	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$112,005	\$112,005	\$224,010	\$112,005	\$112,005	\$224,010	
Gr Dedicated Total	\$112,005	\$112,005	\$224,010	\$112,005	\$112,005	\$224,010	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$41,982	\$41,982	\$83,964	\$41,982	\$41,982	\$83,964	
Gr Dedicated Total	\$41,982	\$41,982	\$83,964	\$41,982	\$41,982	\$83,964	
Item Total	\$1,035,943	\$1,035,943	\$2,071,886	\$1,035,943	\$1,035,943	\$2,071,886	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				24.9	24.9		

4 Enforcement Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Item Comment: This reduction would eliminate 1.9 FTEs and decrease the agency budget by \$596,956. This reduction would impair the core function of the Enforcement section to provide prompt and fair resolution of agency actions against regulated entities and unauthorized insurance activities as well as against workers' compensation carriers, physicians, designated doctors, and other workers' compensation system participants. Based on fiscal year 2013 restitution and penalty data, the reduction in staff may reduce fines and penalties by \$500,000.							
Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$7,352	\$7,352	\$14,704	\$7,352	\$7,352	\$14,704	
General Revenue Funds Total	\$7,352	\$7,352	\$14,704	\$7,352	\$7,352	\$14,704	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,756	\$2,756	\$5,512	\$2,756	\$2,756	\$5,512	
Gr Dedicated Total	\$2,756	\$2,756	\$5,512	\$2,756	\$2,756	\$5,512	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,533	\$1,533	\$3,066	\$1,533	\$1,533	\$3,066	
General Revenue Funds Total	\$1,533	\$1,533	\$3,066	\$1,533	\$1,533	\$3,066	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$574	\$574	\$1,148	\$574	\$574	\$1,148	
Gr Dedicated Total	\$574	\$574	\$1,148	\$574	\$574	\$1,148	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$98,914	\$98,914	\$197,828	\$98,914	\$98,914	\$197,828	
General Revenue Funds Total	\$98,914	\$98,914	\$197,828	\$98,914	\$98,914	\$197,828	
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
36 Dept Ins Operating Acct	\$37,077	\$37,077	\$74,154	\$37,077	\$37,077	\$74,154	
Gr Dedicated Total	\$37,077	\$37,077	\$74,154	\$37,077	\$37,077	\$74,154	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,865	\$1,865	\$3,730	\$1,865	\$1,865	\$3,730	
General Revenue Funds Total	\$1,865	\$1,865	\$3,730	\$1,865	\$1,865	\$3,730	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$699	\$699	\$1,398	\$699	\$699	\$1,398	
Gr Dedicated Total	\$699	\$699	\$1,398	\$699	\$699	\$1,398	
Strategy: 1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$106	\$106	\$212	\$106	\$106	\$212	
Gr Dedicated Total	\$106	\$106	\$212	\$106	\$106	\$212	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$5,963	\$5,963	\$11,926	\$5,963	\$5,963	\$11,926	
General Revenue Funds Total	\$5,963	\$5,963	\$11,926	\$5,963	\$5,963	\$11,926	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,235	\$2,235	\$4,470	\$2,235	\$2,235	\$4,470	
Gr Dedicated Total	\$2,235	\$2,235	\$4,470	\$2,235	\$2,235	\$4,470	

Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$184	\$184	\$368	\$184	\$184	\$368	
Gr Dedicated Total	\$184	\$184	\$368	\$184	\$184	\$368	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$743	\$743	\$1,486	\$743	\$743	\$1,486	
General Revenue Funds Total	\$743	\$743	\$1,486	\$743	\$743	\$1,486	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$278	\$278	\$556	\$278	\$278	\$556	
Gr Dedicated Total	\$278	\$278	\$556	\$278	\$278	\$556	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$6,947	\$6,947	\$13,894	\$6,947	\$6,947	\$13,894	
General Revenue Funds Total	\$6,947	\$6,947	\$13,894	\$6,947	\$6,947	\$13,894	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,604	\$2,604	\$5,208	\$2,604	\$2,604	\$5,208	
Gr Dedicated Total	\$2,604	\$2,604	\$5,208	\$2,604	\$2,604	\$5,208	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,159	\$1,159	\$2,318	\$1,159	\$1,159	\$2,318	
General Revenue Funds Total	\$1,159	\$1,159	\$2,318	\$1,159	\$1,159	\$2,318	
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
36 Dept Ins Operating Acct	\$435	\$435	\$870	\$435	\$435	\$870	
Gr Dedicated Total	\$435	\$435	\$870	\$435	\$435	\$870	
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$42,436	\$42,436	\$84,872	\$42,436	\$42,436	\$84,872	
Gr Dedicated Total	\$42,436	\$42,436	\$84,872	\$42,436	\$42,436	\$84,872	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,285	\$2,285	\$4,570	\$2,285	\$2,285	\$4,570	
Gr Dedicated Total	\$2,285	\$2,285	\$4,570	\$2,285	\$2,285	\$4,570	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$15	\$15	\$30	\$15	\$15	\$30	
Gr Dedicated Total	\$15	\$15	\$30	\$15	\$15	\$30	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$817	\$817	\$1,634	\$817	\$817	\$1,634	
Gr Dedicated Total	\$817	\$817	\$1,634	\$817	\$817	\$1,634	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,284	\$1,284	\$2,568	\$1,284	\$1,284	\$2,568	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Gr Dedicated Total	\$1,284	\$1,284	\$2,568	\$1,284	\$1,284	\$2,568	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$22,366	\$22,366	\$44,732	\$22,366	\$22,366	\$44,732	
General Revenue Funds Total	\$22,366	\$22,366	\$44,732	\$22,366	\$22,366	\$44,732	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$11,599	\$11,599	\$23,198	\$11,599	\$11,599	\$23,198	
Gr Dedicated Total	\$11,599	\$11,599	\$23,198	\$11,599	\$11,599	\$23,198	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$20,089	\$20,089	\$40,178	\$20,089	\$20,089	\$40,178	
General Revenue Funds Total	\$20,089	\$20,089	\$40,178	\$20,089	\$20,089	\$40,178	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$13,925	\$13,925	\$27,850	\$13,925	\$13,925	\$27,850	
Gr Dedicated Total	\$13,925	\$13,925	\$27,850	\$13,925	\$13,925	\$27,850	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$7,159	\$7,159	\$14,318	\$7,159	\$7,159	\$14,318	
General Revenue Funds Total	\$7,159	\$7,159	\$14,318	\$7,159	\$7,159	\$14,318	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,079	\$5,079	\$10,158	\$5,079	\$5,079	\$10,158	
Gr Dedicated Total	\$5,079	\$5,079	\$10,158	\$5,079	\$5,079	\$10,158	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Item Total	\$298,478	\$298,478	\$596,956	\$298,478	\$298,478	\$596,956	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				1.9	1.9		

5 Policy & Research

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: The reduction would eliminate 1.9 FTEs and reduce the agency budget by \$318,732 in the DWC Health Care Policy and Implementation (HCPI), System Monitoring and Oversight (SMO), Health Care Quality Review (HCQR) program areas, and reduce administrative, executive, and legal support. The reductions would impact several key measures for strategies 4.1.1 Oversight and Enforcement, 4.1.2 Dispute Resolution, and 4.2.1 Health and Safety Services. The HCPI reduction would eliminate expert consultation services on critical Medicare-related matters, and reduce HCPI travel funds used to educate system participants regarding rule implementation, and training staff on current health care and workers' compensation laws. The reduced funding for SMO would lessen DWC's ability to timely identify issues and resolve complaints, which could delay payment of benefits owed to system participants. This could also reduce the overall number of SMO complaints investigations and audits completed. The reduced funding for HCQR would result in a decreased ability to perform statutorily required Medical Quality Review Panel activities. It would increase review times for non-provider cases and result in fewer medical quality reviews, including complaint-driven quality of care reviews for insurance carriers, IROs, and URAs. This reduction would negatively impact DWC's ability to monitor the quality of health care delivered in the workers' compensation system. The reduction would adversely impact DWC's ability to monitor patterns and trends of system participants regarding the utilization of medical services provided to injured employees.

Strategy: 1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution

Gr Dedicated

36 Dept Ins Operating Acct	\$287	\$287	\$574	\$287	\$287	\$574
Gr Dedicated Total	\$287	\$287	\$574	\$287	\$287	\$574

Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System

Gr Dedicated

36 Dept Ins Operating Acct	\$495	\$495	\$990	\$495	\$495	\$990
Gr Dedicated Total	\$495	\$495	\$990	\$495	\$495	\$990

Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$83,286	\$83,286	\$166,572	\$83,286	\$83,286	\$166,572	
Gr Dedicated Total	\$83,286	\$83,286	\$166,572	\$83,286	\$83,286	\$166,572	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$27,916	\$27,916	\$55,832	\$27,916	\$27,916	\$55,832	
Gr Dedicated Total	\$27,916	\$27,916	\$55,832	\$27,916	\$27,916	\$55,832	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$39	\$39	\$78	\$39	\$39	\$78	
Gr Dedicated Total	\$39	\$39	\$78	\$39	\$39	\$78	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$11,528	\$11,528	\$23,056	\$11,528	\$11,528	\$23,056	
Gr Dedicated Total	\$11,528	\$11,528	\$23,056	\$11,528	\$11,528	\$23,056	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,462	\$3,462	\$6,924	\$3,462	\$3,462	\$6,924	
Gr Dedicated Total	\$3,462	\$3,462	\$6,924	\$3,462	\$3,462	\$6,924	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
36 Dept Ins Operating Acct	\$8,665	\$8,665	\$17,330	\$8,665	\$8,665	\$17,330	
Gr Dedicated Total	\$8,665	\$8,665	\$17,330	\$8,665	\$8,665	\$17,330	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$17,230	\$17,230	\$34,460	\$17,230	\$17,230	\$34,460	
Gr Dedicated Total	\$17,230	\$17,230	\$34,460	\$17,230	\$17,230	\$34,460	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6,458	\$6,458	\$12,916	\$6,458	\$6,458	\$12,916	
Gr Dedicated Total	\$6,458	\$6,458	\$12,916	\$6,458	\$6,458	\$12,916	
Item Total	\$159,366	\$159,366	\$318,732	\$159,366	\$159,366	\$318,732	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				1.9	1.9		

6 L A & H Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduced funding would eliminate 6.4 FTEs and decrease the agency budget by \$780,416. The reduction would impact the division's ability to timely review life and health rates and forms, including the elimination of the review of some forms, as well as legislation, and impact the timeframe required for rulemaking process and special projects from legislators. The reduction would impede staff's ability to conduct research, respond to requests from external stakeholders, and complete statutorily required studies. In addition, the reduction would reduce grants for the Texas Three-Share program by \$40,000, which will impact local health coverage.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$10,537	\$10,537	\$21,074	\$10,537	\$10,537	\$21,074	
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
General Revenue Funds Total	\$10,537	\$10,537	\$21,074	\$10,537	\$10,537	\$21,074	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,949	\$3,949	\$7,898	\$3,949	\$3,949	\$7,898	
Gr Dedicated Total	\$3,949	\$3,949	\$7,898	\$3,949	\$3,949	\$7,898	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$12,095	\$12,095	\$24,190	\$12,095	\$12,095	\$24,190	
General Revenue Funds Total	\$12,095	\$12,095	\$24,190	\$12,095	\$12,095	\$24,190	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,533	\$4,533	\$9,066	\$4,533	\$4,533	\$9,066	
Gr Dedicated Total	\$4,533	\$4,533	\$9,066	\$4,533	\$4,533	\$9,066	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$3,285	\$3,285	\$6,570	\$3,285	\$3,285	\$6,570	
General Revenue Funds Total	\$3,285	\$3,285	\$6,570	\$3,285	\$3,285	\$6,570	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,232	\$1,232	\$2,464	\$1,232	\$1,232	\$2,464	
Gr Dedicated Total	\$1,232	\$1,232	\$2,464	\$1,232	\$1,232	\$2,464	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,297	\$1,297	\$2,594	\$1,297	\$1,297	\$2,594	
General Revenue Funds Total	\$1,297	\$1,297	\$2,594	\$1,297	\$1,297	\$2,594	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$486	\$486	\$972	\$486	\$486	\$972	
Gr Dedicated Total	\$486	\$486	\$972	\$486	\$486	\$972	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$144,849	\$144,849	\$289,698	\$144,849	\$144,849	\$289,698	
General Revenue Funds Total	\$144,849	\$144,849	\$289,698	\$144,849	\$144,849	\$289,698	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$54,295	\$54,295	\$108,590	\$54,295	\$54,295	\$108,590	
Gr Dedicated Total	\$54,295	\$54,295	\$108,590	\$54,295	\$54,295	\$108,590	
Strategy: 1-4-2 Administer Three-Share Grant Program							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$20,000	\$20,000	\$40,000	\$20,000	\$20,000	\$40,000	
Gr Dedicated Total	\$20,000	\$20,000	\$40,000	\$20,000	\$20,000	\$40,000	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,211	\$1,211	\$2,422	\$1,211	\$1,211	\$2,422	
General Revenue Funds Total	\$1,211	\$1,211	\$2,422	\$1,211	\$1,211	\$2,422	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$454	\$454	\$908	\$454	\$454	\$908	
Gr Dedicated Total	\$454	\$454	\$908	\$454	\$454	\$908	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$13,224	\$13,224	\$26,448	\$13,224	\$13,224	\$26,448	
General Revenue Funds Total	\$13,224	\$13,224	\$26,448	\$13,224	\$13,224	\$26,448	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,957	\$4,957	\$9,914	\$4,957	\$4,957	\$9,914	
Gr Dedicated Total	\$4,957	\$4,957	\$9,914	\$4,957	\$4,957	\$9,914	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,890	\$1,890	\$3,780	\$1,890	\$1,890	\$3,780	
General Revenue Funds Total	\$1,890	\$1,890	\$3,780	\$1,890	\$1,890	\$3,780	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$708	\$708	\$1,416	\$708	\$708	\$1,416	
Gr Dedicated Total	\$708	\$708	\$1,416	\$708	\$708	\$1,416	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$36,465	\$36,465	\$72,930	\$36,465	\$36,465	\$72,930	
General Revenue Funds Total	\$36,465	\$36,465	\$72,930	\$36,465	\$36,465	\$72,930	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$13,668	\$13,668	\$27,336	\$13,668	\$13,668	\$27,336	
Gr Dedicated Total	\$13,668	\$13,668	\$27,336	\$13,668	\$13,668	\$27,336	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$32,751	\$32,751	\$65,502	\$32,751	\$32,751	\$65,502	
General Revenue Funds Total	\$32,751	\$32,751	\$65,502	\$32,751	\$32,751	\$65,502	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$12,277	\$12,277	\$24,554	\$12,277	\$12,277	\$24,554	
Gr Dedicated Total	\$12,277	\$12,277	\$24,554	\$12,277	\$12,277	\$24,554	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$11,670	\$11,670	\$23,340	\$11,670	\$11,670	\$23,340	
General Revenue Funds Total	\$11,670	\$11,670	\$23,340	\$11,670	\$11,670	\$23,340	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,375	\$4,375	\$8,750	\$4,375	\$4,375	\$8,750	
Gr Dedicated Total	\$4,375	\$4,375	\$8,750	\$4,375	\$4,375	\$8,750	
Item Total	\$390,208	\$390,208	\$780,416	\$390,208	\$390,208	\$780,416	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				6.4	6.4		

7 Workplace Safety

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET																																																
	2016	2017	Biennial Total	2016	2017	Biennial Total																																																	
<p>Item Comment: This reduction would eliminate 1.3 FTE and reduce the agency budget by \$197,844. It negatively impacts DWC's ability to educate system participants and could adversely impact safety and health conditions in Texas workplaces. The reduction would impact resources devoted to the development and delivery of workplace safety educational and communication tools (i.e. publications and web pages), as well as administrative, executive, and legal support. It would decrease the number of workplace safety outreach initiatives for employers and employees that address concerns in high-hazard industries, occupations and demographics in Texas, and could result in increased work-related injuries and illnesses in Texas.</p> <p>The reduction could adversely impact injured employees' access to health care by decreasing resources devoted to recruiting new health care providers and training/assisting existing providers. It would limit training and outreach to health care providers regarding complex workers' compensation treatment, coding and billing guidelines, which could affect patient care and provider billing. The reduction would impact delivery of educational seminars, conferences and information to system participants who cannot access information electronically or who require formal training. As a result, providers, insurance carriers, employers, and employees would be less informed regarding their rights and responsibilities in the workers' compensation system.</p> <p>Strategy: 1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$178</td> <td>\$178</td> <td>\$356</td> <td>\$178</td> <td>\$178</td> <td>\$356</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$178</td> <td>\$178</td> <td>\$356</td> <td>\$178</td> <td>\$178</td> <td>\$356</td> <td></td> </tr> </table> <p>Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$308</td> <td>\$308</td> <td>\$616</td> <td>\$308</td> <td>\$308</td> <td>\$616</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$308</td> <td>\$308</td> <td>\$616</td> <td>\$308</td> <td>\$308</td> <td>\$616</td> <td></td> </tr> </table> <p>Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$3,601</td> <td>\$3,601</td> <td>\$7,202</td> <td>\$3,601</td> <td>\$3,601</td> <td>\$7,202</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$3,601</td> <td>\$3,601</td> <td>\$7,202</td> <td>\$3,601</td> <td>\$3,601</td> <td>\$7,202</td> <td></td> </tr> </table> <p>Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes</p> <p><u>Gr Dedicated</u></p>								36 Dept Ins Operating Acct	\$178	\$178	\$356	\$178	\$178	\$356		Gr Dedicated Total	\$178	\$178	\$356	\$178	\$178	\$356		36 Dept Ins Operating Acct	\$308	\$308	\$616	\$308	\$308	\$616		Gr Dedicated Total	\$308	\$308	\$616	\$308	\$308	\$616		36 Dept Ins Operating Acct	\$3,601	\$3,601	\$7,202	\$3,601	\$3,601	\$7,202		Gr Dedicated Total	\$3,601	\$3,601	\$7,202	\$3,601	\$3,601	\$7,202	
36 Dept Ins Operating Acct	\$178	\$178	\$356	\$178	\$178	\$356																																																	
Gr Dedicated Total	\$178	\$178	\$356	\$178	\$178	\$356																																																	
36 Dept Ins Operating Acct	\$308	\$308	\$616	\$308	\$308	\$616																																																	
Gr Dedicated Total	\$308	\$308	\$616	\$308	\$308	\$616																																																	
36 Dept Ins Operating Acct	\$3,601	\$3,601	\$7,202	\$3,601	\$3,601	\$7,202																																																	
Gr Dedicated Total	\$3,601	\$3,601	\$7,202	\$3,601	\$3,601	\$7,202																																																	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
36 Dept Ins Operating Acct	\$3,823	\$3,823	\$7,646	\$3,823	\$3,823	\$7,646	
Gr Dedicated Total	\$3,823	\$3,823	\$7,646	\$3,823	\$3,823	\$7,646	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$24	\$24	\$48	\$24	\$24	\$48	
Gr Dedicated Total	\$24	\$24	\$48	\$24	\$24	\$48	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$68,758	\$68,758	\$137,516	\$68,758	\$68,758	\$137,516	
Gr Dedicated Total	\$68,758	\$68,758	\$137,516	\$68,758	\$68,758	\$137,516	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,149	\$2,149	\$4,298	\$2,149	\$2,149	\$4,298	
Gr Dedicated Total	\$2,149	\$2,149	\$4,298	\$2,149	\$2,149	\$4,298	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,378	\$5,378	\$10,756	\$5,378	\$5,378	\$10,756	
Gr Dedicated Total	\$5,378	\$5,378	\$10,756	\$5,378	\$5,378	\$10,756	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,694	\$10,694	\$21,388	\$10,694	\$10,694	\$21,388	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Gr Dedicated Total	\$10,694	\$10,694	\$21,388	\$10,694	\$10,694	\$21,388	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,009	\$4,009	\$8,018	\$4,009	\$4,009	\$8,018	
Gr Dedicated Total	\$4,009	\$4,009	\$8,018	\$4,009	\$4,009	\$8,018	
Item Total	\$98,922	\$98,922	\$197,844	\$98,922	\$98,922	\$197,844	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				1.3	1.3		

8 Fraud Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction would eliminate 3.8 FTEs and reduce the agency budget by \$560,376. The reduction would inhibit the agency's ability to prosecute insurance fraud by 50 fewer fraud investigations opened and 16 fewer fraud referrals for prosecution; it would also increase the time necessary to investigate each fraud report by 10 percent as well as delaying the processing of incoming fraud reports from public, law enforcement and the industry.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$7,799	\$7,799	\$15,598	\$7,799	\$7,799	\$15,598	
General Revenue Funds Total	\$7,799	\$7,799	\$15,598	\$7,799	\$7,799	\$15,598	

Gr Dedicated

36 Dept Ins Operating Acct	\$2,924	\$2,924	\$5,848	\$2,924	\$2,924	\$5,848	
Gr Dedicated Total	\$2,924	\$2,924	\$5,848	\$2,924	\$2,924	\$5,848	

Strategy: 1-2-1 Respond Promptly and Act on Complaints

General Revenue Funds

8042 Insurance Maint Tax Fees	\$1,589	\$1,589	\$3,178	\$1,589	\$1,589	\$3,178	
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
General Revenue Funds Total	\$1,589	\$1,589	\$3,178	\$1,589	\$1,589	\$3,178	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$596	\$596	\$1,192	\$596	\$596	\$1,192	
Gr Dedicated Total	\$596	\$596	\$1,192	\$596	\$596	\$1,192	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$3,045	\$3,045	\$6,090	\$3,045	\$3,045	\$6,090	
General Revenue Funds Total	\$3,045	\$3,045	\$6,090	\$3,045	\$3,045	\$6,090	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,142	\$1,142	\$2,284	\$1,142	\$1,142	\$2,284	
Gr Dedicated Total	\$1,142	\$1,142	\$2,284	\$1,142	\$1,142	\$2,284	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$104,817	\$104,817	\$209,634	\$104,817	\$104,817	\$209,634	
General Revenue Funds Total	\$104,817	\$104,817	\$209,634	\$104,817	\$104,817	\$209,634	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$39,290	\$39,290	\$78,580	\$39,290	\$39,290	\$78,580	
Gr Dedicated Total	\$39,290	\$39,290	\$78,580	\$39,290	\$39,290	\$78,580	
Strategy: 1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$16,585	\$16,585	\$33,170	\$16,585	\$16,585	\$33,170	
Gr Dedicated Total	\$16,585	\$16,585	\$33,170	\$16,585	\$16,585	\$33,170	

6.I. Percent Biennial Base Reduction Options

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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$6,375	\$6,375	\$12,750	\$6,375	\$6,375	\$12,750	
General Revenue Funds Total	\$6,375	\$6,375	\$12,750	\$6,375	\$6,375	\$12,750	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,390	\$2,390	\$4,780	\$2,390	\$2,390	\$4,780	
Gr Dedicated Total	\$2,390	\$2,390	\$4,780	\$2,390	\$2,390	\$4,780	
Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$75	\$75	\$150	\$75	\$75	\$150	
Gr Dedicated Total	\$75	\$75	\$150	\$75	\$75	\$150	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$794	\$794	\$1,588	\$794	\$794	\$1,588	
General Revenue Funds Total	\$794	\$794	\$1,588	\$794	\$794	\$1,588	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$298	\$298	\$596	\$298	\$298	\$596	
Gr Dedicated Total	\$298	\$298	\$596	\$298	\$298	\$596	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$7,428	\$7,428	\$14,856	\$7,428	\$7,428	\$14,856	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
General Revenue Funds Total	\$7,428	\$7,428	\$14,856	\$7,428	\$7,428	\$14,856	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,784	\$2,784	\$5,568	\$2,784	\$2,784	\$5,568	
Gr Dedicated Total	\$2,784	\$2,784	\$5,568	\$2,784	\$2,784	\$5,568	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,239	\$1,239	\$2,478	\$1,239	\$1,239	\$2,478	
General Revenue Funds Total	\$1,239	\$1,239	\$2,478	\$1,239	\$1,239	\$2,478	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$465	\$465	\$930	\$465	\$465	\$930	
Gr Dedicated Total	\$465	\$465	\$930	\$465	\$465	\$930	
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$884	\$884	\$1,768	\$884	\$884	\$1,768	
Gr Dedicated Total	\$884	\$884	\$1,768	\$884	\$884	\$1,768	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$938	\$938	\$1,876	\$938	\$938	\$1,876	
Gr Dedicated Total	\$938	\$938	\$1,876	\$938	\$938	\$1,876	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
36 Dept Ins Operating Acct	\$6	\$6	\$12	\$6	\$6	\$12	
Gr Dedicated Total	\$6	\$6	\$12	\$6	\$6	\$12	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$336	\$336	\$672	\$336	\$336	\$672	
Gr Dedicated Total	\$336	\$336	\$672	\$336	\$336	\$672	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$527	\$527	\$1,054	\$527	\$527	\$1,054	
Gr Dedicated Total	\$527	\$527	\$1,054	\$527	\$527	\$1,054	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$23,914	\$23,914	\$47,828	\$23,914	\$23,914	\$47,828	
General Revenue Funds Total	\$23,914	\$23,914	\$47,828	\$23,914	\$23,914	\$47,828	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,284	\$10,284	\$20,568	\$10,284	\$10,284	\$20,568	
Gr Dedicated Total	\$10,284	\$10,284	\$20,568	\$10,284	\$10,284	\$20,568	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$21,480	\$21,480	\$42,960	\$21,480	\$21,480	\$42,960	
General Revenue Funds Total	\$21,480	\$21,480	\$42,960	\$21,480	\$21,480	\$42,960	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,678	\$10,678	\$21,356	\$10,678	\$10,678	\$21,356	
Gr Dedicated Total	\$10,678	\$10,678	\$21,356	\$10,678	\$10,678	\$21,356	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$7,653	\$7,653	\$15,306	\$7,653	\$7,653	\$15,306	
General Revenue Funds Total	\$7,653	\$7,653	\$15,306	\$7,653	\$7,653	\$15,306	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,853	\$3,853	\$7,706	\$3,853	\$3,853	\$7,706	
Gr Dedicated Total	\$3,853	\$3,853	\$7,706	\$3,853	\$3,853	\$7,706	
Item Total	\$280,188	\$280,188	\$560,376	\$280,188	\$280,188	\$560,376	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				3.8	3.8		

9 Dispute Resolution & Admin Hearing Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET																																																
	2016	2017	Biennial Total	2016	2017	Biennial Total																																																	
<p>Item Comment: This reduction would eliminate 7.7 FTEs and reduce the agency budget by \$1,219,546. It would impact the Division of Workers' Compensation (DWC) Medical Fee Dispute Resolution and Hearings programs, and administrative, executive, and legal support. The reduction would impact key measures for strategy 4.1.2 Dispute Resolution by impeding DWC's ability to monitor the quality of medical fee dispute decisions for hospital based services. It would also increase processing time for medical fee disputes, impede DWC's ability to timely identify problematic system fee dispute trends and impact the quality of fee dispute information provided to system participants.</p> <p>Reductions in the Hearings area would delay workers' compensation indemnity and medical dispute resolution services. DWC may not be able to meet statutory timeframes for conducting benefit review conferences and contested case hearings. It would increase the Subsequent Injury Fund's exposure to higher reimbursement requests due to delays in adjudicating disputes. The reduction could result in increased travel expenses as staff may need to travel from other locations to resolve disputes, conduct benefit review conferences, and conduct hearings on contested cases statewide. It would delay delivery of income and medical benefits to injured employees due to a backlog of dispute resolution proceedings. Additionally, at a reduced funding level, indemnity benefits and prospective medical care would take precedence; resulting in delays of contested case hearings for retrospective medical care, attorney fee, and medical fee disputes.</p> <p>Strategy: 1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$1,097</td> <td>\$1,097</td> <td>\$2,194</td> <td>\$1,097</td> <td>\$1,097</td> <td>\$2,194</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$1,097</td> <td>\$1,097</td> <td>\$2,194</td> <td>\$1,097</td> <td>\$1,097</td> <td>\$2,194</td> <td></td> </tr> </table> <p>Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$1,896</td> <td>\$1,896</td> <td>\$3,792</td> <td>\$1,896</td> <td>\$1,896</td> <td>\$3,792</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$1,896</td> <td>\$1,896</td> <td>\$3,792</td> <td>\$1,896</td> <td>\$1,896</td> <td>\$3,792</td> <td></td> </tr> </table> <p>Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering</p> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$0</td> <td>\$0</td> <td>\$0</td> <td></td> <td></td> <td></td> <td></td> </tr> </table>								36 Dept Ins Operating Acct	\$1,097	\$1,097	\$2,194	\$1,097	\$1,097	\$2,194		Gr Dedicated Total	\$1,097	\$1,097	\$2,194	\$1,097	\$1,097	\$2,194		36 Dept Ins Operating Acct	\$1,896	\$1,896	\$3,792	\$1,896	\$1,896	\$3,792		Gr Dedicated Total	\$1,896	\$1,896	\$3,792	\$1,896	\$1,896	\$3,792		36 Dept Ins Operating Acct	\$0	\$0	\$0					Gr Dedicated Total	\$0	\$0	\$0				
36 Dept Ins Operating Acct	\$1,097	\$1,097	\$2,194	\$1,097	\$1,097	\$2,194																																																	
Gr Dedicated Total	\$1,097	\$1,097	\$2,194	\$1,097	\$1,097	\$2,194																																																	
36 Dept Ins Operating Acct	\$1,896	\$1,896	\$3,792	\$1,896	\$1,896	\$3,792																																																	
Gr Dedicated Total	\$1,896	\$1,896	\$3,792	\$1,896	\$1,896	\$3,792																																																	
36 Dept Ins Operating Acct	\$0	\$0	\$0																																																				
Gr Dedicated Total	\$0	\$0	\$0																																																				

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$22,195	\$22,195	\$44,390	\$22,195	\$22,195	\$44,390	
Gr Dedicated Total	\$22,195	\$22,195	\$44,390	\$22,195	\$22,195	\$44,390	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$438,968	\$438,968	\$877,936	\$438,968	\$438,968	\$877,936	
Gr Dedicated Total	\$438,968	\$438,968	\$877,936	\$438,968	\$438,968	\$877,936	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$150	\$150	\$300	\$150	\$150	\$300	
Gr Dedicated Total	\$150	\$150	\$300	\$150	\$150	\$300	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$8,430	\$8,430	\$16,860	\$8,430	\$8,430	\$16,860	
Gr Dedicated Total	\$8,430	\$8,430	\$16,860	\$8,430	\$8,430	\$16,860	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$13,245	\$13,245	\$26,490	\$13,245	\$13,245	\$26,490	
Gr Dedicated Total	\$13,245	\$13,245	\$26,490	\$13,245	\$13,245	\$26,490	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$33,153	\$33,153	\$66,306	\$33,153	\$33,153	\$66,306	
Gr Dedicated Total	\$33,153	\$33,153	\$66,306	\$33,153	\$33,153	\$66,306	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$65,928	\$65,928	\$131,856	\$65,928	\$65,928	\$131,856	
Gr Dedicated Total	\$65,928	\$65,928	\$131,856	\$65,928	\$65,928	\$131,856	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$24,711	\$24,711	\$49,422	\$24,711	\$24,711	\$49,422	
Gr Dedicated Total	\$24,711	\$24,711	\$49,422	\$24,711	\$24,711	\$49,422	
Item Total	\$609,773	\$609,773	\$1,219,546	\$609,773	\$609,773	\$1,219,546	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				7.7	7.7		

10 Customer Assistance Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction would eliminate 4.4 FTEs and reduce the agency budget by \$557,146. This reduction would affect consumers by reducing the number of Consumer Help Line calls answered by 20,000 per year and the number of complaint resolutions by 1,600 annually. Public education would be impacted by a decrease in the number of presentations made by 120 per year and a 40% reduction in the publication printing budget, severely limiting TDI's ability to meet the related performance measure targets.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$96,440	\$96,440	\$192,880	\$96,440	\$96,440	\$192,880	
General Revenue Funds Total	\$96,440	\$96,440	\$192,880	\$96,440	\$96,440	\$192,880	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$36,149	\$36,149	\$72,298	\$36,149	\$36,149	\$72,298	
Gr Dedicated Total	\$36,149	\$36,149	\$72,298	\$36,149	\$36,149	\$72,298	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$30,431	\$30,431	\$60,862	\$30,431	\$30,431	\$60,862	
General Revenue Funds Total	\$30,431	\$30,431	\$60,862	\$30,431	\$30,431	\$60,862	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$11,407	\$11,407	\$22,814	\$11,407	\$11,407	\$22,814	
Gr Dedicated Total	\$11,407	\$11,407	\$22,814	\$11,407	\$11,407	\$22,814	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$3,320	\$3,320	\$6,640	\$3,320	\$3,320	\$6,640	
General Revenue Funds Total	\$3,320	\$3,320	\$6,640	\$3,320	\$3,320	\$6,640	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,244	\$1,244	\$2,488	\$1,244	\$1,244	\$2,488	
Gr Dedicated Total	\$1,244	\$1,244	\$2,488	\$1,244	\$1,244	\$2,488	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
8042 Insurance Maint Tax Fees	\$2,028	\$2,028	\$4,056	\$2,028	\$2,028	\$4,056	
General Revenue Funds Total	\$2,028	\$2,028	\$4,056	\$2,028	\$2,028	\$4,056	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$760	\$760	\$1,520	\$760	\$760	\$1,520	
Gr Dedicated Total	\$760	\$760	\$1,520	\$760	\$760	\$1,520	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$7,189	\$7,189	\$14,378	\$7,189	\$7,189	\$14,378	
General Revenue Funds Total	\$7,189	\$7,189	\$14,378	\$7,189	\$7,189	\$14,378	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,695	\$2,695	\$5,390	\$2,695	\$2,695	\$5,390	
Gr Dedicated Total	\$2,695	\$2,695	\$5,390	\$2,695	\$2,695	\$5,390	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$895	\$895	\$1,790	\$895	\$895	\$1,790	
General Revenue Funds Total	\$895	\$895	\$1,790	\$895	\$895	\$1,790	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$336	\$336	\$672	\$336	\$336	\$672	
Gr Dedicated Total	\$336	\$336	\$672	\$336	\$336	\$672	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$8,376	\$8,376	\$16,752	\$8,376	\$8,376	\$16,752	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
General Revenue Funds Total	\$8,376	\$8,376	\$16,752	\$8,376	\$8,376	\$16,752	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,140	\$3,140	\$6,280	\$3,140	\$3,140	\$6,280	
Gr Dedicated Total	\$3,140	\$3,140	\$6,280	\$3,140	\$3,140	\$6,280	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,398	\$1,398	\$2,796	\$1,398	\$1,398	\$2,796	
General Revenue Funds Total	\$1,398	\$1,398	\$2,796	\$1,398	\$1,398	\$2,796	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$524	\$524	\$1,048	\$524	\$524	\$1,048	
Gr Dedicated Total	\$524	\$524	\$1,048	\$524	\$524	\$1,048	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$26,967	\$26,967	\$53,934	\$26,967	\$26,967	\$53,934	
General Revenue Funds Total	\$26,967	\$26,967	\$53,934	\$26,967	\$26,967	\$53,934	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,108	\$10,108	\$20,216	\$10,108	\$10,108	\$20,216	
Gr Dedicated Total	\$10,108	\$10,108	\$20,216	\$10,108	\$10,108	\$20,216	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$24,221	\$24,221	\$48,442	\$24,221	\$24,221	\$48,442	
General Revenue Funds Total	\$24,221	\$24,221	\$48,442	\$24,221	\$24,221	\$48,442	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$9,079	\$9,079	\$18,158	\$9,079	\$9,079	\$18,158	
Gr Dedicated Total	\$9,079	\$9,079	\$18,158	\$9,079	\$9,079	\$18,158	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$8,631	\$8,631	\$17,262	\$8,631	\$8,631	\$17,262	
General Revenue Funds Total	\$8,631	\$8,631	\$17,262	\$8,631	\$8,631	\$17,262	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,235	\$3,235	\$6,470	\$3,235	\$3,235	\$6,470	
Gr Dedicated Total	\$3,235	\$3,235	\$6,470	\$3,235	\$3,235	\$6,470	
Item Total	\$288,573	\$288,573	\$577,146	\$288,573	\$288,573	\$577,146	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				4.4	4.4		

11 Subsequent Injury Fund

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction would decrease the agency budget by \$546,836. DWC would have to reduce the appropriations of the Subsequent Injury Fund (SIF). Payments from the SIF are statutorily required. If funding for the SIF is reduced, and liabilities exceed available funding, TDI would have to request additional appropriations from the Comptroller of Public Accounts to cover expenses.

Strategy: 4-1-3 Administer Subsequent Injury Fund

<u>Gr Dedicated</u>							
5101 Subsequent Injury Fund	\$273,418	\$273,418	\$546,836	\$273,418	\$273,418	\$546,836	
Gr Dedicated Total	\$273,418	\$273,418	\$546,836	\$273,418	\$273,418	\$546,836	
Item Total	\$273,418	\$273,418	\$546,836	\$273,418	\$273,418	\$546,836	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
FTE Reductions (From FY 2016 and FY 2017 Base Request)							
12 Solvency Monitoring Activities							
Category: Programs - Service Reductions (FTEs-Layoffs)							
Item Comment: This reduction would eliminate 6.3 FTEs and reduce the agency budget by \$878,356. The reductions would negatively impact the ability to detect financially troubled insurance companies in a timely manner, which runs counter to TDI's goal of promoting a financially healthy insurance market. There is an increased risk that TDI would be unable to meet solvency related performance measure targets. There may be some increased risk that troubled insurance companies may not be timely identified, which may cause some delay in implementing regulatory interventions, thus posing some risks to consumers.							
Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$11,859	\$11,859	\$23,718	\$11,859	\$11,859	\$23,718	
General Revenue Funds Total	\$11,859	\$11,859	\$23,718	\$11,859	\$11,859	\$23,718	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,445	\$4,445	\$8,890	\$4,445	\$4,445	\$8,890	
Gr Dedicated Total	\$4,445	\$4,445	\$8,890	\$4,445	\$4,445	\$8,890	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,504	\$1,504	\$3,008	\$1,504	\$1,504	\$3,008	
General Revenue Funds Total	\$1,504	\$1,504	\$3,008	\$1,504	\$1,504	\$3,008	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$564	\$564	\$1,128	\$564	\$564	\$1,128	
Gr Dedicated Total	\$564	\$564	\$1,128	\$564	\$564	\$1,128	

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

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$3,698	\$3,698	\$7,396	\$3,698	\$3,698	\$7,396	
General Revenue Funds Total	\$3,698	\$3,698	\$7,396	\$3,698	\$3,698	\$7,396	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,386	\$1,386	\$2,772	\$1,386	\$1,386	\$2,772	
Gr Dedicated Total	\$1,386	\$1,386	\$2,772	\$1,386	\$1,386	\$2,772	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,460	\$1,460	\$2,920	\$1,460	\$1,460	\$2,920	
General Revenue Funds Total	\$1,460	\$1,460	\$2,920	\$1,460	\$1,460	\$2,920	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$547	\$547	\$1,094	\$547	\$547	\$1,094	
Gr Dedicated Total	\$547	\$547	\$1,094	\$547	\$547	\$1,094	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$10,942	\$10,942	\$21,884	\$10,942	\$10,942	\$21,884	
General Revenue Funds Total	\$10,942	\$10,942	\$21,884	\$10,942	\$10,942	\$21,884	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,101	\$4,101	\$8,202	\$4,101	\$4,101	\$8,202	
Gr Dedicated Total	\$4,101	\$4,101	\$8,202	\$4,101	\$4,101	\$8,202	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
8042 Insurance Maint Tax Fees	\$1,363	\$1,363	\$2,726	\$1,363	\$1,363	\$2,726	
General Revenue Funds Total	\$1,363	\$1,363	\$2,726	\$1,363	\$1,363	\$2,726	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$511	\$511	\$1,022	\$511	\$511	\$1,022	
Gr Dedicated Total	\$511	\$511	\$1,022	\$511	\$511	\$1,022	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$195,451	\$195,451	\$390,902	\$195,451	\$195,451	\$390,902	
General Revenue Funds Total	\$195,451	\$195,451	\$390,902	\$195,451	\$195,451	\$390,902	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$73,263	\$73,263	\$146,526	\$73,263	\$73,263	\$146,526	
Gr Dedicated Total	\$73,263	\$73,263	\$146,526	\$73,263	\$73,263	\$146,526	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$2,127	\$2,127	\$4,254	\$2,127	\$2,127	\$4,254	
General Revenue Funds Total	\$2,127	\$2,127	\$4,254	\$2,127	\$2,127	\$4,254	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$797	\$797	\$1,594	\$797	\$797	\$1,594	
Gr Dedicated Total	\$797	\$797	\$1,594	\$797	\$797	\$1,594	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$41,040	\$41,040	\$82,080	\$41,040	\$41,040	\$82,080	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
General Revenue Funds Total	\$41,040	\$41,040	\$82,080	\$41,040	\$41,040	\$82,080	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$15,384	\$15,384	\$30,768	\$15,384	\$15,384	\$30,768	
Gr Dedicated Total	\$15,384	\$15,384	\$30,768	\$15,384	\$15,384	\$30,768	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$36,861	\$36,861	\$73,722	\$36,861	\$36,861	\$73,722	
General Revenue Funds Total	\$36,861	\$36,861	\$73,722	\$36,861	\$36,861	\$73,722	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$13,817	\$13,817	\$27,634	\$13,817	\$13,817	\$27,634	
Gr Dedicated Total	\$13,817	\$13,817	\$27,634	\$13,817	\$13,817	\$27,634	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$13,135	\$13,135	\$26,270	\$13,135	\$13,135	\$26,270	
General Revenue Funds Total	\$13,135	\$13,135	\$26,270	\$13,135	\$13,135	\$26,270	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,923	\$4,923	\$9,846	\$4,923	\$4,923	\$9,846	
Gr Dedicated Total	\$4,923	\$4,923	\$9,846	\$4,923	\$4,923	\$9,846	
Item Total	\$439,178	\$439,178	\$878,356	\$439,178	\$439,178	\$878,356	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				6.1	6.1		

13 Property & Casualty Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET																																																																								
	2016	2017	Biennial Total	2016	2017	Biennial Total																																																																									
<p>Item Comment: The reduced funding would eliminate 9.3 FTEs and decrease the agency budget by \$1,067,370. This reduction would impact critical activities of Property and Casualty the number of engineer oversights and public education seminars conducted, delayed response to consumer complaints on windstorm related issues, and may delay the issuance of Certificates of Compliance which impacts a building owner’s ability to obtain or maintain windstorm coverage through TWIA. The conducting of windstorm inspections and processing of amusement ride sticker applications may also be delayed due to this reduction. The actuarial staff will have the number of filings reviewed each year reduced by 700 and experience longer rate review turnaround times. Staff reductions would also delay the introduction of new policy forms in to the market as well as production of various studies, special projects and statutorily required reports and data calls.</p> <p>Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information</p> <p><u>General Revenue Funds</u></p> <table border="1"> <tr> <td>8042 Insurance Maint Tax Fees</td> <td>\$14,982</td> <td>\$14,982</td> <td>\$29,964</td> <td>\$14,982</td> <td>\$14,982</td> <td>\$29,964</td> <td></td> </tr> <tr> <td>General Revenue Funds Total</td> <td>\$14,982</td> <td>\$14,982</td> <td>\$29,964</td> <td>\$14,982</td> <td>\$14,982</td> <td>\$29,964</td> <td></td> </tr> </table> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$5,616</td> <td>\$5,616</td> <td>\$11,232</td> <td>\$5,616</td> <td>\$5,616</td> <td>\$11,232</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$5,616</td> <td>\$5,616</td> <td>\$11,232</td> <td>\$5,616</td> <td>\$5,616</td> <td>\$11,232</td> <td></td> </tr> </table> <p>Strategy: 1-2-1 Respond Promptly and Act on Complaints</p> <p><u>General Revenue Funds</u></p> <table border="1"> <tr> <td>8042 Insurance Maint Tax Fees</td> <td>\$1,709</td> <td>\$1,709</td> <td>\$3,418</td> <td>\$1,709</td> <td>\$1,709</td> <td>\$3,418</td> <td></td> </tr> <tr> <td>General Revenue Funds Total</td> <td>\$1,709</td> <td>\$1,709</td> <td>\$3,418</td> <td>\$1,709</td> <td>\$1,709</td> <td>\$3,418</td> <td></td> </tr> </table> <p><u>Gr Dedicated</u></p> <table border="1"> <tr> <td>36 Dept Ins Operating Acct</td> <td>\$641</td> <td>\$641</td> <td>\$1,282</td> <td>\$641</td> <td>\$641</td> <td>\$1,282</td> <td></td> </tr> <tr> <td>Gr Dedicated Total</td> <td>\$641</td> <td>\$641</td> <td>\$1,282</td> <td>\$641</td> <td>\$641</td> <td>\$1,282</td> <td></td> </tr> </table> <p>Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed</p> <p><u>General Revenue Funds</u></p> <table border="1"> <tr> <td>8042 Insurance Maint Tax Fees</td> <td>\$4,549</td> <td>\$4,549</td> <td>\$9,098</td> <td>\$4,549</td> <td>\$4,549</td> <td>\$9,098</td> <td></td> </tr> </table>								8042 Insurance Maint Tax Fees	\$14,982	\$14,982	\$29,964	\$14,982	\$14,982	\$29,964		General Revenue Funds Total	\$14,982	\$14,982	\$29,964	\$14,982	\$14,982	\$29,964		36 Dept Ins Operating Acct	\$5,616	\$5,616	\$11,232	\$5,616	\$5,616	\$11,232		Gr Dedicated Total	\$5,616	\$5,616	\$11,232	\$5,616	\$5,616	\$11,232		8042 Insurance Maint Tax Fees	\$1,709	\$1,709	\$3,418	\$1,709	\$1,709	\$3,418		General Revenue Funds Total	\$1,709	\$1,709	\$3,418	\$1,709	\$1,709	\$3,418		36 Dept Ins Operating Acct	\$641	\$641	\$1,282	\$641	\$641	\$1,282		Gr Dedicated Total	\$641	\$641	\$1,282	\$641	\$641	\$1,282		8042 Insurance Maint Tax Fees	\$4,549	\$4,549	\$9,098	\$4,549	\$4,549	\$9,098	
8042 Insurance Maint Tax Fees	\$14,982	\$14,982	\$29,964	\$14,982	\$14,982	\$29,964																																																																									
General Revenue Funds Total	\$14,982	\$14,982	\$29,964	\$14,982	\$14,982	\$29,964																																																																									
36 Dept Ins Operating Acct	\$5,616	\$5,616	\$11,232	\$5,616	\$5,616	\$11,232																																																																									
Gr Dedicated Total	\$5,616	\$5,616	\$11,232	\$5,616	\$5,616	\$11,232																																																																									
8042 Insurance Maint Tax Fees	\$1,709	\$1,709	\$3,418	\$1,709	\$1,709	\$3,418																																																																									
General Revenue Funds Total	\$1,709	\$1,709	\$3,418	\$1,709	\$1,709	\$3,418																																																																									
36 Dept Ins Operating Acct	\$641	\$641	\$1,282	\$641	\$641	\$1,282																																																																									
Gr Dedicated Total	\$641	\$641	\$1,282	\$641	\$641	\$1,282																																																																									
8042 Insurance Maint Tax Fees	\$4,549	\$4,549	\$9,098	\$4,549	\$4,549	\$9,098																																																																									

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
General Revenue Funds Total	\$4,549	\$4,549	\$9,098	\$4,549	\$4,549	\$9,098	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,705	\$1,705	\$3,410	\$1,705	\$1,705	\$3,410	
Gr Dedicated Total	\$1,705	\$1,705	\$3,410	\$1,705	\$1,705	\$3,410	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,621	\$1,621	\$3,242	\$1,621	\$1,621	\$3,242	
General Revenue Funds Total	\$1,621	\$1,621	\$3,242	\$1,621	\$1,621	\$3,242	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$608	\$608	\$1,216	\$608	\$608	\$1,216	
Gr Dedicated Total	\$608	\$608	\$1,216	\$608	\$608	\$1,216	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$137,609	\$137,609	\$275,218	\$137,609	\$137,609	\$275,218	
General Revenue Funds Total	\$137,609	\$137,609	\$275,218	\$137,609	\$137,609	\$275,218	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$51,581	\$51,581	\$103,162	\$51,581	\$51,581	\$103,162	
Gr Dedicated Total	\$51,581	\$51,581	\$103,162	\$51,581	\$51,581	\$103,162	
Strategy: 1-3-2 Promote Coverage in Underserved Markets							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$4,582	\$4,582	\$9,164	\$4,582	\$4,582	\$9,164	
General Revenue Funds Total	\$4,582	\$4,582	\$9,164	\$4,582	\$4,582	\$9,164	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
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Agency code: **454** Agency name: **Department of Insurance**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,718	\$1,718	\$3,436	\$1,718	\$1,718	\$3,436	
Gr Dedicated Total	\$1,718	\$1,718	\$3,436	\$1,718	\$1,718	\$3,436	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$115,107	\$115,107	\$230,214	\$115,107	\$115,107	\$230,214	
General Revenue Funds Total	\$115,107	\$115,107	\$230,214	\$115,107	\$115,107	\$230,214	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$43,147	\$43,147	\$86,294	\$43,147	\$43,147	\$86,294	
Gr Dedicated Total	\$43,147	\$43,147	\$86,294	\$43,147	\$43,147	\$86,294	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$15,184	\$15,184	\$30,368	\$15,184	\$15,184	\$30,368	
General Revenue Funds Total	\$15,184	\$15,184	\$30,368	\$15,184	\$15,184	\$30,368	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,692	\$5,692	\$11,384	\$5,692	\$5,692	\$11,384	
Gr Dedicated Total	\$5,692	\$5,692	\$11,384	\$5,692	\$5,692	\$11,384	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$2,370	\$2,370	\$4,740	\$2,370	\$2,370	\$4,740	
General Revenue Funds Total	\$2,370	\$2,370	\$4,740	\$2,370	\$2,370	\$4,740	
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
36 Dept Ins Operating Acct	\$888	\$888	\$1,776	\$888	\$888	\$1,776	
Gr Dedicated Total	\$888	\$888	\$1,776	\$888	\$888	\$1,776	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$26,691	\$26,691	\$53,382	\$26,691	\$26,691	\$53,382	
General Revenue Funds Total	\$26,691	\$26,691	\$53,382	\$26,691	\$26,691	\$53,382	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,005	\$10,005	\$20,010	\$10,005	\$10,005	\$20,010	
Gr Dedicated Total	\$10,005	\$10,005	\$20,010	\$10,005	\$10,005	\$20,010	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$47,034	\$47,034	\$94,068	\$47,034	\$47,034	\$94,068	
General Revenue Funds Total	\$47,034	\$47,034	\$94,068	\$47,034	\$47,034	\$94,068	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$17,630	\$17,630	\$35,260	\$17,630	\$17,630	\$35,260	
Gr Dedicated Total	\$17,630	\$17,630	\$35,260	\$17,630	\$17,630	\$35,260	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$16,741	\$16,741	\$33,482	\$16,741	\$16,741	\$33,482	
General Revenue Funds Total	\$16,741	\$16,741	\$33,482	\$16,741	\$16,741	\$33,482	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6,275	\$6,275	\$12,550	\$6,275	\$6,275	\$12,550	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Gr Dedicated Total	\$6,275	\$6,275	\$12,550	\$6,275	\$6,275	\$12,550	
Item Total	\$533,685	\$533,685	\$1,067,370	\$533,685	\$533,685	\$1,067,370	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				9.3	9.3		

14 Fire Safe Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: The reduced funding would eliminate 5.6 FTEs and decrease the agency budget by \$739,838. This reduction would critically impair fire safety activities including service levels to local fire service, law enforcement agencies, and rural communities who rely on SFMO expertise for fire safety inspections, outreach, investigations, and enforcement. Forensic and fire science related training would be reduced along with opportunities to train and collaborate with other experts due to the reduction in budget.

Fire and arson investigations, building inspections, licensing, field staff travel to provide services, fire fighter fatality investigations, and training for staff would all be critically impacted.

In addition, SFMO would be unable to fulfill Sunset Advisory Commission recommendations regarding inspections of state leased buildings and forensic and fire science training and certification due to lack of resources. The reduction would impact SFMO performance measures, relating to presentations, inspections, and investigations.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$10,385	\$10,385	\$20,770	\$10,385	\$10,385	\$20,770
General Revenue Funds Total	\$10,385	\$10,385	\$20,770	\$10,385	\$10,385	\$20,770

Gr Dedicated

36 Dept Ins Operating Acct	\$3,893	\$3,893	\$7,786	\$3,893	\$3,893	\$7,786
Gr Dedicated Total	\$3,893	\$3,893	\$7,786	\$3,893	\$3,893	\$7,786

Strategy: 1-2-1 Respond Promptly and Act on Complaints

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,185	\$1,185	\$2,370	\$1,185	\$1,185	\$2,370	
General Revenue Funds Total	\$1,185	\$1,185	\$2,370	\$1,185	\$1,185	\$2,370	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$444	\$444	\$888	\$444	\$444	\$888	
Gr Dedicated Total	\$444	\$444	\$888	\$444	\$444	\$888	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$3,153	\$3,153	\$6,306	\$3,153	\$3,153	\$6,306	
General Revenue Funds Total	\$3,153	\$3,153	\$6,306	\$3,153	\$3,153	\$6,306	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,182	\$1,182	\$2,364	\$1,182	\$1,182	\$2,364	
Gr Dedicated Total	\$1,182	\$1,182	\$2,364	\$1,182	\$1,182	\$2,364	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,124	\$1,124	\$2,248	\$1,124	\$1,124	\$2,248	
General Revenue Funds Total	\$1,124	\$1,124	\$2,248	\$1,124	\$1,124	\$2,248	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$421	\$421	\$842	\$421	\$421	\$842	
Gr Dedicated Total	\$421	\$421	\$842	\$421	\$421	\$842	

Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly

General Revenue Funds

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
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Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
8042 Insurance Maint Tax Fees	\$9,069	\$9,069	\$18,138	\$9,069	\$9,069	\$18,138	
General Revenue Funds Total	\$9,069	\$9,069	\$18,138	\$9,069	\$9,069	\$18,138	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,399	\$3,399	\$6,798	\$3,399	\$3,399	\$6,798	
Gr Dedicated Total	\$3,399	\$3,399	\$6,798	\$3,399	\$3,399	\$6,798	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,052	\$1,052	\$2,104	\$1,052	\$1,052	\$2,104	
General Revenue Funds Total	\$1,052	\$1,052	\$2,104	\$1,052	\$1,052	\$2,104	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$395	\$395	\$790	\$395	\$395	\$790	
Gr Dedicated Total	\$395	\$395	\$790	\$395	\$395	\$790	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$10,525	\$10,525	\$21,050	\$10,525	\$10,525	\$21,050	
General Revenue Funds Total	\$10,525	\$10,525	\$21,050	\$10,525	\$10,525	\$21,050	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,945	\$3,945	\$7,890	\$3,945	\$3,945	\$7,890	
Gr Dedicated Total	\$3,945	\$3,945	\$7,890	\$3,945	\$3,945	\$7,890	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$169,865	\$169,865	\$339,730	\$169,865	\$169,865	\$339,730	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

<u>Item Priority and Name/ Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
General Revenue Funds Total	\$169,865	\$169,865	\$339,730	\$169,865	\$169,865	\$339,730	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$63,672	\$63,672	\$127,344	\$63,672	\$63,672	\$127,344	
Gr Dedicated Total	\$63,672	\$63,672	\$127,344	\$63,672	\$63,672	\$127,344	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$18,501	\$18,501	\$37,002	\$18,501	\$18,501	\$37,002	
General Revenue Funds Total	\$18,501	\$18,501	\$37,002	\$18,501	\$18,501	\$37,002	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6,935	\$6,935	\$13,870	\$6,935	\$6,935	\$13,870	
Gr Dedicated Total	\$6,935	\$6,935	\$13,870	\$6,935	\$6,935	\$13,870	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$32,601	\$32,601	\$65,202	\$32,601	\$32,601	\$65,202	
General Revenue Funds Total	\$32,601	\$32,601	\$65,202	\$32,601	\$32,601	\$65,202	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$12,220	\$12,220	\$24,440	\$12,220	\$12,220	\$24,440	
Gr Dedicated Total	\$12,220	\$12,220	\$24,440	\$12,220	\$12,220	\$24,440	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$11,604	\$11,604	\$23,208	\$11,604	\$11,604	\$23,208	
General Revenue Funds Total	\$11,604	\$11,604	\$23,208	\$11,604	\$11,604	\$23,208	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,349	\$4,349	\$8,698	\$4,349	\$4,349	\$8,698	
Gr Dedicated Total	\$4,349	\$4,349	\$8,698	\$4,349	\$4,349	\$8,698	
Item Total	\$369,919	\$369,919	\$739,838	\$369,919	\$369,919	\$739,838	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				5.6	5.6		

15 Injured Employee Customer Service

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: The reduction would eliminate 25.0 FTEs and reduce the agency budget by \$2,215,396. It would impact TDI-DWC's Field Operations (FO) and Records Management and Support (RMS) and Self-Insurance (SI), as well as administrative, executive, and legal support. This reduction increases the magnitude of the impacts identified in the first 5 percent reduction and could severely impact injured employees.

An additional 5 percent reduction would increase the time to process inquiries and complaints, official actions and requests for dispute proceedings, impact monitoring of system participants, and delay scheduling of designated doctor exams. Reductions would result in conversion of multiple field offices to hearings-only sites, customer service delays, and reduce the availability of current claim and system information.

The RMS reduction would further impact processing of claim records and official actions and may result in non-compliance with the Public Information Act. It would inhibit TDI-DWC's ability to provide records and reports to stakeholders and internal customers, and further jeopardize efficiency initiatives.

Further reduction to SI activities would adversely impact timely processing of applications, impact support for the Texas Certified Self-Insurer Guaranty Association, and affect self-insurer security deposits amounts.

Tex. Labor Code, Ch. 408 requires TDI-DWC to perform certain administrative functions for individual claims, such as processing injured employee requests to change treating doctors. This reduction would impact these administrative functions. If funding is reduced, the Legislature could consider shifting specific claims administration functions from TDI-DWC to the carriers.

Strategy: 1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution

<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,269	\$2,269	\$4,538	\$2,269	\$2,269	\$4,538	
Gr Dedicated Total	\$2,269	\$2,269	\$4,538	\$2,269	\$2,269	\$4,538	

Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$42,155	\$42,155	\$84,310	\$42,155	\$42,155	\$84,310	
Gr Dedicated Total	\$42,155	\$42,155	\$84,310	\$42,155	\$42,155	\$84,310	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$0	\$0	\$0				
Gr Dedicated Total	\$0	\$0	\$0				
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$84,473	\$84,473	\$168,946	\$84,473	\$84,473	\$168,946	
Gr Dedicated Total	\$84,473	\$84,473	\$168,946	\$84,473	\$84,473	\$168,946	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$272,086	\$272,086	\$544,172	\$272,086	\$272,086	\$544,172	
Gr Dedicated Total	\$272,086	\$272,086	\$544,172	\$272,086	\$272,086	\$544,172	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$311	\$311	\$622	\$311	\$311	\$622	
Gr Dedicated Total	\$311	\$311	\$622	\$311	\$311	\$622	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
36 Dept Ins Operating Acct	\$17,433	\$17,433	\$34,866	\$17,433	\$17,433	\$34,866	
Gr Dedicated Total	\$17,433	\$17,433	\$34,866	\$17,433	\$17,433	\$34,866	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$270,146	\$270,146	\$540,292	\$270,146	\$270,146	\$540,292	
Gr Dedicated Total	\$270,146	\$270,146	\$540,292	\$270,146	\$270,146	\$540,292	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$231,378	\$231,378	\$462,756	\$231,378	\$231,378	\$462,756	
Gr Dedicated Total	\$231,378	\$231,378	\$462,756	\$231,378	\$231,378	\$462,756	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$136,343	\$136,343	\$272,686	\$136,343	\$136,343	\$272,686	
Gr Dedicated Total	\$136,343	\$136,343	\$272,686	\$136,343	\$136,343	\$272,686	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$51,104	\$51,104	\$102,208	\$51,104	\$51,104	\$102,208	
Gr Dedicated Total	\$51,104	\$51,104	\$102,208	\$51,104	\$51,104	\$102,208	
Item Total	\$1,107,698	\$1,107,698	\$2,215,396	\$1,107,698	\$1,107,698	\$2,215,396	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				25.0	25.0		

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	

16 Enforcement Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction would eliminate 3.0 FTEs and decrease the agency budget by \$546,364. This reduction would impair the core function of the Enforcement section to provide prompt and fair resolution of agency actions against regulated entities and unauthorized insurance activities as well as against workers' compensation carriers, physicians, designated doctors, and other workers' compensation system participants. Based on fiscal year 2013 restitution and penalty data, the reduction in staff may reduce fines and penalties by \$500,000.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$7,036	\$7,036	\$14,072	\$7,036	\$7,036	\$14,072
General Revenue Funds Total	\$7,036	\$7,036	\$14,072	\$7,036	\$7,036	\$14,072

Gr Dedicated

36 Dept Ins Operating Acct	\$2,638	\$2,638	\$5,276	\$2,638	\$2,638	\$5,276
Gr Dedicated Total	\$2,638	\$2,638	\$5,276	\$2,638	\$2,638	\$5,276

Strategy: 1-2-1 Respond Promptly and Act on Complaints

General Revenue Funds

8042 Insurance Maint Tax Fees	\$1,414	\$1,414	\$2,828	\$1,414	\$1,414	\$2,828
General Revenue Funds Total	\$1,414	\$1,414	\$2,828	\$1,414	\$1,414	\$2,828

Gr Dedicated

36 Dept Ins Operating Acct	\$530	\$530	\$1,060	\$530	\$530	\$1,060
Gr Dedicated Total	\$530	\$530	\$1,060	\$530	\$530	\$1,060

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

General Revenue Funds

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
8042 Insurance Maint Tax Fees	\$98,765	\$98,765	\$197,530	\$98,765	\$98,765	\$197,530	
General Revenue Funds Total	\$98,765	\$98,765	\$197,530	\$98,765	\$98,765	\$197,530	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$37,021	\$37,021	\$74,042	\$37,021	\$37,021	\$74,042	
Gr Dedicated Total	\$37,021	\$37,021	\$74,042	\$37,021	\$37,021	\$74,042	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,735	\$1,735	\$3,470	\$1,735	\$1,735	\$3,470	
General Revenue Funds Total	\$1,735	\$1,735	\$3,470	\$1,735	\$1,735	\$3,470	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$650	\$650	\$1,300	\$650	\$650	\$1,300	
Gr Dedicated Total	\$650	\$650	\$1,300	\$650	\$650	\$1,300	
Strategy: 1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$130	\$130	\$260	\$130	\$130	\$260	
Gr Dedicated Total	\$130	\$130	\$260	\$130	\$130	\$260	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$5,368	\$5,368	\$10,736	\$5,368	\$5,368	\$10,736	
General Revenue Funds Total	\$5,368	\$5,368	\$10,736	\$5,368	\$5,368	\$10,736	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,012	\$2,012	\$4,024	\$2,012	\$2,012	\$4,024	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Gr Dedicated Total	\$2,012	\$2,012	\$4,024	\$2,012	\$2,012	\$4,024	
Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$224	\$224	\$448	\$224	\$224	\$448	
Gr Dedicated Total	\$224	\$224	\$448	\$224	\$224	\$448	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$623	\$623	\$1,246	\$623	\$623	\$1,246	
General Revenue Funds Total	\$623	\$623	\$1,246	\$623	\$623	\$1,246	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$234	\$234	\$468	\$234	\$234	\$468	
Gr Dedicated Total	\$234	\$234	\$468	\$234	\$234	\$468	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$6,230	\$6,230	\$12,460	\$6,230	\$6,230	\$12,460	
General Revenue Funds Total	\$6,230	\$6,230	\$12,460	\$6,230	\$6,230	\$12,460	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,335	\$2,335	\$4,670	\$2,335	\$2,335	\$4,670	
Gr Dedicated Total	\$2,335	\$2,335	\$4,670	\$2,335	\$2,335	\$4,670	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
8042 Insurance Maint Tax Fees	\$972	\$972	\$1,944	\$972	\$972	\$1,944	
General Revenue Funds Total	\$972	\$972	\$1,944	\$972	\$972	\$1,944	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$365	\$365	\$730	\$365	\$365	\$730	
Gr Dedicated Total	\$365	\$365	\$730	\$365	\$365	\$730	
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$42,904	\$42,904	\$85,808	\$42,904	\$42,904	\$85,808	
Gr Dedicated Total	\$42,904	\$42,904	\$85,808	\$42,904	\$42,904	\$85,808	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,782	\$2,782	\$5,564	\$2,782	\$2,782	\$5,564	
Gr Dedicated Total	\$2,782	\$2,782	\$5,564	\$2,782	\$2,782	\$5,564	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$18	\$18	\$36	\$18	\$18	\$36	
Gr Dedicated Total	\$18	\$18	\$36	\$18	\$18	\$36	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$995	\$995	\$1,990	\$995	\$995	\$1,990	
Gr Dedicated Total	\$995	\$995	\$1,990	\$995	\$995	\$1,990	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,564	\$1,564	\$3,128	\$1,564	\$1,564	\$3,128	
Gr Dedicated Total	\$1,564	\$1,564	\$3,128	\$1,564	\$1,564	\$3,128	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$10,950	\$10,950	\$21,900	\$10,950	\$10,950	\$21,900	
General Revenue Funds Total	\$10,950	\$10,950	\$21,900	\$10,950	\$10,950	\$21,900	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$8,019	\$8,019	\$16,038	\$8,019	\$8,019	\$16,038	
Gr Dedicated Total	\$8,019	\$8,019	\$16,038	\$8,019	\$8,019	\$16,038	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$19,295	\$19,295	\$38,590	\$19,295	\$19,295	\$38,590	
General Revenue Funds Total	\$19,295	\$19,295	\$38,590	\$19,295	\$19,295	\$38,590	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$15,013	\$15,013	\$30,026	\$15,013	\$15,013	\$30,026	
Gr Dedicated Total	\$15,013	\$15,013	\$30,026	\$15,013	\$15,013	\$30,026	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$6,868	\$6,868	\$13,736	\$6,868	\$6,868	\$13,736	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
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Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
General Revenue Funds Total	\$6,868	\$6,868	\$13,736	\$6,868	\$6,868	\$13,736	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,492	\$5,492	\$10,984	\$5,492	\$5,492	\$10,984	
Gr Dedicated Total	\$5,492	\$5,492	\$10,984	\$5,492	\$5,492	\$10,984	
Item Total	\$282,182	\$282,182	\$564,364	\$282,182	\$282,182	\$564,364	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				3.0	3.0		

17 Policy & Research

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: The reduction would eliminate 2.0 FTEs and reduce the agency budget by \$340,810 in the DWC Health Care Policy and Implementation (HCPI), System Monitoring and Oversight (SMO), Health Care Quality Review (HCQR) program areas, and reduce administrative, executive, and legal support. The reductions would impact appropriations for several key measures for strategies 4.1.1 Oversight and Enforcement, 4.1.2 Dispute Resolution, and 4.2.1 Health and Safety Services.

An additional 5 percent reduction eliminate expert consultation services on critical Medicare-related matters and would further limit travel for training staff on current health care and workers' compensation laws, and educating system participants regarding rule implementation. The reduced funding for SMO would further limit audits completed and lessen DWC's ability to timely identify and resolve complaints, which could delay payment of critical benefits to system participants. The reduced funding for HCQR would result in a decreased ability to perform statutorily required Medical Quality Review Panel activities and negatively impact DWC's ability to monitor the quality of health care delivered in the workers' compensation system. It would result in fewer medical quality reviews, including complaint-driven quality of care reviews, and increase the time necessary to conduct quality of care reviews of health care providers, insurance carriers, IROs, and URAs. The reduction could adversely impact the DWC's ability to monitor patterns and trends of system participants regarding the utilization of medical services provided to injured employees.

Strategy: 1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution

Gr Dedicated

36 Dept Ins Operating Acct	\$349	\$349	\$698	\$349	\$349	\$698	
Gr Dedicated Total	\$349	\$349	\$698	\$349	\$349	\$698	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$603	\$603	\$1,206	\$603	\$603	\$1,206	
Gr Dedicated Total	\$603	\$603	\$1,206	\$603	\$603	\$1,206	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$0	\$0	\$0				
Gr Dedicated Total	\$0	\$0	\$0				
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$84,546	\$84,546	\$169,092	\$84,546	\$84,546	\$169,092	
Gr Dedicated Total	\$84,546	\$84,546	\$169,092	\$84,546	\$84,546	\$169,092	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$29,254	\$29,254	\$58,508	\$29,254	\$29,254	\$58,508	
Gr Dedicated Total	\$29,254	\$29,254	\$58,508	\$29,254	\$29,254	\$58,508	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$48	\$48	\$96	\$48	\$48	\$96	
Gr Dedicated Total	\$48	\$48	\$96	\$48	\$48	\$96	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$12,007	\$12,007	\$24,014	\$12,007	\$12,007	\$24,014	
Gr Dedicated Total	\$12,007	\$12,007	\$24,014	\$12,007	\$12,007	\$24,014	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,214	\$4,214	\$8,428	\$4,214	\$4,214	\$8,428	
Gr Dedicated Total	\$4,214	\$4,214	\$8,428	\$4,214	\$4,214	\$8,428	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,548	\$10,548	\$21,096	\$10,548	\$10,548	\$21,096	
Gr Dedicated Total	\$10,548	\$10,548	\$21,096	\$10,548	\$10,548	\$21,096	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$20,974	\$20,974	\$41,948	\$20,974	\$20,974	\$41,948	
Gr Dedicated Total	\$20,974	\$20,974	\$41,948	\$20,974	\$20,974	\$41,948	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$7,862	\$7,862	\$15,724	\$7,862	\$7,862	\$15,724	
Gr Dedicated Total	\$7,862	\$7,862	\$15,724	\$7,862	\$7,862	\$15,724	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Item Total	\$170,405	\$170,405	\$340,810	\$170,405	\$170,405	\$340,810	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				2.0	2.0		

18 L A & H Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduced funding would eliminate 5.6 FTEs and decrease the agency budget by \$713,928. The reduction would further impact the division’s ability to timely review life and health forms and rates as well as legislation, and would impact the rulemaking process and special projects from the commissioner and/or legislators. The reduction would eliminate the staffing required to process paper filings and a statutory change may be recommended eliminate the option for companies to file paper filings and to use a payment method other than EFT in the electronic filing system. The reduction would have a greater negative impact on staff’s ability to conduct research, respond to requests from external stakeholders, and complete statutorily required studies. In addition, the reduction would further reduce grants for the Texas Three-Share program by an additional \$40,000, which would impact local health coverage.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$10,022	\$10,022	\$20,044	\$10,022	\$10,022	\$20,044
General Revenue Funds Total	\$10,022	\$10,022	\$20,044	\$10,022	\$10,022	\$20,044

Gr Dedicated

36 Dept Ins Operating Acct	\$3,756	\$3,756	\$7,512	\$3,756	\$3,756	\$7,512
Gr Dedicated Total	\$3,756	\$3,756	\$7,512	\$3,756	\$3,756	\$7,512

Strategy: 1-2-1 Respond Promptly and Act on Complaints

General Revenue Funds

8042 Insurance Maint Tax Fees	\$9,028	\$9,028	\$18,056	\$9,028	\$9,028	\$18,056
General Revenue Funds Total	\$9,028	\$9,028	\$18,056	\$9,028	\$9,028	\$18,056

Gr Dedicated

36 Dept Ins Operating Acct	\$3,384	\$3,384	\$6,768	\$3,384	\$3,384	\$6,768
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Gr Dedicated Total	\$3,384	\$3,384	\$6,768	\$3,384	\$3,384	\$6,768	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$3,043	\$3,043	\$6,086	\$3,043	\$3,043	\$6,086	
General Revenue Funds Total	\$3,043	\$3,043	\$6,086	\$3,043	\$3,043	\$6,086	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,140	\$1,140	\$2,280	\$1,140	\$1,140	\$2,280	
Gr Dedicated Total	\$1,140	\$1,140	\$2,280	\$1,140	\$1,140	\$2,280	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,084	\$1,084	\$2,168	\$1,084	\$1,084	\$2,168	
General Revenue Funds Total	\$1,084	\$1,084	\$2,168	\$1,084	\$1,084	\$2,168	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$407	\$407	\$814	\$407	\$407	\$814	
Gr Dedicated Total	\$407	\$407	\$814	\$407	\$407	\$814	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$147,260	\$147,260	\$294,520	\$147,260	\$147,260	\$294,520	
General Revenue Funds Total	\$147,260	\$147,260	\$294,520	\$147,260	\$147,260	\$294,520	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$55,198	\$55,198	\$110,396	\$55,198	\$55,198	\$110,396	
Gr Dedicated Total	\$55,198	\$55,198	\$110,396	\$55,198	\$55,198	\$110,396	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 1-4-2 Administer Three-Share Grant Program							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$20,000	\$20,000	\$40,000	\$20,000	\$20,000	\$40,000	
Gr Dedicated Total	\$20,000	\$20,000	\$40,000	\$20,000	\$20,000	\$40,000	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,016	\$1,016	\$2,032	\$1,016	\$1,016	\$2,032	
General Revenue Funds Total	\$1,016	\$1,016	\$2,032	\$1,016	\$1,016	\$2,032	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$381	\$381	\$762	\$381	\$381	\$762	
Gr Dedicated Total	\$381	\$381	\$762	\$381	\$381	\$762	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$11,548	\$11,548	\$23,096	\$11,548	\$11,548	\$23,096	
General Revenue Funds Total	\$11,548	\$11,548	\$23,096	\$11,548	\$11,548	\$23,096	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,328	\$4,328	\$8,656	\$4,328	\$4,328	\$8,656	
Gr Dedicated Total	\$4,328	\$4,328	\$8,656	\$4,328	\$4,328	\$8,656	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,585	\$1,585	\$3,170	\$1,585	\$1,585	\$3,170	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
General Revenue Funds Total	\$1,585	\$1,585	\$3,170	\$1,585	\$1,585	\$3,170	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$594	\$594	\$1,188	\$594	\$594	\$1,188	
Gr Dedicated Total	\$594	\$594	\$1,188	\$594	\$594	\$1,188	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$17,853	\$17,853	\$35,706	\$17,853	\$17,853	\$35,706	
General Revenue Funds Total	\$17,853	\$17,853	\$35,706	\$17,853	\$17,853	\$35,706	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6,692	\$6,692	\$13,384	\$6,692	\$6,692	\$13,384	
Gr Dedicated Total	\$6,692	\$6,692	\$13,384	\$6,692	\$6,692	\$13,384	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$31,458	\$31,458	\$62,916	\$31,458	\$31,458	\$62,916	
General Revenue Funds Total	\$31,458	\$31,458	\$62,916	\$31,458	\$31,458	\$62,916	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$11,792	\$11,792	\$23,584	\$11,792	\$11,792	\$23,584	
Gr Dedicated Total	\$11,792	\$11,792	\$23,584	\$11,792	\$11,792	\$23,584	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$11,198	\$11,198	\$22,396	\$11,198	\$11,198	\$22,396	
General Revenue Funds Total	\$11,198	\$11,198	\$22,396	\$11,198	\$11,198	\$22,396	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
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Date: 8/22/2014
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,197	\$4,197	\$8,394	\$4,197	\$4,197	\$8,394	
Gr Dedicated Total	\$4,197	\$4,197	\$8,394	\$4,197	\$4,197	\$8,394	
Item Total	\$356,964	\$356,964	\$713,928	\$356,964	\$356,964	\$713,928	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				5.6	5.6		

19 Workplace Safety

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction would eliminate 1.3 FTE and reduce the agency budget by an additional \$211,548. It would negatively impact DWC's ability to educate system participants and could adversely impact safety and health conditions in Texas workplaces. The reduction would decrease the number of workplace safety outreach initiatives and resources devoted to instructor-led training. An additional 5 percent reduction would severely affect TDI's ability to perform the workplace education and safety functions and could potentially increase work-related injuries and illnesses in Texas.

The reduction would further limit training and outreach provided to system participants and prevent filling requests for speakers on workers' compensation matters. Training reductions would further limit the ability to educate providers on workers' compensation treatment, coding and billing guidelines, which could affect patient care and provider billing. It would also further impact provider recruitment, which could affect injured employee access to health care.

The reduction would limit educational seminars, which are used to assist system participants who require formal training or who cannot access information electronically. As a result, providers, insurance carriers, employers and employees would be less informed regarding their rights and responsibilities in the workers' compensation system.

Strategy: 1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution

<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$217	\$217	\$434	\$217	\$217	\$434	
Gr Dedicated Total	\$217	\$217	\$434	\$217	\$217	\$434	

Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$374	\$374	\$748	\$374	\$374	\$748	
Gr Dedicated Total	\$374	\$374	\$748	\$374	\$374	\$748	
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,383	\$4,383	\$8,766	\$4,383	\$4,383	\$8,766	
Gr Dedicated Total	\$4,383	\$4,383	\$8,766	\$4,383	\$4,383	\$8,766	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,654	\$4,654	\$9,308	\$4,654	\$4,654	\$9,308	
Gr Dedicated Total	\$4,654	\$4,654	\$9,308	\$4,654	\$4,654	\$9,308	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$30	\$30	\$60	\$30	\$30	\$60	
Gr Dedicated Total	\$30	\$30	\$60	\$30	\$30	\$60	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$69,055	\$69,055	\$138,110	\$69,055	\$69,055	\$138,110	
Gr Dedicated Total	\$69,055	\$69,055	\$138,110	\$69,055	\$69,055	\$138,110	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
36 Dept Ins Operating Acct	\$2,616	\$2,616	\$5,232	\$2,616	\$2,616	\$5,232	
Gr Dedicated Total	\$2,616	\$2,616	\$5,232	\$2,616	\$2,616	\$5,232	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$6,547	\$6,547	\$13,094	\$6,547	\$6,547	\$13,094	
Gr Dedicated Total	\$6,547	\$6,547	\$13,094	\$6,547	\$6,547	\$13,094	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$13,018	\$13,018	\$26,036	\$13,018	\$13,018	\$26,036	
Gr Dedicated Total	\$13,018	\$13,018	\$26,036	\$13,018	\$13,018	\$26,036	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,880	\$4,880	\$9,760	\$4,880	\$4,880	\$9,760	
Gr Dedicated Total	\$4,880	\$4,880	\$9,760	\$4,880	\$4,880	\$9,760	
Item Total	\$105,774	\$105,774	\$211,548	\$105,774	\$105,774	\$211,548	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				1.3	1.3		

20 Customer Assistance Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction would eliminate 4.3 FTEs and reduce the agency budget by \$527,978. This reduction would further impact consumers by reducing the number of Consumer Help Line calls answered by an additional 20,000 per year and the number of complaint resolutions by 1,600 annually. Public education would be impacted by a further decrease in the number of presentations made by 120 per year and an additional 46% reduction in the publication printing budget. TDI would not be able to meet the related performance measure targets for these activities as a result of the reductions.

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$96,494	\$96,494	\$192,988	\$96,494	\$96,494	\$192,988	
General Revenue Funds Total	\$96,494	\$96,494	\$192,988	\$96,494	\$96,494	\$192,988	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$36,170	\$36,170	\$72,340	\$36,170	\$36,170	\$72,340	
Gr Dedicated Total	\$36,170	\$36,170	\$72,340	\$36,170	\$36,170	\$72,340	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$29,852	\$29,852	\$59,704	\$29,852	\$29,852	\$59,704	
General Revenue Funds Total	\$29,852	\$29,852	\$59,704	\$29,852	\$29,852	\$59,704	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$11,190	\$11,190	\$22,380	\$11,190	\$11,190	\$22,380	
Gr Dedicated Total	\$11,190	\$11,190	\$22,380	\$11,190	\$11,190	\$22,380	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$3,141	\$3,141	\$6,282	\$3,141	\$3,141	\$6,282	
General Revenue Funds Total	\$3,141	\$3,141	\$6,282	\$3,141	\$3,141	\$6,282	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,177	\$1,177	\$2,354	\$1,177	\$1,177	\$2,354	
Gr Dedicated Total	\$1,177	\$1,177	\$2,354	\$1,177	\$1,177	\$2,354	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,871	\$1,871	\$3,742	\$1,871	\$1,871	\$3,742	
General Revenue Funds Total	\$1,871	\$1,871	\$3,742	\$1,871	\$1,871	\$3,742	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$702	\$702	\$1,404	\$702	\$702	\$1,404	
Gr Dedicated Total	\$702	\$702	\$1,404	\$702	\$702	\$1,404	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$6,472	\$6,472	\$12,944	\$6,472	\$6,472	\$12,944	
General Revenue Funds Total	\$6,472	\$6,472	\$12,944	\$6,472	\$6,472	\$12,944	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,426	\$2,426	\$4,852	\$2,426	\$2,426	\$4,852	
Gr Dedicated Total	\$2,426	\$2,426	\$4,852	\$2,426	\$2,426	\$4,852	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$751	\$751	\$1,502	\$751	\$751	\$1,502	
General Revenue Funds Total	\$751	\$751	\$1,502	\$751	\$751	\$1,502	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$282	\$282	\$564	\$282	\$282	\$564	
Gr Dedicated Total	\$282	\$282	\$564	\$282	\$282	\$564	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$7,511	\$7,511	\$15,022	\$7,511	\$7,511	\$15,022	
General Revenue Funds Total	\$7,511	\$7,511	\$15,022	\$7,511	\$7,511	\$15,022	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,815	\$2,815	\$5,630	\$2,815	\$2,815	\$5,630	
Gr Dedicated Total	\$2,815	\$2,815	\$5,630	\$2,815	\$2,815	\$5,630	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,173	\$1,173	\$2,346	\$1,173	\$1,173	\$2,346	
General Revenue Funds Total	\$1,173	\$1,173	\$2,346	\$1,173	\$1,173	\$2,346	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$439	\$439	\$878	\$439	\$439	\$878	
Gr Dedicated Total	\$439	\$439	\$878	\$439	\$439	\$878	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$13,203	\$13,203	\$26,406	\$13,203	\$13,203	\$26,406	
General Revenue Funds Total	\$13,203	\$13,203	\$26,406	\$13,203	\$13,203	\$26,406	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,949	\$4,949	\$9,898	\$4,949	\$4,949	\$9,898	
Gr Dedicated Total	\$4,949	\$4,949	\$9,898	\$4,949	\$4,949	\$9,898	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$23,265	\$23,265	\$46,530	\$23,265	\$23,265	\$46,530	
General Revenue Funds Total	\$23,265	\$23,265	\$46,530	\$23,265	\$23,265	\$46,530	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$8,721	\$8,721	\$17,442	\$8,721	\$8,721	\$17,442	
Gr Dedicated Total	\$8,721	\$8,721	\$17,442	\$8,721	\$8,721	\$17,442	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$8,281	\$8,281	\$16,562	\$8,281	\$8,281	\$16,562	
General Revenue Funds Total	\$8,281	\$8,281	\$16,562	\$8,281	\$8,281	\$16,562	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,104	\$3,104	\$6,208	\$3,104	\$3,104	\$6,208	
Gr Dedicated Total	\$3,104	\$3,104	\$6,208	\$3,104	\$3,104	\$6,208	
Item Total	\$263,989	\$263,989	\$527,978	\$263,989	\$263,989	\$527,978	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				4.3	4.3		

21 Dispute Resolution & Admin Hearing Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Item Comment: This reduction would eliminate 7.8 FTEs and reduce the agency budget by \$1,304,018.							
It would impact the Division of Workers' Compensation (DWC) Medical Fee Dispute Resolution and Hearings programs, and administrative, executive, and legal support. The reduction would impact key measures for strategy 4.1.2 Dispute Resolution by impeding DWC's ability to monitor the quality of medical fee dispute decisions for hospital based services. It would also increase processing time for medical fee disputes. It would impede DWC's ability to timely identify problematic system fee dispute trends and impact the quality of fee dispute information provided to system participants.							
Reductions in the Hearings area would delay workers' compensation indemnity and medical dispute resolution services. DWC may not be able to meet statutory timeframes for conducting benefit review conferences and contested case hearings. It would increase the Subsequent Injury Fund's exposure to higher reimbursement requests due to delays in adjudicating disputes. The reduction could result in increased travel expenses as staff may need to travel from other locations to resolve disputes, conduct benefit review conferences and contested case hearings statewide. It would delay delivery of income and medical benefits to injured employees due to a backlog of dispute resolution proceedings. Additionally, at a reduced funding level, indemnity benefits and prospective medical care would take precedence; resulting in delays of contested case hearings for retrospective medical care, attorney fee, and medical fee disputes.							
Strategy: 1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,336	\$1,336	\$2,672	\$1,336	\$1,336	\$2,672	
Gr Dedicated Total	\$1,336	\$1,336	\$2,672	\$1,336	\$1,336	\$2,672	
Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,307	\$2,307	\$4,614	\$2,307	\$2,307	\$4,614	
Gr Dedicated Total	\$2,307	\$2,307	\$4,614	\$2,307	\$2,307	\$4,614	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$0	\$0	\$0				
Gr Dedicated Total	\$0	\$0	\$0				

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$27,017	\$27,017	\$54,034	\$27,017	\$27,017	\$54,034	
Gr Dedicated Total	\$27,017	\$27,017	\$54,034	\$27,017	\$27,017	\$54,034	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$444,089	\$444,089	\$888,178	\$444,089	\$444,089	\$888,178	
Gr Dedicated Total	\$444,089	\$444,089	\$888,178	\$444,089	\$444,089	\$888,178	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$183	\$183	\$366	\$183	\$183	\$366	
Gr Dedicated Total	\$183	\$183	\$366	\$183	\$183	\$366	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,261	\$10,261	\$20,522	\$10,261	\$10,261	\$20,522	
Gr Dedicated Total	\$10,261	\$10,261	\$20,522	\$10,261	\$10,261	\$20,522	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$16,123	\$16,123	\$32,246	\$16,123	\$16,123	\$32,246	
Gr Dedicated Total	\$16,123	\$16,123	\$32,246	\$16,123	\$16,123	\$32,246	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
Time: 9:56:23AM

Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 5-1-1 Central Administration							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$40,357	\$40,357	\$80,714	\$40,357	\$40,357	\$80,714	
Gr Dedicated Total	\$40,357	\$40,357	\$80,714	\$40,357	\$40,357	\$80,714	
Strategy: 5-1-2 Information Resources							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$80,255	\$80,255	\$160,510	\$80,255	\$80,255	\$160,510	
Gr Dedicated Total	\$80,255	\$80,255	\$160,510	\$80,255	\$80,255	\$160,510	
Strategy: 5-1-3 Other Support Services							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$30,081	\$30,081	\$60,162	\$30,081	\$30,081	\$60,162	
Gr Dedicated Total	\$30,081	\$30,081	\$60,162	\$30,081	\$30,081	\$60,162	
Item Total	\$652,009	\$652,009	\$1,304,018	\$652,009	\$652,009	\$1,304,018	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				7.8	7.8		

22 Subsequent Injury Fund

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction would decrease the agency budget by \$546,836. DWC would have to reduce the appropriations of the Subsequent Injury Fund (SIF). Payments from the SIF are statutorily required. If funding for the SIF is reduced, and liabilities exceed available funding, TDI would have to request additional appropriations from the Comptroller of Public Accounts to cover expenses.

Strategy: 4-1-3 Administer Subsequent Injury Fund

Gr Dedicated

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
5101 Subsequent Injury Fund	\$273,417	\$273,417	\$546,834	\$273,417	\$273,417	\$546,834	
Gr Dedicated Total	\$273,417	\$273,417	\$546,834	\$273,417	\$273,417	\$546,834	
Item Total	\$273,417	\$273,417	\$546,834	\$273,417	\$273,417	\$546,834	

FTE Reductions (From FY 2016 and FY 2017 Base Request)

23 Fraud Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction would eliminate 3.5 FTEs and reduce the agency budget by \$520.132. The reduction would further inhibit the agency's ability to prosecute insurance fraud by an additional 50 fewer fraud investigations opened and 16 fewer fraud referrals for prosecution; it would also increase the time necessary to investigate each fraud report by 10 percent as well as further delaying the processing of incoming fraud reports from public, law enforcement and the industry.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$7,463	\$7,463	\$14,926	\$7,463	\$7,463	\$14,926
General Revenue Funds Total	\$7,463	\$7,463	\$14,926	\$7,463	\$7,463	\$14,926

Gr Dedicated

36 Dept Ins Operating Acct	\$2,797	\$2,797	\$5,594	\$2,797	\$2,797	\$5,594
Gr Dedicated Total	\$2,797	\$2,797	\$5,594	\$2,797	\$2,797	\$5,594

Strategy: 1-2-1 Respond Promptly and Act on Complaints

General Revenue Funds

8042 Insurance Maint Tax Fees	\$1,462	\$1,462	\$2,924	\$1,462	\$1,462	\$2,924
General Revenue Funds Total	\$1,462	\$1,462	\$2,924	\$1,462	\$1,462	\$2,924

Gr Dedicated

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
36 Dept Ins Operating Acct	\$548	\$548	\$1,096	\$548	\$548	\$1,096	
Gr Dedicated Total	\$548	\$548	\$1,096	\$548	\$548	\$1,096	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$2,885	\$2,885	\$5,770	\$2,885	\$2,885	\$5,770	
General Revenue Funds Total	\$2,885	\$2,885	\$5,770	\$2,885	\$2,885	\$5,770	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,082	\$1,082	\$2,164	\$1,082	\$1,082	\$2,164	
Gr Dedicated Total	\$1,082	\$1,082	\$2,164	\$1,082	\$1,082	\$2,164	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$104,679	\$104,679	\$209,358	\$104,679	\$104,679	\$209,358	
General Revenue Funds Total	\$104,679	\$104,679	\$209,358	\$104,679	\$104,679	\$209,358	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$39,237	\$39,237	\$78,474	\$39,237	\$39,237	\$78,474	
Gr Dedicated Total	\$39,237	\$39,237	\$78,474	\$39,237	\$39,237	\$78,474	
Strategy: 1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$16,594	\$16,594	\$33,188	\$16,594	\$16,594	\$33,188	
Gr Dedicated Total	\$16,594	\$16,594	\$33,188	\$16,594	\$16,594	\$33,188	

Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$5,740	\$5,740	\$11,480	\$5,740	\$5,740	\$11,480	
General Revenue Funds Total	\$5,740	\$5,740	\$11,480	\$5,740	\$5,740	\$11,480	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$2,151	\$2,151	\$4,302	\$2,151	\$2,151	\$4,302	
Gr Dedicated Total	\$2,151	\$2,151	\$4,302	\$2,151	\$2,151	\$4,302	
Strategy: 1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$92	\$92	\$184	\$92	\$92	\$184	
Gr Dedicated Total	\$92	\$92	\$184	\$92	\$92	\$184	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$666	\$666	\$1,332	\$666	\$666	\$1,332	
General Revenue Funds Total	\$666	\$666	\$1,332	\$666	\$666	\$1,332	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$250	\$250	\$500	\$250	\$250	\$500	
Gr Dedicated Total	\$250	\$250	\$500	\$250	\$250	\$500	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$6,660	\$6,660	\$13,320	\$6,660	\$6,660	\$13,320	
General Revenue Funds Total	\$6,660	\$6,660	\$13,320	\$6,660	\$6,660	\$13,320	
<u>Gr Dedicated</u>							

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Date: 8/22/2014
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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
36 Dept Ins Operating Acct	\$2,497	\$2,497	\$4,994	\$2,497	\$2,497	\$4,994	
Gr Dedicated Total	\$2,497	\$2,497	\$4,994	\$2,497	\$2,497	\$4,994	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,039	\$1,039	\$2,078	\$1,039	\$1,039	\$2,078	
General Revenue Funds Total	\$1,039	\$1,039	\$2,078	\$1,039	\$1,039	\$2,078	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$390	\$390	\$780	\$390	\$390	\$780	
Gr Dedicated Total	\$390	\$390	\$780	\$390	\$390	\$780	
Strategy: 4-1-1 Oversee Activities of System Participants and Take Enforcement Action							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,076	\$1,076	\$2,152	\$1,076	\$1,076	\$2,152	
Gr Dedicated Total	\$1,076	\$1,076	\$2,152	\$1,076	\$1,076	\$2,152	
Strategy: 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,142	\$1,142	\$2,284	\$1,142	\$1,142	\$2,284	
Gr Dedicated Total	\$1,142	\$1,142	\$2,284	\$1,142	\$1,142	\$2,284	
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$7	\$7	\$14	\$7	\$7	\$14	
Gr Dedicated Total	\$7	\$7	\$14	\$7	\$7	\$14	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 4-2-1 Provide Educational Services&WPS Consultations to System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$409	\$409	\$818	\$409	\$409	\$818	
Gr Dedicated Total	\$409	\$409	\$818	\$409	\$409	\$818	
Strategy: 4-2-2 Provide Customer Assistance & Records Admin for System Participants							
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$642	\$642	\$1,284	\$642	\$642	\$1,284	
Gr Dedicated Total	\$642	\$642	\$1,284	\$642	\$642	\$1,284	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$11,708	\$11,708	\$23,416	\$11,708	\$11,708	\$23,416	
General Revenue Funds Total	\$11,708	\$11,708	\$23,416	\$11,708	\$11,708	\$23,416	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,996	\$5,996	\$11,992	\$5,996	\$5,996	\$11,992	
Gr Dedicated Total	\$5,996	\$5,996	\$11,992	\$5,996	\$5,996	\$11,992	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$20,631	\$20,631	\$41,262	\$20,631	\$20,631	\$41,262	
General Revenue Funds Total	\$20,631	\$20,631	\$41,262	\$20,631	\$20,631	\$41,262	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$10,929	\$10,929	\$21,858	\$10,929	\$10,929	\$21,858	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

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Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Gr Dedicated Total	\$10,929	\$10,929	\$21,858	\$10,929	\$10,929	\$21,858	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$7,343	\$7,343	\$14,686	\$7,343	\$7,343	\$14,686	
General Revenue Funds Total	\$7,343	\$7,343	\$14,686	\$7,343	\$7,343	\$14,686	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$3,951	\$3,951	\$7,902	\$3,951	\$3,951	\$7,902	
Gr Dedicated Total	\$3,951	\$3,951	\$7,902	\$3,951	\$3,951	\$7,902	
Item Total	\$260,066	\$260,066	\$520,132	\$260,066	\$260,066	\$520,132	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				3.5	3.5		

24 Solvency Monitoring Activities

Category: Programs - Service Reductions (FTEs-Layoffs)

Item Comment: This reduction would eliminate 6.1 FTEs and reduce the agency budget by \$998,154. The reductions would severely inhibit the ability to detect financially troubled insurance companies in a timely manner, which runs counter to TDI's goal of promoting a financially healthy insurance market. With a second reduction, there is a strong likelihood that TDI would be unable to meet solvency related performance measure targets. There would be much greater risk that troubled insurance companies may not be timely identified, which would likely cause some delay in implementing regulatory interventions, thus posing risks to consumers.

Strategy: 1-1-1 Educate Consumers and Industry by Providing Outreach and Information

General Revenue Funds

8042 Insurance Maint Tax Fees	\$14,011	\$14,011	\$28,022	\$14,011	\$14,011	\$28,022	
General Revenue Funds Total	\$14,011	\$14,011	\$28,022	\$14,011	\$14,011	\$28,022	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,252	\$5,252	\$10,504	\$5,252	\$5,252	\$10,504	

6.I. Percent Biennial Base Reduction Options

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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Gr Dedicated Total	\$5,252	\$5,252	\$10,504	\$5,252	\$5,252	\$10,504	
Strategy: 1-2-1 Respond Promptly and Act on Complaints							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,599	\$1,599	\$3,198	\$1,599	\$1,599	\$3,198	
General Revenue Funds Total	\$1,599	\$1,599	\$3,198	\$1,599	\$1,599	\$3,198	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$599	\$599	\$1,198	\$599	\$599	\$1,198	
Gr Dedicated Total	\$599	\$599	\$1,198	\$599	\$599	\$1,198	
Strategy: 1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$4,254	\$4,254	\$8,508	\$4,254	\$4,254	\$8,508	
General Revenue Funds Total	\$4,254	\$4,254	\$8,508	\$4,254	\$4,254	\$8,508	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$1,594	\$1,594	\$3,188	\$1,594	\$1,594	\$3,188	
Gr Dedicated Total	\$1,594	\$1,594	\$3,188	\$1,594	\$1,594	\$3,188	
Strategy: 1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,516	\$1,516	\$3,032	\$1,516	\$1,516	\$3,032	
General Revenue Funds Total	\$1,516	\$1,516	\$3,032	\$1,516	\$1,516	\$3,032	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$568	\$568	\$1,136	\$568	\$568	\$1,136	
Gr Dedicated Total	\$568	\$568	\$1,136	\$568	\$568	\$1,136	

6.I. Percent Biennial Base Reduction Options

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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 1-3-1 Process Rates, Forms & Licenses Promptly							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$12,236	\$12,236	\$24,472	\$12,236	\$12,236	\$24,472	
General Revenue Funds Total	\$12,236	\$12,236	\$24,472	\$12,236	\$12,236	\$24,472	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$4,586	\$4,586	\$9,172	\$4,586	\$4,586	\$9,172	
Gr Dedicated Total	\$4,586	\$4,586	\$9,172	\$4,586	\$4,586	\$9,172	
Strategy: 1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$1,421	\$1,421	\$2,842	\$1,421	\$1,421	\$2,842	
General Revenue Funds Total	\$1,421	\$1,421	\$2,842	\$1,421	\$1,421	\$2,842	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$532	\$532	\$1,064	\$532	\$532	\$1,064	
Gr Dedicated Total	\$532	\$532	\$1,064	\$532	\$532	\$1,064	
Strategy: 2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$241,158	\$241,158	\$482,316	\$241,158	\$241,158	\$482,316	
General Revenue Funds Total	\$241,158	\$241,158	\$482,316	\$241,158	\$241,158	\$482,316	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$90,395	\$90,395	\$180,790	\$90,395	\$90,395	\$180,790	
Gr Dedicated Total	\$90,395	\$90,395	\$180,790	\$90,395	\$90,395	\$180,790	

6.I. Percent Biennial Base Reduction Options

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Agency code: **454** Agency name: **Department of Insurance**

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 3-1-1 Provide Fire Protection through Education, Enforcement and Engineering							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$2,216	\$2,216	\$4,432	\$2,216	\$2,216	\$4,432	
General Revenue Funds Total	\$2,216	\$2,216	\$4,432	\$2,216	\$2,216	\$4,432	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$831	\$831	\$1,662	\$831	\$831	\$1,662	
Gr Dedicated Total	\$831	\$831	\$1,662	\$831	\$831	\$1,662	
Strategy: 5-1-1 Central Administration							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$24,961	\$24,961	\$49,922	\$24,961	\$24,961	\$49,922	
General Revenue Funds Total	\$24,961	\$24,961	\$49,922	\$24,961	\$24,961	\$49,922	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$9,356	\$9,356	\$18,712	\$9,356	\$9,356	\$18,712	
Gr Dedicated Total	\$9,356	\$9,356	\$18,712	\$9,356	\$9,356	\$18,712	
Strategy: 5-1-2 Information Resources							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$43,983	\$43,983	\$87,966	\$43,983	\$43,983	\$87,966	
General Revenue Funds Total	\$43,983	\$43,983	\$87,966	\$43,983	\$43,983	\$87,966	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$16,486	\$16,486	\$32,972	\$16,486	\$16,486	\$32,972	
Gr Dedicated Total	\$16,486	\$16,486	\$32,972	\$16,486	\$16,486	\$32,972	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/22/2014
Time: 9:56:23AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2016	2017	Biennial Total	2016	2017	Biennial Total	
Strategy: 5-1-3 Other Support Services							
<u>General Revenue Funds</u>							
8042 Insurance Maint Tax Fees	\$15,655	\$15,655	\$31,310	\$15,655	\$15,655	\$31,310	
General Revenue Funds Total	\$15,655	\$15,655	\$31,310	\$15,655	\$15,655	\$31,310	
<u>Gr Dedicated</u>							
36 Dept Ins Operating Acct	\$5,868	\$5,868	\$11,736	\$5,868	\$5,868	\$11,736	
Gr Dedicated Total	\$5,868	\$5,868	\$11,736	\$5,868	\$5,868	\$11,736	
Item Total	\$499,077	\$499,077	\$998,154	\$499,077	\$499,077	\$998,154	
FTE Reductions (From FY 2016 and FY 2017 Base Request)				6.1	6.1		
AGENCY TOTALS							
General Revenue Total	\$3,673,915	\$3,673,915	\$7,347,830	\$3,673,915	\$3,673,915	\$7,347,830	\$7,700,097
GR Dedicated Total	\$6,076,455	\$6,076,455	\$12,152,910	\$6,076,455	\$6,076,455	\$12,152,910	\$11,800,642
Agency Grand Total	\$9,750,370	\$9,750,370	\$19,500,740	\$9,750,370	\$9,750,370	\$19,500,740	
Difference, Options Total Less Target							\$1
Agency FTE Reductions (From FY 2016 and FY 2017 Base Request)				146.6	146.6		

454 Department of Insurance

	Est 2014	Bud 2015	BL 2016	BL 2017	Excp 2016	Excp 2017
<i>Item: 1 Establish Data Center</i>						
Objects of Expense						
Strategy: 1-1-1 CONSUMER EDUCATION AND OUTREACH						
2001 PROFESSIONAL FEES AND SERV	\$821,156	\$3,504,974	\$0	\$0	\$0	\$0
2005 TRAVEL	\$500	\$0	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$168	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-1-1	\$821,824	\$3,504,974	\$0	\$0	\$0	\$0
TOTAL, Objects of Expense	\$821,824	\$3,504,974	\$0	\$0	\$0	\$0
FEDERAL FUNDS						
Strategy: 1-1-1 CONSUMER EDUCATION AND OUTREACH						
555 Federal Funds						
93.511.000 ACA-Grnts St Hlth Ins Premium Revw	\$821,824	\$3,504,974	\$0	\$0	\$0	\$0
SUBTOTAL, Strategy 1-1-1	\$821,824	\$3,504,974	\$0	\$0	\$0	\$0
SUBTOTAL, FEDERAL FUNDS	\$821,824	\$3,504,974	\$0	\$0	\$0	\$0
TOTAL, Method of Financing	\$821,824	\$3,504,974	\$0	\$0	\$0	\$0

LEGAL AUTHORITY/STATUTORY REFERENCE FOR ITEM:

Section 2794 of the Affordable Care Act

DESCRIPTION/KEY ASSUMPTIONS:

454 Department of Insurance

	Est 2014	Bud 2015	BL 2016	BL 2017	Excp 2016	Excp 2017
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The Department received a \$4.3 million data center grant from the U.S. Department of Health and Human Services (HHS). The project period for the grant extends from October 1, 2013 through September 30, 2015.

Through the grant, the Department has contracted with the University of Texas School of Public Health to perform data analysis, research, and quality audit services. The deliverables under this contract will enhance the accuracy and relevance of the reimbursement rate data that the Department shares with consumers. The Department will also contract for web development and consumer focus group services, to ensure the information published is easy for consumers to access and understand.

Federal law does not require states to establish data centers. Texas chose to establish a collaborative data center project with UTSPH to expand price transparency in health services and to support research opportunities in Texas. These objectives represent a continuation of previous efforts by Texas policymakers to promote a consumer-driven health care system.

CONCERNS:

In pursuing greater transparency of health care prices, the Department is committed to meeting the needs of Texas consumers, insurers and providers. The Department plans to solicit input from stakeholders and to leverage the expertise assembled through the Institute for Health Care Quality and Efficiency to promote data center grant objectives.

TOTAL, ALL ITEMS	\$821,824	\$3,504,974	\$0	\$0	\$0	\$0
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454 Department of Insurance

MOF RECAP

	Est 2014	Bud 2015	BL 2016	BL 2017	Excp 2016	Excp 2017
FEDERAL FUNDS						
555 Federal Funds	\$821,824	\$3,504,974	\$0	\$0	\$0	\$0
SUBTOTAL, FEDERAL FUNDS	\$821,824	\$3,504,974	\$0	\$0	\$0	\$0
TOTAL, ALL ITEMS	\$821,824	\$3,504,974	\$0	\$0	\$0	\$0

6.J Part B Summary of Budgetary Impacts Related to Federal Health Care Reform Schedule

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/22/2014

TIME: 9:56:20AM

Agency code: 454 Agency name: Department of Insurance

ITEM	ITEM NAME	Est 2014	Bud 2015	BL 2016	BL 2017	Excp 2016	Excp 2017	Total Request 2016	Total Request 2017
1	Establish Data Center	\$821,824	\$3,504,974	\$0	\$0	\$0	\$0	\$0	\$0
Total, Cost Related to Health Care Reform		\$821,824	\$3,504,974	\$0	\$0	\$0	\$0	\$0	\$0
METHOD OF FINANCING									
	FEDERAL FUNDS	\$821,824	\$3,504,974	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL		\$821,824	\$3,504,974	\$0	\$0	\$0	\$0	\$0	\$0

6.K. Budgetary Impacts Related to the Federal Budget Control Act-Sequestration

Agency Code: 454

Agency Name: Texas Department of Insurance

CFDA Number and Program	Exp 2012	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
17.505 OSHA Data Initiative	\$0	-\$71,990	-\$113,620	-\$113,620	-\$113,620	-\$113,620

Impact on Program

The DWC collected data solely for the Occupational Safety and Health Administration's purposes under this cooperative agreement. Elimination of this program by OSHA allowed the DWC to reallocate personnel to other activities.

Assumptions and Methodology

Amount reduced reflects reduction from last grant awarded during federal fiscal year 2013. Amounts include all related fringe benefit costs and indirect costs associated with grant award.

7. ADMINISTRATIVE AND SUPPORT COSTS

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7.A. Indirect Administrative and Support Costs

8/22/2014 9:56:21AM

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454 Department of Insurance

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-1-1	Educate Consumers and Industry by Providing Outreach and Information					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$605,932	\$ 644,658	\$ 738,359	\$ 775,364	\$ 775,364
1002	OTHER PERSONNEL COSTS	30,881	25,824	22,565	23,772	23,771
2001	PROFESSIONAL FEES AND SERVICES	214,119	271,748	205,244	194,316	194,316
2002	FUELS AND LUBRICANTS	91	213	119	125	125
2003	CONSUMABLE SUPPLIES	2,892	3,994	4,489	4,292	4,292
2004	UTILITIES	10,812	76,211	14,828	46,428	46,429
2005	TRAVEL	2,572	4,859	7,076	7,869	7,869
2006	RENT - BUILDING	3,651	6,206	5,669	5,988	5,988
2007	RENT - MACHINE AND OTHER	4,871	4,684	4,112	4,431	4,431
2009	OTHER OPERATING EXPENSE	174,377	250,698	162,655	188,765	188,765
5000	CAPITAL EXPENDITURES	8,254	5,071	0	0	0
Total, Objects of Expense		\$1,058,452	\$1,294,166	\$1,165,116	\$1,251,350	\$1,251,350
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	264,338	353,834	316,744	341,170	341,170
8042	Insurance Maint Tax Fees	794,114	940,332	848,372	910,180	910,180
Total, Method of Financing		\$1,058,452	\$1,294,166	\$1,165,116	\$1,251,350	\$1,251,350
FULL TIME EQUIVALENT POSITIONS		10.3	10.8	11.5	12.3	12.3

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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1-1-1 Educate Consumers and Industry by Providing Outreach and Information

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-2-1	Respond Promptly and Act on Complaints					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$530,176	\$ 538,082	\$ 622,476	\$ 669,007	\$ 669,007
1002	OTHER PERSONNEL COSTS	27,020	21,555	19,024	20,510	20,510
2001	PROFESSIONAL FEES AND SERVICES	187,348	226,821	173,032	167,661	167,661
2002	FUELS AND LUBRICANTS	80	178	100	108	108
2003	CONSUMABLE SUPPLIES	2,531	3,334	3,785	3,703	3,703
2004	UTILITIES	9,460	63,611	12,501	40,059	40,059
2005	TRAVEL	2,251	4,055	5,966	6,790	6,790
2006	RENT - BUILDING	3,194	5,180	4,779	5,167	5,167
2007	RENT - MACHINE AND OTHER	4,262	3,909	3,466	3,823	3,823
2009	OTHER OPERATING EXPENSE	152,575	209,252	137,127	162,871	162,871
5000	CAPITAL EXPENDITURES	7,222	4,233	0	0	0
Total, Objects of Expense		\$926,119	\$1,080,210	\$982,256	\$1,079,699	\$1,079,699
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	231,289	295,337	267,032	294,371	294,371
8042	Insurance Maint Tax Fees	694,830	784,873	715,224	785,328	785,328
Total, Method of Financing		\$926,119	\$1,080,210	\$982,256	\$1,079,699	\$1,079,699
FULL TIME EQUIVALENT POSITIONS		9.0	9.0	9.7	10.6	10.6

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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1-2-1 Respond Promptly and Act on Complaints

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-2-2	Investigate Trade Practices and Bring Enforcement Actions as Needed					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$532,848	\$ 530,897	\$ 695,458	\$ 707,855	\$ 707,853
1002	OTHER PERSONNEL COSTS	27,156	21,267	21,254	21,701	21,701
2001	PROFESSIONAL FEES AND SERVICES	188,292	223,793	193,319	177,396	177,396
2002	FUELS AND LUBRICANTS	80	175	112	114	114
2003	CONSUMABLE SUPPLIES	2,543	3,289	4,228	3,918	3,918
2004	UTILITIES	9,508	62,762	13,967	42,384	42,386
2005	TRAVEL	2,262	4,001	6,665	7,184	7,184
2006	RENT - BUILDING	3,210	5,111	5,340	5,467	5,467
2007	RENT - MACHINE AND OTHER	4,283	3,857	3,873	4,046	4,046
2009	OTHER OPERATING EXPENSE	153,344	206,457	153,204	172,329	172,329
5000	CAPITAL EXPENDITURES	7,258	4,176	0	0	0
Total, Objects of Expense		\$930,784	\$1,065,785	\$1,097,420	\$1,142,394	\$1,142,394
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	232,454	291,393	298,340	311,464	311,464
8042	Insurance Maint Tax Fees	698,330	774,392	799,080	830,930	830,930
Total, Method of Financing		\$930,784	\$1,065,785	\$1,097,420	\$1,142,394	\$1,142,394
FULL TIME EQUIVALENT POSITIONS		9.1	8.9	10.9	11.3	11.3

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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1-2-2	Investigate Trade Practices and Bring Enforcement Actions as Needed				
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Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-2-3	Investigate Insurance Fraud and Refer Violations for Prosecution					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$688,989	\$ 666,722	\$ 819,775	\$ 733,489	\$ 733,489
1002	OTHER PERSONNEL COSTS	35,114	26,708	25,053	22,487	22,487
2001	PROFESSIONAL FEES AND SERVICES	243,468	281,048	227,876	183,821	183,821
2002	FUELS AND LUBRICANTS	104	220	132	118	118
2003	CONSUMABLE SUPPLIES	3,289	4,131	4,984	4,060	4,060
2004	UTILITIES	12,294	78,819	16,463	43,920	43,920
2005	TRAVEL	2,925	5,025	7,857	7,444	7,444
2006	RENT - BUILDING	4,151	6,418	6,294	5,665	5,665
2007	RENT - MACHINE AND OTHER	5,538	4,844	4,565	4,192	4,192
2009	OTHER OPERATING EXPENSE	198,279	259,278	180,590	178,570	178,570
5000	CAPITAL EXPENDITURES	9,385	5,245	0	0	0
Total, Objects of Expense		\$1,203,536	\$1,338,458	\$1,293,589	\$1,183,766	\$1,183,766
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	300,571	365,944	351,670	322,744	322,744
8042	Insurance Maint Tax Fees	902,965	972,514	941,919	861,022	861,022
Total, Method of Financing		\$1,203,536	\$1,338,458	\$1,293,589	\$1,183,766	\$1,183,766
FULL TIME EQUIVALENT POSITIONS		11.7	11.1	12.8	11.7	11.7

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-2-4	Investigate Workers' Comp Fraud & Refer Violations for Prosecution					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$57,022	\$ 77,982	\$ 74,819	\$ 73,921	\$ 73,921
1002	OTHER PERSONNEL COSTS	2,569	2,571	2,337	2,332	2,332
2001	PROFESSIONAL FEES AND SERVICES	18,953	25,093	23,531	22,845	22,845
2002	FUELS AND LUBRICANTS	130	199	186	185	185
2003	CONSUMABLE SUPPLIES	226	676	593	592	592
2004	UTILITIES	4,645	4,473	4,144	4,143	4,143
2005	TRAVEL	571	774	958	1,528	1,528
2006	RENT - BUILDING	5,130	6,257	12,244	12,677	12,677
2007	RENT - MACHINE AND OTHER	689	952	841	839	839
2009	OTHER OPERATING EXPENSE	15,691	19,762	22,107	19,248	19,248
5000	CAPITAL EXPENDITURES	822	122	0	0	0
Total, Objects of Expense		\$106,448	\$138,861	\$141,760	\$138,310	\$138,310
METHOD OF FINANCING:						
1	General Revenue Fund	3,609	3,935	2,883	2,876	2,876
36	Dept Ins Operating Acct	102,839	134,926	138,877	135,434	135,434
Total, Method of Financing		\$106,448	\$138,861	\$141,760	\$138,310	\$138,310
FULL TIME EQUIVALENT POSITIONS		1.1	1.5	1.3	1.4	1.4

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-3-1	Process Rates, Forms & Licenses Promptly					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$2,201,560	\$ 2,218,230	\$ 2,751,769	\$ 2,761,775	\$ 2,761,775
1002	OTHER PERSONNEL COSTS	112,201	88,860	84,097	84,670	84,670
2001	PROFESSIONAL FEES AND SERVICES	777,965	935,066	764,919	692,132	692,133
2002	FUELS AND LUBRICANTS	331	731	442	445	444
2003	CONSUMABLE SUPPLIES	10,509	13,745	16,731	15,286	15,287
2004	UTILITIES	39,284	262,237	55,263	165,371	165,372
2005	TRAVEL	9,346	16,716	26,373	28,029	28,027
2006	RENT - BUILDING	13,264	21,354	21,127	21,330	21,330
2007	RENT - MACHINE AND OTHER	17,697	16,117	15,324	15,784	15,784
2009	OTHER OPERATING EXPENSE	633,569	862,636	606,193	672,361	672,361
5000	CAPITAL EXPENDITURES	29,988	17,450	0	0	0
Total, Objects of Expense		\$3,845,714	\$4,453,142	\$4,342,238	\$4,457,183	\$4,457,183
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	960,429	1,217,519	1,180,463	1,215,214	1,215,214
8042	Insurance Maint Tax Fees	2,885,285	3,235,623	3,161,775	3,241,969	3,241,969
Total, Method of Financing		\$3,845,714	\$4,453,142	\$4,342,238	\$4,457,183	\$4,457,183
FULL TIME EQUIVALENT POSITIONS		37.4	37.0	43.1	43.8	43.9

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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1-3-1 Process Rates, Forms & Licenses Promptly

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-3-2	Promote Coverage in Underserved Markets					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$39,490	\$ 41,959	\$ 61,390	\$ 59,962	\$ 59,964
1002	OTHER PERSONNEL COSTS	2,013	1,681	1,876	1,838	1,838
2001	PROFESSIONAL FEES AND SERVICES	13,955	17,687	17,064	15,028	15,027
2002	FUELS AND LUBRICANTS	6	14	10	10	10
2003	CONSUMABLE SUPPLIES	189	260	373	333	332
2004	UTILITIES	705	4,960	1,233	3,591	3,590
2005	TRAVEL	168	316	588	609	609
2006	RENT - BUILDING	238	405	471	463	464
2007	RENT - MACHINE AND OTHER	317	305	342	343	343
2009	OTHER OPERATING EXPENSE	11,365	16,317	13,523	14,598	14,598
5000	CAPITAL EXPENDITURES	538	330	0	0	0
Total, Objects of Expense		\$68,984	\$84,234	\$96,870	\$96,775	\$96,775
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	17,228	23,030	26,335	26,385	26,385
8042	Insurance Maint Tax Fees	51,756	61,204	70,535	70,390	70,390
Total, Method of Financing		\$68,984	\$84,234	\$96,870	\$96,775	\$96,775
FULL TIME EQUIVALENT POSITIONS		0.7	0.7	1.0	1.0	1.0

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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1-3-2 Promote Coverage in Underserved Markets

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-3-4	Regulate Private Employers that Qualify to Self-Ins w/in the WC System					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$123,517	\$ 136,424	\$ 129,399	\$ 127,846	\$ 127,846
1002	OTHER PERSONNEL COSTS	5,564	4,498	4,043	4,033	4,033
2001	PROFESSIONAL FEES AND SERVICES	41,056	43,900	40,697	39,509	39,509
2002	FUELS AND LUBRICANTS	282	348	321	320	320
2003	CONSUMABLE SUPPLIES	491	1,183	1,026	1,024	1,024
2004	UTILITIES	10,061	7,825	7,167	7,166	7,166
2005	TRAVEL	1,236	1,354	1,656	2,642	2,642
2006	RENT - BUILDING	11,113	10,946	21,174	21,924	21,924
2007	RENT - MACHINE AND OTHER	1,492	1,666	1,454	1,450	1,450
2009	OTHER OPERATING EXPENSE	33,990	34,571	38,234	33,290	33,290
5000	CAPITAL EXPENDITURES	1,781	213	0	0	0
Total, Objects of Expense		\$230,583	\$242,928	\$245,171	\$239,204	\$239,204
METHOD OF FINANCING:						
1	General Revenue Fund	7,818	6,884	4,985	4,974	4,974
36	Dept Ins Operating Acct	222,765	236,044	240,186	234,230	234,230
Total, Method of Financing		\$230,583	\$242,928	\$245,171	\$239,204	\$239,204
FULL TIME EQUIVALENT POSITIONS		2.4	2.6	2.3	2.3	2.3

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Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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1-3-4 Regulate Private Employers that Qualify to Self-Ins w/in the WC System

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-4-1	Support the State's Long-term Care Partnership Initiatives					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$40,748	\$ 42,393	\$ 47,261	\$ 49,191	\$ 49,191
1002	OTHER PERSONNEL COSTS	2,077	1,698	1,444	1,508	1,508
2001	PROFESSIONAL FEES AND SERVICES	14,400	17,870	13,137	12,329	12,329
2002	FUELS AND LUBRICANTS	6	14	8	8	8
2003	CONSUMABLE SUPPLIES	195	263	288	273	272
2004	UTILITIES	727	5,012	949	2,945	2,946
2005	TRAVEL	173	320	453	499	499
2006	RENT - BUILDING	246	408	363	380	380
2007	RENT - MACHINE AND OTHER	328	308	263	281	281
2009	OTHER OPERATING EXPENSE	11,727	16,486	10,411	11,976	11,976
5000	CAPITAL EXPENDITURES	555	334	0	0	0
Total, Objects of Expense		\$71,182	\$85,106	\$74,577	\$79,390	\$79,390
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	17,777	23,269	20,274	21,645	21,645
8042	Insurance Maint Tax Fees	53,405	61,837	54,303	57,745	57,745
Total, Method of Financing		\$71,182	\$85,106	\$74,577	\$79,390	\$79,390
FULL TIME EQUIVALENT POSITIONS		0.7	0.7	0.7	0.8	0.8

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Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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1-4-1 Support the State's Long-term Care Partnership Initiatives

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-4-2	Administer Three-Share Grant Program					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$11,963	\$ 12,513	\$ 15,826	\$ 15,755	\$ 15,754
1002	OTHER PERSONNEL COSTS	610	501	484	483	483
2001	PROFESSIONAL FEES AND SERVICES	4,227	5,275	4,399	3,948	3,948
2002	FUELS AND LUBRICANTS	2	4	3	3	3
2003	CONSUMABLE SUPPLIES	57	78	96	87	87
2004	UTILITIES	213	1,479	317	943	942
2005	TRAVEL	51	94	152	160	160
2006	RENT - BUILDING	72	121	122	122	123
2007	RENT - MACHINE AND OTHER	96	91	88	90	90
2009	OTHER OPERATING EXPENSE	3,443	4,866	3,486	3,835	3,836
5000	CAPITAL EXPENDITURES	163	98	0	0	0
Total, Objects of Expense		\$20,897	\$25,120	\$24,973	\$25,426	\$25,426
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	5,219	6,868	6,789	6,932	6,932
8042	Insurance Maint Tax Fees	15,678	18,252	18,184	18,494	18,494
Total, Method of Financing		\$20,897	\$25,120	\$24,973	\$25,426	\$25,426
FULL TIME EQUIVALENT POSITIONS		0.2	0.2	0.2	0.3	0.3

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Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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1-4-2 Administer Three-Share Grant Program

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-4-3	Promote the Healthy Texas program					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$21,197	\$ 0	\$ 0	\$ 0	\$ 0
1002	OTHER PERSONNEL COSTS	1,080	0	0	0	0
2001	PROFESSIONAL FEES AND SERVICES	7,490	0	0	0	0
2002	FUELS AND LUBRICANTS	3	0	0	0	0
2003	CONSUMABLE SUPPLIES	101	0	0	0	0
2004	UTILITIES	378	0	0	0	0
2005	TRAVEL	90	0	0	0	0
2006	RENT - BUILDING	128	0	0	0	0
2007	RENT - MACHINE AND OTHER	170	0	0	0	0
2009	OTHER OPERATING EXPENSE	6,100	0	0	0	0
5000	CAPITAL EXPENDITURES	289	0	0	0	0
Total, Objects of Expense		\$37,026	\$0	\$0	\$0	\$0
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	9,247	0	0	0	0
8042	Insurance Maint Tax Fees	27,779	0	0	0	0
Total, Method of Financing		\$37,026	\$0	\$0	\$0	\$0
FULL TIME EQUIVALENT POSITIONS		0.4	0.0	0.0	0.0	0.0

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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1-4-3 Promote the Healthy Texas program

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-5-1	Inspect Loss Control Programs & Assure Code & Schedule Compliance					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$509,422	\$ 510,804	\$ 656,087	\$ 651,074	\$ 651,075
1002	OTHER PERSONNEL COSTS	25,962	20,462	20,051	19,960	19,960
2001	PROFESSIONAL FEES AND SERVICES	180,015	215,323	182,375	163,166	163,166
2002	FUELS AND LUBRICANTS	77	169	105	105	105
2003	CONSUMABLE SUPPLIES	2,432	3,165	3,989	3,604	3,604
2004	UTILITIES	9,090	60,387	13,176	38,985	38,985
2005	TRAVEL	2,163	3,850	6,288	6,608	6,608
2006	RENT - BUILDING	3,069	4,916	5,037	5,029	5,028
2007	RENT - MACHINE AND OTHER	4,095	3,711	3,653	3,721	3,721
2009	OTHER OPERATING EXPENSE	146,603	198,644	144,531	158,505	158,505
5000	CAPITAL EXPENDITURES	6,939	4,018	0	0	0
Total, Objects of Expense		\$889,867	\$1,025,449	\$1,035,292	\$1,050,757	\$1,050,757
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	222,235	280,365	281,450	286,480	286,480
8042	Insurance Maint Tax Fees	667,632	745,084	753,842	764,277	764,277
Total, Method of Financing		\$889,867	\$1,025,449	\$1,035,292	\$1,050,757	\$1,050,757
FULL TIME EQUIVALENT POSITIONS		8.7	8.5	10.3	10.3	10.3

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Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-1	Analyze the Financial Condition of Insurers and Take Solvency Action					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$1,330,388	\$ 1,460,496	\$ 1,842,025	\$ 1,802,417	\$ 1,802,416
1002	OTHER PERSONNEL COSTS	67,802	58,506	56,294	55,258	55,258
2001	PROFESSIONAL FEES AND SERVICES	470,119	615,654	512,032	451,706	451,706
2002	FUELS AND LUBRICANTS	200	482	295	290	291
2003	CONSUMABLE SUPPLIES	6,350	9,049	11,200	9,976	9,975
2004	UTILITIES	23,739	172,658	36,993	107,926	107,923
2005	TRAVEL	5,648	11,007	17,654	18,293	18,293
2006	RENT - BUILDING	8,015	14,060	14,142	13,921	13,922
2007	RENT - MACHINE AND OTHER	10,694	10,611	10,258	10,300	10,301
2009	OTHER OPERATING EXPENSE	382,862	567,965	405,783	438,803	438,803
5000	CAPITAL EXPENDITURES	18,121	11,489	0	0	0
Total, Objects of Expense		\$2,323,938	\$2,931,977	\$2,906,676	\$2,908,890	\$2,908,888
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	580,380	801,623	790,197	793,085	793,084
8042	Insurance Maint Tax Fees	1,743,558	2,130,354	2,116,479	2,115,805	2,115,804
Total, Method of Financing		\$2,323,938	\$2,931,977	\$2,906,676	\$2,908,890	\$2,908,888
FULL TIME EQUIVALENT POSITIONS		22.7	24.4	28.8	28.7	28.6

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Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3-1-1	Provide Fire Protection through Education, Enforcement and Engineering					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$856,181	\$ 911,273	\$ 1,083,128	\$ 1,078,264	\$ 1,078,263
1002	OTHER PERSONNEL COSTS	43,635	36,505	33,102	33,057	33,057
2001	PROFESSIONAL FEES AND SERVICES	302,548	384,135	301,081	270,225	270,225
2002	FUELS AND LUBRICANTS	129	301	174	174	174
2003	CONSUMABLE SUPPLIES	4,087	5,646	6,585	5,968	5,968
2004	UTILITIES	15,277	107,730	21,752	64,565	64,566
2005	TRAVEL	3,635	6,868	10,381	10,943	10,944
2006	RENT - BUILDING	5,158	8,771	8,316	8,328	8,327
2007	RENT - MACHINE AND OTHER	6,882	6,621	6,032	6,162	6,162
2009	OTHER OPERATING EXPENSE	246,393	354,380	238,605	262,506	262,506
5000	CAPITAL EXPENDITURES	11,662	7,169	0	0	0
Total, Objects of Expense		\$1,495,587	\$1,829,399	\$1,709,156	\$1,740,192	\$1,740,192
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	373,508	500,170	464,645	474,449	474,449
8042	Insurance Maint Tax Fees	1,122,079	1,329,229	1,244,511	1,265,743	1,265,743
Total, Method of Financing		\$1,495,587	\$1,829,399	\$1,709,156	\$1,740,192	\$1,740,192
FULL TIME EQUIVALENT POSITIONS		14.6	15.2	16.9	17.1	17.1

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Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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3-1-1 Provide Fire Protection through Education, Enforcement and Engineering

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
4-1-1	Oversee Activities of System Participants and Take Enforcement Action					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$1,064,263	\$ 1,142,755	\$ 1,206,094	\$ 1,222,533	\$ 1,222,533
1002	OTHER PERSONNEL COSTS	47,941	37,676	37,677	38,565	38,565
2001	PROFESSIONAL FEES AND SERVICES	353,754	367,726	379,324	377,811	377,811
2002	FUELS AND LUBRICANTS	2,434	2,914	2,994	3,065	3,065
2003	CONSUMABLE SUPPLIES	4,227	9,910	9,566	9,791	9,791
2004	UTILITIES	86,692	65,545	66,803	68,526	68,526
2005	TRAVEL	10,653	11,338	15,438	25,268	25,268
2006	RENT - BUILDING	95,754	91,690	197,363	209,652	209,653
2007	RENT - MACHINE AND OTHER	12,857	13,956	13,550	13,869	13,870
2009	OTHER OPERATING EXPENSE	292,871	289,586	356,367	318,336	318,335
5000	CAPITAL EXPENDITURES	15,347	1,781	0	0	0
	Total, Objects of Expense	\$1,986,793	\$2,034,877	\$2,285,176	\$2,287,416	\$2,287,417
METHOD OF FINANCING:						
1	General Revenue Fund	67,363	57,661	46,468	47,563	47,563
36	Dept Ins Operating Acct	1,919,430	1,977,216	2,238,708	2,239,853	2,239,854
	Total, Method of Financing	\$1,986,793	\$2,034,877	\$2,285,176	\$2,287,416	\$2,287,417
FULL TIME EQUIVALENT POSITIONS		20.7	21.5	21.4	22.3	22.3

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Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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4-1-1 Oversee Activities of System Participants and Take Enforcement Action

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
4-1-2	Resolve Indemnity, Medical Fee and Medical Necessity Disputes					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$2,676,995	\$ 2,792,879	\$ 2,720,035	\$ 2,681,645	\$ 2,681,646
1002	OTHER PERSONNEL COSTS	120,587	92,080	84,970	84,591	84,592
2001	PROFESSIONAL FEES AND SERVICES	889,817	898,718	855,467	828,735	828,735
2002	FUELS AND LUBRICANTS	6,121	7,123	6,753	6,723	6,723
2003	CONSUMABLE SUPPLIES	10,631	24,220	21,573	21,476	21,478
2004	UTILITIES	218,063	160,190	150,658	150,314	150,312
2005	TRAVEL	26,796	27,710	34,816	55,424	55,426
2006	RENT - BUILDING	240,857	224,089	445,101	459,878	459,877
2007	RENT - MACHINE AND OTHER	32,343	34,108	30,560	30,426	30,424
2009	OTHER OPERATING EXPENSE	736,672	707,746	803,696	698,274	698,274
5000	CAPITAL EXPENDITURES	38,604	4,353	0	0	0
Total, Objects of Expense		\$4,997,486	\$4,973,216	\$5,153,629	\$5,017,486	\$5,017,487
METHOD OF FINANCING:						
1	General Revenue Fund	169,440	140,923	104,796	104,330	104,330
36	Dept Ins Operating Acct	4,828,046	4,832,293	5,048,833	4,913,156	4,913,157
Total, Method of Financing		\$4,997,486	\$4,973,216	\$5,153,629	\$5,017,486	\$5,017,487
FULL TIME EQUIVALENT POSITIONS		52.2	52.4	48.3	49.0	49.0

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Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
4-1-3	Administer Subsequent Injury Fund					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$10,025	\$ 11,553	\$ 16,966	\$ 16,762	\$ 16,762
1002	OTHER PERSONNEL COSTS	452	381	530	529	529
2001	PROFESSIONAL FEES AND SERVICES	3,333	3,718	5,336	5,180	5,180
2002	FUELS AND LUBRICANTS	23	29	42	42	42
2003	CONSUMABLE SUPPLIES	40	100	135	134	134
2004	UTILITIES	817	663	940	940	940
2005	TRAVEL	100	115	217	346	346
2006	RENT - BUILDING	902	927	2,777	2,875	2,875
2007	RENT - MACHINE AND OTHER	121	141	190	190	190
2009	OTHER OPERATING EXPENSE	2,759	2,927	5,013	4,365	4,365
5000	CAPITAL EXPENDITURES	145	18	0	0	0
Total, Objects of Expense		\$18,717	\$20,572	\$32,146	\$31,363	\$31,363
METHOD OF FINANCING:						
1	General Revenue Fund	635	583	654	652	652
36	Dept Ins Operating Acct	18,082	19,989	31,492	30,711	30,711
Total, Method of Financing		\$18,717	\$20,572	\$32,146	\$31,363	\$31,363
FULL TIME EQUIVALENT POSITIONS		0.2	0.2	0.3	0.3	0.3

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Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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4-1-3 Administer Subsequent Injury Fund

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
4-2-1	Provide Educational Services&WPS Consultations to System Participants					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$680,698	\$ 705,192	\$ 744,881	\$ 725,930	\$ 725,930
1002	OTHER PERSONNEL COSTS	30,663	23,250	23,269	22,899	22,899
2001	PROFESSIONAL FEES AND SERVICES	226,260	226,923	234,270	224,341	224,341
2002	FUELS AND LUBRICANTS	1,556	1,798	1,849	1,820	1,820
2003	CONSUMABLE SUPPLIES	2,703	6,115	5,908	5,814	5,814
2004	UTILITIES	55,448	40,447	41,258	40,690	40,690
2005	TRAVEL	6,814	6,997	9,534	15,004	15,004
2006	RENT - BUILDING	61,244	56,582	121,891	124,490	124,489
2007	RENT - MACHINE AND OTHER	8,224	8,612	8,369	8,236	8,236
2009	OTHER OPERATING EXPENSE	187,319	178,705	220,092	189,025	189,026
5000	CAPITAL EXPENDITURES	9,816	1,099	0	0	0
Total, Objects of Expense		\$1,270,745	\$1,255,720	\$1,411,321	\$1,358,249	\$1,358,249
METHOD OF FINANCING:						
1	General Revenue Fund	43,085	35,583	28,699	28,242	28,242
36	Dept Ins Operating Acct	1,227,660	1,220,137	1,382,622	1,330,007	1,330,007
Total, Method of Financing		\$1,270,745	\$1,255,720	\$1,411,321	\$1,358,249	\$1,358,249
FULL TIME EQUIVALENT POSITIONS		13.2	13.2	13.2	13.3	13.3

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Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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4-2-1 Provide Educational Services&WPS Consultations to System Participants

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
4-2-2	Provide Customer Assistance & Records Admin for System Participants					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$989,286	\$ 967,865	\$ 932,343	\$ 919,379	\$ 919,380
1002	OTHER PERSONNEL COSTS	44,563	31,910	29,125	29,002	29,002
2001	PROFESSIONAL FEES AND SERVICES	328,833	311,448	293,228	284,125	284,125
2002	FUELS AND LUBRICANTS	2,262	2,468	2,315	2,305	2,305
2003	CONSUMABLE SUPPLIES	3,929	8,393	7,395	7,363	7,363
2004	UTILITIES	80,585	55,513	51,641	51,533	51,533
2005	TRAVEL	9,903	9,603	11,934	19,003	19,002
2006	RENT - BUILDING	89,009	77,657	152,566	157,665	157,665
2007	RENT - MACHINE AND OTHER	11,952	11,820	10,474	10,431	10,431
2009	OTHER OPERATING EXPENSE	272,239	245,268	275,482	239,398	239,398
5000	CAPITAL EXPENDITURES	14,266	1,510	0	0	0
Total, Objects of Expense		\$1,846,827	\$1,723,455	\$1,766,503	\$1,720,204	\$1,720,204
METHOD OF FINANCING:						
1	General Revenue Fund	62,617	48,837	35,921	35,769	35,769
36	Dept Ins Operating Acct	1,784,210	1,674,618	1,730,582	1,684,435	1,684,435
Total, Method of Financing		\$1,846,827	\$1,723,455	\$1,766,503	\$1,720,204	\$1,720,204
FULL TIME EQUIVALENT POSITIONS		19.2	18.2	16.6	16.8	16.8

7.A. Indirect Administrative and Support Costs

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84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

454 Department of Insurance

Exp 2013

Est 2014

Bud 2015

BL 2016

BL 2017

Method of Allocation

The proportionate share of the direct strategies was calculated using the salaries for each direct strategy divided by the total direct salary. This pro rata share was applied to the indirect administration and support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

8/22/2014 9:56:21AM

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

454 Department of Insurance

	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$12,970,700	\$13,412,677	\$15,158,091	\$15,072,169	\$15,072,169
1002 OTHER PERSONNEL COSTS	\$627,890	\$495,933	\$467,195	\$467,195	\$467,195
2001 PROFESSIONAL FEES AND SERVICES	\$4,465,952	\$5,071,946	\$4,426,331	\$4,114,274	\$4,114,274
2002 FUELS AND LUBRICANTS	\$13,917	\$17,380	\$15,960	\$15,960	\$15,960
2003 CONSUMABLE SUPPLIES	\$57,422	\$97,551	\$102,944	\$97,694	\$97,694
2004 UTILITIES	\$587,798	\$1,230,522	\$510,053	\$880,429	\$880,428
2005 TRAVEL	\$87,357	\$115,002	\$164,006	\$213,643	\$213,643
2006 RENT - BUILDING	\$548,405	\$541,098	\$1,024,776	\$1,061,021	\$1,061,021
2007 RENT - MACHINE AND OTHER	\$126,911	\$126,313	\$117,414	\$118,614	\$118,614
2009 OTHER OPERATING EXPENSE	\$3,662,178	\$4,425,544	\$3,777,099	\$3,767,055	\$3,767,056
5000 CAPITAL EXPENDITURES	\$181,155	\$68,709	\$0	\$0	\$0
Total, Objects of Expense	\$23,329,685	\$25,602,675	\$25,763,869	\$25,808,054	\$25,808,054
Method of Financing					
1 General Revenue Fund	\$354,567	\$294,406	\$224,406	\$224,406	\$224,406
36 Dept Ins Operating Acct	\$13,317,707	\$14,254,575	\$14,815,239	\$14,661,765	\$14,661,766
8042 Insurance Maint Tax Fees	\$9,657,411	\$11,053,694	\$10,724,224	\$10,921,883	\$10,921,882
Total, Method of Financing	\$23,329,685	\$25,602,675	\$25,763,869	\$25,808,054	\$25,808,054

7.A. Indirect Administrative and Support Costs

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84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

454 Department of Insurance

	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Full-Time-Equivalent Positions (FTE)	234.5	236.1	249.3	253.3	253.3

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-1-1	Educate Consumers and Industry by Providing Outreach and Information				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$142,652	\$142,652	\$142,652	\$142,652	\$142,652
1002 OTHER PERSONNEL COSTS	7,820	7,820	7,820	7,820	7,820
2001 PROFESSIONAL FEES AND SERVICES	298,991	431,512	648,904	349,890	349,889
2003 CONSUMABLE SUPPLIES	805	1,132	972	843	843
2004 UTILITIES	520	595	477	466	466
2005 TRAVEL	5,307	3,103	2,284	2,259	2,259
2006 RENT - BUILDING	2,524	506	468	499	499
2007 RENT - MACHINE AND OTHER	1,306	1,457	929	890	890
2009 OTHER OPERATING EXPENSE	73,563	95,113	104,956	89,256	89,256
5000 CAPITAL EXPENDITURES	135,762	0	0	0	0
Total, Objects of Expense	\$669,250	\$683,890	\$909,462	\$594,575	\$594,574
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	167,138	186,980	247,243	162,106	162,106
8042 Insurance Maint Tax Fees	502,112	496,910	662,219	432,469	432,468
Total, Method of Financing	\$669,250	\$683,890	\$909,462	\$594,575	\$594,574
FULL-TIME-EQUIVALENT POSITIONS (FTE):	3.7	3.7	3.7	3.7	3.7
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-2-1 Respond Promptly and Act on Complaints					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$187,149	\$187,149	\$187,149	\$187,149	\$187,149
1002 OTHER PERSONNEL COSTS	4,520	4,520	4,520	4,520	4,520
2001 PROFESSIONAL FEES AND SERVICES	4,194	872	288	147	147
2003 CONSUMABLE SUPPLIES	1,353	1,500	1,293	1,161	1,161
2004 UTILITIES	204	333	332	249	249
2005 TRAVEL	3,711	1,636	1,974	1,041	1,041
2006 RENT - BUILDING	0	59	0	0	0
2007 RENT - MACHINE AND OTHER	2,242	1,550	1,199	1,199	1,199
2009 OTHER OPERATING EXPENSE	8,593	14,877	35,777	14,928	14,928
Total, Objects of Expense	\$211,966	\$212,496	\$232,532	\$210,394	\$210,394
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	52,936	58,098	63,215	57,160	57,160
8042 Insurance Maint Tax Fees	159,030	154,398	169,317	153,234	153,234
Total, Method of Financing	\$211,966	\$212,496	\$232,532	\$210,394	\$210,394
FULL-TIME-EQUIVALENT POSITIONS (FTE):	5.0	5.0	5.0	5.0	5.0
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-2-2	Investigate Trade Practices and Bring Enforcement Actions as Needed				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$149,020	\$149,020	\$149,020	\$149,020	\$149,020
1002 OTHER PERSONNEL COSTS	7,840	7,840	7,840	7,840	7,840
2001 PROFESSIONAL FEES AND SERVICES	1,148	8,807	12,436	9,701	9,701
2003 CONSUMABLE SUPPLIES	1,238	1,763	1,641	1,519	1,519
2004 UTILITIES	95	237	96	96	96
2005 TRAVEL	176	2,139	2,021	2,051	2,051
2007 RENT - MACHINE AND OTHER	1,650	1,093	909	909	909
2009 OTHER OPERATING EXPENSE	7,780	15,834	25,637	19,308	19,308
Total, Objects of Expense	\$168,947	\$186,733	\$199,600	\$190,444	\$190,444
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	42,193	51,054	54,262	51,923	51,923
8042 Insurance Maint Tax Fees	126,754	135,679	145,338	138,521	138,521
Total, Method of Financing	\$168,947	\$186,733	\$199,600	\$190,444	\$190,444
FULL-TIME-EQUIVALENT POSITIONS (FTE):	3.5	3.5	3.5	3.5	3.5

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-2-3	Investigate Insurance Fraud and Refer Violations for Prosecution				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$147,987	\$147,987	\$147,987	\$147,987	\$147,987
1002 OTHER PERSONNEL COSTS	6,360	6,360	6,360	6,360	6,360
2001 PROFESSIONAL FEES AND SERVICES	7,055	1,070	930	79	79
2003 CONSUMABLE SUPPLIES	1,098	1,360	1,210	1,206	1,206
2004 UTILITIES	1,258	2,058	1,774	1,518	1,518
2005 TRAVEL	6,722	8,163	6,522	6,698	6,698
2006 RENT - BUILDING	4,698	1,204	42	0	0
2007 RENT - MACHINE AND OTHER	1,099	1,862	812	812	812
2009 OTHER OPERATING EXPENSE	7,445	13,396	17,917	8,677	8,677
5000 CAPITAL EXPENDITURES	344	0	0	0	0
Total, Objects of Expense	\$184,066	\$183,460	\$183,554	\$173,337	\$173,337
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	45,969	50,159	49,900	47,259	47,259
8042 Insurance Maint Tax Fees	138,097	133,301	133,654	126,078	126,078
Total, Method of Financing	\$184,066	\$183,460	\$183,554	\$173,337	\$173,337
FULL-TIME-EQUIVALENT POSITIONS (FTE):	3.2	3.2	3.2	3.2	3.2
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-3-1					
Process Rates, Forms & Licenses Promptly					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$653,800	\$653,800	\$653,800	\$653,800	\$653,800
1002 OTHER PERSONNEL COSTS	17,080	17,080	17,080	17,080	17,080
2001 PROFESSIONAL FEES AND SERVICES	14,213	6,571	4,064	4,018	4,018
2003 CONSUMABLE SUPPLIES	3,788	5,674	4,865	4,710	4,710
2004 UTILITIES	512	982	833	794	794
2005 TRAVEL	1,992	4,765	3,467	3,760	3,760
2007 RENT - MACHINE AND OTHER	6,289	5,055	4,146	4,078	4,078
2009 OTHER OPERATING EXPENSE	22,267	49,434	74,446	40,018	40,018
Total, Objects of Expense	\$719,941	\$743,361	\$762,701	\$728,258	\$728,258
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	179,798	203,240	207,345	198,553	198,553
8042 Insurance Maint Tax Fees	540,143	540,121	555,356	529,705	529,705
Total, Method of Financing	\$719,941	\$743,361	\$762,701	\$728,258	\$728,258
FULL-TIME-EQUIVALENT POSITIONS (FTE):	15.2	15.2	15.2	15.2	15.2
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-3-2 Promote Coverage in Underserved Markets					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$47,065	\$47,065	\$47,065	\$47,065	\$47,065
2001 PROFESSIONAL FEES AND SERVICES	108	0	0	0	0
2003 CONSUMABLE SUPPLIES	203	14	10	10	10
2004 UTILITIES	61	201	148	148	148
2005 TRAVEL	80	309	124	212	212
2007 RENT - MACHINE AND OTHER	357	0	0	0	0
2009 OTHER OPERATING EXPENSE	752	836	2,931	701	701
Total, Objects of Expense	\$48,626	\$48,425	\$50,278	\$48,136	\$48,136
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	12,144	13,240	13,668	13,124	13,124
8042 Insurance Maint Tax Fees	36,482	35,185	36,610	35,012	35,012
Total, Method of Financing	\$48,626	\$48,425	\$50,278	\$48,136	\$48,136
FULL-TIME-EQUIVALENT POSITIONS (FTE):	0.9	0.9	0.9	0.9	0.9

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-3-4	Regulate Private Employers that Qualify to Self-Ins w/in the WC System				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$30,600	\$30,600	\$30,600	\$30,600	\$30,600
1002 OTHER PERSONNEL COSTS	280	280	280	280	280
2001 PROFESSIONAL FEES AND SERVICES	0	127	71	71	71
2003 CONSUMABLE SUPPLIES	110	271	287	287	287
2004 UTILITIES	329	366	358	358	358
2005 TRAVEL	619	840	891	891	891
2006 RENT - BUILDING	3,528	3,327	3,733	3,154	3,154
2007 RENT - MACHINE AND OTHER	448	470	488	488	488
2009 OTHER OPERATING EXPENSE	1,926	4,080	7,073	4,417	4,417
Total, Objects of Expense	\$37,840	\$40,361	\$43,781	\$40,546	\$40,546
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	37,840	40,361	43,781	40,546	40,546
Total, Method of Financing	\$37,840	\$40,361	\$43,781	\$40,546	\$40,546
FULL-TIME-EQUIVALENT POSITIONS (FTE):	0.8	0.8	0.8	0.8	0.8

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-4-1	Support the State's Long-term Care Partnership Initiatives				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$36,423	\$36,423	\$36,423	\$36,423	\$36,423
1002 OTHER PERSONNEL COSTS	720	720	720	720	720
2001 PROFESSIONAL FEES AND SERVICES	107	0	0	0	0
2003 CONSUMABLE SUPPLIES	200	0	0	0	0
2007 RENT - MACHINE AND OTHER	354	0	0	0	0
2009 OTHER OPERATING EXPENSE	719	790	915	552	552
Total, Objects of Expense	\$38,523	\$37,933	\$38,058	\$37,695	\$37,695
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	9,621	10,371	10,346	10,277	10,277
8042 Insurance Maint Tax Fees	28,902	27,562	27,712	27,418	27,418
Total, Method of Financing	\$38,523	\$37,933	\$38,058	\$37,695	\$37,695
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.0	1.0	1.0	1.0	1.0

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1-5-1	Inspect Loss Control Programs & Assure Code & Schedule Compliance				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$146,923	\$146,923	\$146,923	\$146,923	\$146,923
1002 OTHER PERSONNEL COSTS	5,920	5,920	5,920	5,920	5,920
2001 PROFESSIONAL FEES AND SERVICES	985	173	0	0	0
2003 CONSUMABLE SUPPLIES	930	1,152	1,027	1,027	1,027
2004 UTILITIES	1,179	1,631	1,393	2,065	2,065
2005 TRAVEL	13,463	14,037	12,721	11,750	11,750
2006 RENT - BUILDING	7,846	7,607	6,878	7,214	7,214
2007 RENT - MACHINE AND OTHER	1,555	1,111	986	986	986
2009 OTHER OPERATING EXPENSE	3,965	9,721	14,076	8,928	8,928
Total, Objects of Expense	\$182,766	\$188,275	\$189,924	\$184,813	\$184,813
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	45,644	51,476	51,632	50,388	50,388
8042 Insurance Maint Tax Fees	137,122	136,799	138,292	134,425	134,425
Total, Method of Financing	\$182,766	\$188,275	\$189,924	\$184,813	\$184,813
FULL-TIME-EQUIVALENT POSITIONS (FTE):	3.9	3.9	3.9	3.9	3.9
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$363,023	\$363,023	\$363,023	\$363,023	\$363,023
1002 OTHER PERSONNEL COSTS	10,800	10,800	10,800	10,800	10,800
2001 PROFESSIONAL FEES AND SERVICES	5,202	1,150	219	292	292
2003 CONSUMABLE SUPPLIES	2,654	3,633	4,254	4,222	4,222
2004 UTILITIES	588	1,757	1,019	940	940
2005 TRAVEL	7,476	17,639	17,975	17,397	17,397
2006 RENT - BUILDING	4,932	6,119	6,390	6,211	6,211
2007 RENT - MACHINE AND OTHER	4,623	4,024	4,896	4,759	4,759
2009 OTHER OPERATING EXPENSE	24,846	41,665	54,951	41,704	41,704
Total, Objects of Expense	\$424,144	\$449,810	\$463,527	\$449,348	\$449,348
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	105,926	122,981	126,013	122,511	122,511
8042 Insurance Maint Tax Fees	318,218	326,829	337,514	326,837	326,837
Total, Method of Financing	\$424,144	\$449,810	\$463,527	\$449,348	\$449,348
FULL-TIME-EQUIVALENT POSITIONS (FTE):	8.5	8.5	8.5	8.5	8.5
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3-1-1 Provide Fire Protection through Education, Enforcement and Engineering					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$260,569	\$260,569	\$260,569	\$260,569	\$260,569
1002 OTHER PERSONNEL COSTS	14,140	14,140	14,140	14,140	14,140
2001 PROFESSIONAL FEES AND SERVICES	8,733	17,080	292	284	284
2002 FUELS AND LUBRICANTS	14,780	19,212	15,692	8,781	8,781
2003 CONSUMABLE SUPPLIES	3,635	4,006	3,715	3,615	3,615
2004 UTILITIES	4,132	5,424	4,085	3,975	3,975
2005 TRAVEL	25,155	30,259	30,497	15,078	15,078
2006 RENT - BUILDING	29	235	641	624	624
2007 RENT - MACHINE AND OTHER	2,440	1,940	1,567	1,525	1,525
2009 OTHER OPERATING EXPENSE	31,183	68,565	40,824	26,688	26,688
5000 CAPITAL EXPENDITURES	27,598	28,503	0	0	0
Total, Objects of Expense	\$392,394	\$449,933	\$372,022	\$335,279	\$335,279
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	97,996	123,015	101,136	91,411	91,411
8042 Insurance Maint Tax Fees	294,398	326,918	270,886	243,868	243,868
Total, Method of Financing	\$392,394	\$449,933	\$372,022	\$335,279	\$335,279
FULL-TIME-EQUIVALENT POSITIONS (FTE):	6.0	6.0	6.0	6.0	6.0
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
4-1-1	Oversee Activities of System Participants and Take Enforcement Action				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$181,449	\$181,449	\$181,449	\$181,449	\$181,449
1002 OTHER PERSONNEL COSTS	18,660	18,660	18,660	18,660	18,660
2001 PROFESSIONAL FEES AND SERVICES	42,291	45,882	24,522	103,354	23,708
2003 CONSUMABLE SUPPLIES	816	1,500	1,247	1,205	1,205
2004 UTILITIES	2,598	2,948	2,560	2,475	2,475
2005 TRAVEL	1,415	3,683	3,933	1,662	1,662
2006 RENT - BUILDING	27,941	26,045	26,697	21,802	21,802
2007 RENT - MACHINE AND OTHER	3,590	3,675	3,598	3,479	3,479
2009 OTHER OPERATING EXPENSE	8,994	27,469	25,290	15,322	15,322
Total, Objects of Expense	\$287,754	\$311,311	\$287,956	\$349,408	\$269,762
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	287,754	311,311	287,956	349,408	269,762
Total, Method of Financing	\$287,754	\$311,311	\$287,956	\$349,408	\$269,762
FULL-TIME-EQUIVALENT POSITIONS (FTE):	6.0	6.0	6.0	6.0	6.0
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
4-1-2	Resolve Indemnity, Medical Fee and Medical Necessity Disputes				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$302,027	\$302,027	\$302,027	\$302,027	\$302,027
1002 OTHER PERSONNEL COSTS	11,120	11,120	11,120	11,120	11,120
2001 PROFESSIONAL FEES AND SERVICES	9,196	13,852	56,071	27,685	1,457
2003 CONSUMABLE SUPPLIES	2,852	4,039	3,417	3,374	3,374
2004 UTILITIES	835	1,835	1,331	1,314	1,314
2005 TRAVEL	13,379	7,970	7,193	6,877	6,877
2006 RENT - BUILDING	28,485	36,703	24,070	22,112	22,112
2007 RENT - MACHINE AND OTHER	4,871	5,937	4,967	4,905	4,905
2009 OTHER OPERATING EXPENSE	15,050	26,869	34,734	18,520	18,520
Total, Objects of Expense	\$387,815	\$410,352	\$444,930	\$397,934	\$371,706
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	387,815	410,352	444,930	397,934	371,706
Total, Method of Financing	\$387,815	\$410,352	\$444,930	\$397,934	\$371,706
FULL-TIME-EQUIVALENT POSITIONS (FTE):	7.0	7.0	7.0	7.0	7.0
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
4-2-1	Provide Educational Services&WPS Consultations to System Participants				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$312,657	\$312,657	\$312,657	\$312,657	\$312,657
1002 OTHER PERSONNEL COSTS	17,500	17,500	17,500	17,500	17,500
2001 PROFESSIONAL FEES AND SERVICES	6,598	927	0	0	0
2003 CONSUMABLE SUPPLIES	1,788	2,265	1,749	1,749	1,749
2004 UTILITIES	3,197	4,709	2,268	2,268	2,268
2005 TRAVEL	31,913	33,081	19,278	18,711	18,711
2006 RENT - BUILDING	41,963	53,424	41,282	37,608	37,608
2007 RENT - MACHINE AND OTHER	5,474	7,357	5,376	5,376	5,376
2009 OTHER OPERATING EXPENSE	23,415	46,630	53,764	30,280	30,280
5000 CAPITAL EXPENDITURES	6,587	7,001	0	0	0
Total, Objects of Expense	\$451,092	\$485,551	\$453,874	\$426,149	\$426,149
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	451,092	485,551	453,874	426,149	426,149
Total, Method of Financing	\$451,092	\$485,551	\$453,874	\$426,149	\$426,149
FULL-TIME-EQUIVALENT POSITIONS (FTE):	9.0	9.0	9.0	9.0	9.0
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
4-2-2	Provide Customer Assistance & Records Admin for System Participants				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$94,312	\$94,312	\$94,312	\$94,312	\$94,312
1002 OTHER PERSONNEL COSTS	1,180	1,180	1,180	1,180	1,180
2001 PROFESSIONAL FEES AND SERVICES	8,484	4,130	0	0	0
2003 CONSUMABLE SUPPLIES	1,372	1,904	1,809	1,809	1,809
2004 UTILITIES	1,352	1,815	826	826	826
2005 TRAVEL	1,424	846	874	874	874
2006 RENT - BUILDING	22,529	22,899	18,863	18,649	18,649
2007 RENT - MACHINE AND OTHER	1,966	2,215	2,171	2,171	2,171
2009 OTHER OPERATING EXPENSE	5,140	8,206	16,191	9,860	9,860
Total, Objects of Expense	\$137,759	\$137,507	\$136,226	\$129,681	\$129,681
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	137,759	137,507	136,226	129,681	129,681
Total, Method of Financing	\$137,759	\$137,507	\$136,226	\$129,681	\$129,681
FULL-TIME-EQUIVALENT POSITIONS (FTE):	3.0	3.0	3.0	3.0	3.0
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The salaries reflected are the actual costs for those staff within each direct strategy. The non-salary amounts reflect the proportionate share of costs based on the FTEs within each direct strategy.

Agency code: **454**

Agency name: **Department of Insurance**

	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$3,055,656	\$3,055,656	\$3,055,656	\$3,055,656	\$3,055,656
1002 OTHER PERSONNEL COSTS	\$123,940	\$123,940	\$123,940	\$123,940	\$123,940
2001 PROFESSIONAL FEES AND SERVICES	\$407,305	\$532,153	\$747,797	\$495,521	\$389,646
2002 FUELS AND LUBRICANTS	\$14,780	\$19,212	\$15,692	\$8,781	\$8,781
2003 CONSUMABLE SUPPLIES	\$22,842	\$30,213	\$27,496	\$26,737	\$26,737
2004 UTILITIES	\$16,860	\$24,891	\$17,500	\$17,492	\$17,492
2005 TRAVEL	\$112,832	\$128,470	\$109,754	\$89,261	\$89,261
2006 RENT - BUILDING	\$144,475	\$158,128	\$129,064	\$117,873	\$117,873
2007 RENT - MACHINE AND OTHER	\$38,264	\$37,746	\$32,044	\$31,577	\$31,577
2009 OTHER OPERATING EXPENSE	\$235,638	\$423,485	\$509,482	\$329,159	\$329,159
5000 CAPITAL EXPENDITURES	\$170,291	\$35,504	\$0	\$0	\$0
Total, Objects of Expense	\$4,342,883	\$4,569,398	\$4,768,425	\$4,295,997	\$4,190,122
Method of Financing					
36 Dept Ins Operating Acct	\$2,061,625	\$2,255,696	\$2,291,527	\$2,148,430	\$2,042,556
8042 Insurance Maint Tax Fees	\$2,281,258	\$2,313,702	\$2,476,898	\$2,147,567	\$2,147,566
Total, Method of Financing	\$4,342,883	\$4,569,398	\$4,768,425	\$4,295,997	\$4,190,122
Full-Time-Equivalent Positions (FTE)	76.7	76.7	76.7	76.7	76.7