

# Agency Strategic Plan

and supplemental schedules

Fiscal years 2023-2027





# Agency strategic plan

Fiscal years 2023 to 2027

by the

## Texas Department of Insurance

Submitted June 1, 2022

A handwritten signature in black ink, appearing to read "C. Brown", with a long horizontal flourish extending to the right.

Cassie Brown

Commissioner of Insurance

First posting, June 2022

Publication ID: TDIASP | 0622

This document is available online at [tdi.texas.gov/reports](https://tdi.texas.gov/reports).

# Contents

## Strategic plan

Overview .....	2
Duties .....	2
Mission .....	2
Insurance operations mission .....	2
Workers' compensation mission .....	3
Goals and action plans.....	3
Insurance operations .....	3
Workers' compensation operations.....	8
Redundancies and impediments .....	13

## Supplemental schedules

Schedule A - Budget Structure.....	14
Agency goals .....	15
Objectives and strategies .....	16
Schedule B - Performance Measure Definitions .....	17
Schedule C - Historically Underutilized Business Plan.....	74
Goal.....	75
HUB program efforts and accomplishments .....	75
Schedule D - Statewide Capital Planning .....	77
Schedule E - Health and Human Services Strategic Planning.....	78
Schedule F - Agency Workforce Plan.....	79
Overview.....	80
Current workforce profile .....	80
Employee engagement .....	83
Future workforce needs .....	85
Gap analysis .....	86
Strategies .....	87
Conclusion .....	88
Schedule G - Report on Customer Service .....	89

## Overview

Texas is the nation's third largest insurance market and the eighth largest in the world. TDI regulates the state's insurance industry, oversees the administration of the Texas workers' compensation system, performs the duties of the State Fire Marshal's Office, and provides administrative support to the Office of Injured Employee Counsel – a separate agency.

## Duties

The Texas Insurance Code requires TDI to:

- Regulate the business of insurance in Texas.
- Protect and ensure the fair treatment of consumers.
- Ensure fair competition in the insurance industry to foster a competitive market.
- Administer the Texas workers' compensation system as provided by the Texas Labor Code.
- Ensure that the Insurance Code and other laws regarding insurance and insurance companies are executed.

The Commissioner of Insurance is the agency's chief executive and administrative officer. The commissioner administers and enforces state insurance laws and applicable laws that grant jurisdiction to TDI or the commissioner.

There are two legislatively established divisions within TDI:

- **Division of Workers' Compensation (DWC):** Established by Texas Labor Code, Title 5, the Commissioner of Workers' Compensation exercises all executive authority, including rulemaking, over DWC operations and enforces the Texas Workers' Compensation Act and other applicable workers' compensation system laws.
- **State Fire Marshal's Office:** Established by Texas Government Code, Chapter 417, the State Fire Marshal is a state-commissioned officer appointed by the Commissioner of Insurance. The State Fire Marshal's Office develops and promotes methods of preventing and reducing fire losses. This responsibility is carried out through fire cause and origin investigations, state building inspections, code enforcement, the regulation of fire service industries, and the development and promotion of fire prevention programs.

The Governor, with advice and consent of the Texas Senate, appoints both the Commissioner of Insurance and the Commissioner of Workers' Compensation for two-year terms.

## Mission

### Insurance operations mission

To protect insurance consumers by regulating the industry fairly and diligently, promoting a stable and competitive market, and providing information that makes a difference.

## Workers' compensation mission

Regulate Texas workers' compensation efficiently, educate system participants, and achieve a balanced system in which everyone is treated fairly with dignity and respect.

## Goals and action plans

The agency goals and action plans are organized to reflect the goals of the Commissioner of Insurance, the goals of the Commissioner of Workers' Compensation, and the operational goals for the entire organization.

### Insurance operations

#### Goal 1: Modernize agency technology

---

Specific action items	Target date
Align the State Fire Marshal's Office's licensing applications and procedures with recently streamlined agent and adjuster licensing processes.	FY 2023
Continue to evaluate the need for and effectiveness of existing applications. Seek more current alternatives and vendor supported software solutions.	Ongoing
Continue to benchmark against private and public sector entities with similar functions to identify best practices and technology that can help improve customer service, information security, and internal processes.	Ongoing
Implement Mozart, a tool that uses analytics and machine-based learning, to check policies filed by life and health insurers for compliance with state regulations.	Ongoing
Continue working with the Division of Workers' Compensation (DWC) to transition certain DWC operations from legacy systems to more current internal systems using existing agency resources. Multiphase project that began FY 2021.	Contingent on available resources

#### Support of statewide objectives

---

**1. Accountable to tax and fee payers of Texas.**

Modernizing technology makes agency processes more efficient and effective.

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

Increasing the use of online services helps reduce staff time associated with manual entry and processing paper documents.

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

TDI is engaged with vendors, the National Association of Insurance Commissioners, and other state agencies to leverage existing technology resources to create a culture of continuous improvement and ensure the agency continues to meet key performance measures.

**4. Attentive to providing excellent customer service.**

Using technology more effectively improves customer service by providing easier and more convenient ways for people to conduct business with the agency.

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

Better use of technology can increase transparency. For example, TDI is moving more data to the Texas Open Data Portal. This allows for an easier way to query large data sets.

**Other considerations relevant to goals and action plans**

TDI is looking at technology solutions that can improve analysis of data and information reported to the agency. The potential benefits include improved regulatory consistency and ability to quickly identify compliance issues.

**Goal 2: Improve TDI’s regulatory efficiency and effectiveness**

<b>Specific action items</b>	<b>Target date</b>
Continue to streamline internal processes for drafting and reviewing rules so legislative changes and rules can be developed more quickly.	Ongoing
Continue meaningful participation in the National Association of Insurance Commissioners (NAIC) and the International Association of Insurance Supervisor (IAIS) initiatives. Through participation, TDI can influence the development of model laws and international regulatory standards to ensure they are consistent with Texas’ regulatory philosophy.	Ongoing
Continue to implement a more risk-based process to evaluate insurer solvency.	Ongoing
Continue to coordinate with other state, federal, and international regulators with authority over insurers to best leverage resources and maximize TDI staff efficiency.	Ongoing
Continue to keep open lines of communication with industry, legislators, and consumers. This includes hosting webinars that provide program updates and time for questions and answers.	Ongoing

## Support of statewide objectives

---

### 1. Accountable to tax and fee payers of Texas.

TDI's regulatory approach maximizes compliance resources to protect consumers and provide prompt assistance to licensed individuals and entities.

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

TDI's use of risk-based examination and surveillance approaches for solvency regulation ensures resources are focused on analyzing and examining the areas of highest risk. In addition, the agency's coordination with other state, federal, and international regulators helps leverage resources to make the best use of tax dollars.

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

More efficient and effective regulatory systems and processes help the agency fulfill its core function of regulating the insurance industry firmly and fairly.

### 4. Attentive to providing excellent customer service.

Improvements to the agency's regulatory processes provide regulatory certainty for insurers.

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

Streamlined and documented regulatory processes provide continued transparency for the regulated community and other stakeholders.

## Other considerations relevant to goals and action plans

---

Texas' population growth and increased diversity affects consumers' insurance product needs. TDI's challenge is to foster a stable, competitive, and healthy environment for insurers to provide high-quality insurance products that satisfy consumer demands.

Understanding Texas' place in the financial services sector is fundamental to leading TDI. With \$193.8 billion of premiums in 2021, Texas is the nation's third largest insurance market and the eighth largest in the world. The agency regulates more than 3,300 companies and oversees more than 827,000 agent and adjuster licenses.

TDI is committed to continuous improvement to better protect consumers and foster a stable, competitive insurance market.

The strong Texas insurance market ultimately benefits consumers by providing more options and competitive rates. TDI's strategic goals will build on this foundation to improve services, make better use of technology, and help consumers better understand their insurance options and rights.

Texas is in a unique position to influence the direction of state, national, and international insurance regulatory standards through the NAIC and IAIS.

- **NAIC:** The NAIC represents the insurance commissioners from the 50 states, the District of Columbia, and five U.S. territories. NAIC’s goals include enhancing the uniformity and consistency of the state-based system of insurance regulation. The NAIC also serves a role in mitigating the risk of federal pre-emption of states’ ability to regulate insurance.
- **IAIS:** Established in 1994, IAIS represents insurance regulators from nearly 140 countries, which constitute 97% of the world’s insurance premiums. IAIS’s objectives are to promote effective and globally consistent insurance regulation and to enhance global financial stability. TDI’s participation in IAIS allows the agency to ensure that IAIS’s recommendations are right for Texas.

**Goal 3: Provide easy-to-understand consumer information and excellent customer service**

Specific action items	Target date
Continue to educate consumers about insurance topics, including what they may need, what they’ve purchased, and assist with denials. This includes creating webpages, videos, and social media posts in English and Spanish with consumer tips. It also includes providing fast and accurate help through the Help Line.	Ongoing
Update and modernize the HelpInsure.com rate comparison website using plain language and user experience (UX) best practices. (Phase 2 of 2)	FY 2023
Continue to revise agency forms for plain language and accessibility.	Ongoing
Continue to review and revise agency letters sent to consumers, agents and adjusters, and regulated entities using plain language.	Ongoing
Check that certain consumer notices used by insurers use plain language best practices.	Ongoing
Continue to provide plain language consulting, training, and resources for the agency and industry.	Ongoing

**Support of statewide objectives**

**1. Accountable to tax and fee payers of Texas.**

Providing educational materials in plain language will help consumers make better financial decisions and help them better understand and use TDI’s services and resources. The Help Line staff is available to help consumers better understand their policies and to help process complaints.



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

Helping consumers and those seeking licenses better understand agency processes results in a more efficient use of agency resources. Providing clear rules and instructions ultimately means fewer calls to clarify a process or correct applications with missing information.

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

Providing consumers assistance through the Help Line and creating educational materials in plain language improves our ability to achieve our core functions across the board. Consumers are better informed when the information provided by TDI, and the companies we regulate, is readily available and easy to understand.

**4. Attentive to providing excellent customer service.**

The heart of the plain language initiative is a customer-centric focus. It's about viewing our businesses, processes, and decisions through the eyes of Texas insurance customers.

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

Using simple words, maintaining a website that's easy to navigate, and formatting to highlight the most important and timely information first, enhances transparency by helping Texans understand how TDI actions benefit consumers and the industry we regulate.

**Other considerations relevant to goals and action plans**

---

Plain language benefits both consumers and insurance companies. Examples of the benefits include:

- People will better understand their rights as insurance consumers and how to get help or seek relief when appropriate.
- Insurance agents and adjusters can rely on simple, straightforward information to apply for and manage a license.
- Companies will find it easier to comply with common-sense, straightforward regulatory processes.

## Workers' compensation operations

### Goal 1: Provide a healthy Texas workers' compensation system for all system participants

Specific action items	Target date
Improve the designated doctor (DD) system by implementing measures to reduce administrative burdens for doctors, adjust testing practices, and simplify the billing and reimbursement process, to recruit and retain the most qualified DDs.	FY 2023
Continue to update and modernize all DWC forms, including more than 70 forms and plain language notices regularly used by stakeholders. Changes include substantive revisions to many forms for readability, consistency, and making them easier to understand.	FY 2023
Continue to collaborate with external investigation teams and internal subject matter experts to identify trends and maximize resources for criminal fraud investigations and prosecutions.	Ongoing
Continue to improve outreach and education efforts across DWC to best serve the needs of system participants, including injured employees, by creating more injured employee resource materials and videos, stakeholder webinars and online training materials.	Ongoing
Continue to ensure a diverse community of health care providers in the Texas workers' compensation system through outreach and education for new participants across Texas.	Ongoing

### Support of statewide objectives

#### 1. Accountable to tax and fee payers of Texas.

Workers' compensation fraud impacts all system participants through higher insurance premiums. It also reduces public confidence in the workers' compensation system and could discourage employers from subscribing to the system. By collaborating with external entities and relying on the expertise from DWC program areas, DWC will continue to address and deter fraud in the system. Increasing the availability of qualified health care providers in the system ensures that injured employees and insurance carriers have access to medically appropriate health care. DDs are a key component of the Texas workers' compensation system. By taking steps to recruit and retain the best DDs possible, injured employees will receive quality examinations, which are important for determining the benefits they receive.

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

Improving access to qualified health care providers ensures prompt and efficient medical care to injured employees while promoting safe and efficient return-to-work programs. Providing educational opportunities through webinars and other online resources allows DWC to reach a wider audience while minimizing the amount of travel by employees and system participants. Outside investigative teams can supplement DWC's fraud efforts, which allow us to leverage existing resources to maximize the number of fraud cases we investigate.

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

A core function of DWC is to regulate the workers' compensation system and "provide timely, appropriate, and high-quality medical care supporting restoration of the injured employee's physical condition and earning capacity." By ensuring high-quality DDs and actively recruiting new health care professionals to the workers' compensation system, DWC is working to provide the best care possible for injured employees in Texas. Having quality health care providers and DDs in the system should also reduce the number of claims that go to the dispute resolution process, and reduce the time needed to settle a dispute.

**4. Attentive to providing excellent customer service.**

Outreach and education efforts provide health care providers with a better understanding of the workers' compensation system. This helps DWC ensure there are enough doctors in the Texas workers' compensation system. By updating and improving our forms, customers will more clearly understand the communications they receive that are critical to their claim and eligibility for benefits. By creating easy-to-understand materials and videos for injured employees, they will be more informed about the workers' compensation process and the options available to them.

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

Improving the DD program will require DWC to adopt updated rules. DWC has been holding a series of stakeholder meetings to explain our goals and to receive feedback on the proposals. DWC will continue to hold these meetings and propose informal rule language for comments from stakeholders before we submit a formal proposal to the Texas Register. Easy-to-understand forms make the system more transparent for system participants. DWC provides resources, webinars, and videos for injured employees, to make the system more accessible and ensure system participants are better informed about the claims process.

**Other considerations relevant to goals and action plans**

---

The DD program is a key component of the Texas workers' compensation system and helps keep overall system costs down.

## Goal 2: Improve efficiencies across the Division of Workers' Compensation

---

Specific action items	Target date
Continue transitioning certain DWC operations from legacy systems to more current internal systems using existing agency resources. Multiphase project that began FY 2021.	Contingent on available resources
Complete the move from the outdated Electronic Data Interchange (EDI) standard to the most up-to-date International Association of Industrial Accident Boards and Commissions (IAIABC) data reporting formats for EDI claim data.	FY 2023
Create a statewide dispute resolution docketing system that leverages the flexibility created by recent legislation (House Bill 1752) that allows certain dispute proceedings to be held virtually.	FY 2025
Use current systems like SharePoint to help staff easily access information, manage workloads, and increase productivity. This includes creating a more accessible and updated site for all agency procedures. DWC will coordinate with TDI to replace the current agency intranet with a new SharePoint site that will be a hub for all program areas.	FY 2024
For fraud investigations, increase the use of digital technology for investigative and administrative processes to conserve resources and maximize collaborative abilities.	FY 2024

### Support of statewide objectives

---

#### 1. Accountable to tax and fee payers of Texas.

DWC works to enhance internal processes using technology as directed in Labor Code §402.021. DWC's efforts to update current systems using existing resources is a substantial cost savings versus a full system replacement. These updates increase efficiencies for staff and maintain a fiscally responsible budget. DWC continues to make progress on this project as new capabilities become available. Moving to an updated EDI reporting format will allow DWC to collect and analyze information in more useful ways. Using digital technology for fraud investigations allows DWC to better assess where to use resources.

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

Moving to the updated EDI reporting standards will increase accuracy of data reporting and allow agency IT resources to be used for other priorities. Also, using current systems for internal processes and information sharing will allow DWC to operate more cohesively, increase productivity, and allow for cross-training across program areas in succession planning efforts. Creating a statewide docketing system will allow disputes to move more efficiently, be more equally assigned and docketed, and reduce scheduling conflicts among proceedings staff.

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

A statewide dispute resolution docketing system will allow disputes to be completed more quickly, which is a key performance measure for DWC. Using updated EDI reporting standards that meet DWC business needs will improve the quality of data reported to DWC. It also allows DWC to more effectively complete its statutorily required performance-based oversight activities, conduct objective research, produce agency performance measures and legislative reports, develop medical fee guidelines, and select health care providers or other system participants for quality-of-care audits by the Medical Quality Review Panel. By using more digital resources, DWC will be able to maximize staff productivity to ensure appropriate compliance with the Workers' Compensation Act.

**4. Attentive to providing excellent customer service.**

Updating our systems will also provide a modern and easy-to-use interface for system participants and allow DWC staff to be more productive. Implementing updated EDI claim reporting standards will improve efficiencies and lower costs for insurance carriers in multiple jurisdictions. A statewide docketing system will help resolve benefit disputes more quickly.

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

Updating our systems will help DWC keep pace as business shifts to digital formats. As part of the EDI update process, DWC has adopted rules for this transition. DWC solicits input from stakeholders at all stages of this process. The EDI project will make better-quality data available for the system. This will allow DWC to provide the Legislature and public with better report data.

**Other considerations relevant to goals and action plans**

Many of these technology-related goals are contingent on available resources. Certain completion dates, for projects like the docketing system, depend on other IT projects being completed first.

**Goal 3: Promote safe and healthy workplaces**

<b>Specific action items</b>	<b>Target date</b>
Market workplace safety programs and services, including our digital online catalog of safety resources, to employers and employees through social media, the annual DWC conference, trade show exhibits, industry meetings, and other state and federal events.	FY 2023 and ongoing
Provide Occupational Safety and Health Administration (OSHA) 10-hour and 30-hour training to Texas Facility Commission subcontractors, other state agencies, and the public.	FY 2023 and ongoing
Conduct at least 2,000 safety consultations and 500 compliance assistance activities for small and medium-sized business in Texas at no cost to them.	FY 2023

## Support of statewide objectives

---

### **1. Accountable to tax and fee payers of Texas.**

Providing workplace safety services to employers reduces occupational injuries, illnesses, and fatalities. It also reduces the need for social service benefits, such as workers' compensation and Social Security Disability benefits, and lessens disruptions in employer productivity and employee wage earning capacity. DWC's OSHA 10-hour and 30-hour training classes are provided at a significant discount compared to other private training programs. These trainings are often required for construction workers before they are allowed onto a jobsite. Online workplace safety material is easier for employers and employees to access.

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

Promoting programs and services to employers through social media, conferences, trade show exhibits, and industry meetings helps DWC engage employers and employees interested in safety, and is an efficient use of staff time and resources. Working with other state agencies allows DWC to offer required training for state employees and contractors. This allows other agencies and contractors to make better use of their limited resources on state projects. Portions of the safety consultation program are funded through a federal grant, which allows DWC to leverage federal funds to provide important safety services at no cost to Texas businesses.

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

Providing occupational safety and health consultations and inspections to employers, and training employees on safe work practices, are key to fulfilling the core function in the Texas Workers' Compensation Act to promote safe and healthy workplaces. These activities directly contribute to a DWC key performance measure - the number of workplace safety consultations and inspections provided to employers.

### **4. Attentive to providing excellent customer service.**

DWC provides workplace safety program participants an opportunity to give feedback through emails, surveys, and evaluation forms. Many workplace safety education and outreach functions are voluntary for employers. DWC's workplace safety program strives to identify new and emerging safety issues and encourages employers to use these services, regardless of whether they have workers' compensation. Providing required OSHA trainings is an excellent benefit for employees in Texas. Many employers require their employees to have OSHA certification cards before working on a job site, and DWC provides these. These courses are available throughout Texas to allow more people to participate.

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

DWC communicates occupational safety and health rights and responsibilities for employers and employees during every Occupational Safety and Health Consultation Program (OSHCON) consultation and training class. DWC also makes related educational materials and FAQ available online or by request.

## Other considerations relevant to goals and action plans

---

- The number of workplace safety consultations, inspections, and trainings provided to employers and employees depends on voluntary participation. All related occupational injury and illness prevention programs and services are funded through a combination of state and federal funds and are required by state and federal law. The OSHCON program is funded 90% with federal funds from OSHA and 10% with state funds. Other employer safety inspection activities are state funded.
- DWC has no enforcement authority over workplace safety. That authority resides with OSHA. DWC is tasked with promoting workplace safety and assisting Texas businesses in making safety improvements.

## Redundancies and impediments

No redundancies or impediments have been identified.



Schedule A  
Budget Structure



## Agency goals

- Goal 1. Protect and ensure the fair treatment of consumers
- Goal 2. Promote a competitive and stable insurance market
- Goal 3. Reduce loss of life and property due to fire
- Goal 4. Effectively regulate the Texas workers' compensation system
- Goal 5. Indirect administration
- Goal 6. Regulatory response
- Goal 7. Health insurance risk pool

# Objectives and strategies

Obj.	Strategy	Part	Goals
1.1	Provide high quality information and services to stakeholders		
1.1.1	Provide information to consumers, resolve complaints, and license agents	Ins	1, 4
1.1.2	Maintain TexasSure Motor Vehicle Financial Responsibility Program	Ins	1, 2
1.1.3	Support Texas.gov		
2.1	Regulate insurance industry solvency		
2.1.1	Analyze financial condition of insurers and take solvency action	Ins	1, 2, 3
2.2	Efficiently regulate P&C/L&H rates, forms, programs, networks		
2.2.1	Efficiently regulate property & casualty rates, forms and programs	Ins	1, 2, 3
2.2.2	Efficiently regulate life and health rates, forms and networks	Ins	1, 2, 3
2.3	Ensure compliance with state insurance laws		
2.3.1	Review compliance and bring enforcement actions as needed	Ins	1, 2, 3
2.3.2	Investigate insurance fraud and refer violations for prosecution	Ins	2, 3
2.4	Administer initiatives to promote access to affordable insurance products		
2.4.1	Administer three-share program that helps employers provide affordable health care coverage		
3.1	Protect the public from loss of life and property due to fire		
3.1.1	Investigate suspected arson, conduct fire safety inspections, and licensing	Ins	1, 2, 3
4.1	Ensure appropriate delivery of workers' compensation benefits		
4.1.1	Oversee activities of system participants and ensure compliance	DWC	1, 2
4.1.2	Resolve indemnity, medical fee, and medical necessity disputes	DWC	1, 2
4.1.3	Administer subsequent injury fund	DWC	2
4.1.4	Investigate workers' compensation fraud and refer violations for prosecution	DWC	1, 2
4.2	Ensure workers' compensation system participants are educated and informed		
4.2.1	Provide educational services and workplace safety consultation to system participants	DWC	1, 2, 3
4.2.2	Provide customer assistance and manage information for system participants	DWC	1, 2
5.1	Indirect administration		
5.1.1	Central administration	Ins	2
5.1.2	Information resources	Ins	2
5.1.3	Other support services	Ins	2
6.1	Regulatory response rider		
6.1.1	Contingency regulatory response		
7.1	Health insurance risk pool		
7.1.1	Contingency health insurance risk pool		



Schedule B

# Performance Measure Definitions

## 1.1 OC 1 Percent of calls answered by the TDI consumer help line call center

### Definition

The call capture rate for calls answered by the Consumer Help Line is the percent of calls answered by Consumer Help Line staff.

### Purpose

The percentage of calls answered by Consumer Help Line staff is a call center industry standard measurement of customer service. TDI educates consumers through phone calls.

### Data source

Incoming and answered telephone calls are tracked by the agency's telephone system. Incoming calls are routed to an automated call distribution (ACD) queue that is available to be answered by a staff member. An answered call is one that was routed to an ACD queue then answered by a Consumer Help Line staff member.

### Methodology

The total number of telephone calls answered by the Consumer Help Line staff, divided by the total number of incoming telephone calls during the reporting period.

### Data limitations

If the network server that captures call data goes down and a daily calls answered/incoming calls report is not available or incomplete, then that day's total calls answered/incoming will be calculated by averaging the previous and succeeding days' number of calls answered/incoming reports.

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 1.1 OC 2 Average number of dollars returned to consumers, per complaint

### Definition

The total dollar amount of claim payments and premium refunds returned to the consumer through complaint resolution by the TDI Consumer Protection program, divided by the number of complaints resolved.

### Purpose

To measure the average dollar amount returned to consumers through complaint resolution. TDI is directed by statute to facilitate the resolution of consumer complaints and assist consumers in recovering valid claims.

### Data source

The claim payments and amounts of premium refund obtained through filing a complaint to TDI and staff intervention are tracked in an agency database. Claim payments amounts are the additional amount above what was originally offered to the consumer before TDI staff intervention. Premium refunds are amounts of premiums previously paid that are refunded as a result of TDI staff intervention. Complaints are tracked in an agency database. The complaint is resolved when staff have closed the complaint in the database. To close a complaint, staff must exhaust all actions deemed appropriate to resolve the complaint and have sent the complainant communication explaining the final disposition of the complaint. Anonymous complaints will have a memo to file instead of a letter to a complainant.

### Methodology

The total dollar amount of claim payments and premium refunds returned to the consumer through complaint resolution by the TDI Consumer Protection program, divided by the number of complaints resolved.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 1.1 OC 3 Percent of continuing education filings completed within 10 days

### Definition

The percent of continuing education provider and course filings completed within 10 calendar days of receipt. A continuing education provider or course filing is submitted for the issuance of a new registration or certification or renewal of an existing registration or certification.

### Purpose

To ensure the timely processing of continuing education filings.

### Data source

The starting date is the date a complete and correct filing is received by TDI. The "completed" date for filings is the process date assigned in the continuing education tracking system, the date the action pertaining to the record request is completed, or the date on the notification letter of approval or denial.

### Methodology

The sum of the number of continuing education filings completed within ten calendar days of receipt, divided by the total number of continuing education filings completed during the reporting period.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 1.1 OC 4 Percent of agent and adjuster applications completed within seven days

### Definition

The percent of agent and adjuster license applications completed within seven days of receipt. An agent and adjuster application license is submitted for the issuance of a new license.

### Purpose

To ensure the timely processing of agent and adjuster applications.

### Data source

The information needed to calculate this measure is maintained in a regulatory system. The starting date is the date an application filing, including all information needed for TDI to determine whether an applicant meets Insurance Code and associated rule requirements, is received by TDI. The ending date is the date that TDI sends information to the applicant regarding whether an application has been approved or denied.

### Methodology

The sum of the number of agent and adjuster license application filings completed within seven days of receipt, divided by the total number of agent and adjuster license application filings completed during the reporting period.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 1.1 OC 5 Percent of licensees who renew on-line

### Definition

The percent of agent licenses renewed on-line.

### Purpose

To track the percentage of agent licenses renewed on-line.

### Data source

An agent license is renewed when the license's renewal invoice is paid in the agent license database. Agent licenses include agents, adjusters, service representatives, counselors, reinsurance brokers and managers, and risk managers. The agent license invoices renewed on-line are invoices for which the licensee or the licensee's representative submits payment electronically through a third-party system, including, but not limited to, TexasOnline, Sircon, and the National Insurance Producer Registry. The total number of agent license invoices renewed is invoices that are renewed on-line plus all renewals.

### Methodology

The sum of the number of agent licenses renewed on-line, divided by the total number of agent licenses renewed during the reporting period.

### Data limitations

An agent may hold more than one license at the agency; therefore, for this measure, individual licenses are counted instead of the licensee to better reflect accurate activity at the agency.

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target



## 1.1 OC 6 Percent of autos with personal or commercial liability insurance

### Definition

Number of insured registered passenger vehicles as a percent of total registered passenger vehicles.

### Purpose

To measure the percentage of total registered passenger vehicles which are covered by personal or commercial automobile liability insurance.

### Data source

The source of data for total registered passenger vehicles covered by personal or commercial automobile liability insurance is TexasSure Motor Vehicle Financial Responsibility Verification Program, the Texas financial responsibility verification program. The source of data for registered passenger vehicles is the Texas Department of Motor Vehicles, as reported to the vendor for TexasSure vehicle insurance verification.

### Methodology

The total number of registered passenger vehicles covered by personal or commercial automobile liability insurance, divided by the total number of registered passenger vehicles at the end of the reporting period.

### Data limitations

Data for passenger vehicles covered by commercial automobile liability insurance is an optional reporting element of TexasSure Motor Vehicle Financial Responsibility Verification Program.

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 1.1.1 EX 1 Number of inquiries received

### Definition

The number of inquiries received through the contact center management system of the department. An inquiry is a request for insurance information received from an external customer during business hours. Customers include individual consumers, business consumers, regulated entities, state agencies, and legislators.

### Purpose

To measure the number of inquiries received through the contact center management system.

### Data source

Inquiries to the contact center staff. Inquiries are tracked by reports generated by the contact center's management system.

### Methodology

The sum is the total number of inquiries received through the contact center management system. Inquiries are dynamic data: a question from a consumer may be counted as an inquiry in one quarter, then become a complaint in a subsequent quarter.

### Data limitations

If the network server that captures call data goes down and a daily call answered report is not available or incomplete, then that day's total calls answered will be estimated by averaging the previous and succeeding day's number of calls answered reports.

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 1.1.1 OP 1 Number of complaints resolved

### Definition

The number of written communications primarily expressing a grievance which have been resolved.

### Purpose

To measure the number of complaints resolved.

### Data source

Complaints are tracked in an agency database. The source of the data is quarterly and annual reports. The complaint is resolved when staff have closed the complaint in the database. To close a complaint, staff must exhaust all actions deemed appropriate to resolve the complaint and have sent the complainant a letter explaining the final disposition of the complaint. Anonymous complaints will have a memo to file instead of a letter to a complainant.

### Methodology

The sum of complaint records for the reporting period that are closed.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target

## 1.1.1 EF 1 Average response time (in days) to complaints

### Definition

The number of days from the date a complaint is received at TDI to the date complaint action is concluded, summed for all complaints, divided by the number of complaint actions concluded.

### Purpose

To measure the efficiency of TDI's complaints resolution process.

### Data source

The source of the data is a report from an agency database. The date a complaint is received. The date action is concluded is the date staff closed the complaint in the agency database. The closed date will be after staff have determined that they have exhausted actions they deem appropriate to resolve the complaint and have sent the complainant communication explaining the final disposition of the complaint.

### Methodology

The sum of the total number of days to resolve complaints, divided by the number of complaints resolved during the reporting period.

### Data limitations

Anonymous complaints will have a memo to file instead of a letter to the complainant. If a complaint is reopened, the elapsed time between a closure date and a reopen date is not included in the calculation. The date on the complainant's letter will be the starting date.

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Lower than target

## 2.1 OC 1 Percent of identified companies reviewed

### Definition

The percent of annual financial statement reviews completed on identified companies. Identified companies are composed of Texas domestic companies or foreign companies writing a certain level of Texas premium that may have potential solvency concerns.

### Purpose

To ensure TDI reviews all identified companies for financial regulatory problems.

### Data source

The number of identified companies is established by June 1 of each fiscal year, based on TDI's priority system. The number of identified companies is evidenced by a report called "Texas and Foreign+ Priority Companies". Foreign+ is defined as foreign life insurance companies writing more than an amount determined annually in Texas premium in the preceding calendar year and foreign Property/Casualty companies writing more than an amount determined annually in Texas premium in the preceding calendar year. The number of financial reviews is evidenced by a report entitled "Annual Reviews Completed on Priority Companies". This report is generated as of fiscal year-end from the financial tracking system. TDI completes its review of these annual statements between March 1 and August 31 each fiscal year.

### Methodology

The sum of the number of financial reviews completed on annual statements filed by identified companies, divided by the total number of identified companies for the reporting period.

### Data limitations

Domestic insurance companies are Texas-based entities chartered in Texas holding a certificate of authority, as tracked in an agency database. Foreign companies are non-Texas-based entities chartered in other states or by a foreign government holding a certificate of authority, as tracked in an agency database. The number of domestic or foreign companies entering into, or withdrawing from, the market in any given fiscal year may vary.

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 2.1 OC 2 Percent of company, third-party administrators, and premium finance license applications completed within 60 days

### Definition

The percent of license applications completed in 60 days or less.

### Purpose

To ensure the timely processing of license applications for authorized insurers (includes captive and domestic surplus lines insurers), health maintenance organizations, third-party administrators, and premium finance companies, as well as their branches, and the following post-licensure transactions: redomestications, mergers, and withdrawals.

### Data source

The data source is maintained using the agency database. Applications are for licensure, redomestications, mergers, and withdrawal plans. Entities counted in this measure are authorized insurers (including captive and domestic surplus lines insurers), health maintenance organizations, third-party administrators and premium finance companies, as well as their branches. The processing time begins on the date that all documentation and required fees have been received. The processing time is completed for company applications on 1) the date of the letter to the applicant, which includes the certificate of authority and/or commissioner's order, or the date on the memo to file if no certificate of authority or commissioner's order is issued, or 2) the date a no action letter is issued. The processing time is completed for third-party administrator applications on the date of the commissioner's order or letter. The processing time is completed for premium finance applications on the effective date as indicated on the license.

### Methodology

The sum of the number of license and related transaction applications completed within 60 days for authorized insurers (including captive and domestic surplus lines insurers), health maintenance organizations, third party administrators and premium finance companies, as well as their branches, divided by the total number of license and related transaction applications completed for these entities.

### Data limitations

None

### New measure

No

### Calculation method

Noncumulative

### Target attainment

Higher than target

## 2.1.1 EX 1 Number of insurance company insolvencies

### Definition

The number of insurance companies and other risk-bearing entities that are insolvent and placed in receivership for liquidation.

### Purpose

The Purpose of this measure is to capture the number of insolvencies that may impact the guaranty associations, policyholders, claimants, general creditors, and the public. Various factors that significantly impact this measure include inadequate underwriting and reserving, improper financial reporting, mismanagement, new product development, and marketing.

### Data source

Each insurance company and risk-bearing entity placed in receivership is used as a basis by TDI when obtaining a court order to initiate a liquidation proceeding.

### Methodology

The number of insurance companies, HMOs, exchanges, and MEWAs that are insolvent and placed in receivership for liquidation during the reporting period.

### Data limitations

Receiverships for the purpose of rehabilitation and non-risk-bearing entities are not included in this measure.

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Lower than target

## 2.1.1 EX 2 Number of entities receiving TDI solvency-related intervention

### Definition

The number of licensed or unauthorized insurance companies or agencies whose operations are placed under the TDI solvency-related intervention for financial rehabilitation.

### Purpose

To measure the number of entities receiving TDI solvency-related intervention, which represents the TDI philosophy of early intervention to attempt rehabilitation of companies as mandated by the Texas Insurance Code.

### Data source

This measure uses the number of referrals as the source for calculating this measure. A referral is defined as the issuance of an official Commissioner's Order or letter for TDI solvency-related intervention, including ancillary supervision or conservatorship, and includes the count of TDI solvency-related interventions in effect at the beginning of the fiscal year, plus companies or agencies referred during the fiscal year.

### Methodology

The sum of the total number of new companies or agencies placed under TDI solvency-related intervention, including supervision, conservatorship, Texas Insurance Code Chapter 404 orders, administrative oversight letters, or court-directed rehabilitation during the reporting period. Does not include an entity being moved from one to another type of action within the scope of the measure.

### Data limitations

The number of troubled companies referred for regulatory intervention is influenced by many economic and environmental influences. Orders issued under the authority of Texas Insurance Code, Chapter 404 against licensed or unauthorized entities that have no current policies in Texas, and do not write in Texas, are excluded from this measure.

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Lower than target



## 2.2 OC 1 Percent of statutory rate and form filings completed within 90 days

### Definition

This measure monitors the number of rate and form filings that are completed by TDI within 90 days of receipt of the filing.

### Purpose

To ensure the timely processing of filings.

### Data source

Filings are tracked in an agency electronic database. A filing is a submission of rates or rating factors, forms, or other documents required by TDI for use by insurance carriers, viatical and life settlement entities, and HMOs to define the terms of coverage, develop rates, or transact the business of insurance. A filing is completed on the date final agency action is taken on the filing. Final action is defined as approval, disapproval, rejection, withdrawal, acceptance, deemed approved, closed, filed for information only, or verification that a filing is exempt from review. A form filed to replace a previously approved form is counted as a separate filing. To count the number of days to complete a filing, begin on the date of the day after TDI receives the filing and end on the date of final TDI action.

### Methodology

Within the reporting period, the total number of all filings completed by TDI within 90 days of receipt of the filing, divided by the total number of filings completed.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 2.2 OC 2 Percent personal auto/residential property form filings completed in 60 days

### Definition

The percent of personal auto and residential property form filings completed by TDI within 60 days of receipt.

### Purpose

To ensure the timely processing of personal auto and residential property form filings.

### Data source

Filings are tracked in an electronic database and form filings are defined as both policy forms and endorsements. A form filing is completed on the date final action is taken on the filing. Final action includes approval, disapproval, deemed approved, filed for information, rejection, or withdrawal. A form filed to replace a previously approved form is counted as a separate filing. To count the number of days to complete a filing, begin on the date of the day after TDI receives the filing and end on the date of final TDI action. The number of days to complete a filing does not include the number of days between the date TDI requests additional information and the date TDI receives a response from the company.

### Methodology

Within the reporting period, the total number of personal automobile and residential property form filings completed by TDI within 60 days of receipt of the filing, divided by the total number of personal automobile and residential property form filings completed.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 2.2.1 OP 1 Number of property and casualty filings completed

### Definition

The number of property and casualty filings completed by TDI. A filing is a submission of rates, policy forms, or other documents relating to coverage and rates.

### Purpose

To measure the number of property and casualty filings TDI completed for the reporting period.

### Data source

Form filings are tracked in an agency electronic database. A form filing may include policy forms, endorsements or certificates of insurance. A rate filing may include rates, rating plans, rules, and rating manuals. A filing is completed on the date final action is taken on the filing. Final action is defined as approval, disapproval, rejection, withdrawal, acceptance, deemed approved, closed, or filed for information only.

### Methodology

The total number of property and casualty filings completed for the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target

## 2.2.1 OP 2 Number of windstorm inspections completed

### Definition

The number of inspections TDI completes of property for windstorm code compliance. A windstorm inspection is an inspection by a TDI windstorm inspector of a structure for compliance with Texas Insurance Code, Chapter 2210 to determine if the components comply with applicable windstorm building codes as approved by administrative rule.

### Purpose

To measure the number of windstorm inspections completed.

### Data source

An inspector completes a windstorm inspection by documenting it on a WPI-7 inspection form and entering it into the windstorm database. Inspectors inspect components of commercial or residential structures, including alterations, repairs, re-roofs, retrofits, or any other applicable component. Inspections comply with Texas Insurance Code, Chapter 2210 in the Texas counties that are eligible for wind and hail coverage through the Texas Windstorm Insurance Association. The Commissioner of Insurance designates these areas. If the inspector travels to the site, TDI counts the inspection as either approved, disapproved, incomplete, or canceled. Inspectors enter inspections into the windstorm database and the number of inspections is calculated monthly.

### Methodology

The sum of the number of windstorm inspections completed during the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target

## 2.2.2 OP 1 Number of life and health filings completed

### Definition

The number of life and health filings completed by TDI. A filing is a submission of rates, forms, or other documents relating to coverage and rates for use by insurance carriers, viatical and life settlement entities, and HMOs.

### Purpose

To measure the number of life and health filings TDI completed for the reporting period.

### Data source

Filings are tracked in an electronic database. A filing is a submission of rates or rating factors, forms, or other documents required by TDI for use by insurance carriers and/or viatical and life settlement entities to define the terms of coverage or to transact the business of insurance. This includes health maintenance organizations and approved non-profit health corporations form filings. A filing is completed on the date final agency action is taken on the filing. Final action is defined as approval, disapproval, rejection, withdrawal, and verification that a form is exempt from review or filed for information only. A form filed to replace a previously approved form is counted as a separate filing.

### Methodology

The total number of life and health filings TDI completed during the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target

## 2.3 OC 1 Percent of enforcement cases concluded with action within 365 days

### Definition

The percent of enforcement cases concluded with action within 365 days. Actions are orders resulting from hearings at the State Office of Administrative Hearings, orders issued without a hearing, license surrenders, and warning letters. This excludes continuing education violations.

### Purpose

To measure timeliness of resolution of cases that merit action.

### Data source

The source of the data is an agency database. The enforcement case is concluded on the date the case is closed in the database.

### Methodology

The number of enforcement cases, excluding continuing education, concluded with action within or equal to 365 days from the case pending date, divided by the total number of enforcement cases concluded with action.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 2.3.2 OP 1 Number of insurance fraud suspects investigated and resolved

### Definition

The number of suspects investigated and resolved. Insurance-related fraud is defined in state and federal penal statutes. A suspect is a person, defined under Texas Insurance Code, Section 701.001(4), as having engaged in a possible violation of a penal law. Each case opened for investigation is distinguished by a unique number assignment. An investigation is resolved when a suspect has been referred to a criminal prosecutor, authorized governmental agency, or other regulatory entity for further legal action, or some factor precludes the possibility of further investigation.

### Purpose

To measure the success of investigations for offenses related to insurance fraud.

### Data source

The source of the data is maintained in the Fraud Unit's case management system.

### Methodology

The number of investigations, also known as cases, made identifiable by their unique numbers, that are resolved during the reporting period. The number of suspects identified in individually numbered investigations that are resolved during the reporting period.

### Data limitations

In many instances, the investigation of a suspect will not be resolved in the same fiscal year in which it was initiated. Variance in the number of resolutions may result in calculation of a percentage that reflects the agency's performance over multiple fiscal years.

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target

## 2.3.2 EF 1 Percentage of investigations of suspects resolved within two years

### Definition

Insurance-related fraud is defined in state and federal penal statutes. A suspect is a person, defined under Texas Insurance Code, Section 701.001(4), as having engaged in a possible violation of a penal law. Each case opened for investigation is distinguished by a unique number assignment. An investigation is resolved when a suspect has been referred to a criminal prosecutor, authorized governmental agency, or other regulatory entity for further legal action, or some factor precludes the possibility of further investigation.

### Purpose

To measure how efficiently investigations are resolved.

### Data source

Information is available in the Fraud Unit's records management system.

### Methodology

The sum of the number of investigations of suspects resolved within two years, divided by the total number of investigations of suspects resolved in the reporting period.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target



## 2.3.2 EX 1 Number of insurance-related fraud reports received

### Definition

A fraud report is a written record submitted to TDI in compliance with Texas Insurance Code, Section 701.051.

### Purpose

To measure the number of instances of suspected insurance-related fraud in Texas.

### Data source

The source of the data is maintained in the Fraud Unit's case management system. All reports of insurer fraud from any source will be entered into the Fraud Unit's case management system and the total will be calculated by querying the system.

### Methodology

The sum of the number of insurance-related fraud reports received by the Fraud Unit during the reporting period.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 3.1 OC 1 Percent of fire safety registrations, licenses, permits issued within 20 days

### Definition

Percent of registrations, licenses, and permits issued within 20 days, after receipt of a completed application, to fire alarm, fire extinguisher, fire sprinkler, and fireworks companies, individuals, and other regulated entities.

### Purpose

To track efficiencies in the issuance of registrations, licenses, and permits.

### Data source

Both initial and renewal certificates of registration, licenses, and permits are issued to companies, individuals, and other entities, upon request, after the applicant provides all the requirements of the Texas Insurance Code, Chapters 6001, 6002, and 6003 and the Occupations Code, Title 13, Subtitle D, Chapter 2154. The receipt date of a completed application is determined by the date of the Texas Department of Insurance Division Cash Receipt Report for correspondence including fees or by the SFMO "received" date stamp on correspondence without fees. The date of issuance of the registration, license, or permit is the date printed on the registration, license, or permit. The received and issuance dates are entered into a database located on the agency's computer network.

### Methodology

The sum of the number of registrations, licenses, and permits issued within 20 days or less, divided by the total number of registrations, licenses, and permits issued within the reporting period.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

### 3.1.1 OP 2 Number of investigations initiated by State Fire Marshal's Office

#### Definition

This number represents the total number of licensing, canine, fire investigations, and agency assists initiated.

#### Purpose

To reflect SFMO's efforts in conducting all investigations.

#### Data source

There are two data sources for the State Fire Marshal's Office (SMFO) investigations:

- 1) Fire Arson Investigation Services Case Management System, and
- 2) Sircon. A fire investigation includes all cases investigated whether the cause is incendiary, accidental, or undetermined.

A licensing investigation includes all cases, whether founded or unfounded. A case is initiated when a request for an investigation has been received and a case number assigned.

#### Methodology

The sum of the number of investigations initiated during the reporting period. The total number of initiated investigations will be obtained by conducting a query of the database.

#### Data limitations

None

#### Calculation method

Cumulative

#### New measure

No

#### Target attainment

Higher than target

### 3.1.1 OP 4 Number of SFMO registrations, licenses, and permits issued

#### Definition

Number of registrations, licenses, and permits issued to fire alarm, fire extinguisher, fire sprinkler, and fireworks companies, individuals, and other regulated entities.

#### Purpose

To track the number of licenses issued to companies and individuals in the alarm, extinguisher, sprinkler, and fireworks industries.

#### Data source

Both initial and renewal certificates of registration, licenses, and permits are issued to companies, individuals, and other entities in accordance with the Texas Insurance Code, Chapters 6001, 6002, and 6003 and the Occupations Code, Title 13, Subtitle D, Chapter 2154. The date of issuance or renewal is the date printed on the registration, license, or permit. The issuance/renewal date is recorded in a database located on the agency's computer network.

#### Methodology

The sum of the number of each type of registration, license, and permit, issued or renewed during the reporting period.

#### Data limitations

None

#### Calculation method

Cumulative

#### New measure

No

#### Target attainment

Higher than target

### 3.1.1 OP 5 Number of licensing investigations or inspections conducted

#### Definition

This is the number of licensing investigations or inspections conducted to determine possible violations by fire extinguishers, fire alarm, fire sprinkler, and fireworks companies, and individuals regulated and licensed under the Texas Insurance Code, Chapters 6001, 6002, 6003 and the Texas Occupations Code, Title 13, Subtitle D, Chapter 2154.

#### Purpose

To track the number of investigations of companies and inspections of licensed entities.

#### Data source

The date on the completed report is entered into an agency database. Investigations are individually quantified by each investigated firm or individual and inspections are quantified by each physical location. Each investigation and inspection is assigned a specific case number. After the investigation/inspection is conducted, the investigator files a report.

#### Methodology

The sum of the number of licensing investigation and inspection case numbers in the database for the reporting period.

#### Data limitations

None

#### Calculation method

Cumulative

#### New measure

No

#### Target attainment

Higher than target

### 3.1.1 OP 6 Number of buildings inspected or reinspected for fire safety hazards

#### Definition

The number of buildings inspected in which a physical inspection/reinspection of the structure is completed and recommendations for correction of hazardous conditions have been made.

#### Purpose

To track the number of buildings inspected/reinspected on an annual basis, for the protection of building occupants.

#### Data source

The data is collected from reports submitted by the inspector and recorded in the agency database. A building is defined as an identifiable structure with fire or space separation containing its own exit facilities and includes inspections/reinspections of retail service stations. An inspection/reinspection is completed when the physical survey is conducted and documented on the inspection report. The date of inspection/reinspection is recorded in the inspection report.

#### Methodology

The sum of the number of buildings inspected/reinspected during the reporting period.

#### Data limitations

None

#### Calculation method

Cumulative

#### New measure

No

#### Target attainment

Higher than target

## 4.1 OC 1 Percent of workers' compensation enforcement cases concluded within 365 days

### Definition

The percent of enforcement cases concluded with action within 365 days. Actions are orders resulting from hearings at the State Office of Administrative Hearings, orders issued without a hearing, and warning letters.

### Purpose

To measure timeliness of resolution of cases that merit action.

### Data source

The source of the data is an agency database.

### Methodology

The number of enforcement cases concluded with action within or equal to 365 days from the case pending date, divided by the total number of enforcement cases concluded with action. The enforcement case is considered concluded on the date the case is closed in the database.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 4.1 OC 2 Percent of medical fee disputes resolved by medical fee dispute resolution or upheld upon appeal

### Definition

The percent of medical fee disputes resolved by the Division of Workers' Compensation medical fee dispute resolution (DWC-MFDR).

### Purpose

To measure the effectiveness of DWC-MFDR's medical fee dispute resolution process. DWC-MFDR is charged with resolving medical fee disputes through informal and formal dispute resolution processes. System participants have the right to appeal DWC-MFDR decisions through the benefit review conference process and then to the State Office of Administrative Hearings (SOAH).

### Data source

Data is maintained in agency automated systems. A medical fee dispute is resolved when DWC-MFDR decision is issued or when a medical fee dispute is resolved informally and dismissed or withdrawn.

### Methodology

The sum of the number of medical fee disputes resolved, minus the sum of the number of SOAH reversals, divided by the total number of medical fee disputes resolved during the reporting period.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target



## 4.1 OC 3 Percent of workers' compensation insurance fraud reports resolved

### Definition

Workers' compensation insurance fraud occurs when a person, in support of a claim or application for an insurance policy, presents:

- a statement that contains false or misleading material information, or
- a statement that the person knows contains false or misleading material information.
- The person must also intend to defraud or deceive a system participant.

### Purpose

To measure progress toward resolving workers' compensation fraud cases.

### Data source

The source of the data is the Fraud section's case management system.

### Methodology

The number of fraud cases resolved during the reporting period, divided by the total number of open workers' compensation insurance fraud cases at the end of the reporting period. A fraud case is resolved when:

- the matter is referred to a criminal prosecutor for legal action;
- the matter is referred to a law enforcement agency;
- the matter is referred for an agency enforcement action;
- the matter is referred for action by another regulatory body;
- the allegations have been disproven; or
- closed for administrative reasons, such as lack of evidence.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 4.1.1 OP 1 Number of workers' compensation enforcement cases concluded with action

### Definition

The number of enforcement actions that are concluded against persons and entities that have violated workers' compensation statutes or rules. Actions are orders resulting from hearings at the State Office of Administrative Hearings, orders issued without a hearing, and warning letters.

### Purpose

This measure monitors the number of enforcement actions concluded by the agency against certain entities in order to demonstrate the agency's efforts toward reducing illegal practices.

### Data source

The source of the data is an agency database. The enforcement case is concluded on the date the case is closed in the database.

### Methodology

The sum of the number of cases concluded with action during the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target

## 4.1.1 OP 2 Number of quality of care reviews completed

### Definition

The number of quality of care reviews completed on health care providers, insurance carriers, utilization review agents (URAs), and independent review organizations (IROs) during the reporting period.

### Purpose

The Division of Workers' Compensation (DWC) is charged with monitoring the quality of health care in the workers' compensation system.

### Data source

Information is maintained in agency automated applications. Quality of care review is defined as a review of clinical evaluations, recommendations, treatment decisions, and clinical outcomes relating to health care. Quality of care reviews are conducted on health care providers who provide care or evaluations in the workers' compensation system.

### Methodology

The sum of the number of quality of care review final reports issued during the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target

### 4.1.1 OP 3 Number of complaints closed involving workers' compensation system participants

#### Definition

The number of all complaints completed within the reporting period.

#### Purpose

The Division of Workers' Compensation (DWC) is charged with monitoring system participants for compliance with statutes and rules.

#### Data source

Information is entered and maintained in agency automated systems. Complaints are reviewed and closed after receiving the determination of "low priority" or after an investigation has been completed. The closed date is the date the complaint is entered into the agency automated system. A complaint is a specific allegation of a violation of the statute or rules received from internal or external sources. Included in this measure are administrative fraud allegations.

#### Methodology

The sum of the number of complaints closed during the reporting period.

#### Data limitations

None

#### Calculation method

Cumulative

#### New measure

No

#### Target attainment

Higher than target

## 4.1.1 OP 4 Number of performance reviews completed

### Definition

The number of performance reviews completed involving workers' compensation participants.

### Purpose

The Division of Workers' Compensation (DWC) is charged with monitoring insurance carriers, employers, health care providers, and other system participants for compliance with the Texas Labor Code and DWC rules.

### Data source

Information is entered and maintained in an agency database. A performance review is completed when DWC issues a final report.

### Methodology

The sum of the number of performance reviews completed during the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target

## 4.1.1 EF 1 Average number of days per quality of care reviews of providers, carriers, utilization review agents, and independent review organizations completed

### Definition

The average number of days to complete quality of care reviews of health care providers, insurance carriers, utilization review agents, and independent review organizations.

### Purpose

This indicates the efficiency of the quality of care review process by measuring the length of time for a quality of care review to be completed.

### Data source

Information is maintained in agency automated applications.

### Methodology

The sum of the total number of days between the initiation of the quality of care reviews and the issuance dates of the final reports, divided by the number of final reports issued to the subject of the review during the reporting period.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Lower than target

## 4.1.1 EF 2 Average number of days to close a complaint involving workers' compensation system

### Definition

The average number of days to close a complaint involving workers' compensation system participants.

### Purpose

To monitor the efficiency of the workers' compensation complaint process by measuring the average length of time to close workers' compensation complaints.

### Data source

Information is entered and maintained in agency automated systems. Complaints are reviewed and closed after determination to be a "low priority" or after an investigation has been completed. The closed date is the date the complaint is entered into the agency automated system.

### Methodology

The sum of the number of days from the date the complaint is received by the division to the closure date, divided by the total number of complaints closed during the reporting period.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Lower than target

### 4.1.1 EF 3 Average number of days to complete a performance review

#### Definition

The average number of days to complete a performance review.

#### Purpose

The Division of Workers' Compensation (DWC) is charged with monitoring insurance carriers, employers, health care providers, and other system participants for compliance with the Texas Labor Code and DWC rules. This measure indicates the efficiency of DWC's completion of performance reviews.

#### Data source

Information is entered and maintained in an agency database. A performance review begins on the date of the letter of engagement and is completed on the date DWC issues the final performance review report.

#### Methodology

The sum of the total number of days to complete performance reviews, divided by the number of performance reviews completed during the reporting period.

#### Data limitations

None

#### Calculation method

Noncumulative

#### New measure

No

#### Target attainment

Lower than target



## 4.1.1 EX 1 Percent market share of self-insurance to total workers' compensation insurance market

### Definition

This measure indicates certified self-insured employers' market share of the total workers' compensation insurance market.

### Purpose

This measure serves as a reflection of changes in the workers' compensation insurance market. The portion of the market share represented by certified self-insured is related to the cost and availability of workers' compensation insurance in the commercial market. Self-insurance provides an alternative to purchasing commercial insurance for qualifying companies, and the program acts to moderate insurance rates in a competitive insurance market.

### Data source

Data on estimated manual premiums for certified self-insurers is maintained by the Division of Workers' Compensation (DWC) in spreadsheets. Data reflecting the total workers' compensation insurance market is maintained and reported by the Texas Department of Insurance (TDI) in its Legislative Report on Market Conditions.

### Methodology

The numerator is the total amount of statutorily estimated manual premium as maintained by DWC for active certified self-insurers for the reporting period. The denominator is the direct written premiums for the voluntary workers' compensation market as published annually by TDI for the most recent period available, plus the total amount of statutorily estimated manual premium as maintained by DWC for active certified self-insurers for the reporting period.

### Data limitations

The measure excludes public self-insured entities from the amount used to represent the total workers' compensation insurance market. Data for those entities is not collected and maintained regarding the estimated premiums attributable to them.

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Lower than target

## 4.1.1 EX 2 Percent of medical bills processed timely

### Definition

This measure indicates the percentage of medical bills timely processed by insurance carriers. Medical bills are to be processed within 45 days from receipt of a complete medical bill.

### Purpose

The Purpose of this measure is to indicate the timely processing of medical bills by the insurance carrier.

### Data source

The Division of Workers' Compensation receives medical billing information used in the calculation electronically from carriers. Data is maintained in agency automated systems.

### Methodology

The sum of the number of medical bills processed timely, divided by the number of medical bills processed by the insurance carriers for the reporting period.

### Data limitations

Twelve months of data are used in the calculation. The data is lagged one month from the reporting period.

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 4.1.2 OP 1 Number of benefit review conferences held

### Definition

The number of benefit review conferences (BRC) held.

### Purpose

To measure the number of BRCs held, which is an indicator of the number of mediation proceedings resulting from workers' compensation claim disputes.

### Data source

Data is reported in the agency automated applications.

### Methodology

The measure is calculated by counting the number of BRCs held during the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Lower than target

## 4.1.2 OP 2 Number of contested case hearings held

### Definition

The number of contested case hearings (CCH) held.

### Purpose

The measure indicates the number of CCHs held, which is an indicator of the number of formal proceedings conducted.

### Data source

Data is reported in agency automated applications.

### Methodology

The measure is calculated by counting the number of CCHs held during the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Lower than target

## 4.1.2 OP 3 Number of appellate decisions issued

### Definition

The number of decisions issued by the Division of Workers' Compensation Appeals Panel.

### Purpose

To measure the number of decisions issued by the Appeals Panel regarding contested case hearings.

### Data source

Data is reported in agency automated applications.

### Methodology

The sum of the number of decisions issued by the Division of Workers' Compensation Appeals Panel during the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Lower than target

## 4.1.2 EF 1 Average number of days to resolve a medical fee dispute

### Definition

The average days from receipt of the medical fee dispute to the date the dispute is resolved by the Medical Fee Dispute Resolution (MFDR) section.

### Purpose

To measure the efficiency of DWC's medical fee dispute resolution process.

### Data source

Data is maintained in agency automated systems. A medical fee dispute is resolved when a DWC-MFDR decision is issued or when a medical fee dispute is dismissed or withdrawn. A medical fee dispute is abated when the disputed issue is awaiting final adjudication in judicial review. Abated disputes are suspended from processing (days to resolve) from the day a dispute with an issue in judicial review is identified until DWC is aware a determination of the court has been made.

### Methodology

The sum of the number of days from receipt of the medical fee dispute to the date the dispute is resolved, divided by the sum of the total number of medical fee disputes resolved during the reporting period.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Lower than target

## 4.1.2 EF 2 Average number of days to resolve indemnity disputes via resolution proceedings

### Definition

The average number of days to resolve indemnity disputes through the dispute resolution processes. Resolution proceedings include benefit review conferences (BRC), contested case hearings (CCH), and appeals.

### Purpose

To measure the efficiency of DWC's multi-level dispute resolution process. Indemnity disputes are either resolved at a BRC, CCH, or other appeals process.

### Data source

Data is maintained in agency automated applications. A dispute is resolved on the later of the following dates: the date a BRC agreement is coded and entered into agency automated systems; the date a CCH decision is mailed; or the date an Appeals Panel decision is issued.

### Methodology

The sum of the number of days from the date a BRC is set to the date each dispute is resolved, divided by the total number of disputes resolved during the reporting period.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Lower than target

## 4.1.2 EX 1 Number of medical fee disputes received

### Definition

The number of requests for medical fee dispute resolution received by the Division of Workers' Compensation during the reporting period.

### Purpose

To measure trends in the volume of requests for medical dispute resolution received.

### Data source

The data is maintained in the agency automated systems. Medical fee disputes are considered received on the day of the medical dispute resolution date stamp.

### Methodology

The sum of the total number of requests for medical fee dispute resolution received during the reporting period.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Lower than target



### 4.1.3 EF 1 Average number of days from receipt of Subsequent Injury Fund request for reimbursement to payment

#### Definition

The average number of days between receipt of a request for reimbursement and payment of the request.

#### Purpose

The measure indicates the average time between receipt of a complete request to the Subsequent Injury Fund (SIF) and payment.

#### Data source

SIF data is collected and maintained in the agency's accounting system and in agency databases. The receipt date is the date a completed request is received and date stamped. The paid date is the date shown on the agency accounting reports. Complete requests are those that SIF staff has determined include information necessary for processing and are entitled to reimbursement.

#### Methodology

The sum of the total number of days from the date of receipt for each request to the paid date for each request, divided by the total number of complete reimbursement requests paid during the reporting period.

#### Data limitations

None

#### Calculation method

Noncumulative

#### New measure

No

#### Target attainment

Lower than target

### 4.1.3 EX 1 Number of injured workers receiving lifetime income benefits through the Subsequent Injury Fund

#### Definition

The number of injured employees who meet the eligibility requirements set by statute for lifetime income benefits (LIBs) and are receiving payment of those benefits through the Subsequent Injury Fund (SIF).

#### Purpose

To identify the long-term obligations of the SIF because these benefits must be paid for the life of the injured employee. SIF is statutorily obligated to pay LIBs to injured employees who sustain a subsequent compensable injury that, with the effects of a previous injury, results in lifetime income benefits eligibility.

#### Data source

SIF data is collected and maintained in the agency's accounting system.

#### Methodology

The sum of the number of injured employees receiving LIB payments from the SIF during the reporting period.

#### Data limitations

Attorneys, spouses, or children receiving a portion of a LIB payment are not included in the measure.

#### Calculation method

Noncumulative

#### New measure

No

#### Target attainment

Lower than target

## 4.1.4 OP 1 Number of workers' compensation fraud cases resolved

### Definition

Workers' compensation insurance fraud occurs when a person, in support of a claim or application for an insurance policy, presents:

- a statement that contains false or misleading material information, or
- a statement that the person knows contains false or misleading material information.
- The person must also intend to defraud or deceive a system participant.

### Purpose

To measure the number of workers' compensation insurance fraud cases resolved.

### Data source

The source of the data is maintained in the Fraud Section's case management system.

### Methodology

The number of workers' compensation insurance fraud cases resolved in the reporting period. A case is resolved when:

- the matter is referred to a criminal prosecutor for legal action;
- the matter is referred to a law enforcement agency;
- the matter is referred for an agency enforcement action;
- the matter is referred for action by another regulatory body;
- the allegations have been disproven; or
- closed for administrative reasons, such as lack of evidence.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target

## 4.1.4 OP 2 Number of prosecutions for workers' compensation fraud cases

### Definition

DWC investigates reports of workers' compensation insurance fraud. When warranted, DWC refers a fraud case to a county district attorney or the United States District Court for prosecution of a penal law violation. A fraud case is prosecuted when an action or proceeding instituted in a proper court results in a plea of guilty or no contest, deferred adjudication, or pre-trial diversion.

### Purpose

To show the number of workers' compensation fraud cases prosecuted by county and federal jurisdictions.

### Data source

The source of the data is maintained in the Fraud section's case management system.

### Methodology

The number of workers' compensation insurance fraud cases prosecuted during the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target

#### 4.1.4 EF 1 Percent of workers' compensation fraud cases resolved within 365 days

##### Definition

Workers' compensation insurance fraud occurs when a person, in support of a claim or application for an insurance policy, presents:

- a statement that contains false or misleading material information, or
- a statement that the person knows contains false or misleading material information.
- The person must also intend to defraud or deceive a system participant.

##### Purpose

To measure how efficiently DWC resolves workers' compensation insurance fraud cases.

##### Data source

The source of the data is maintained in the Fraud section's case management system.

##### Methodology

The number of workers' compensation insurance fraud cases resolved in the reporting period within 365 days or less from the date case is opened, divided by the total number of workers' compensation insurance fraud cases resolved in the reporting period. A case is resolved when:

- the matter is referred to a criminal prosecutor for legal action;
- the matter is referred to a law enforcement agency;
- the matter is referred for an agency enforcement action;
- the matter is referred for action by another regulatory body;
- the allegations have been disproven; or
- closed for administrative reasons, such as lack of evidence.

##### Data limitations

None

##### Calculation method

Noncumulative

##### New measure

No

##### Target attainment

Higher than target

## 4.1.4 EX 1 Number of reports of workers' compensation insurance fraud received

### Definition

The number of reports received by the Division of Workers' Compensation (DWC) relating to suspected insurance fraud within the workers' compensation system.

### Purpose

To measure the number of suspected workers' compensation insurance fraud activities reported in Texas.

### Data source

The source of the data is maintained in DWC's Fraud Section's case management system. Reports of workers' compensation insurance fraud from any source are entered into the specified case management system.

### Methodology

The number of suspected workers' compensation insurance fraud reports received by the DWC's Fraud Section during the reporting period.

### Data limitations

None

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Lower than target

## 4.2 OC 1 Percent of temporary income benefits recipients released to work within 90 days of injury

### Definition

The percent of injured employees who received temporary income benefits (TIBs) and released to work within 90 days of the date of injury based on temporary income benefits duration.

### Purpose

To identify the percent of injured employees who received TIBs and released to work within 90 days of injury.

### Data source

This data is maintained in automated databases.

### Methodology

The sum of the total number of claims in which TIBs stopped within 90 days of the date of injury, divided by the number of claims in which TIBs were paid for the reporting period.

### Data limitations

The date TIBs stopped is used as a proxy for return-to-work. Twelve months of data, based on the date of injury, are used in the calculation. The data is lagged three months from the reporting month.

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Higher than target

## 4.2.1 OP 1 Number of consultations and inspections provided to employers

### Definition

The number of workplace safety consultations and inspections provided to employers by DWC.

### Purpose

To measure the volume of consultations and inspections that DWC provides to employers to promote safe and healthy workplaces.

### Data source

Data is maintained on automated applications

### Methodology

The sum of the number of workplace consultations and inspections initiated during the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target



## 4.2.1 OP 3 Number of return-to-work, health care provider, and workplace safety educational products and services

### Definition

The number of return-to-work, health care provider, and workplace safety educational products and services provided by the Division of Workers' Compensation (DWC).

### Purpose

This measure quantifies DWC's efforts to return injured employees to the workforce, assist health care providers with participation in the workers' compensation system, and assisting employers in creating and maintaining safe workplaces.

### Data source

Data is collected from agency presenters' reports and webinar or seminar attendance logs. These educational products and services include newsletters, brochures, and other publications distributed; web hits; persons assisted through telephone, e-mail, mail, and in-person contacts; persons attending return-to-work, healthcare provider, and workplace safety seminars; and persons viewing audiovisual training materials (verified by the employer). Telephone and e-mail logs record delivery of these products and services.

### Methodology

The sum of the number of return-to-work, health care provider, and workplace safety educational products and services provided during the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target

## 4.2.1 OP 4 Number of workers' compensation income benefit recipients referred to the Texas Workforce Commission

### Definition

The number of persons referred to the Texas Workforce Commission (TWC) by the Division of Workers' Compensation (DWC). DWC refers an injured employee to TWC if DWC determines that an employee could be materially assisted by vocational rehabilitation or training in returning to employment.

### Purpose

The Purpose of this measure is to identify the number of injured employees referred to TWC for training/education to assist them in returning to the workforce.

### Data source

This data is maintained in agency automated databases.

### Methodology

The sum of all referrals to TWC from DWC during the reporting period.

### Data limitations

None

### Calculation method

Cumulative

### New measure

No

### Target attainment

Higher than target

## 4.2.1 EX 1 Incidence of injuries and illness per 100 FTEs in the private sector

### Definition

This measure reflects the private sector injury and illness incidence rate for the State of Texas as developed by the U. S. Bureau of Labor Statistics (BLS).

### Purpose

To gauge the frequency of non-fatal work-related injuries and illnesses in Texas in comparison to other states and the nation.

### Data source

The BLS Annual Survey of Occupational Injuries and Illnesses, which contains data from a stratified sample of private sector establishments by industry and size class is used for this measure. The Division of Workers' Compensation (DWC) collects data for the BLS survey using Occupational Safety and Health Administration standards for record-keeping and injury reporting and enters the data into the BLS system. BLS develops the incidence rate on a calendar year basis using data from the preceding calendar year.

### Methodology

BLS calculates the statewide incidence rate and provides it to DWC.

### Data limitations

The data used to calculate this measure is controlled by BLS.

### Calculation method

Noncumulative

### New measure

No

### Target attainment

Lower than target



Schedule C

# Historically Underutilized Business Plan

## Goal

TDI's purchasing policies aim to achieve meaningful and measurable inclusion of Historically Underutilized Businesses (HUBs) in all aspects of procurement for the agency.

### Objective

To include HUBs in all aspects of procurement, TDI will make a good faith effort to meet or exceed the adjusted procurement program goals through the total value of contracts, purchases, and subcontracting opportunities awarded annually by the agency in each applicable procurement category.

- Professional services contracts 5.0%
- All other services contracts 15.0%
- Commodities contracts 21.1%

### Outcome measure

---

Percentage of total dollar value of purchasing contracts and subcontracts awarded directly or indirectly to HUBs.

### Strategy

Develop and implement a plan for increasing the use of HUBs directly or indirectly through purchasing contracts and subcontracts.

### Output measures

---

- Number of HUB contractors and subcontractors responding to bid proposals.
- Number of HUB contracts and subcontracts awarded.
- Dollar value of HUB contracts and subcontracts.
- Number of outreach initiatives.
- Number of contracts evaluated for subcontracting opportunities.
- Number of mentor-protégé partnerships sponsored by agency.

## HUB program efforts and accomplishments

TDI's objective is to make sure all procurement practices promote the goal of equal access for minority, woman-owned, and disabled veteran-owned businesses in Texas. For the fiscal year 2021, TDI spent \$2,069,755 with HUB vendors, or nearly 20% of eligible TDI purchases.

## Internal outreach initiatives

- Enhance training of purchasing staff on the importance of the HUB program, the latest HUB-related information, agency HUB statistics, and methods of improvement.
- Include HUB Subcontracting Plans (HSP) in all agency contracts over \$100,000 where subcontracting opportunities exist. Monitor contractor compliance with HSPs after contract award.
- Encourage HUB subcontracting in contracts that are less than \$100,000 when possible.
- Share HUB contact lists and vendor information among purchasing staff to increase awareness and opportunities.
- Include HUB team members in regular contract administration team meetings to increase information sharing opportunities.
- When feasible for informal procurements, procure items from a HUB if the HUB's bid is within 10% of the lowest bid.

## External outreach initiatives

- Use resources of the Texas Association of African American Chambers of Commerce and the Texas Association of Mexican American Chambers of Commerce as outlined in the Memorandum of Cooperation and contract agreements.
- Educate potential contractors about how to locate certified HUB vendors who may be able to participate as subcontractors in TDI contracts.
- Prepare and distribute purchasing, contracting, and subcontracting information in a way that encourages participation by all businesses.
- Provide a list of HUBs using the National Institute of Governmental Purchasing class and item code to vendors to help them locate subcontractors to respond to solicitations.
- Help potential respondents with the HSP process by offering to review draft HSPs prior to final proposal submission.
- Continue participation in the State HUB Discussion Workgroup. The workgroup meets regularly to discuss and resolve issues to improve the State of Texas HUB Program.
- Promote vendor outreach, education, and recruitment by participating in economic opportunity forums sponsored by the Texas Comptroller of Public Accounts, the Texas Legislature, and other governmental, civic, and professional organizations across Texas. During fiscal year 2021, TDI participated in five HUB forums and four Advocacy Group meetings.

## Mentor-protégé program

TDI's vision is to expand our mentor-protégé sponsorship role through cooperation with large corporate supplier diversity programs. TDI participates with agencies, minority chambers of commerce, and minority and woman trade and business organizations to maximize state resources and to increase the effectiveness of the mentor-protégé program.

TDI does not have any current mentor-protégé relationships. The HUB team promotes TDI as a HUB resource and works to educate vendors about the benefits of becoming a certified HUB.



Schedule D

# Statewide Capital Planning

TDI will submit a capital project pursuant to the 2022-23  
General Appropriations Act, Article IX, Section 11.03.



Schedule E

# Health and Human Services Strategic Planning

The requirement under Texas Government Code,  
Chapter 531 does not apply to TDI.





# Schedule F

# Agency Workforce Plan

As part of the Strategic Plan, Texas state agencies are required to prepare a workforce plan according to guidelines established by the Texas State Auditor's Office. In addition, state agencies may include results of their most recent Survey of Employee Engagement.

## Overview

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

### Insurance operations mission

To protect insurance consumers by regulating the industry fairly and diligently, promoting a stable and competitive market, and providing information that makes a difference.

### Workers' compensation mission

Regulate Texas worker's compensation efficiently, educate system participants, and achieve a balanced system in which everyone is treated fairly with dignity and respect.

Workforce planning at TDI is an iterative, ongoing process that includes the following elements:

- Understanding the agency's strategic direction and factors that impact workforce needs.
- Reviewing and analyzing workforce data.
- Communicating workforce plan findings and recommendations.
- Implementing initiatives to address workforce challenges and monitoring progress.
- Evaluating the success of initiatives and determining what adjustments are needed.

TDI's Human Resources office leads workforce planning efforts. Human resource staff review and analyze workforce data regularly and meet with management to identify training needs and other activities to prepare staff for critical positions.

This workforce plan includes analysis of workforce data, salary data, and employee engagement survey results. The agency will use the findings of the workforce analysis to identify strategies to help management address workforce needs.

## Current workforce profile

TDI's workforce composition has changed in recent years. The agency's staff continue to be highly educated and skilled. Fewer staff are eligible for retirement compared to previous years. Data for this section is provided through the [Texas State Auditor's Office E-Class System](#).

TDI had 1,327.80 budgeted full-time equivalent (FTE) positions as of February 28, 2022. TDI had 1,211 employees at Austin headquarters, 21 field offices, and various locations statewide.

Field employees include financial and title examiners, fraud prosecution staff, fire inspectors and investigators, and windstorm inspectors. Field employees for DWC include benefit review officers, claims specialists, hearing officers, customer service staff, and occupational health and safety consultants.

## Critical workforce skills

TDI has a workforce that has specialized knowledge, skills, and abilities. Approximately 82% of the workforce is classified as official/administrator or professional. The official/administrator category includes executive staff, directors/managers, senior-level actuaries, attorneys, financial examiners, and division program managers.

The professional category includes actuaries, administrative law judges, attorneys, auditors, engineers, financial examiners, insurance specialists, investigators, physicians, and systems analysts. These positions require specialized skills and theoretical knowledge, usually acquired through college, advanced training, or work experience.

## Employee salaries

TDI's average annual salary of \$64,291 remains above the Texas state employee average salary of \$50,590. TDI's Human Resources and Financial Services staff continue to work with management to review available resources and address salary challenges.

## Retirement eligible employees

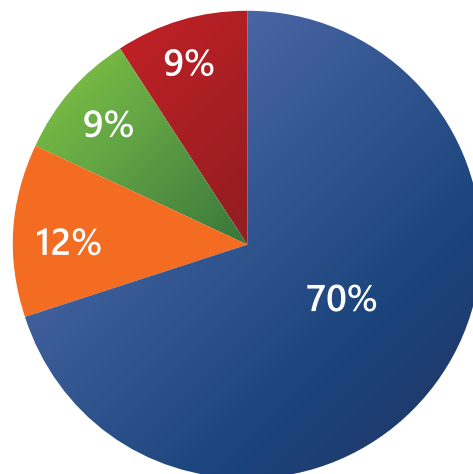
A significant number of agency employees are eligible to retire or will be eligible before August 31, 2027, including:

- 36% of TDI's total workforce
- 40% of managers
- 33% of executive staff

The number of TDI staff who are eligible to retire has increased only 2% in the last two years. Currently, 52% of the workforce have 10 or fewer years of TDI service. This workforce measure stresses a continued need for sharing and documenting TDI's institutional knowledge. Human Resources has enhanced the agency's succession planning and knowledge-sharing efforts with resources, tools, and training.

## TDI workforce by classification

- professional
- technical
- official / admin
- support / other



## Ethnic diversity

TDI's workforce is ethnically diverse and tracks closely with the statewide civilian workforce and with other Texas state agencies. TDI recently analyzed the demographics of its workforce. The results below show the diversity as of February 28, 2022:

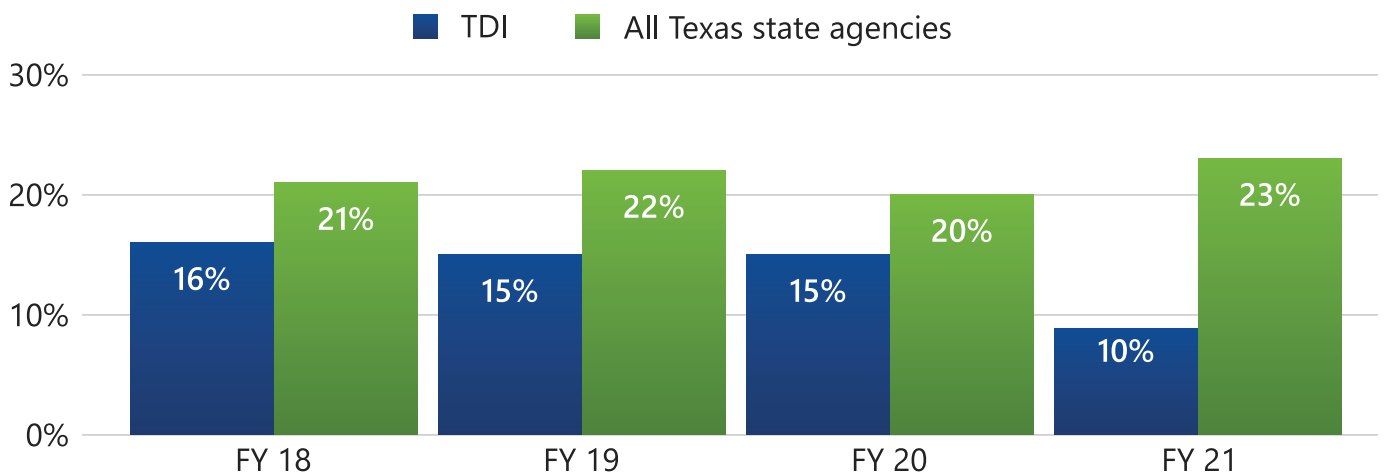
- 52% were minorities
- 59% were female
- 66% of TDI's managers were minority or female, or both

## Turnover rate

TDI's turnover rate continues to be lower than the average turnover rate for Texas state agencies. The agency's turnover rate decreased to 10% in fiscal year 2021 as compared to 15% in fiscal year 2020. The percentage rate remains below the fiscal year 2021 statewide turnover rate of 23% for classified, regular full-time, and part-time employees. A major factor impacting turnover is the competitive job market.

As of February 28, 2022, TDI's midyear turnover rate was 9%. The workers' compensation division had a slightly lower mid-year turnover rate of 7% compared to 10% for insurance operations.

### Turnover rate: TDI vs. All Texas state agencies

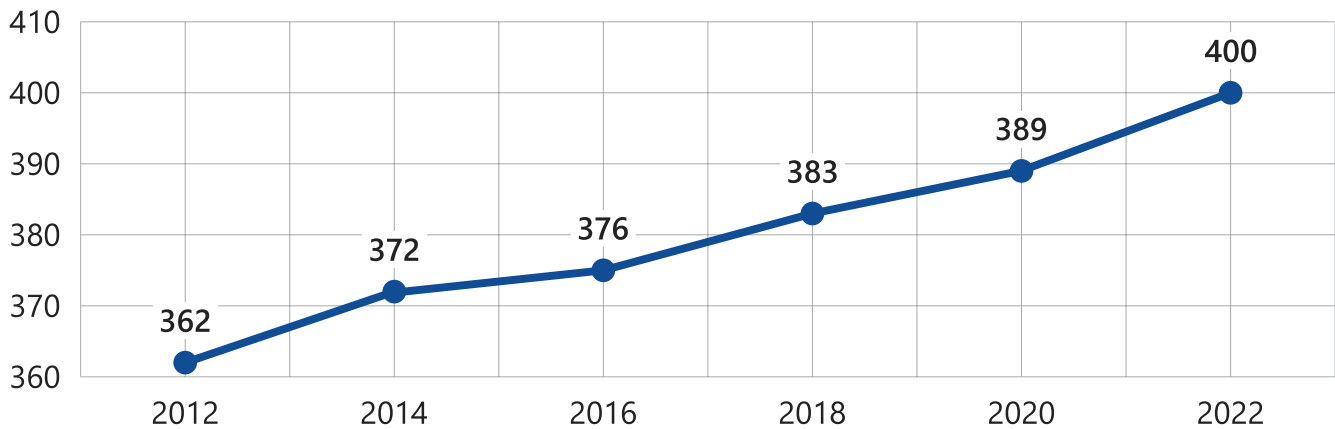


# Employee engagement

TDI's employees continue to be engaged as reflected in the results of the agency's 2022 Survey of Employee Engagement (SEE).

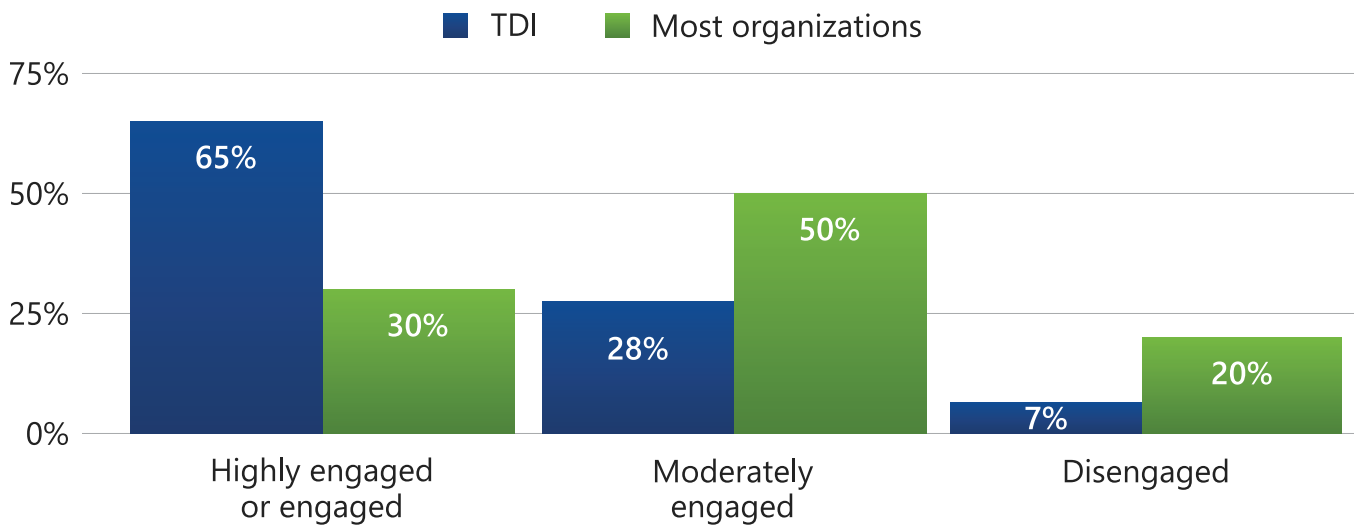
TDI has participated in the survey since 1996. The survey response rate has increased over time. The survey response rate in 2022 was 94%, which is considered high. High rates of response indicate employees have an investment in the agency, and they are willing to contribute toward making improvements. In 2012, the Institute for Organizational Excellence began including an overall score for agency survey results. TDI's score increased 38 points in the last 8 years, rising from 362 in 2012 to 400 in 2022.

## SEE overall score 10-year history



The 2022 survey measured TDI employee engagement levels. Results showed that 65% were highly engaged or engaged, compared to 30% for most organizations.

### 2022 SEE employee engagement levels



The 2022 survey identified three areas of strength. Out of a possible score of 500, the three top constructs scored as follows:

- Supervision 428
- Strategic 420
- Community 420

These high scores indicate that TDI employees have a positive view of their supervisors, understand their role in achieving the agency's missions, and feel respected, cared for, and trust their colleagues. The three lowest scoring constructs were pay, benefits, and employee development. Pay is typically the lowest scoring construct on the agency's SEE survey results.

TDI's Human Resources office meets with managers to discuss the SEE results and to encourage the development of strategies for building on strengths and addressing areas with lower scores.

## Future workforce needs

TDI does not anticipate a change in its mission or a significant change in the number of staff. Therefore, the agency must maintain the skill sets available in the current workforce to perform its core functions.

These skills include:

- Interpreting and enforcing statutory and regulatory requirements for insurance, workers' compensation, fraud, arson, and fire safety.
- Examining and analyzing the financial condition of insurers.
- Conducting research, analysis, and review of medical quality, service, and providers.
- Educating businesses, employees, fire industry professionals, insurance companies, consumers, and the public.
- Resolving workers' compensation disputes.
- Performing quality assurance and auditing.
- Investigating and prosecuting allegations of insurance and workers' compensation fraud.
- Conducting research and analysis related to fire investigation and fire safety.
- Performing research and policy analysis.
- Reviewing rate and form filings.
- Evaluating the design, engineering, and construction of buildings, particularly in high wind areas.
- Resolving consumer complaints.
- Processing licensing applications and renewals.
- Providing excellent customer service.

TDI's workforce must have skill sets that enhance the efficiency, effectiveness, accountability, and transparency of the agency. This includes skills that improve project outcomes, develop more streamlined processes, use data analytics, improve technology, manage risks, and provide effective communication.

TDI's workforce has become more interconnected, mobile, and self-reliant in the last two years. A large majority of the agency can work remotely. TDI encourages these changes and supports investments focused on a workforce and customer base that expect a paperless environment; access to reliable, mobile technology; and more flexible work hours and locations.

## Gap analysis

### Staffing levels

Agency leadership recognizes the need to respond to external factors that may impact the insurance regulatory environment, the workers' compensation system, or duties of the SFMO. A continuing challenge is the recruitment and retention of qualified staff. Management regularly evaluates whether the agency can continue to achieve agency missions and goals with the current staffing and salary levels.

### Employee knowledge and skills

TDI identified the need to develop or enhance skills in the following areas:

- Business analysis and data management
- Critical analysis
- Process improvement
- Risk management
- Communication, including plain language and technical writing

### Tools and technology

TDI recognizes gaps in tools and technology needed to support a modern workforce. The agency is focused on tools needed for staff to work efficiently and remotely. TDI has made significant progress in telecommuting and acquiring the tools needed to support it. TDI retired several legacy systems that hindered efficiency and required the use of temporary or manual processes to get the job done.



## Strategies

TDI continues to transform the agency by identifying strategies to recruit and retain qualified staff, developing knowledge and skills, and addressing resource gaps. These efforts include:

- Upgrading technology with fewer paper processes.
- Using plain language on the agency's website and in customer communications.
- Modernizing processes that include best practices.
- Continued hybrid telework options, including allowing employees to report to TDI offices outside of Austin.
- Reducing time to fill positions through careful monitoring and increased communication with management.
- Increasing the use of social media to solicit candidates for job vacancies.
- Raising salaries where appropriate through collapsing unneeded, vacant positions.
- Supporting staff training for professional development and designations.
- Enhancing succession planning and knowledge-sharing efforts.
- Using contract labor, when possible, particularly for technology needs that cannot be met with current staff.

TDI monitors these strategies in many ways. The Human Resources office provides analysis and supports management to determine strategy alternatives, such as training.

Many of the strategies have been successful, including succession planning. From March 1, 2020, to February 28, 2022, TDI promoted 19 internal staff into management or leadership positions. These positions were filled with staff who were trained and mentored to replace staff who separated from TDI employment. In addition, since fiscal year 2021, TDI has collapsed 41.5 FTEs. This was made possible by gains in efficiency and resulted in approximately \$2 million in salary increases for TDI staff. Human Resources provides management training and monitors other activities to help management ensure successor readiness.

TDI plans to work on the following strategies over the next biennium:

- Increasing recruitment of military veterans with a target goal of 20% of our total workforce by attending military and veteran job fairs.
- Increasing the use of recruiting tools, such as social media.
- Maximizing the use of technology in a hybrid work environment.
- Identifying and conducting additional training to fill skill gaps and monitor results.
- Enhancing succession planning, including knowledge-sharing efforts.
- Continuing to identify positions that may be collapsed through attrition, resulting in appropriate salary increases.
- Conducting staffing and salary analyses for specific positions identified by management.
- Benchmarking with the private sector and other state agencies to identify tools and technology that enhance workforce development.

## Conclusion

TDI uses information from the biennial workforce plan to help set priorities for workforce development in the coming years.

However, workforce planning is a balancing act to make sure the agency has the right number of people with the right skills while being mindful of budget constraints and external factors such as the economy. The Human Resources office remains flexible and works with management to meet changing workforce needs. In addition, the agency will continue to work to meet the challenges that come with a wide and varying range of skills required to perform diverse functions that fall under the authority of two commissioners.



## Schedule G

# Report on Customer Service

TDI submitted the agency's [Customer Services Report for 2022](#) separately to the Governor's Office and Legislative Budget Board as required under Texas Government Code, Chapter 2114. The report has been posted on TDI's website at: [tdi.texas.gov/reports](https://tdi.texas.gov/reports).



Texas Department of Insurance  
Agency Strategic Plan | Fiscal Years 2023-27

TDIASP | 0622