

# Agency Strategic Plan

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Fiscal Years 2021-25

Submitted: June 1, 2020

A handwritten signature in black ink, appearing to read "Kent C. Sullivan".

Kent C. Sullivan, Commissioner of Insurance

Texas Department of Insurance

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## Strategic Plan

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

Texas Insurance Code, Chapter 31, Section 31.002 requires TDI to:

1. Regulate the business of insurance in Texas.
2. Administer Texas' workers' compensation system as the Texas Labor Code, Title 5.
3. Ensure that the insurance code and other laws regarding insurance and insurance companies are executed.
4. Protect and ensure the fair treatment of consumers.
5. Ensure fair competition in the insurance industry to foster a competitive market.

The Insurance Commissioner 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's (DWC):** Established by Texas Labor Code, Title 5, the Workers' Compensation Commissioner 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 (SFMO):** Established by Texas Government Code, Chapter 417, the State Fire Marshal is a state-commissioned officer appointed by the Commissioner of Insurance. The SFMO 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 Insurance Commissioner and the Workers' Compensation Commissioner 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: Use plain language and formats that are easy to read across all agency communications channels

Specific action items	Target date
Update and modernize the HelpInsure rate comparison website	December 2020
Continue to revise agency forms, including licensing applications and forms used by consumers.	FY 2020 ongoing
Continue to review and revise letters sent to consumers and regulated entities using plain language.	FY 2021
Develop templates of required consumer notices in plain language that can be used by insurers.	FY 2021
Continue to revise agency forms, including licensing applications and forms used by consumers.	FY 2020 ongoing

#### Support of statewide objectives

- Accountable to tax and fee payers of Texas.**  
Using plain language will help consumers better understand and use the services and resources available through the agency.
- Efficient by producing maximum results with no waste of taxpayer funds and by identifying any function or provision considered redundant and 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 just to clarify a process or correct applications with missing information.
- Effective in successfully fulfilling core functions, achieving performance measures, and implementing plans to continuously improve.**  
Using 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 easy to understand.
- 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, enhance transparency by helping Texans understand how TDI actions benefit consumers and the industry we regulate.

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

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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.

## Goal 2: Modernize technology across the agency to improve the customer experience and use resources more efficiently

Specific action items	Target date
Evaluate the need for and effectiveness of existing applications and seek more current alternatives and vendor supported software solutions.	FY 2020 and ongoing
Continue to work closely with the Texas Department of Information Resources to ensure the agency is making best use of data storage and cloud computing options.	FY 2020 and ongoing
Continue to benchmark against private and public sector entities with similar functions to identify best practices and evaluate software or technology that can help improve customer service and internal processes.	FY 2020 and ongoing.
Implement a new tool that uses analytics and machine-based learning to check policies filed by insurers for compliance with regulations.	December 2020 for the first phase involving personal auto policies.
Work with the Texas Department of Information Resources to move consumer and agent data to the Texas Open Data Portal.	FY 2021

### Support of statewide objectives

- Accountable to tax and fee payers of Texas.**  
Modernizing technology makes agency processes more efficient and effective.
- Efficient by producing maximum results with no waste of taxpayer funds and by identifying any function or provision considered redundant and not cost effective.**  
Increasing the use of online services helps reduce staff time associated with manual entry and processing paper documents.
- Effective in successfully fulfilling core functions, achieving performance measures, and implementing plans to continuously improve.**  
TDI is engaged with vendors, the NAIC 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.
- 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 working to move data to the Texas Open Data Portal. This will allow for an easier way to query large data sets.

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

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

### Goal 3: Improve TDI’s regulatory efficiency and effectiveness

Specific action items	Target date
Streamline agency internal processes to draft and review rules so that legislative changes and other needed rules can be developed more quickly.	FY 2020 and ongoing
Continue meaningful participation in the NAIC and 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.	FY 2020 and ongoing
Continue implementation of a more risk-based process to evaluate insurer solvency.	FY 2020 and ongoing
Coordinate with other state, federal, and international regulators with authority over insurers to best leverage resources and maximize efficiency of TDI staff.	FY 2020 and ongoing
Streamline agency internal processes to draft and review rules so that legislative changes and other needed rules can be developed more quickly.	FY 2020 and ongoing

#### Support of statewide objectives

- 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.
- Efficient by producing maximum results with no waste of taxpayer funds and by identifying any function or provision considered redundant and 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.
- Effective in 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.
- 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**

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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 almost \$176 billion of premiums written in 2018, Texas is the second largest insurance market in the nation and the seventh largest insurance market in the world. The agency regulates approximately 2,800 companies and issues more than 600,000 licenses for insurance agents and adjusters.

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 National Association of Insurance Commissioners (NAIC) and International Association of Insurance Supervisors (IAIS).

- **NAIC:** The NAIC represents the insurance commissioners from the 50 states, the District of Columbia, and five U.S. territories. NAIC 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, the IAIS represents insurance regulators from nearly 140 countries that constitute 97 percent of the world's insurance premiums. The IAIS's objectives are to promote effective and globally consistent insurance regulation and to enhance global financial stability. TDI's participation in the IAIS allows the agency to ensure that IAIS recommendations are right for Texas.

## Goal 4: Educate consumers about flood insurance

Specific action items	Target date
TDI will continue to collaborate with FEMA’s National Flood Insurance Program to provide flood insurance information through social media and joint public events.	FY 2020 and ongoing
TDI will continue to help consumers affected by disasters navigate insurance and assistance program requirements, including those of the Texas Windstorm Insurance Association, National Flood Insurance Program, and the Small Business Administration Disaster Loan Program.	FY 2020 and ongoing

### Support of statewide objectives

- Accountable to tax and fee payers of Texas.**  
 Providing clear and accurate information on flood risks and insurance options will help ensure citizens have adequate coverage in case of a disaster.
- Efficient by producing maximum results with no waste of taxpayer funds and by identifying any function or provision considered redundant and not cost effective.**  
 Helping consumers better understand the options available to them results in a more efficient use of agency and government resources and taxpayer funds.
- Effective in successfully fulfilling core functions, achieving performance measures, and implementing plans to continuously improve.**  
 Helping consumers understand their risk and options improves our ability to achieve our core function to protect consumers.
- Providing excellent customer service.**  
 Clear and accurate information helps consumers make informed decisions and ultimately improves the consumer experience.
- Transparent such that agency actions can be understood by any Texan.**  
 Providing clear and understandable information about the risks of flooding and how to purchase flood insurance helps Texans better manage their risks and navigate coverage options.

### Other considerations relevant to goals and action plans

Hurricane Harvey provided a tangible reminder that TDI’s statutory duty to protect consumers means educating Texans about their risks and their insurance options. Studies after Harvey found that half – or more – of the flooded homes were outside the area where the homeowner’s mortgage probably required flood insurance.

Following Hurricane Harvey, TDI has worked to increase consumer awareness of flood risks and encourage consumers to evaluate their need for flood insurance. Those actions have included:

- TDI communication staff have worked with FEMA on numerous outreach efforts, including joint Facebook Live events and other social media posts.
- TDI has produced videos, developed a web resource, issued news releases, and launched an extensive social media campaign to illustrate the need for flood insurance.

## Workers' compensation operations goals and action plans

### 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 online training for DDs, creating a DD program monitoring plan, and surveying DDs for improvements that could be made into processes.	FY 2021
Provide system participants with updated information and resources on fee guidelines and DD billing requirements.	FY 2021
Continue monthly fraud meetings with the district attorney's office and fraud investigators to improve the strength of cases presented to the district attorney and improve fraud prosecution training.	FY 2021 and ongoing
Continue improving outreach and education efforts across DWC to best serve the needs of system participants by developing additional webinars and online training materials.	FY 2021 and ongoing
Ensure a diverse community of health care providers in the Texas workers' compensation system through outreach and education for potential new system participants across Texas.	FY 2020 and ongoing
Ensure biennial report and the network report card meet legislative requirements and stakeholder needs.	FY 2021

### Support of statewide objectives

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

Improving coordination with fraud prosecutors and investigators will significantly aid in DWC's ability to reduce fraud. Workers' compensation fraud impacts all system participants through higher insurance premiums. It also adversely impacts the public's confidence in the workers' compensation system and could discourage some employers from subscribing to 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. Improving the training and quality of DDs ensures injured employees will receive quality examinations, which are important for 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 and not cost effective.

Improving access to qualified healthcare 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 DWC employees and system participants. Online training for DDs will limit the need to pay for rental facilities to hold trainings and will remove the need for prospective DDs to travel to Austin for training. In addition, quality health care providers and DDs help reduce the number of claims that go to the dispute resolution process.

3. **Effective in 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 treat in the workers' compensation system, DWC is working to provide the best care possible for Texas injured employees. Having quality health care providers and DDs in the system, should also reduce the number of claims that go to the dispute resolution process. Simplifying reports will allow DWC to provide key statistics on the health of the Texas workers' compensation system in a way that is more easily understood. This allows the Legislature, DWC, and stakeholders to better monitor the system.

4. **Providing excellent customer service.**

Outreach and education efforts provide healthcare providers with a better understanding of the workers' compensation system. It also benefits employees and employers through improved access to health care providers throughout Texas. Providing updated resources on medical fee guidelines and DD billing requirements gives system participants a greater understanding of the billing process and reduces administrative burdens health care providers face. Reducing travel expenses through online training for DDs encourages more medical professionals to participate in the program. Developing webinars across DWC program areas will allow more stakeholders to participate in trainings and make DWC more accessible to a larger group of people.

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

Evaluating the content of the reports that DWC and the Texas Department of Insurance Workers' Compensation Research and Evaluation Group publish allows key information to be shared in a way that is easier to understand. By using graphs and charts, important data is highlighted for system participants, making our reports more understandable for all stakeholders. DWC will also continue to engage and educate system participants on issues relating to payment of benefits and claims administration through quarterly stakeholder meetings, the TDI website, social media, and stakeholder presentations.

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

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DWC hopes to leverage technology in a more comprehensive way to allow greater interaction with system participants while providing key information in an easy to understand format.

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

Specific action items	Target date
Begin transitioning certain DWC operations from legacy systems to more current internal systems using existing agency resources.	Multiphase project beginning FY 2021
Begin the process of moving from the current outdated Electronic Data Interchange standard to the most up to date International Association of Industrial Accident Boards and Commissions data reporting formats for EDI claim data.	Multiphase project beginning FY 2021
Expand and enhance the option for parties and representatives to participate in benefit review conferences and contested case hearings by phone and video conference.	FY 2021 and ongoing
Transition to store DWC paper files as electronic files.	FY 2022
Transition to exchanging documents with system participants using electronic formats, including contested case hearing files and electronic insurance carrier representative boxes. These boxes are currently located at DWC's main Austin office and used to exchange official documents between DWC and insurance carriers.	FY 2022

### Support of statewide objectives

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

DWC is working to increase internal efficiencies using technology as directed in Labor Code Section 402.021. DWC's efforts to update current systems using existing resources is a substantial cost savings versus a full system replacement. It will also increase efficiencies for staff while maintaining a fiscally responsible budget. In addition, transitioning to storing files electronically will reduce the costs of storing vast amounts of hard copy records. Working toward the updated IAIABC EDI standards will ensure DWC has the best available data to effectively monitor the system.

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

Moving to the updated EDI reporting standards will increase the efficiency and accuracy of data reporting and allow existing agency IT resources to be repurposed for other DWC priorities. Technology, such as video conferencing, makes the dispute resolution process more efficient by reducing travel time and expenses for parties involved in the dispute and the cost of attorney representation. Allowing parties to exchange documents electronically will improve staff efficiencies and allow limited resources to be redirected. By moving to electronic insurance carrier representative boxes, insurance carriers will no longer need someone in Austin to come to the main office to exchange paperwork.

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

Using updated EDI reporting standards that meet DWC business needs will improve the quality of data reported to DWC. It will also allow 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. Moving toward electronically storing files and exchanging documents will allow DWC to better operate in the current technology-driven business atmosphere. Dispute proceedings should operate more efficiently if conducted through electronic means.

4. **Providing excellent customer service.**

Moving away from DWC's outdated legacy system will provide a better interface for stakeholders and allow DWC staff to be more productive. DWC's efforts to implement updated EDI claim reporting standards will provide efficiencies and lower costs for insurance carriers that report data in multiple jurisdictions. Many insurance carriers have asked DWC to move to electronic insurance carrier representative boxes. By making this transition and maintaining the security and confidentiality of the documents, DWC will be directly addressing a key request of stakeholders. Moving to electronic records for most DWC maintained documents will allow requests from injured employees and other stakeholders to be fulfilled more quickly by eliminating the need to find the location of stored information. Allowing the option to conduct dispute resolution proceedings by phone or teleconference will provide more flexibility to system participants during the dispute process.

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

As the business environment changes into a more electronic and digital format, DWC needs to keep pace with these changes. Moving toward electronic documentation, such as accepting electronic signatures, allows greater efficiency for system participants and makes it easier to communicate with DWC. Changes in data collection formats may also require changes to DWC rules to maintain transparency and encourage compliance. DWC plans to have an open process to gather stakeholder input before implementing major changes to EDI data reporting.

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

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- Many of the goals in this section were identified before the COVID-19 pandemic. To promote social distancing, DWC accelerated implementing these goals, specifically for electronic communication and exchange of documents with system participants.
- DWC temporarily implemented several of these goals and aims to make them permanent soon. The transition to the Capitol Complex in 2022 also encourages DWC to move from paper to electronic storage formats as much as possible.

### Goal 3: Promote safe and healthy workplaces

Specific action items	Target date
Market workplace safety programs and services to employers and employees through social and traditional media, the annual DWC conference, trade show exhibits, industry meetings, and other state and federal events.	FY 2021 and ongoing
Provide Occupational Safety and Health Administration (OSHA) 10-hour and 30-hour training to Texas Facility Commission subcontractors, Texas Department of Transportation contractors, and the public.	FY 2020 and ongoing
Convert paper and DVD collection of workplace safety material to an online catalogue of resources.	FY 2021

#### 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 cost for anyone who signs up. This is a significant discount compared to other private training programs. These trainings are often required for construction workers before they are allowed onto a jobsite. Having workplace safety material online will make it easier for Texas 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 and 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, resulting in efficient use of staff time and resources. Collaborating with other state agencies allows DWC to offer required training for state employees and contractors. This allows those entities to better leverage their limited resources on state projects.

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

Providing occupational safety and health consultations and inspections to employers, as well as 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 also directly contribute to a DWC key performance measure—the number of workplace safety consultations and inspections provided to employers.

4. **Providing excellent customer service.**

DWC provides workplace safety program participants an opportunity to give feedback through emails, surveys, and evaluation forms. In addition, many of DWC's workplace safety education and outreach functions are voluntary for employers. In that respect, DWC's workplace safety program strives to identify new and emerging safety issues and encourages employers use of these services, regardless of whether they carry workers' compensation insurance coverage. Providing required OSHA trainings at cost is an excellent benefit for employees in Texas. Many employers require their employees to have OSHA certification cards before working on a job site. DWC provides these certification cards after they complete their course. DWC offers these courses around Texas to allow as many people as possible to participate. Providing online workplace safety materials will increase access for Texas employers and employees.

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

DWC communicates employer and employee rights and responsibilities related to occupational safety and health during every Occupational Safety and Health Consultation Program (OSHCON) consultation and training class. DWC also makes related educational materials and FAQs available online or by request. DWC's large collection of workplace safety offerings are also available online.

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

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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 the U.S. Department of Labor, OSHA, and 10% with state funds. Other employer safety inspection activities are state funded.

## Redundancies and impediments

1. **Service, statute, rule or regulation (provide specific citation if applicable)**  
A business, who sells insurance products, is currently required to register each of its locations with the department.  
TDI recommends removing this requirement from Texas Insurance Code 4001.106(b)(5).
2. **Describe why the service, statute, rule or regulation is resulting in inefficient or ineffective agency operations**  
The requirement to register multiple locations is no longer needed. Locations are now accessible with an internet search.
3. **Provide agency recommendation for modification or elimination**  
Remove requirement to register multiple locations.
4. **Describe estimated cost savings or other benefit associated with recommended change**  
Removing this requirement would simplify the licensing process for companies with multiple locations and would reduce the cost of licensure. Due to the self-leveling nature of TDI's budget this change would be revenue neutral to the department.

## Supplemental elements – schedules

### A. 2022-2023 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 help consumers make informed decisions	Ins	1, 4
1.1.2	Resolve consumer complaints and license agents	Ins	1, 2, 3
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		

## 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 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	Yes
Target Attainment	Higher than target

**1.1 OC 4                      Percent of licensees who renew online**

Definition	The percent of agent licenses renewed online.
Purpose	To track the percentage of agent licenses renewed online.
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 5 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	Yes
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

**1.1.2 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

**1.1.2 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 re-opened, the lapsed 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
Calculation Method	Noncumulative
New Measure	No
Target Attainment	Higher than target

**2.1.1 EX 1                      Number of insurance company insolvencies**

<p>Definition</p>	<p>The number of insurance companies and other risk bearing entities that are insolvent and placed in receivership for liquidation. A risk bearing entity assumes insurance risk and thus is liable in a contractual arrangement for loss resulting from the risk (e.g. an insurance policy).</p> <p>Certain entities that are not named insurance companies but accept insurance risk are included in the number (e.g. exchanges, HMOs, MEWAs, etc.).</p>
<p>Purpose</p>	<p>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.</p>
<p>Data Source</p>	<p>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.</p>
<p>Methodology</p>	<p>The number of insurance companies and other risk bearing entities that are insolvent and placed in receivership for liquidation during the reporting period.</p>
<p>Data Limitations</p>	<p>Receiverships for the purpose of rehabilitation and non-risk-bearing entities are not included in this measure.</p>
<p>Calculation Method</p>	<p>Noncumulative</p>
<p>New Measure</p>	<p>No</p>
<p>Target Attainment</p>	<p>Lower than target</p>

**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. TDI solvency-related intervention is initiated by an administrative order. Administrative orders include supervision, conservatorship, Texas Insurance Code Chapter 404 orders, administrative oversight letters, or court-directed orders. An entity is any licensed or unauthorized insurance company or agency as defined in the Texas Insurance Code.
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 during the reporting period.
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, 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 OC 3                      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 Vehicle Insurance Verification, 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 Vehicle Insurance Verification.
Calculation Method	Noncumulative
New Measure	Yes
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	Yes
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	Yes
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 1                      Number of investigations initiated by SFMO**

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	The source of the data is collected in official fire investigation reports and stored on the SFMO Fire Arson Investigation Services Case Management System. A fire investigation includes all cases investigated whether the cause is incendiary, accidental or undetermined. Licensing investigations data is collected and stored in Sircon. 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” has been 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 2                      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 3                      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

**3.1.1 OP 4                      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

**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	<p>Workers' compensation insurance fraud occurs when a person, in support of a claim or application for an insurance policy, presents:</p> <ul style="list-style-type: none"> <li>• a statement that contains false or misleading material information, or</li> <li>• a statement that the person knows contains false or misleading material information.</li> </ul> <p>The person must also intend to defraud or deceive a system participant.</p>
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	<p>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:</p> <ul style="list-style-type: none"> <li>• the matter is referred to a criminal prosecutor for legal action;</li> <li>• the matter is referred to a law enforcement agency;</li> <li>• the matter is referred for an agency enforcement action;</li> <li>• the matter is referred for action by another regulatory body;</li> <li>• the allegations have been disproven; or,</li> <li>• closed for administrative reasons, such as lack of evidence.</li> </ul>
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. A 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.
Data Source	Information is maintained in agency automated applications.
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 statute and rules. 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.
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 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 forty-five 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	Yes
Target Attainment	Lower than target

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

Definition	The average time to resolve disputes through the dispute resolution processes including benefit review conferences (BRC), contested case hearings (CCH) and appeals.
Purpose	To measure the efficiency of DWC's multi-level dispute resolution process. Some disputes are resolved at a BRC, some go to a CCH and others continue through the 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. Complete requests are those that SIF staff has determined include information necessary for processing and are entitled to reimbursement.
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.
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 (Lifetime Income Benefits) 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 Lifetime Income Benefits 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 Lifetime Income Benefits payments from the SIF during the reporting period.
Data Limitations	Attorneys, spouses, or children receiving a portion of a Lifetime Income Benefits 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	<p>Workers' compensation insurance fraud occurs when a person, in support of a claim or application for an insurance policy, presents:</p> <ul style="list-style-type: none"> <li>• a statement that contains false or misleading material information, or</li> <li>• a statement that the person knows contains false or misleading material information.</li> </ul> <p>The person must also intend to defraud or deceive a system participant.</p>
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	<p>The number of workers' compensation insurance fraud cases resolved in the reporting period. A case is resolved when:</p> <ul style="list-style-type: none"> <li>• the matter is referred to a criminal prosecutor for legal action;</li> <li>• the matter is referred to a law enforcement agency;</li> <li>• the matter is referred for an agency enforcement action;</li> <li>• the matter is referred for action by another regulatory body;</li> <li>• the allegations have been disproven; or,</li> <li>• closed for administrative reasons, such as lack of evidence.</li> </ul>
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 the Fraud section's case management system. Reports of workers' compensation insurance fraud from any source are entered into the Fraud section's case management system.
Methodology	The number of suspected workers' compensation insurance fraud reports received by the 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.
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 2      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).

These products and services include:

- newsletters, brochures and other publications distributed;
- return-to-work, health care provider, and workplace safety educational presentations made;
- persons assisted through telephone, e-mail, mail, and in-person contacts;
- persons attending return-to-work, health care provider and workplace safety seminars; and,
- persons viewing audiovisual training materials (verified by the employer).

**Purpose**      This measure quantifies DWC’s efforts aimed at returning injured employees to the workforce, assisting 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. Additionally, 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**      Yes

**Target Attainment**      Higher than target

**4.2.1 OP 3                      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).
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. TWC 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
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

## C. Historically underutilized businesses

### Goal

TDI's purchasing policies aim to achieve meaningful and measurable inclusion of Historically Underutilized Business (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 the state of Texas. For the fiscal year 2019, TDI spent \$2,212,673 with HUB vendors, or 18.65% percent of eligible TDI purchases.

## Internal outreach initiatives

- Enhance training to 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 the state. During fiscal year 2019, TDI participated in seven HUB forums and three Advocacy Group meetings. TDI will be co-hosting a HUB forum with the Texas Department of Motor Vehicles in July 2020.

## 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 consistently promotes TDI as a HUB resource and works to educate vendors about the benefits of becoming a certified HUB.

## D. Statewide capital planning

TDI will submit a capital project pursuant to the 2020-21 General Appropriations Act, Article IX, Section 11.03.

## E. Health and human services strategic planning

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

## 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.

TDI is guided by its mission statements described in the agency's Fiscal Year 2021- 2025 Strategic Plan as follows:

### 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, and
- Evaluating the success of initiatives and determining what adjustments are needed.

TDI's human resources office leads workforce planning efforts. Human resources 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.

The agency has 1,254<sup>1</sup> employees at Austin headquarters, 27 field offices, and 26 SFMO staff 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, medical fee dispute officers, claims specialists, hearing officers, and occupational health and safety consultants.

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<sup>1</sup> CAPPS HR/Payroll System, February 29, 2020. Unless otherwise noted, this is the source of all statistics appearing in this report.

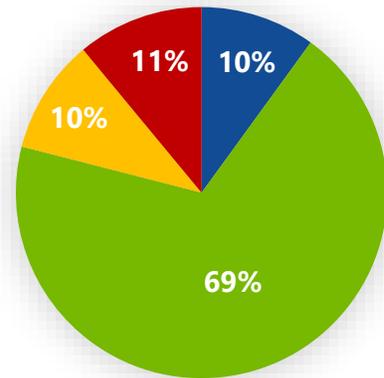
## Critical workforce skills

TDI has a workforce that has specialized knowledge, skills, and abilities. Approximately 79% 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.

Workforce by classification

■ Official/admin    ■ professional  
 ■ technical        ■ support/other



## Employee salaries

Due to the large number of employees in the job categories of official/administrator and professional, TDI’s average annual salary of \$61,900 remains above the Texas state employee average of \$47,990.<sup>2</sup> The agency’s average annual salary increased 6% over 2018 salary levels. This exceeds the Texas state employee average annual salary growth of 1.5%. 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 currently eligible to retire or will be eligible before August 31, 2025, including:

- 34% of TDI’s total workforce
- 39% of managers
- 45% of executive staff

The number of TDI’s retirement eligible staff has decreased 10% in the last two years. Currently, 65% of the workforce have 10 or fewer years of TDI service. This change in workforce tenure stresses an increased 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.

<sup>2</sup> CAPPS HR/Payroll System, February 29, 2020

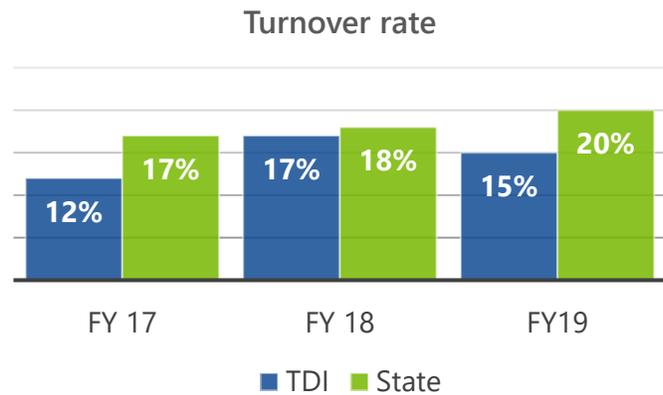
## Ethnic diversity

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 29, 2020:

- 51% were minorities
- 60% were female
- 67% 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 15% in fiscal year 2019 as compared to 17% in fiscal year 2018. The percentage rate remains below the fiscal year 2019 statewide turnover rate of 20% for classified, regular full-time and part-time employees.<sup>3</sup> A major factor impacting turnover is the competitive job market.



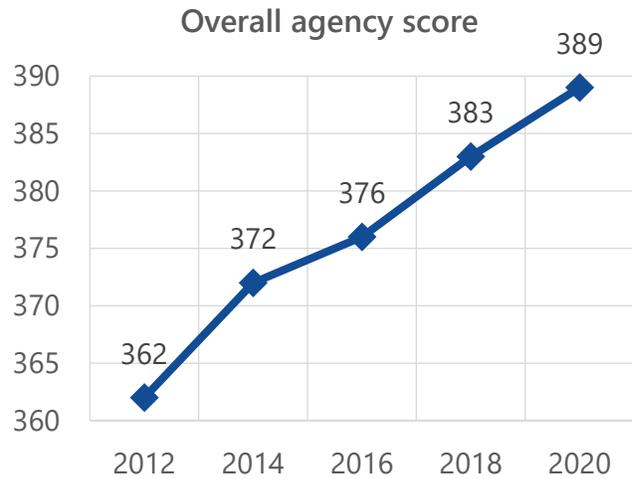
As of February 29, 2020, the workers’ compensation division had a slightly lower mid-year turnover rate of 8% compared to 10% for insurance operations and 9.5% for the agency.

<sup>3</sup> Texas State Auditor’s Office, E-Class System. <http://www.hr.sao.texas.gov/Tools/>

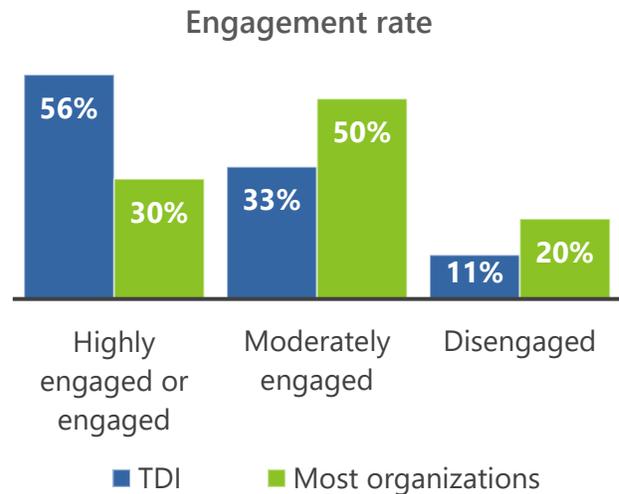
## Employee engagement

TDI’s employees continue to be engaged as reflected in the results of the agency’s 2020 Survey of Employee Engagement (SEE).<sup>4</sup>

TDI has participated in the survey since 1996. The survey response rate has increased over time. The survey response rate in 2020 was 84%, 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.<sup>5</sup> In 2012, the Institute for Organization Excellence began including an overall score for agency survey results. TDI’s score increased 27 points in the last six years, rising from 362 in 2012 to 389 in 2020.



The 2020 survey measured TDI employee engagement levels. Results showed that 56% were highly engaged or engaged, compared to 30% for most organizations.<sup>6</sup>



The 2020 survey identified three areas of strength. Out of a possible score of 500, the three top constructs scored as follows:

- Strategic – 412
- Supervision – 411
- Workgroup – 405

These high scores indicate that TDI employees understand their role in achieving the agency’s missions, have a positive view of their supervisors, and view their workgroup as effective, cohesive, and open to the opinions of all members. The three lowest scoring constructs were pay, information systems, 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.

<sup>4</sup> Survey of Employee Engagement, 2020. University of Texas, Institute for Organizational Excellence.

<sup>5</sup> TDI Executive Summary of the Survey of Employee Engagement, 2020.

<sup>6</sup> TDI Executive Summary of the Survey of Employee Engagement, 2020.

## 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.
- 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 communicate more effectively.

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

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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

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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

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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.
- Encouraging telework.
- 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.
- 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 May 1, 2018, to February 29, 2020, TDI promoted 42 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. 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, through recruiting veterans by attending military and veteran job fairs.
- Increasing the use of recruiting tools, such as social media.
- Encouraging more flexibility in work location and maximizing the use of technology.
- Identifying and conducting additional training to fill skill gaps and monitor results.
- Enhancing succession planning, including knowledge-sharing efforts.
- Conducting staffing and salary analysis 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.

## G. Report on customer service

TDI submitted the agency's Report on Customer Services 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](https://tdi.texas.gov).







Agency Strategic Plan | Fiscal Years 2021-25  
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