

Request for

Legislative Appropriations

For Fiscal Years 2018 and 2019

*Submitted to the Office of the Governor, Budget Division, and the
Legislative Budget Board, by the*



Texas Department of Insurance

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David Mattax, Commissioner of Insurance
August 22, 2016

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CERTIFICATE

Agency Name: Texas Department of Insurance

This is to certify that the information contained in the agency Legislative Appropriation Request filed with the Legislative Budget Board (LBB) and the Office of the Governor, Budget Division, is accurate to the best of my knowledge and that the electronic submission to the LBB via the Automated Budget and Evaluation System of Texas (ABEST) and the PDF file submitted via the LBB Document Submission application are identical.

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Governor's Office will be notified in writing in accordance with Article IX, Section 7.01 (2016-17 GAA).

Chief Executive Office or Presiding Judge

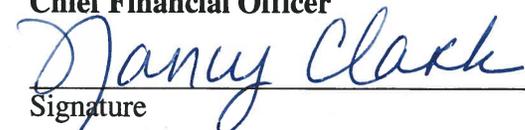

Signature

David Mattax
Printed Name

Commissioner of Insurance
Title

August 22, 2016
Date

Chief Financial Officer


Signature

Nancy Clark
Printed Name

Chief Financial Officer
Title

August 22, 2016
Date

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TEXAS DEPARTMENT OF INSURANCE
 REQUEST FOR LEGISLATIVE APPROPRIATIONS
 FISCAL YEARS 2018 AND 2019

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1. ADMINISTRATOR'S STATEMENT

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Administrator's Statement

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Automated Budget and Evaluation System of Texas (ABEST)

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GOVERNANCE: TDI COMMISSIONERS

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

COMMISSIONER OF INSURANCE UPDATE:

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

ECONOMIC AND DEMOGRAPHIC FACTORS

The Texas insurance market has been growing rapidly in recent years and now represents the ninth largest insurance market in the world. This growth can be primarily attributed to the Texas economy and the resulting population growth and job creation. Economic globalization and the state's economy make Texas a preferred location for new market entrants, insurance carrier mergers, and relocations. Texas' increasing population diversity affects consumers' insurance needs. TDI's goal is to foster a stable, competitive, and healthy environment for insurers to provide quality insurance products that satisfy consumer demands. This requires an innovative and flexible regulatory approach. Texas is helping set the financial standards for international, national, and state insurance regulation.

TDI continues to focus on the following priority initiatives:

- fostering competition;
- protecting consumers;
- monitoring changes to the healthcare landscape;
- working with the Texas Windstorm Insurance Association (TWIA) to improve processes and funding; and
- using strategic planning and risk management to fulfill core functions, measure performance, and continuously improve our ability to protect consumers and investigate fraud.

PROTECTING TEXAS' AUTHORITY: FEDERAL AND INTERNATIONAL PRESSURES

The state-based system of regulating insurance dates back to the mid-1800s. In 1871, state insurance regulators joined together to form the National Association of Insurance Commissioners (NAIC). However, in recent years the federal government has shown an increasing desire to regulate insurance, as evidenced by the Affordable Care Act and the creation of the Federal Insurance Office (FIO) as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Dodd-Frank Act also empowered the Federal Reserve to regulate the holding companies of certain insurers, including a number of Texas companies. The Financial Stability Board has provided direction to the International Association of Insurance Supervisors (IAIS) on the development of IAIS standards for the global regulation of insurance. These standards could form the basis for subsequent federal preemption. FIO and the U.S. Trade Representative are negotiating with the European Union on a covered agreement that has the potential to preempt Texas statutory authority. In addition, the Federal Reserve has proposed capital and other regulatory requirements that could apply to Texas insurers and potentially create conflicts with Texas' statutory authority.

To help protect Texas' current insurance regulation authority, the Texas insurance commissioner sought and obtained membership on the executive committees of NAIC and the IAIS. The commissioner's goal is to make sure Texas' voice is heard and ensure that standards developed by the NAIC and the IAIS are right for Texas.

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TEXAS WINDSTORM INSURANCE ASSOCIATION

TDI placed TWIA under administrative oversight in 2011 after Hurricane Ike claims and related litigation stretched its resources. TDI subsequently helped TWIA improve its operations and management team. The insurance commissioner also appointed new members to TWIA's board of directors after SB 900, enacted by the 84th Legislature changed the board's makeup. TWIA has benefited from enhanced funding mechanisms and an absence of hurricane losses and now reports an estimated maximum funding capacity to protect against a 1-in-100 year storm. TDI released TWIA from administrative oversight on April 8, 2016, subject to special ongoing reporting requirements. TDI developed rules and continues to work closely with TWIA to implement SB 900.

PROACTIVE RESPONSES TO CHANGING HEALTH CARE LANDSCAPE

TDI monitors the Affordable Care Act's impact on the Texas insurance market and takes action, when warranted, to protect consumers and minimize market disruptions. For example, where carriers have withdrawn from the market, TDI has closely monitored the situation to ensure continuity of care and compliance with Texas' withdrawal rules.

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

COMMISSIONER OF WORKERS' COMPENSATION UPDATE:

The Division of Workers' Compensation's mission is to regulate Texas workers' compensation efficiently, educate system participants, and achieve a balanced system in which everyone is treated fairly with dignity and respect.

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

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

These initiatives include:

- adopting evidence-based treatment and return-to-work guidelines;
- adopting a closed pharmacy formulary – one of the first in the nation for workers' compensation;
- implementing a new workers' compensation fraud investigative unit and enforcement function within DWC to consolidate existing resources and increase agency efforts to detect noncompliance and combat fraud;
- implementing changes to income benefits, including new work-search requirements for employees eligible for supplemental income benefits;
- streamlining dispute resolution processes and reducing the amount of time it takes to resolve income, medical fee, and medical necessity disputes;
- developing a performance-based oversight program to monitor health care providers and insurance carriers on key performance measures;
- implementing Medicare-based fee guidelines for professional services, inpatient and outpatient hospital services, and ambulatory surgical center services; and
- implementing a return-to-work reimbursement program for Texas employers.

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

Although the 2005 legislative reforms have resulted in significant improvement to the Texas workers' compensation system, DWC continues to focus its efforts internally to increase efficiencies, improve stakeholder outreach, and maximize limited resources. These efforts include the automation of certain agency functions, reducing paper records, and enhancing information security. Additionally, DWC has launched new initiatives internally to develop a recruitment plan for designated doctors in underserved areas and specialties, streamline recertification training for designated doctors, and increase the use of video conferencing for dispute resolution proceedings when appropriate.

CENTRALIZED ACCOUNTING PAYROLL PERSONNEL SYSTEM (CAPPS) / ERP SYSTEM

Centralized Accounting and Payroll/Personnel System (CAPPS) is the statewide Enterprise Resource Planning (ERP) system created by the ProjectONE team. CAPPS provides a single software solution for financial, human resources and payroll administration for Texas state agencies.

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

BACKGROUND CHECKS

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

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

In addition, Chapter 53 of the Occupations Code; various sections of the Texas Insurance Code, including Chapter 4005; and Texas Administrative Code, Title 28, Chapter 1, Subchapter D, provide authority to determine a person's fitness for holding a license, authorization or registration, or fitness to control licensed and authorized entities.

TDI has policies and procedures for conducting criminal background checks. TDI and the Texas Department of Public Safety have entered into a memorandum of understanding on staff training, requesting information, and the handling of confidential criminal histories. These protocols establish guidelines for conducting criminal background checks on applicants for specific licenses administered by TDI and to comply with state law.

Trained and registered TDI staff who have been approved by the Texas Department of Public Safety may perform criminal background checks for the following purposes:

- To determine whether to grant a license to insurance agents, claims adjusters, and proposed officers and directors of applicants for insurance company licenses.
- To determine whether to hire external applicants or allow internal applicants to move into higher level positions.

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In addition to background checks, TDI uses the E-Verify program (Texas Government Code Chapter 673) to validate employment eligibility for any new hires.

BASELINE BUDGET REQUEST

TDI prepared its funding request in compliance with the policy letter dated June 30, 2016, and the instructions issued by the Legislative Budget Board and the Governor's Office. TDI's baseline budget is \$225,764,383 with 1,335 full-time equivalent employees (FTEs).

The baseline budget request is sufficient to meet agency goals with one exception. The exceptional item identified below represents the additional need for fiscal years 2018 and 2019. In addition to the exceptional item requested, TDI is working to procure a new contract for the TexasSure program. The agency does not yet know if the requested appropriation for the TexasSure program will be adequate to fund the new contract term. TDI anticipates that a contract will be in place just as the 85th Legislative Session begins and will be in a better position to determine if additional funding is needed.

EXCEPTIONAL ITEM REQUEST

TDI has identified one additional funding request that will help the agency meet its statutory obligations.

TDI respectfully requests restoration of the Regulatory Response Rider. This funding will only be used for a significant natural disaster or emergency response. The rider enables TDI to respond quickly to large scale emergency situations. The requested item totals \$4.4 million and 40 FTEs over the FY 2018-19 biennium levels. Versions of this rider have been included in TDI's final legislative appropriations every biennium since 2012.

BASELINE REDUCTION

TDI is funded by the industry it regulates and is not supported by funding that can be used for general state purposes (i.e. general revenue or general revenue dedicated appropriations are supported by their own revenue source). TDI's operating account, fund 36, is not subject to Comptroller of Public Accounts' certification of the General Appropriations Act (GAA). As a result, appropriations from this fund were excluded from the 4 percent baseline request reduction. Because of the self-leveling nature of TDI's operating account, the revenue generated for the account is dependent upon estimated expenditures. Therefore, changes in appropriations from TDI's operating account do not affect the funds available for general revenue.

TDI's baseline request reflects a required reduction of \$635,799 for the biennium. To construct this 4 percent budget reduction, TDI reduced its requested appropriations for earned federal funds, the general revenue portion of the Texas.gov fees, and the subsequent injury fund. The impact of these cuts will be minimal because of riders contained in the GAA. Specifically TDI's rider 13 allows TDI to request an increase in appropriations from the subsequent injury fund to pay for current liabilities that exceed appropriated amounts. In addition to this specific TDI rider, GAA Article IX allows for agencies to increase appropriations for additional earned federal funds and Texas.gov fees.

10 PERCENT BIENNIAL BASE REDUCTION OPTION SCHEDULE

TDI is funded by the industry it regulates and is not supported by funding that can be used for general state purposes (i.e. any general revenue or general revenue dedicated appropriations are supported by their own revenue source). TDI's operating account, fund 36, is not subject to Comptroller of Public Accounts' certification of the General Appropriations Act (GAA). As a result, appropriations from this fund were excluded from the 10 percent biennial base reduction option schedule. Because of the self-leveling nature of TDI's operating account, the revenue generated for the account is dependent upon estimated expenditures. Therefore, changes in appropriations from TDI's operating account do not affect the funds available for general revenue.

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TDI's 10 percent biennial base reduction option schedule reflects a reduction of \$1,525,917 for the 2018-2019 biennium. To construct this 10 percent supplemental budget reduction schedule, TDI reduced its requested appropriations for earned federal funds, the general revenue portion of the Texas.gov fees, and the subsequent injury fund. The impact of these cuts will be minimal because of riders contained in the GAA. Specifically TDI's rider 13 allows TDI to request an increase in appropriations from the subsequent injury fund to pay for current liabilities that exceed appropriated amounts. In addition to this specific TDI rider, GAA Article IX allows for agencies to increase appropriations for additional earned federal funds and Texas.gov fees.

CONCLUSION

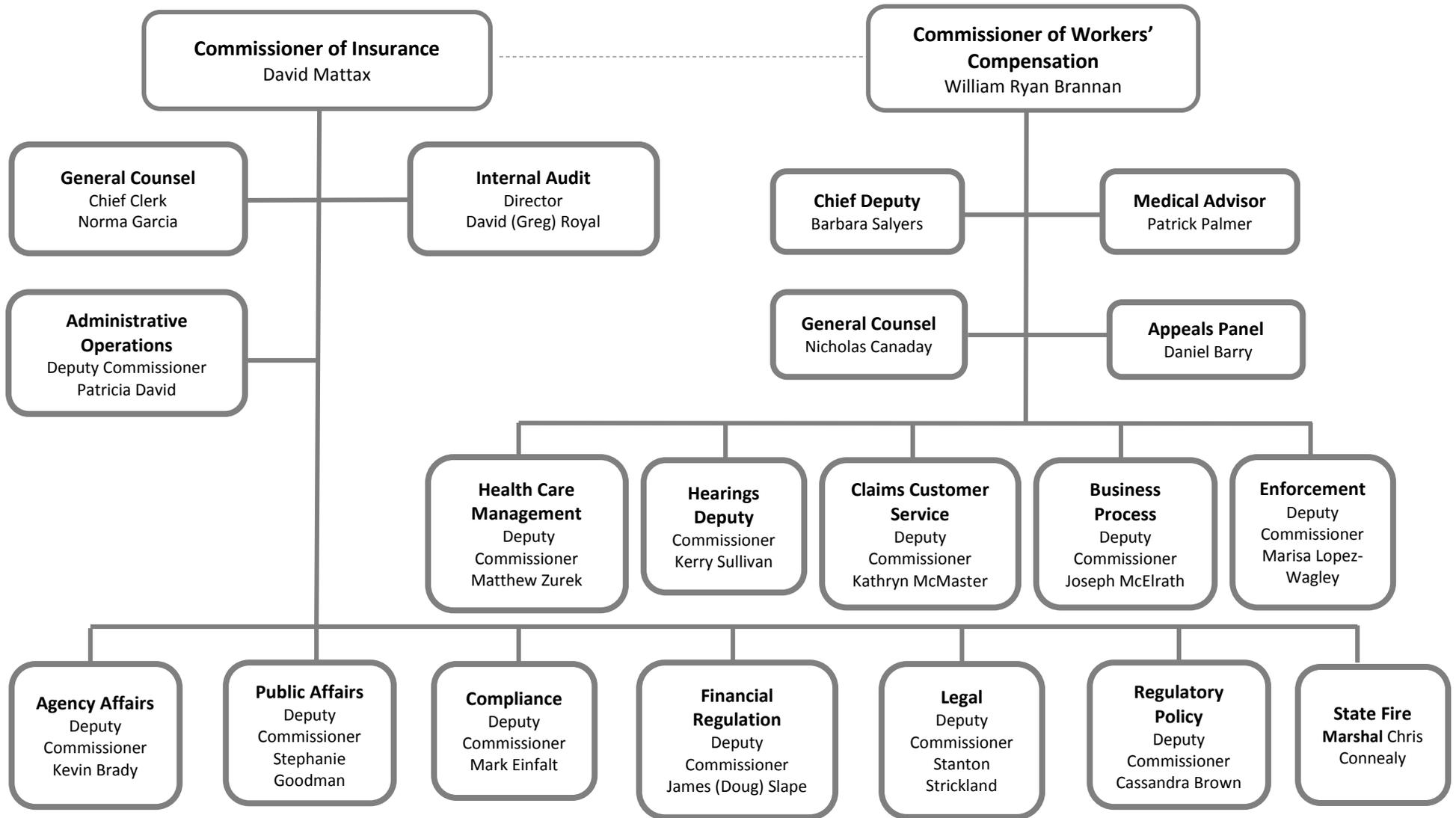
The agency requests a total of \$230.2 million and 1,375 FTEs for the 2018-2019 biennium. The approval of this baseline Legislative Appropriations Request, including one exceptional item and rider revisions, will allow TDI to continue delivering services at the high level of excellence for which it has come to be recognized.

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1.A. ORGANIZATIONAL CHART

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TDI Agency Organizational Chart



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2. SUMMARIES OF REQUEST

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Budget Overview - Biennial Amounts
85th Regular Session, Agency Submission, Version 1
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454 Department of Insurance
Appropriation Years: 2018-19

EXCEPTIONAL
ITEM
FUNDS

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS 2018-19
	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	
Goal: 1. Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt											
1.1.1. Consumer Education And Outreach	6,736,999	7,257,326	1,992,550	2,165,626	2,348,740		10,405,668	10,363,565	21,483,957	19,786,517	
1.2.1. Resolve Complaints	3,969,622	3,981,412	1,397,117	1,397,398					5,366,739	5,378,810	
1.2.2. Investigation And Enforcement	4,473,895	4,437,386	1,574,660	1,557,436					6,048,555	5,994,822	
1.2.3. Insurance Fraud	5,048,160	5,022,482	1,776,769	1,762,794			62,174		6,887,103	6,785,276	
1.2.4. Workers Compensation Fraud			778,401	872,616					778,401	872,616	
1.3.1. Process Rates, Forms & Licenses	16,514,580	16,516,256	5,812,405	5,796,882					22,326,985	22,313,138	
1.3.2. Texas.Gov	13,040	12,518	746,960	746,960					760,000	759,478	
1.3.3. Certify Self-Insurance			1,243,649	1,238,902					1,243,649	1,238,902	
1.4.1. Three-Share Programs	648,834	664,306	228,373	233,158			3,283,980		4,161,187	897,464	
1.5.1. Loss Control Programs	4,535,375	4,595,028	1,596,232	1,612,766					6,131,607	6,207,794	
Total, Goal	41,940,505	42,486,714	17,147,116	17,384,538	2,348,740		13,751,822	10,363,565	75,188,183	70,234,817	
Goal: 2. Promote Financial Strength of Ins. Industry											
2.1.1. Insurers Financial Condition	11,857,080	11,760,828	4,173,293	4,127,820					16,030,373	15,888,648	
Total, Goal	11,857,080	11,760,828	4,173,293	4,127,820					16,030,373	15,888,648	
Goal: 3. Reduce Loss of Life & Property Due to Fire											
3.1.1. Fire Marshal	7,769,957	7,604,914	2,734,970	2,669,176			14,794		10,519,721	10,274,090	
Total, Goal	7,769,957	7,604,914	2,734,970	2,669,176			14,794		10,519,721	10,274,090	
Goal: 4. Effectively Regulate the Texas Workers' Compensation System											
4.1.1. Oversight And Enforcement			14,514,185	14,639,374			84,850	108,000	14,599,035	14,747,374	
4.1.2. Dispute Resolution			28,202,668	27,953,708			659,661	94,000	28,862,329	28,047,708	
4.1.3. Subsequent Injury Fund Admin			15,687,422	15,199,408					15,687,422	15,199,408	
4.2.1. Health And Safety Services			3,529,628	3,593,240	4,380,518	4,380,518	48,930		7,959,076	7,973,758	
4.2.2. Customer Service & Records Admin			9,219,049	8,838,942			239,049	268,000	9,458,098	9,106,942	
Total, Goal			71,152,952	70,224,672	4,380,518	4,380,518	1,032,490	470,000	76,565,960	75,075,190	

Budget Overview - Biennial Amounts
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Appropriation Years: 2018-19

EXCEPTIONAL
ITEM
FUNDS

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	2016-17	2018-19	
Goal: 5. Indirect Administration											
5.1.1. Central Administration	8,005,969	7,963,451	12,253,875	12,415,038			7,000		20,266,844	20,378,489	
5.1.2. Information Resources	10,271,141	10,192,490	16,340,085	16,370,451					26,611,226	26,562,941	
5.1.3. Other Support Services	3,126,903	2,944,684	4,412,253	4,405,524			293		7,539,449	7,350,208	
Total, Goal	21,404,013	21,100,625	33,006,213	33,191,013			7,293		54,417,519	54,291,638	
Goal: 6. Regulatory Response											
6.1.1. Contingency Regulatory Response											4,400,000
Total, Goal											4,400,000
Total, Agency	82,971,555	82,953,081	128,214,544	127,597,219	6,729,258	4,380,518	14,806,399	10,833,565	232,721,756	225,764,383	4,400,000
Total FTEs									1,340.1	1,335.0	40.0

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Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt					
1 <i>Provide Insurance Consumers with Meaningful Information</i>					
1 CONSUMER EDUCATION AND OUTREACH	12,216,990	9,364,476	12,119,481	9,893,259	9,893,258
2 <i>Reduce Unfair & Illegal Insurer Practices</i>					
1 RESOLVE COMPLAINTS	2,406,026	2,552,515	2,814,224	2,689,405	2,689,405
2 INVESTIGATION AND ENFORCEMENT	2,854,596	2,919,016	3,129,539	2,997,411	2,997,411
3 INSURANCE FRAUD	3,146,721	3,347,391	3,539,712	3,392,638	3,392,638
4 WORKERS COMPENSATION FRAUD	205,126	326,486	451,915	436,308	436,308
3 <i>Reduce Impediments to Competition and Improve Insurance Availability</i>					
1 PROCESS RATES, FORMS & LICENSES	10,854,669	10,659,813	11,667,172	11,156,569	11,156,569
2 TEXAS.GOV	512,283	380,000	380,000	379,739	379,739
3 CERTIFY SELF-INSURANCE	608,589	609,944	633,705	619,451	619,451
4 <i>Administer Innovative Insurance Initiatives</i>					

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
1 THREE-SHARE PROGRAMS	1,197,411	2,048,481	2,112,706	448,732	448,732
2 HEALTHY TEXAS	3,458,369	0	0	0	0
<u>5</u> <i>Assure Loss Control Services & Windstorm Inspections</i>					
1 LOSS CONTROL PROGRAMS	2,691,265	2,913,532	3,218,075	3,103,897	3,103,897
TOTAL, GOAL 1	\$40,152,045	\$35,121,654	\$40,066,529	\$35,117,409	\$35,117,408
<u>2</u> <i>Promote Financial Strength of Ins. Industry</i>					
<u>1</u> <i>Regulate Insurance Industry Solvency</i>					
1 INSURERS FINANCIAL CONDITION	7,140,478	7,737,753	8,292,620	7,944,324	7,944,324
TOTAL, GOAL 2	\$7,140,478	\$7,737,753	\$8,292,620	\$7,944,324	\$7,944,324
<u>3</u> <i>Reduce Loss of Life & Property Due to Fire</i>					
<u>1</u> <i>Protect the Public from Loss of Life and Property due to fire</i>					
1 FIRE MARSHAL	5,205,118	5,213,133	5,306,588	5,137,045	5,137,045

2.A. Summary of Base Request by Strategy

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Automated Budget and Evaluation System of Texas (ABEST)

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Goal / Objective / STRATEGY		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
TOTAL, GOAL	3	\$5,205,118	\$5,213,133	\$5,306,588	\$5,137,045	\$5,137,045
4	Effectively Regulate the Texas Workers' Compensation System					
1	<i>Ensure Appropriate Delivery of Workers' Compensation Benefits</i>					
1	OVERSIGHT AND ENFORCEMENT	6,168,288	6,525,288	8,073,747	7,823,687	6,923,687
2	DISPUTE RESOLUTION	13,789,806	13,812,285	15,050,044	14,323,854	13,723,854
3	SUBSEQUENT INJURY FUND ADMIN	7,029,113	10,027,379	5,660,043	7,599,704	7,599,704
2	<i>Ensure Workers' Comp System Participants are Educated and Informed</i>					
1	HEALTH AND SAFETY SERVICES	3,824,970	3,922,038	4,037,038	3,986,879	3,986,879
2	CUSTOMER SERVICE & RECORDS ADMIN	5,004,244	4,903,292	4,554,806	4,553,471	4,553,471
TOTAL, GOAL	4	\$35,816,421	\$39,190,282	\$37,375,678	\$38,287,595	\$36,787,595
5	Indirect Administration					
1	<i>Indirect Administration</i>					
1	CENTRAL ADMINISTRATION	9,375,302	9,039,278	11,227,566	10,189,245	10,189,244

2.A. Summary of Base Request by Strategy

8/19/2016 7:53:54AM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

454 Department of Insurance

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
2 INFORMATION RESOURCES	13,076,322	12,785,615	13,825,611	12,980,675	13,582,266
3 OTHER SUPPORT SERVICES	3,275,189	3,729,073	3,810,376	3,675,104	3,675,104
TOTAL, GOAL 5	\$25,726,813	\$25,553,966	\$28,863,553	\$26,845,024	\$27,446,614
6 Regulatory Response					
1 Regulatory Response					
1 CONTINGENCY REGULATORY RESPONSE	0	0	0	0	0
TOTAL, GOAL 6	\$0	\$0	\$0	\$0	\$0
TOTAL, AGENCY STRATEGY REQUEST	\$114,040,875	\$112,816,788	\$119,904,968	\$113,331,397	\$112,432,986
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$114,040,875	\$112,816,788	\$119,904,968	\$113,331,397	\$112,432,986

2.A. Summary of Base Request by Strategy

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85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

454 Department of Insurance

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>METHOD OF FINANCING:</u>					
General Revenue Funds:					
1 General Revenue Fund	5,501,417	230,926	230,926	221,689	221,689
8042 Insurance Maint Tax Fees	36,995,782	39,378,966	43,130,737	41,130,168	41,379,535
SUBTOTAL	\$42,497,199	\$39,609,892	\$43,361,663	\$41,351,857	\$41,601,224
General Revenue Dedicated Funds:					
36 Dept Ins Operating Acct	52,195,893	53,369,159	59,412,273	56,964,605	55,816,828
5101 Subsequent Injury Fund	6,958,061	9,964,760	5,468,352	7,407,893	7,407,893
SUBTOTAL	\$59,153,954	\$63,333,919	\$64,880,625	\$64,372,498	\$63,224,721
Federal Funds:					
555 Federal Funds	3,269,145	2,286,653	4,442,605	2,190,259	2,190,259
SUBTOTAL	\$3,269,145	\$2,286,653	\$4,442,605	\$2,190,259	\$2,190,259
Other Funds:					
6 State Highway Fund	7,364,774	0	0	0	0
161 TexasSure Fund	0	5,073,753	5,073,752	5,073,753	5,073,752
666 Appropriated Receipts	1,651,061	2,509,571	2,142,323	343,030	343,030
777 Interagency Contracts	104,742	3,000	4,000	0	0
SUBTOTAL	\$9,120,577	\$7,586,324	\$7,220,075	\$5,416,783	\$5,416,782
TOTAL, METHOD OF FINANCING	\$114,040,875	\$112,816,788	\$119,904,968	\$113,331,397	\$112,432,986

2.A. Summary of Base Request by Strategy

8/19/2016 7:53:54AM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

454 Department of Insurance

Goal / Objective / STRATEGY	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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*Rider appropriations for the historical years are included in the strategy amounts.

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:53:54AM

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

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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GENERAL REVENUE

1 General Revenue Fund

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2014-15 GAA)

\$1,964,485	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2016-17 GAA)

\$0	\$230,926	\$230,926	\$0	\$0
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Regular Appropriations from MOF Table

\$0	\$0	\$0	\$221,689	\$221,689
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RIDER APPROPRIATION

Art IX, Sec 6.22, Earned Federal Funds (2014-15 GAA)

\$83,925	\$0	\$0	\$0	\$0
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Comments: These were 2015 collections in excess of the appropriation and benefits threshold set by the Comptroller.

Art IX, Sec 6.22, Earned Federal Funds (2014-15 GAA)

\$20,192	\$0	\$0	\$0	\$0
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Comments: This was the UB from 2014 that is allowed to be moved within a biennium.

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

8/19/2016 7:53:54AM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<p>Agency code: 454 Agency name: Department of Insurance</p>					
<u>GENERAL REVENUE</u>					
<p>Art IX, Sec 9.05, Texas.gov Project: Occupational Licenses (2014-15 GAA)</p>					
	\$5	\$0	\$0	\$0	\$0
<p>Comments: These amounts are the overage for the fees associated with the specialty licenses that get deposited to fund 1 versus the agents licenses that get deposited to fund 36. The regular fund 1 appropriation is comprised of \$6,520 of these fees.</p>					
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>					
<p>HB 2, 84th Leg, Regular Session</p>					
	\$5,300,000	\$0	\$0	\$0	\$0
<p>Comments: Section 28 of HB 2 appropriates funds to TDI.</p>					
<i>LAPSED APPROPRIATIONS</i>					
<p>Regular Appropriations from MOF Table (2014-15 GAA)</p>					
	\$(1,733,559)	\$0	\$0	\$0	\$0
<p>Comments: Funds related to Commission on Fire Protection were not appropriated to TDI as needed legislation was not passed.</p>					
<p>HB 2, 84th Leg, Regular Session</p>					
	\$(133,631)	\$0	\$0	\$0	\$0
<p>Comments: Ultimate liabilities relating to supplemental appropriation developed less than amount in budget.</p>					

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:53:54AM

Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>						
TOTAL,	General Revenue Fund	\$5,501,417	\$230,926	\$230,926	\$221,689	\$221,689
<u>8042</u>	General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2014-15 GAA)	\$39,202,662	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2016-17 GAA)	\$0	\$42,429,290	\$42,493,001	\$0	\$0
	Regular Appropriations from MOF Table	\$0	\$0	\$0	\$41,130,168	\$41,379,535
	<i>RIDER APPROPRIATION</i>					
	Art IX, Sec 17.08(b), Data Center Increases (2014-15 GAA)	\$47,540	\$0	\$0	\$0	\$0
	Art VIII, Rider 12, Unexpended Balance(p VIII-22 of 2014-15 GAA)	\$230,600	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>					
Comments: Rider allows 5% of UB from 2014 to be appropriated in 2015.					
Art IX, Sec 14.03(i), Capital Budget UB (2014-15 GAA)					
	\$389,197	\$0	\$0	\$0	\$0
Comments: The UB of capital budget items are due to spending shortfalls in a given year with regards to computer obsolescence and data center services. The spending for these capital items are not usually uniform throughout the biennium and funds may be shifted across years based on the timing of these expenses.					
Art VIII, Rider 12, Unexpended Balance(p VIII-22 of 2016-17 GAA)					
	\$0	\$(1,844,030)	\$1,844,030	\$0	\$0
Comments: This is the projected amount of funds available to move from 2016 to 2017 under the provision of this rider based on date in June 2016. The amount is primarily due to vacancies and turnover in the agency.					
<i>TRANSFERS</i>					
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)					
	\$922,164	\$0	\$0	\$0	\$0
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)					
	\$0	\$993,706	\$993,706	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:53:54AM

Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE</u>						
Regular Appropriations from MOF Table (2014-15 GAA)		\$ (1,430,000)	\$ 0	\$ 0	\$ 0	\$ 0
Comments: Regulatory Response Rider not activated						
Regular Appropriation from MOF Table (2016-17 GAA)		\$ 0	\$ (2,200,000)	\$ (2,200,000)	\$ 0	\$ 0
Comments: Regulatory Response Rider not expected to be activated in biennium						
Regular Appropriations from MOF Table (2014-15 GAA)		\$ (2,366,381)	\$ 0	\$ 0	\$ 0	\$ 0
Comments: The UB and lapse amounts are driven primarily due to vacancies and turnover in the agency. The 2015 lapse was driven higher because the agency received a supplemental appropriation in General Revenue to offset expenses incurred in 2014 for the Healthy Texas program which decreased the expenses in funds 8042/36 for the year.						
TOTAL,	General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	\$36,995,782	\$39,378,966	\$43,130,737	\$41,130,168	\$41,379,535
TOTAL, ALL	GENERAL REVENUE	\$42,497,199	\$39,609,892	\$43,361,663	\$41,351,857	\$41,601,224

GENERAL REVENUE FUND - DEDICATED

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

METHOD OF FINANCING **Exp 2015** **Est 2016** **Bud 2017** **Req 2018** **Req 2019**

GENERAL REVENUE FUND - DEDICATED

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

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2014-15 GAA)

\$52,957,230 \$0 \$0 \$0 \$0

Regular Appropriations from MOF Table (2016-17 GAA)

\$0 \$56,707,711 \$54,751,427 \$0 \$0

Regular Appropriations from MOF Table

\$0 \$0 \$0 \$56,964,605 \$55,816,828

RIDER APPROPRIATION

Art IX, Sec 9.05, Texas.gov Project: Occupational Licenses (2014-15 GAA)

\$132,278 \$0 \$0 \$0 \$0

Comments: These amounts are the overage for the fees associated with the agents licenses that get deposited to fund 36 versus the specialty licenses that get deposited to fund 1. The regular fund 36 appropriation is comprised of \$373,480 of these fees.

Art IX, Sec 17.08(b), Data Center Increases (2014-15 GAA)

\$55,962 \$0 \$0 \$0 \$0

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:53:54AM

Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE FUND - DEDICATED</u>					
Art VIII, Rider 12, Unexpended Balance(p VIII-22 of 2014-15 GAA)	\$1,259,871	\$0	\$0	\$0	\$0
Comments: Rider allows 5% of UB from 2014 to be appropriated in 2015.					
Art VIII, Rider 20, Medical Fee Disputes(p VIII-24 of 2014-15 GAA)	\$1,914,048	\$0	\$0	\$0	\$0
Comments: Unexpended balance of funds related to rider within biennium					
Art IX, Sec 14.03(i), Capital Budget UB (2014-15 GAA)	\$618,639	\$0	\$0	\$0	\$0
Comments: The UB of capital budget items are due to spending shortfalls in a given year with regards to computer obsolescence and data center services. The spending for these capital items are not usually uniform throughout the biennium and funds may be shifted across years based on the timing of these expenses.					
Art VIII, Rider 12, Unexpended Balance(p VIII-22 of 2016-17 GAA)	\$0	\$(2,219,312)	\$2,219,312	\$0	\$0
Comments: This is the projected amount of funds available to move from 2016 to 2017 under the provision of this rider based on data as of June 2016. The amount is primarily due to vacancies and turnover in the agency.					

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

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85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE FUND - DEDICATED</u>					
Art VIII, Rider 19, Medical Fee Disputes(p VIII-24 of 2016-17 GAA)	\$0	\$(1,780,387)	\$1,780,387	\$0	\$0
Comments: This is the projected unexpended balance of the \$2.1 million budget at the end of 2016 relating to this rider. The funds are appropriated one time at the beginning of the biennium with full UB within the biennium.					
<i>TRANSFERS</i>					
Art IX, Sec 17.06 Salary Increase for General State Employees (2014-15 GAA)	\$1,245,657	\$0	\$0	\$0	\$0
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)	\$0	\$661,147	\$661,147	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2014-15 GAA)	\$(770,000)	\$0	\$0	\$0	\$0
Comments: Regulatory Response Rider not activated					
Regular Appropriations from MOF Table (2014-15 GAA)	\$(1,792,514)	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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GENERAL REVENUE FUND - DEDICATED

Comments: Funds related to Medical Fee Disputes rider. Lapse due to SOAH cases that were not heard and actual hearings costs less than budgeted for in the biennium.

Regular Appropriations from MOF Table (2014-15 GAA)

	\$ (3,425,278)	\$0	\$0	\$0	\$0
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Comments: The UB and lapse amounts are driven primarily due to vacancies and turnover in the agency. The 2015 lapse was driven higher because the agency received a supplemental appropriation in General Revenue to offset expenses incurred in 2014 for the Healthy Texas program which decreased the expenses in funds 8042/36 for the year.

TOTAL,	GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036	\$52,195,893	\$53,369,159	\$59,412,273	\$56,964,605	\$55,816,828
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5101 GR Dedicated - Subsequent Injury Account No. 5101

REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2014-15 GAA)

	\$4,420,140	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2016-17 GAA)

	\$0	\$5,468,353	\$5,468,352	\$0	\$0
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Regular Appropriations from MOF Table

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019	
<u>GENERAL REVENUE FUND - DEDICATED</u>						
	\$0	\$0	\$0	\$7,407,893	\$7,407,893	
<i>RIDER APPROPRIATION</i>						
Art VIII, Rider 13, (p VIII-22 of 2014-15 GAA)	\$2,538,072	\$0	\$0	\$0	\$0	
Comments: Finding of Fact letter received from Comptroller dated December 3, 2014						
Art VIII, Rider 13, (p VIII-22 of 2016-17 GAA)	\$0	\$4,496,407	\$0	\$0	\$0	
Comments: Finding of Fact letter received from Comptroller dated March 31, 2016						
<i>LAPSED APPROPRIATIONS</i>						
Art VIII, Rider 13, (p VIII-22 of 2014-15 GAA)	\$(151)	\$0	\$0	\$0	\$0	
Comments: Ultimate payments slightly under appropriation for fiscal year						
TOTAL, GR Dedicated - Subsequent Injury Account No. 5101	\$6,958,061	\$9,964,760	\$5,468,352	\$7,407,893	\$7,407,893	
5140 GR Dedicated - Specialty License Plates General						
<i>REGULAR APPROPRIATIONS</i>						

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>GENERAL REVENUE FUND - DEDICATED</u>						
	Regular Appropriations from MOF Table (2014-15 GAA)	\$17,500	\$0	\$0	\$0	\$0
	<i>LAPSED APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2014-15 GAA)	\$(17,500)	\$0	\$0	\$0	\$0
	Comments: Legislation transferring the Commission on Fire Protection failed to pass.					
TOTAL,	GR Dedicated - Specialty License Plates General	\$0	\$0	\$0	\$0	\$0
TOTAL, ALL	GENERAL REVENUE FUND - DEDICATED	\$59,153,954	\$63,333,919	\$64,880,625	\$64,372,498	\$63,224,721
TOTAL,	GR & GR-DEDICATED FUNDS	\$101,651,153	\$102,943,811	\$108,242,288	\$105,724,355	\$104,825,945
<u>FEDERAL FUNDS</u>						
555	Federal Funds					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2014-15 GAA)	\$2,266,721	\$0	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019	
<u>FEDERAL FUNDS</u>						
Regular Appropriations from MOF Table (2016-17 GAA)	\$0	\$2,190,259	\$2,190,259	\$0	\$0	
Regular Appropriations from MOF Table	\$0	\$0	\$0	\$2,190,259	\$2,190,259	
<i>RIDER APPROPRIATION</i>						
Art IX, Sec 8.02, Federal Funds/Block Grants (2014-15 GAA)	\$1,156,734	\$0	\$0	\$0	\$0	
Comments: This cycle of the Affordable Care Act grant is for the establishment of a data center to expand price transparency in health services and to support research opportunities in Texas.						
Art IX, Sec 13.01, Federal Funds/Block Grants (2016-17 GAA)	\$0	\$96,394	\$2,252,346	\$0	\$0	
Comments: ACA grant expenditures less than projected in 2016 external operating budget due to technology capacity issues in development of price transparency tools. TDI is requesting the grant period be extended to allow further development for these items and plans to expend grant in 2017.						
<i>LAPSED APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2014-15 GAA)	\$(154,310)	\$0	\$0	\$0	\$0	

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:53:54AM

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

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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FEDERAL FUNDS

Comments: The lapse was primarily due to the end of a grant with OSHA for data work that was a result of the federal sequestration that occurred during the prior biennium. The agency request for federal funds in the LAR was adjusted downward for 2016-17 to reflect current grant awards at the time of the appropriation request.

TOTAL, Federal Funds	\$3,269,145	\$2,286,653	\$4,442,605	\$2,190,259	\$2,190,259
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TOTAL, ALL FEDERAL FUNDS	\$3,269,145	\$2,286,653	\$4,442,605	\$2,190,259	\$2,190,259
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OTHER FUNDS

6 State Highway Fund No. 006
REGULAR APPROPRIATIONS

Regular Appropriations from MOF Table (2014-15 GAA)

	\$5,151,575	\$0	\$0	\$0	\$0
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RIDER APPROPRIATION

Art IX, Sec 14.03(i), Capital Budget UB (2014-15 GAA)

	\$2,213,199	\$0	\$0	\$0	\$0
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Comments: The TexasSure program has experienced lower expenditures in the 2014-15 biennium due to contract issues TDI experienced with the vendor which delayed development while the issues were being resolved. Unexpended funds from 2014 were then moved to 2015 under this provision for future expenditures related to the program.

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>OTHER FUNDS</u>						
TOTAL,	State Highway Fund No. 006	\$7,364,774	\$0	\$0	\$0	\$0
<u>161</u>	TexasSure Fund No. 161 <i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2016-17 GAA)	\$0	\$5,073,753	\$5,073,752	\$0	\$0
	Regular Appropriations from MOF Table	\$0	\$0	\$0	\$5,073,753	\$5,073,752
TOTAL,	TexasSure Fund No. 161	\$0	\$5,073,753	\$5,073,752	\$5,073,753	\$5,073,752
<u>666</u>	Appropriated Receipts <i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2014-15 GAA)	\$720,030	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2016-17 GAA)	\$0	\$675,030	\$675,030	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019	
<u>OTHER FUNDS</u>						
Regular Appropriations from MOF Table	\$0	\$0	\$0	\$343,030	\$343,030	
<i>RIDER APPROPRIATION</i>						
Art VIII, Rider 14, Three-Share (p VIII-22 of 2014-15 GAA)	\$1,500,000	\$0	\$0	\$0	\$0	
Comments: Three-Share Appropriation of fines & penalties collected in 2015						
Art VIII, Rider 14, Three-Share (p VIII-22 of 2016-17 GAA)	\$0	\$1,500,000	\$0	\$0	\$0	
Comments: Three-Share appropriation of fines & penalties collected in 2016						
Art VIII, Rider 14, Three-Share (p VIII-22 of 2014-15 GAA)	\$1,042,559	\$0	\$0	\$0	\$0	
Comments: Rollover of unexpended balance from 2014 to 2015						
Art VIII, Rider 14, Three-Share (p VIII-22 of 2016-17 GAA)	\$(1,783,980)	\$1,783,980	\$0	\$0	\$0	
Comments: Rollover of unexpended balance from 2015 to 2016						

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:53:54AM

Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>OTHER FUNDS</u>					
Art VIII, Rider 14, Three-Share (p VIII-22 of 2016-17 GAA)	\$0	\$(1,662,237)	\$1,662,237	\$0	\$0
Comments: Projected rollover of unexpended balance from 2016 to 2017 based on data as of June 2016					
Art IX, Sec 8.03, Reimbursements and Payments (2014-15 GAA)	\$13,064	\$0	\$0	\$0	\$0
Comments: Collections from TWIA for COAST program higher than original appropriation. Other 3rd party reimbursements.					
Art IX, Sec 8.02, Reimbursements and Payments (2016-17 GAA)	\$0	\$16,732	\$0	\$0	\$0
Comments: Collections from TWIA for COAST program projected to be higher than original appropriation. Other 3rd party reimbursements.					
Art IX, Sec 8.01, Acceptance of Gifts of Money (2014-15 GAA)	\$15,851	\$0	\$0	\$0	\$0
Comments: These funds were the remaining balance of the TMIC Grant used to offset the costs of medical quality reviews.					
Art IX, Sec 8.01, Acceptance of Gifts of Money (2014-15 GAA)					

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:53:54AM

Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>OTHER FUNDS</u>					
	\$1,000	\$0	\$0	\$0	\$0
Comments: TDI received funds from the National Fire Protection Association for Fire Marshal's Office for home sprinkler awareness. Funds used on presentation equipment and outreach materials.					
Art IX, Sec 8.08, Seminars and Conferences (2014-15 GAA)	\$371,039	\$0	\$0	\$0	\$0
Comments: This is the balance rolled over from 2014 to 2015 for conferences run by the agency.					
Art IX, Sec 8.08, Seminars and Conferences (2014-15 GAA)	\$539,527	\$0	\$0	\$0	\$0
Comments: This is the appropriation of 2015 collections for conferences run by the agency.					
Art IX, Sec 8.07, Seminars and Conference (2016-17 GAA)	\$(397,892)	\$397,892	\$0	\$0	\$0
Comments: This is the balance rolled over from 2015 to 2016 for conferences run by the agency.					
Art IX, Sec 8.07, Seminars and Conference (2016-17 GAA)	\$0	\$318,376	\$0	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:53:54AM

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

METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
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OTHER FUNDS

Comments: This is the appropriation of 2016 collections for conferences run by the agency received through June. Future collections will be appropriated under this rider and eligible for expenditure or rolled forward to next fiscal year.

Art IX, Sec 8.07, Seminars and Conference (2016-17 GAA)

\$0	\$(137,056)	\$137,056	\$0	\$0
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Comments: This is the projected balance to be rolled over from 2016 to 2017 for conferences run by the agency based on collections and projected expenditures through June.

Art IX, Sec 8.04, Surplus Property (2014-15 GAA)

\$2,768	\$0	\$0	\$0	\$0
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Comments: TDI is allowed to spend 25% of the revenue received from the sale of vehicles. During 2014-15 biennium, there were sales of Fire Marshal trucks and a van used for support services. Vehicle sales are determined based on mileage and other factors.

Art IX, Sec 8.03, Surplus Property (2016-17 GAA)

\$0	\$293	\$0	\$0	\$0
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Comments: uring 2016 there was a sale of one van used for support services. The proceeds transferred to TDI from TFC for this sale was \$1,170. TDI is appropriated 25% of the revenue received from the sale of vehicles.

LAPSED APPROPRIATIONS

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:53:54AM

Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>OTHER FUNDS</u>						
Regular Appropriations from MOF Table (2014-15 GAA)		\$ (327,905)	\$ 0	\$ 0	\$ 0	\$ 0
Comments: Undercollection of appropriated receipts in base budget.						
Regular Appropriations from MOF Table (2014-15 GAA)		\$ (45,000)	\$ 0	\$ 0	\$ 0	\$ 0
Comments: Legislation transferring the Commission on Fire Protection failed to pass.						
Regular Appropriation from MOF Table (2016-17 GAA)		\$ 0	\$ (383,439)	\$ (332,000)	\$ 0	\$ 0
Comments: This is the projected lapse due to undercollection of appropriated receipts in base appropriations based on current data and collection history.						
TOTAL,	Appropriated Receipts	\$1,651,061	\$2,509,571	\$2,142,323	\$343,030	\$343,030
<u>777</u>	Interagency Contracts					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2014-15 GAA)	\$ 130,000	\$ 0	\$ 0	\$ 0	\$ 0

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:53:54AM

Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
<u>OTHER FUNDS</u>						
	Regular Appropriations from MOF Table (2016-17 GAA)	\$0	\$120,380	\$120,380	\$0	\$0
	<i>RIDER APPROPRIATION</i>					
	Art IX, Sec 8.02, Reimbursements and Payments (2016-17 GAA)	\$0	\$3,000	\$4,000	\$0	\$0
	Comments: These amounts are related to a temporary IAC where TDI is providing administrative support to TBCE through December 2016.					
	<i>LAPSED APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2014-15 GAA)	\$(25,258)	\$0	\$0	\$0	\$0
	Comments: IAC with DADS in 2015 ultimately for less than amount in base appropriations.					
	Regular Appropriation from MOF Table (2016-17 GAA)	\$0	\$(120,380)	\$(120,380)	\$0	\$0
	Comments: This is the lapse due to the DADS IAC which was in our regular appropriations and was cancelled before fiscal year 2016.					
TOTAL,	Interagency Contracts	\$104,742	\$3,000	\$4,000	\$0	\$0

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:53:54AM

Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
TOTAL, ALL OTHER FUNDS	\$9,120,577	\$7,586,324	\$7,220,075	\$5,416,783	\$5,416,782
GRAND TOTAL	\$114,040,875	\$112,816,788	\$119,904,968	\$113,331,397	\$112,432,986

2.B. Summary of Base Request by Method of Finance
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:53:54AM

Agency code: 454	Agency name: Department of Insurance				
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2014-15 GAA)	1,654.2	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2016-17 GAA)	0.0	1,433.0	1,433.0	0.0	0.0
Regular Appropriations from MOF Table	0.0	0.0	0.0	1,335.0	1,335.0
LAPSED APPROPRIATIONS					
Art VIII, Rider 19 (2014-15 GAA)	(40.0)	0.0	0.0	0.0	0.0
Art VIII, Rider 18 (2016-17 GAA)	0.0	(40.0)	(40.0)	0.0	0.0
Regular Appropriations from MOF Table (2014-15 GAA)	(28.0)	0.0	0.0	0.0	0.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Regular Appropriations from MOF Table (2014-15 GAA)	(327.4)	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2016-17 GAA)	0.0	(164.6)	(52.9)	0.0	0.0
TOTAL, ADJUSTED FTES	1,258.8	1,228.4	1,340.1	1,335.0	1,335.0

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

8/19/2016 7:53:54AM

85th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: 454	Agency name: Department of Insurance					
METHOD OF FINANCING	Exp 2015	Est 2016	Bud 2017	Req 2018	Req 2019	
NUMBER OF 100% FEDERALLY FUNDED FTEs	0.0	0.0	0.0	0.0	0.0	

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

8/19/2016 7:53:55AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

454 Department of Insurance

OBJECT OF EXPENSE	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1001 SALARIES AND WAGES	\$67,701,081	\$68,454,895	\$75,777,260	\$75,627,227	\$75,627,227
1002 OTHER PERSONNEL COSTS	\$3,299,502	\$2,858,346	\$2,346,729	\$2,346,729	\$2,346,729
2001 PROFESSIONAL FEES AND SERVICES	\$12,501,609	\$11,816,927	\$12,362,693	\$11,429,179	\$10,530,769
2002 FUELS AND LUBRICANTS	\$138,534	\$127,144	\$160,771	\$160,771	\$160,771
2003 CONSUMABLE SUPPLIES	\$378,645	\$463,760	\$529,193	\$529,193	\$529,193
2004 UTILITIES	\$652,739	\$737,705	\$688,790	\$688,790	\$688,790
2005 TRAVEL	\$1,310,144	\$1,443,765	\$1,302,887	\$1,302,887	\$1,302,887
2006 RENT - BUILDING	\$3,245,410	\$3,396,866	\$3,361,833	\$3,861,833	\$3,861,833
2007 RENT - MACHINE AND OTHER	\$575,771	\$744,947	\$545,448	\$545,448	\$545,448
2009 OTHER OPERATING EXPENSE	\$19,262,982	\$19,884,940	\$20,640,634	\$16,272,847	\$16,272,846
4000 GRANTS	\$1,144,959	\$2,008,124	\$2,048,618	\$386,381	\$386,381
5000 CAPITAL EXPENDITURES	\$3,829,499	\$879,369	\$140,112	\$180,112	\$180,112
OOE Total (Excluding Riders)	\$114,040,875	\$112,816,788	\$119,904,968	\$113,331,397	\$112,432,986
OOE Total (Riders)					
Grand Total	\$114,040,875	\$112,816,788	\$119,904,968	\$113,331,397	\$112,432,986

2.D. Summary of Base Request Objective Outcomes
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

8/19/2016 7:53:55AM

454 Department of Insurance

Goal/ Objective / Outcome	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt					
1 Provide Insurance Consumers with Meaningful Information					
KEY 1 % of Calls Answered by the TDI Consumer Help Line Call Center	91.00%	87.00%	90.00%	90.00%	90.00%
2 Reduce Unfair & Illegal Insurer Practices					
1 Percent of Enforcement Cases Concluded within 365 Days	90.00%	90.00%	90.00%	80.00%	80.00%
2 Average Number of Dollars Returned to Consumers, Per Complaint	2,095.00	1,700.00	1,500.00	1,500.00	1,500.00
3 Percent of Insurance Related Fraud Reports Investigated and Resolved	6.00%	5.00%	5.00%	5.00%	5.00%
4 % of Workers' Comp Insurance Fraud Reports Investigated and Resolved	5.00%	4.00%	20.00%	30.00%	30.00%
3 Reduce Impediments to Competition and Improve Insurance Availability					
1 Percent of Company, TPA and PF License Apps Completed within 60 Days	98.00%	95.00%	95.00%	95.00%	95.00%
KEY 2 Percent of Agent and Adjuster License Filings Completed within 15 Days	92.00%	90.00%	90.00%	90.00%	90.00%
KEY 3 Percent of Agent and Adjuster Applications Completed within 25 Days	81.00%	90.00%	90.00%	90.00%	90.00%
KEY 4 Percent of Statutory Rate and Form Filings Completed within 90 Days	91.00%	91.00%	91.00%	87.00%	87.00%
KEY 5 Percent Personal Auto/Res Property Form Filings Completed in 60 Days	78.00%	70.00%	90.00%	90.00%	90.00%
KEY 6 % of Autos in Underserved Mrkt w/Personal or Comm. Liability Insurance	81.00%	80.00%	80.00%	80.00%	80.00%
7 Percent of Licensees Who Renew Online	87.00%	90.00%	90.00%	90.00%	90.00%

2.D. Summary of Base Request Objective Outcomes
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation system of Texas (ABEST)

8/19/2016 7:53:55AM

454 Department of Insurance

Goal/ Objective / Outcome	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2 Promote Financial Strength of Ins. Industry <i>1 Regulate Insurance Industry Solvency</i> 1 Percent of Identified Companies Reviewed	97.00%	97.00%	97.00%	97.00%	97.00%
3 Reduce Loss of Life & Property Due to Fire <i>1 Protect the Public from Loss of Life and Property due to fire</i> 1 Percent of Initial Reports Completed Annually	97.00%	85.00%	85.00%	85.00%	85.00%
KEY 2 % of Fire Sfty Registrations, Licenses, Permits Issued w/in 20 Days	100.00%	100.00%	100.00%	100.00%	100.00%
4 Effectively Regulate the Texas Workers' Compensation System <i>1 Ensure Appropriate Delivery of Workers' Compensation Benefits</i> 1 % of WC Enforcement Cases Concluded within 365 Days	96.00%	70.00%	70.00%	70.00%	70.00%
KEY 2 Percent of Medical Bills Processed Timely	98.00%	98.00%	98.00%	98.00%	98.00%
KEY 3 % of Med Fee Disputes Resolved or Upheld Upon Appeal	100.00%	95.00%	95.00%	95.00%	95.00%
<i>2 Ensure Workers' Comp System Participants are Educated and Informed</i> KEY 1 Percent of TIBs Recipients Returning to Work Within 90 Days of Injury	57.00%	57.00%	54.00%	54.00%	54.00%

2.E. Summary of Exceptional Items Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016
 TIME : 7:53:56AM

Agency code: 454

Agency name: Department of Insurance

Priority	Item	2018			2019			Biennium		
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	
1	Restore Regulatory Response Rider	\$2,200,000	\$2,200,000	40.0	\$2,200,000	\$2,200,000	40.0	\$4,400,000	\$4,400,000	
Total, Exceptional Items Request		\$2,200,000	\$2,200,000	40.0	\$2,200,000	\$2,200,000	40.0	\$4,400,000	\$4,400,000	
Method of Financing										
	General Revenue	\$2,200,000	\$2,200,000		\$2,200,000	\$2,200,000		\$4,400,000	\$4,400,000	
	General Revenue - Dedicated									
	Federal Funds									
	Other Funds									
		\$2,200,000	\$2,200,000		\$2,200,000	\$2,200,000		\$4,400,000	\$4,400,000	
Full Time Equivalent Positions				40.0				40.0		
Number of 100% Federally Funded FTEs				0.0				0.0		

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/19/2016

TIME : 7:53:57AM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
1 Promote Consumer Access to Affordable Insur Products W/in a Fair M						
<i>1 Provide Insurance Consumers with Meaningful Information</i>						
1 CONSUMER EDUCATION AND OUTREACH	\$9,893,259	\$9,893,258	\$0	\$0	\$9,893,259	\$9,893,258
<i>2 Reduce Unfair & Illegal Insurer Practices</i>						
1 RESOLVE COMPLAINTS	2,689,405	2,689,405	0	0	2,689,405	2,689,405
2 INVESTIGATION AND ENFORCEMENT	2,997,411	2,997,411	0	0	2,997,411	2,997,411
3 INSURANCE FRAUD	3,392,638	3,392,638	0	0	3,392,638	3,392,638
4 WORKERS COMPENSATION FRAUD	436,308	436,308	0	0	436,308	436,308
<i>3 Reduce Impediments to Competition and Improve Insurance Availabi</i>						
1 PROCESS RATES, FORMS & LICENSES	11,156,569	11,156,569	0	0	11,156,569	11,156,569
2 TEXAS.GOV	379,739	379,739	0	0	379,739	379,739
3 CERTIFY SELF-INSURANCE	619,451	619,451	0	0	619,451	619,451
<i>4 Administer Innovative Insurance Initiatives</i>						
1 THREE-SHARE PROGRAMS	448,732	448,732	0	0	448,732	448,732
2 HEALTHY TEXAS	0	0	0	0	0	0
<i>5 Assure Loss Control Services & Windstorm Inspections</i>						
1 LOSS CONTROL PROGRAMS	3,103,897	3,103,897	0	0	3,103,897	3,103,897
TOTAL, GOAL 1	\$35,117,409	\$35,117,408	\$0	\$0	\$35,117,409	\$35,117,408
2 Promote Financial Strength of Ins. Industry						
<i>1 Regulate Insurance Industry Solvency</i>						
1 INSURERS FINANCIAL CONDITION	7,944,324	7,944,324	0	0	7,944,324	7,944,324
TOTAL, GOAL 2	\$7,944,324	\$7,944,324	\$0	\$0	\$7,944,324	\$7,944,324

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/19/2016

TIME : 7:53:57AM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
3 Reduce Loss of Life & Property Due to Fire						
<i>1 Protect the Public from Loss of Life and Property due to fire</i>						
1 FIRE MARSHAL	\$5,137,045	\$5,137,045	\$0	\$0	\$5,137,045	\$5,137,045
TOTAL, GOAL 3	\$5,137,045	\$5,137,045	\$0	\$0	\$5,137,045	\$5,137,045
4 Effectively Regulate the Texas Workers' Compensation System						
<i>1 Ensure Appropriate Delivery of Workers' Compensation Benefits</i>						
1 OVERSIGHT AND ENFORCEMENT	7,823,687	6,923,687	0	0	7,823,687	6,923,687
2 DISPUTE RESOLUTION	14,323,854	13,723,854	0	0	14,323,854	13,723,854
3 SUBSEQUENT INJURY FUND ADMIN	7,599,704	7,599,704	0	0	7,599,704	7,599,704
<i>2 Ensure Workers' Comp System Participants are Educated and Inform</i>						
1 HEALTH AND SAFETY SERVICES	3,986,879	3,986,879	0	0	3,986,879	3,986,879
2 CUSTOMER SERVICE & RECORDS ADMIN	4,553,471	4,553,471	0	0	4,553,471	4,553,471
TOTAL, GOAL 4	\$38,287,595	\$36,787,595	\$0	\$0	\$38,287,595	\$36,787,595
5 Indirect Administration						
<i>1 Indirect Administration</i>						
1 CENTRAL ADMINISTRATION	10,189,245	10,189,244	0	0	10,189,245	10,189,244
2 INFORMATION RESOURCES	12,980,675	13,582,266	0	0	12,980,675	13,582,266
3 OTHER SUPPORT SERVICES	3,675,104	3,675,104	0	0	3,675,104	3,675,104
TOTAL, GOAL 5	\$26,845,024	\$27,446,614	\$0	\$0	\$26,845,024	\$27,446,614

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/19/2016

TIME : 7:53:57AM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
6 Regulatory Response						
1 Regulatory Response						
1 CONTINGENCY REGULATORY RESPONSE	\$0	\$0	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000
TOTAL, GOAL 6	\$0	\$0	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000
TOTAL, AGENCY STRATEGY REQUEST	\$113,331,397	\$112,432,986	\$2,200,000	\$2,200,000	\$115,531,397	\$114,632,986
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$113,331,397	\$112,432,986	\$2,200,000	\$2,200,000	\$115,531,397	\$114,632,986

2.F. Summary of Total Request by Strategy
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 8/19/2016

TIME : 7:53:57AM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2018	Base 2019	Exceptional 2018	Exceptional 2019	Total Request 2018	Total Request 2019
General Revenue Funds:						
1 General Revenue Fund	\$221,689	\$221,689	\$0	\$0	\$221,689	\$221,689
8042 Insurance Maint Tax Fees	41,130,168	41,379,535	2,200,000	2,200,000	43,330,168	43,579,535
	\$41,351,857	\$41,601,224	\$2,200,000	\$2,200,000	\$43,551,857	\$43,801,224
General Revenue Dedicated Funds:						
36 Dept Ins Operating Acct	56,964,605	55,816,828	0	0	56,964,605	55,816,828
5101 Subsequent Injury Fund	7,407,893	7,407,893	0	0	7,407,893	7,407,893
	\$64,372,498	\$63,224,721	\$0	\$0	\$64,372,498	\$63,224,721
Federal Funds:						
555 Federal Funds	2,190,259	2,190,259	0	0	2,190,259	2,190,259
	\$2,190,259	\$2,190,259	\$0	\$0	\$2,190,259	\$2,190,259
Other Funds:						
6 State Highway Fund	0	0	0	0	0	0
161 TexasSure Fund	5,073,753	5,073,752	0	0	5,073,753	5,073,752
666 Appropriated Receipts	343,030	343,030	0	0	343,030	343,030
777 Interagency Contracts	0	0	0	0	0	0
	\$5,416,783	\$5,416,782	\$0	\$0	\$5,416,783	\$5,416,782
TOTAL, METHOD OF FINANCING	\$113,331,397	\$112,432,986	\$2,200,000	\$2,200,000	\$115,531,397	\$114,632,986
FULL TIME EQUIVALENT POSITIONS	1,335.0	1,335.0	40.0	40.0	1,375.0	1,375.0

2.G. Summary of Total Request Objective Outcomes
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/19/2016
 Time: 7:53:57AM

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

Goal/ Objective / Outcome

		BL 2018	BL 2019	Excp 2018	Excp 2019	Total Request 2018	Total Request 2019
1	Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt						
1	<i>Provide Insurance Consumers with Meaningful Information</i>						
KEY	1 % of Calls Answered by the TDI Consumer Help Line Call Center	90.00%	90.00%			90.00%	90.00%
2	<i>Reduce Unfair & Illegal Insurer Practices</i>						
	1 Percent of Enforcement Cases Concluded within 365 Days	80.00%	80.00%			80.00%	80.00%
	2 Average Number of Dollars Returned to Consumers, Per Complaint	1,500.00	1,500.00			1,500.00	1,500.00
	3 Percent of Insurance Related Fraud Reports Investigated and Resolved	5.00%	5.00%			5.00%	5.00%
	4 % of Workers' Comp Insurance Fraud Reports Investigated and Resolved	30.00%	30.00%			30.00%	30.00%
3	<i>Reduce Impediments to Competition and Improve Insurance Availability</i>						
	1 Percent of Company, TPA and PF License Apps Completed within 60 Days	95.00%	95.00%			95.00%	95.00%
KEY	2 Percent of Agent and Adjuster License Filings Completed within 15 Days	90.00%	90.00%			90.00%	90.00%

2.G. Summary of Total Request Objective Outcomes
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/19/2016
 Time: 7:53:57AM

Agency code: 454

Agency name: Department of Insurance

Goal/ Objective / Outcome

		BL 2018	BL 2019	Excp 2018	Excp 2019	Total Request 2018	Total Request 2019
KEY	3 Percent of Agent and Adjuster Applications Completed within 25 Days	90.00%	90.00%			90.00%	90.00%
KEY	4 Percent of Statutory Rate and Form Filings Completed within 90 Days	87.00%	87.00%			87.00%	87.00%
KEY	5 Percent Personal Auto/Res Property Form Filings Completed in 60 Days	90.00%	90.00%			90.00%	90.00%
KEY	6 % of Autos in Underserved Mrkt w/Personal or Comm. Liability Insurance	80.00%	80.00%			80.00%	80.00%
	7 Percent of Licensees Who Renew Online	90.00%	90.00%			90.00%	90.00%
2	Promote Financial Strength of Ins. Industry						
1	Regulate Insurance Industry Solvency						
	1 Percent of Identified Companies Reviewed	97.00%	97.00%			97.00%	97.00%
3	Reduce Loss of Life & Property Due to Fire						
1	Protect the Public from Loss of Life and Property due to fire						
	1 Percent of Initial Reports Completed Annually	85.00%	85.00%			85.00%	85.00%

2.G. Summary of Total Request Objective Outcomes
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/19/2016
 Time: 7:53:57AM

Agency code: 454

Agency name: Department of Insurance

Goal/ Objective / Outcome

		BL 2018	BL 2019	Excp 2018	Excp 2019	Total Request 2018	Total Request 2019
KEY	2 % of Fire Sfty Registrations, Licenses, Permits Issued w/in 20 Days	100.00%	100.00%			100.00%	100.00%
4	Effectively Regulate the Texas Workers' Compensation System						
1	<i>Ensure Appropriate Delivery of Workers' Compensation Benefits</i>						
	1 % of WC Enforcement Cases Concluded within 365 Days	70.00%	70.00%			70.00%	70.00%
KEY	2 Percent of Medical Bills Processed Timely	98.00%	98.00%			98.00%	98.00%
KEY	3 % of Med Fee Disputes Resolved or Upheld Upon Appeal	95.00%	95.00%			95.00%	95.00%
2	<i>Ensure Workers' Comp System Participants are Educated and Informed</i>						
KEY	1 Percent of TIBs Recipients Returning to Work Within 90 Days of Injury	54.00%	54.00%			54.00%	54.00%

3. STRATEGY REQUESTS

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454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of Inquiries Answered	848,903.00	500,000.00	550,000.00	550,000.00	550,000.00
2	Number of Consumer Information Presentations Made	463.00	600.00	500.00	500.00	500.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,777,214	\$3,130,781	\$3,916,409	\$3,916,409	\$3,916,409
1002	OTHER PERSONNEL COSTS	\$220,182	\$141,741	\$103,687	\$103,687	\$103,687
2001	PROFESSIONAL FEES AND SERVICES	\$4,466,010	\$4,482,734	\$4,611,237	\$4,611,238	\$4,611,237
2003	CONSUMABLE SUPPLIES	\$9,065	\$13,155	\$14,547	\$14,547	\$14,547
2004	UTILITIES	\$3,076	\$14,357	\$15,159	\$15,159	\$15,159
2005	TRAVEL	\$29,259	\$42,315	\$34,508	\$34,508	\$34,508
2006	RENT - BUILDING	\$3,894	\$35,314	\$7,170	\$7,170	\$7,170
2007	RENT - MACHINE AND OTHER	\$12,138	\$12,856	\$12,111	\$12,111	\$12,111
2009	OTHER OPERATING EXPENSE	\$1,027,703	\$1,311,503	\$3,404,653	\$1,178,430	\$1,178,430
5000	CAPITAL EXPENDITURES	\$3,668,449	\$179,720	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$12,216,990	\$9,364,476	\$12,119,481	\$9,893,259	\$9,893,258
Method of Financing:						
1	General Revenue Fund	\$708,000	\$0	\$0	\$0	\$0

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt
 OBJECTIVE: 1 Provide Insurance Consumers with Meaningful Information
 STRATEGY: 1 Educate Consumers and Industry by Providing Outreach and Information

Service Categories:

Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
8042	Insurance Maint Tax Fees	\$2,137,430	\$3,123,887	\$3,613,112	\$3,628,663	\$3,628,663
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,845,430	\$3,123,887	\$3,613,112	\$3,628,663	\$3,628,663
Method of Financing:						
36	Dept Ins Operating Acct	\$633,325	\$920,309	\$1,072,241	\$1,082,813	\$1,082,813
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$633,325	\$920,309	\$1,072,241	\$1,082,813	\$1,082,813
Method of Financing:						
555	Federal Funds					
	93.511.000 ACA-Grnts St Hlth Ins Premium Revw	\$1,156,734	\$96,394	\$2,252,346	\$0	\$0
CFDA Subtotal, Fund	555	\$1,156,734	\$96,394	\$2,252,346	\$0	\$0
SUBTOTAL, MOF (FEDERAL FUNDS)		\$1,156,734	\$96,394	\$2,252,346	\$0	\$0
Method of Financing:						
6	State Highway Fund	\$7,364,774	\$0	\$0	\$0	\$0
161	TexasSure Fund	\$0	\$5,073,753	\$5,073,752	\$5,073,753	\$5,073,752
666	Appropriated Receipts	\$122,057	\$150,133	\$108,030	\$108,030	\$108,030
777	Interagency Contracts	\$94,670	\$0	\$0	\$0	\$0

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
SUBTOTAL, MOF (OTHER FUNDS)		\$7,581,501	\$5,223,886	\$5,181,782	\$5,181,783	\$5,181,782
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$9,893,259	\$9,893,258
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$12,216,990	\$9,364,476	\$12,119,481	\$9,893,259	\$9,893,258
FULL TIME EQUIVALENT POSITIONS:		47.2	50.6	59.0	59.0	59.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

Texas Insurance Code, (Ch. 38) directs the Texas Department of Insurance (TDI) to collect and analyze market data and provide information/reports to elected officials, consumers, and the industry; to collect consumer complaints data and distribute information to the public (Ch. 521); and to provide requested assistance to the Legislature (Tex. Gov. Code, §301.028). TDI collects data for statutorily mandated reports through agency statistical plans and special data calls (e.g., Legislative Report on Market Conditions).

TDI supports competition by educating consumers via its toll free Consumer Help Line, website, publications, and presentations (Ch. 521). Information provided includes company complaints/financial data, publications on auto, homeowners, life, and health insurance; as well as price comparison guides on auto, homeowners, and, long-term care insurance.

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

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Legislation, market trends, population and demographic changes, and the information needs of stakeholders affect this strategy. Changes in state or federal laws may expand or decrease regulation. As product variety continues to increase and market conditions change, both policymakers and consumers face greater challenges. Policymakers, whose decisions affect available products, need data and analysis for public policy decisions. Consumers, who face challenges in selecting policies that most cost-effectively meet their needs, benefit from TDI’s educational material on products, coverage, and companies. As the population ages and becomes more diverse, TDI will make its information available in appropriate formats and languages.

Internal factors include the increased degree of automation and the need to use technology compatible with what the industry, consumers, and others use. Market conditions may change rapidly, and TDI must balance the need to provide comprehensive data with the need to provide it quickly. Changing market conditions also require TDI to manage resources to ensure that data collected, analyzed, and distributed reflects the information needs of consumers, legislators, and other interested parties.

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$21,483,957	\$19,786,517	\$(1,697,440)	\$(2,348,740)	Federal funds reduced in 2018-19 request, grant not part of appropriations request.
			\$(42,103)	Decrease due to appropriated receipt collections in 2016 not part of 2018-19 request.
			\$693,403	Increase of 9 FTEs due to current vacancies projecting to be filled and realignment of operations shifting costs to this strategy for upcoming biennium.
			<u>\$(1,697,440)</u>	Total of Explanation of Biennial Change

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices
 STRATEGY: 1 Respond Promptly and Act on Complaints

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of Complaints Resolved	19,292.00	20,000.00	20,000.00	20,000.00	20,000.00
Efficiency Measures:						
KEY 1	Average Response Time (in Days) to Complaints	72.00	86.00	86.00	86.00	86.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,084,227	\$2,265,259	\$2,443,829	\$2,443,829	\$2,443,829
1002	OTHER PERSONNEL COSTS	\$135,387	\$71,745	\$64,060	\$64,060	\$64,060
2001	PROFESSIONAL FEES AND SERVICES	\$15,933	\$9,503	\$1,715	\$1,715	\$1,715
2003	CONSUMABLE SUPPLIES	\$7,901	\$9,078	\$11,503	\$11,503	\$11,503
2004	UTILITIES	\$1,679	\$1,625	\$1,614	\$1,614	\$1,614
2005	TRAVEL	\$4,400	\$11,166	\$9,744	\$9,744	\$9,744
2007	RENT - MACHINE AND OTHER	\$11,680	\$12,124	\$11,491	\$11,491	\$11,491
2009	OTHER OPERATING EXPENSE	\$141,214	\$155,331	\$270,268	\$145,449	\$145,449
5000	CAPITAL EXPENDITURES	\$3,605	\$16,684	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$2,406,026	\$2,552,515	\$2,814,224	\$2,689,405	\$2,689,405
Method of Financing:						
8042	Insurance Maint Tax Fees	\$1,753,870	\$1,886,565	\$2,083,057	\$1,990,706	\$1,990,706

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt
 OBJECTIVE: 2 Reduce Unfair & Illegal Insurer Practices
 STRATEGY: 1 Respond Promptly and Act on Complaints

Service Categories:

Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,753,870	\$1,886,565	\$2,083,057	\$1,990,706	\$1,990,706
Method of Financing:						
36	Dept Ins Operating Acct	\$652,064	\$665,950	\$731,167	\$698,699	\$698,699
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$652,064	\$665,950	\$731,167	\$698,699	\$698,699
Method of Financing:						
666	Appropriated Receipts	\$92	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$92	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,689,405	\$2,689,405
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,406,026	\$2,552,515	\$2,814,224	\$2,689,405	\$2,689,405
FULL TIME EQUIVALENT POSITIONS:		42.6	46.0	54.5	54.6	54.6
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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The Texas Department of Insurance (TDI) is directed by statute to facilitate the resolution of consumer complaints and help consumers recover valid claims (Tex. Ins. Code §§521.002,843.282,1467.151, 1811.204). The agency has a complaint resolution process to resolve complaints from the public and, while doing so, to educate consumers about insurance coverages and policies. To ensure that insurers are promoting certain insurance products in a fair and equitable manner, TDI also reviews advertising for long-term care, Medicare supplement, and other products (§§31.002, 101.102, 541.051-53, and 541.061).

This strategy contributes to the statewide goal 07 and benchmark 01 by encouraging fair competition in the insurance industry.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Changes in the economy, natural disasters or other catastrophes, market changes, industry compliance, and publicity about insurance issues may lead to increased consumer complaints. However, with the exception of years where there have been large scale disasters like Hurricane Ike, TDI has seen a recent trend of fewer complaints. This downward trend is consistent with a national trend across state insurance regulatory agencies. At the same time, TDI is receiving more complex consumer complaints, reflecting the development of new and more sophisticated insurance products.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$5,366,739	\$5,378,810	\$12,071	\$12,071	Realignment of operating activities and projecting vacancies in current biennium to be filled.
			\$12,071	Total of Explanation of Biennial Change

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
1	Number of Quality Assurance Examinations Conducted	31.00	23.00	25.00	30.00	30.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,520,437	\$2,494,149	\$2,656,477	\$2,656,477	\$2,656,477
1002	OTHER PERSONNEL COSTS	\$86,230	\$99,679	\$74,752	\$74,752	\$74,752
2001	PROFESSIONAL FEES AND SERVICES	\$16,716	\$55,984	\$33,731	\$33,731	\$33,731
2003	CONSUMABLE SUPPLIES	\$10,665	\$10,595	\$12,798	\$12,798	\$12,798
2004	UTILITIES	\$5,460	\$11,719	\$11,719	\$11,719	\$11,719
2005	TRAVEL	\$13,583	\$20,127	\$14,714	\$14,714	\$14,714
2007	RENT - MACHINE AND OTHER	\$10,306	\$11,005	\$10,406	\$10,406	\$10,406
2009	OTHER OPERATING EXPENSE	\$188,274	\$202,219	\$314,942	\$182,814	\$182,814
5000	CAPITAL EXPENDITURES	\$2,925	\$13,539	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$2,854,596	\$2,919,016	\$3,129,539	\$2,997,411	\$2,997,411
Method of Financing:						
8042	Insurance Maint Tax Fees	\$2,080,850	\$2,157,446	\$2,316,449	\$2,218,693	\$2,218,693
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,080,850	\$2,157,446	\$2,316,449	\$2,218,693	\$2,218,693

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Method of Financing:						
36	Dept Ins Operating Acct	\$773,631	\$761,570	\$813,090	\$778,718	\$778,718
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$773,631	\$761,570	\$813,090	\$778,718	\$778,718
Method of Financing:						
666	Appropriated Receipts	\$115	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$115	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$2,997,411	\$2,997,411
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,854,596	\$2,919,016	\$3,129,539	\$2,997,411	\$2,997,411
FULL TIME EQUIVALENT POSITIONS:		39.2	37.8	39.7	39.7	39.7
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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The Texas Department of Insurance (TDI) is directed by statute (Tex. Ins. Code §31.002; and Ch. 82, Subchapter B) to ensure that insurance laws are executed and to take action against entities engaged in unfair/illegal practices. TDI investigates possible deceptive fraudulent practices or other violations by regulated entities and resolves violations of state law or rules through a process that includes warning letters, consent orders, and informal settlements. Violations are also resolved through contested case proceedings before the State Office of Administrative Hearings (SOAH). The commissioner enters a final order based on the proposal of the SOAH administrative law judge. Resolutions may include cessation of illegal conduct, license revocations, fines, or restitution.

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

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$6,048,555	\$5,994,822	\$(53,733)	\$(53,733)	Increase of one-time spending in 2016 not in ongoing budget such as expert witness fees and vacation accrual payments for retiring or departing employees.
			\$(53,733)	Total of Explanation of Biennial Change

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Investigations of Criminal Activity Related to Insurance Fraud Rslvd	726.00	535.00	550.00	605.00	605.00
Efficiency Measures:						
1	Percentage of Insurer Fraud Cases Resolved within 365 Days	48.00 %	55.00 %	55.00 %	55.00 %	55.00 %
2	% of Consumer or Provider Fraud Cases Resolved within 365 Days	46.00 %	45.00 %	45.00 %	45.00 %	45.00 %
Explanatory/Input Measures:						
1	Number of Reports of Insurer Fraud Received	719.00	750.00	750.00	750.00	750.00
2	Number of Reports of Consumer and Provider Fraud Received	10,515.00	11,000.00	10,000.00	10,000.00	10,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,677,992	\$2,684,216	\$2,974,462	\$2,974,462	\$2,974,462
1002	OTHER PERSONNEL COSTS	\$84,086	\$65,887	\$69,656	\$69,656	\$69,656
2001	PROFESSIONAL FEES AND SERVICES	\$66,108	\$89,821	\$5,945	\$5,945	\$5,945
2003	CONSUMABLE SUPPLIES	\$16,271	\$18,584	\$19,261	\$19,261	\$19,261
2004	UTILITIES	\$23,570	\$28,577	\$28,577	\$28,577	\$28,577

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2005	TRAVEL	\$95,879	\$119,950	\$99,950	\$99,950	\$99,950
2006	RENT - BUILDING	\$662	\$34,389	\$32,682	\$32,682	\$32,682
2007	RENT - MACHINE AND OTHER	\$13,283	\$24,612	\$12,620	\$12,620	\$12,620
2009	OTHER OPERATING EXPENSE	\$166,143	\$258,903	\$296,559	\$149,485	\$149,485
5000	CAPITAL EXPENDITURES	\$2,727	\$22,452	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$3,146,721	\$3,347,391	\$3,539,712	\$3,392,638	\$3,392,638
Method of Financing:						
8042	Insurance Maint Tax Fees	\$2,284,472	\$2,428,105	\$2,620,055	\$2,511,241	\$2,511,241
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$2,284,472	\$2,428,105	\$2,620,055	\$2,511,241	\$2,511,241
Method of Financing:						
36	Dept Ins Operating Acct	\$849,334	\$857,112	\$919,657	\$881,397	\$881,397
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$849,334	\$857,112	\$919,657	\$881,397	\$881,397
Method of Financing:						
666	Appropriated Receipts	\$2,843	\$62,174	\$0	\$0	\$0
777	Interagency Contracts	\$10,072	\$0	\$0	\$0	\$0

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
SUBTOTAL, MOF (OTHER FUNDS)		\$12,915	\$62,174	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,392,638	\$3,392,638
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,146,721	\$3,347,391	\$3,539,712	\$3,392,638	\$3,392,638
FULL TIME EQUIVALENT POSITIONS:		44.7	41.6	45.9	45.9	45.9

STRATEGY DESCRIPTION AND JUSTIFICATION:

Statutes (Tex. Ins. Code, §701, Subchapter C) directs the Texas Department of Insurance (TDI) to investigate cases involving fraud committed by those in the insurance industry, providers, consumers, and those conducting unauthorized insurance business, and, when appropriate, to initiate legal action. TDI evaluates and investigates potentially fraudulent insurance activities reported by staff, the public, the insurance industry, and other regulatory or law enforcement agencies. The Fraud Unit is a law enforcement agency (Tex. Crim. Proc. Code, Art. 2.12(27)) and has access to crime databases. It may make arrests, execute search warrants and subpoenas, refer cases to district attorneys, and participate in state and federal criminal investigation task forces. Cases may culminate in referrals to district attorneys and federal prosecutors for criminal prosecution.

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

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

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$6,887,103	\$6,785,276	\$(101,827)	\$(62,174)	Appropriated receipts collected and expended in 2016 for conference run by Fraud Unit not in ongoing budget.
			\$(39,653)	One-time expenses in 2016-17 biennium not in ongoing budget including payments for new fraud case management system and other fraud equipment.
			<u>\$(101,827)</u>	Total of Explanation of Biennial Change

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
1	# of Invest of Criminal Activity Related to Workers' Comp Fraud Reslvd	113.00	55.00	55.00	55.00	55.00
2	# of Prosecutions for Workers' Comp Fraud Cases	9.00	3.00	8.00	10.00	10.00
Efficiency Measures:						
1	% of Workers' Compensation Fraud Cases Resolved within 365 Days	43.00 %	45.00 %	50.00 %	60.00 %	60.00 %
Explanatory/Input Measures:						
1	Number of Reports of WC Insurance Fraud Received	2,165.00	1,250.00	1,300.00	1,300.00	1,300.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$154,513	\$243,290	\$364,405	\$364,405	\$364,405
1002	OTHER PERSONNEL COSTS	\$2,643	\$6,431	\$4,576	\$4,576	\$4,576
2001	PROFESSIONAL FEES AND SERVICES	\$257	\$3,760	\$3,750	\$3,750	\$3,750
2003	CONSUMABLE SUPPLIES	\$1,102	\$2,762	\$3,180	\$3,180	\$3,180
2004	UTILITIES	\$2,114	\$6,542	\$6,350	\$6,350	\$6,350
2005	TRAVEL	\$8,401	\$18,000	\$10,000	\$10,000	\$10,000
2006	RENT - BUILDING	\$22,727	\$23,853	\$24,162	\$24,162	\$24,162
2007	RENT - MACHINE AND OTHER	\$2,734	\$5,616	\$4,116	\$4,116	\$4,116

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2009	OTHER OPERATING EXPENSE	\$10,635	\$14,968	\$31,376	\$15,769	\$15,769
5000	CAPITAL EXPENDITURES	\$0	\$1,264	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$205,126	\$326,486	\$451,915	\$436,308	\$436,308
Method of Financing:						
36	Dept Ins Operating Acct	\$205,126	\$326,486	\$451,915	\$436,308	\$436,308
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$205,126	\$326,486	\$451,915	\$436,308	\$436,308
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$436,308	\$436,308
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$205,126	\$326,486	\$451,915	\$436,308	\$436,308
FULL TIME EQUIVALENT POSITIONS:		3.2	5.4	7.0	7.0	7.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Statutes (Tex. Labor Code §414.005) direct the Texas Department of Insurance, Division of Workers’ Compensation (DWC) to maintain an investigation unit to conduct investigations relating to alleged violations of this subtitle, commissioner rules, or a commissioner order or decision, with particular emphasis on violations of Chapters 415 and 416. DWC’s Fraud Unit receives, evaluates, and investigates reports of fraud from the industry, public, regulatory, and law enforcement agencies. The DWC Fraud Unit refers cases to district attorneys and provides technical assistance to the industry and prosecutors on fraud cases. Workers’ compensation fraud is an offense that is costly to insurance carriers and consumers alike. This strategy ensures that the insurance industry has effective antifraud business practices.

This strategy supports agency strategy 4.1.1 Oversight and Enforcement and strategy 1.1.1 Consumer Education and Outreach. This strategy contributes to the statewide goal 07 and benchmark 01 by eliminating or deterring fraud; it also reduces unfair and illegal practices and decreases workers’ compensation claim costs and insurance premiums.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

State and federal legislation affects this strategy. Antifraud efforts are addressed at the national level; however, the governor has issued an executive order relating to preventing and eliminating waste, fraud and abuse. Claimant insurance fraud is addressed by the Coalition against Insurance Fraud and the National Insurance Crime Bureau (NICB), and health care provider fraud is addressed by the National Health Care Anti-Fraud Association. Changes in the economy and the volume of work-related claims reported have an effect on the volume of fraudulent activities since a downturn in the economy and a tight market creates an incentive for fraudulent activity.

DWC works with TDI’s Fraud Unit to process workers’ compensation fraud referrals. Memorandums of understanding with district attorney’s offices for Bexar, Dallas, Harris, and Tarrant counties allow TDI and DWC to support special prosecutors and investigators and assist in investigations and prosecution of insurance and workers’ compensation fraud. Continued funding for and access to national and statewide databases as well as the availability of resources to collect, analyze, and evaluate data to identify potential fraudulent activity is essential to this strategy. The maintenance, enhancement, and expanded use of existing databases and case management systems are also essential to the success of this strategy.

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$778,401	\$872,616	\$94,215	\$94,215	Increase in requested appropriations due to staff re-alignment shifting FTE to workers' compensation fraud and filling vacancies in existing positions.
			\$94,215	Total of Explanation of Biennial Change

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
1	Number of Life and Health Filings Completed	18,756.00	18,800.00	20,000.00	20,000.00	20,000.00
2	Number of Property and Casualty Filings Completed	34,190.00	29,424.00	33,000.00	33,000.00	33,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$9,462,673	\$9,428,116	\$10,065,513	\$10,065,513	\$10,065,513
1002	OTHER PERSONNEL COSTS	\$396,693	\$317,858	\$327,823	\$327,823	\$327,823
2001	PROFESSIONAL FEES AND SERVICES	\$315,867	\$113,990	\$48,219	\$48,219	\$48,219
2003	CONSUMABLE SUPPLIES	\$34,698	\$39,559	\$50,084	\$50,084	\$50,084
2004	UTILITIES	\$10,274	\$15,978	\$14,441	\$14,441	\$14,441
2005	TRAVEL	\$19,976	\$50,349	\$55,064	\$55,064	\$55,064
2007	RENT - MACHINE AND OTHER	\$50,383	\$50,817	\$48,112	\$48,112	\$48,112
2009	OTHER OPERATING EXPENSE	\$551,842	\$586,385	\$1,057,916	\$547,313	\$547,313
5000	CAPITAL EXPENDITURES	\$12,263	\$56,761	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$10,854,669	\$10,659,813	\$11,667,172	\$11,156,569	\$11,156,569
Method of Financing:						
1	General Revenue Fund	\$1,000,000	\$0	\$0	\$0	\$0
8042	Insurance Maint Tax Fees	\$7,183,825	\$7,878,672	\$8,635,908	\$8,258,128	\$8,258,128

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt
 OBJECTIVE: 3 Reduce Impediments to Competition and Improve Insurance Availability
 STRATEGY: 1 Process Rates, Forms & Licenses Promptly

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$8,183,825	\$7,878,672	\$8,635,908	\$8,258,128	\$8,258,128
Method of Financing:						
36	Dept Ins Operating Acct	\$2,670,844	\$2,781,141	\$3,031,264	\$2,898,441	\$2,898,441
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$2,670,844	\$2,781,141	\$3,031,264	\$2,898,441	\$2,898,441
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$11,156,569	\$11,156,569
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$10,854,669	\$10,659,813	\$11,667,172	\$11,156,569	\$11,156,569
FULL TIME EQUIVALENT POSITIONS:		173.1	171.4	175.6	175.5	175.5

STRATEGY DESCRIPTION AND JUSTIFICATION:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Statutes require TDI to review rate and policy form filings for property, casualty, workers’ compensation, credit, life, accident and health, annuity, workers’ compensation networks, and HMO coverages (TIC Ch. 2052, 2053, 2251, 2301, 3502, 1811, 1701, 843, 1271, 1272, 1305, 1111A, 1153, 1651, 1652). TDI also reviews/approves applications for agents, adjusters, insurers, third party administrators, utilization review agents, independent review organizations, workers’ compensation health care networks, self-insured groups, and other specialized risk-bearing entities (TIC Ch. 801, 822, 841, 1111A, 4001, 4101, 4151, 4152, 4201, 4202). After licensure, TDI reviews subsequent filings submitted in connection with moving books and records, contracting with life settlement entities, withdrawing from lines of business, and expanding service areas.

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

Strategy 1.3.1 provides information to support strategies 1.2.2 Investigation and Enforcement, and 1.2.3 Insurance Fraud, and contributes to statewide goal 07 and benchmark 01 by assisting TDI in regulating the industry and examining rates and policy forms for appropriateness.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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State and federal legislation, changes in the economy, and market trends impact this strategy. Federal health care reform legislation impacted the number and types of filings reviewed. State legislation has provided carriers the opportunity to design new health coverages and new policy forms in the property and casualty markets.

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

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

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$22,326,985	\$22,313,138	\$(13,847)	\$(13,847)	Minor net overall impact of operating realignment and shifting of salary funds across agency.
			\$(13,847)	Total of Explanation of Biennial Change

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt
 OBJECTIVE: 3 Reduce Impediments to Competition and Improve Insurance Availability
 STRATEGY: 2 Texas.gov. Estimated and Nontransferable

Service Categories:

Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$512,283	\$380,000	\$380,000	\$379,739	\$379,739
TOTAL, OBJECT OF EXPENSE		\$512,283	\$380,000	\$380,000	\$379,739	\$379,739
Method of Financing:						
1	General Revenue Fund	\$6,525	\$6,520	\$6,520	\$6,259	\$6,259
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$6,525	\$6,520	\$6,520	\$6,259	\$6,259
Method of Financing:						
36	Dept Ins Operating Acct	\$505,758	\$373,480	\$373,480	\$373,480	\$373,480
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$505,758	\$373,480	\$373,480	\$373,480	\$373,480
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$379,739	\$379,739
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$512,283	\$380,000	\$380,000	\$379,739	\$379,739
FULL TIME EQUIVALENT POSITIONS:						

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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STRATEGY DESCRIPTION AND JUSTIFICATION:

This Texas e-government initiative (Gov. Code, §Ch.2054, Subchapter I) was established to provide the citizens of Texas access to Texas governmental services 24 hours a day, seven days a week, and 365 days a year.

Licensees have the option to renew their license(s) online by submitting payment through a third-party system, including, but not limited to Texas.Gov, Sircon, and the National Insurance Producer Registry.

Strategy 1.3.2 provides information to support strategy 1.3.1 Process Rates, Forms and Licenses. This strategy contributes to statewide goal 07 and benchmark 07 by providing on-line access for professional license renewals.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$760,000	\$759,478	\$(522)	\$(522)	Decrease in requested appropriation for estimated payments from general revenue fund relating to 4% reduction applicable to this method of finance.
			\$(522)	Total of Explanation of Biennial Change

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt
 OBJECTIVE: 3 Reduce Impediments to Competition and Improve Insurance Availability
 STRATEGY: 3 Regulate Private Employers that Qualify to Self-Ins w/in the WC System

Service Categories:

Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Explanatory/Input Measures:						
	1 % Market Share of Self-insurance to Total WC Insurance Market	10.00 %	10.00 %	10.00 %	10.00 %	10.00 %
Objects of Expense:						
1001	SALARIES AND WAGES	\$493,612	\$466,860	\$480,148	\$480,148	\$480,148
1002	OTHER PERSONNEL COSTS	\$20,961	\$19,300	\$20,799	\$20,799	\$20,799
2001	PROFESSIONAL FEES AND SERVICES	\$381	\$937	\$40	\$40	\$40
2003	CONSUMABLE SUPPLIES	\$948	\$4,225	\$4,866	\$4,866	\$4,866
2004	UTILITIES	\$3,351	\$4,435	\$4,140	\$4,140	\$4,140
2005	TRAVEL	\$6,470	\$10,975	\$10,850	\$10,850	\$10,850
2006	RENT - BUILDING	\$38,780	\$36,575	\$37,049	\$37,049	\$37,049
2007	RENT - MACHINE AND OTHER	\$4,374	\$8,611	\$6,311	\$6,311	\$6,311
2009	OTHER OPERATING EXPENSE	\$39,712	\$55,245	\$69,502	\$55,248	\$55,248
5000	CAPITAL EXPENDITURES	\$0	\$2,781	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$608,589	\$609,944	\$633,705	\$619,451	\$619,451
Method of Financing:						
36	Dept Ins Operating Acct	\$608,589	\$609,944	\$633,705	\$619,451	\$619,451

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$608,589	\$609,944	\$633,705	\$619,451	\$619,451
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$619,451	\$619,451
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$608,589	\$609,944	\$633,705	\$619,451	\$619,451
FULL TIME EQUIVALENT POSITIONS:		9.2	8.7	8.5	8.3	8.3

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

This strategy coordinates with agency strategy 1.3.1 Process Rates, Forms and Licenses to ensure the processes for certification of group self-insurers and private employer self-insurers are consistent. Strategy 1.3.3 contributes to statewide goal 07 and benchmark 05 by establishing a clear process for employer certification to self-insure workers' compensation liabilities and by monitoring the ability of certified employers to cover those liabilities.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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The availability and cost of commercial workers' compensation insurance versus the cost and availability of self-insurance products and resources affect participation in the self-insurance program. The risk of assessment by the guaranty association to cover the liabilities of an impaired certified self-insurer may also limit participation in the program.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,243,649	\$1,238,902	\$(4,747)	\$(4,747)	Minor net overall impact of operating realignment and shifting of salary funds across agency.
			\$(4,747)	Total of Explanation of Biennial Change

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$51,077	\$38,854	\$60,000	\$60,000	\$60,000
1002	OTHER PERSONNEL COSTS	\$715	\$394	\$990	\$990	\$990
2009	OTHER OPERATING EXPENSE	\$660	\$1,109	\$3,098	\$1,361	\$1,361
4000	GRANTS	\$1,144,959	\$2,008,124	\$2,048,618	\$386,381	\$386,381
TOTAL, OBJECT OF EXPENSE		\$1,197,411	\$2,048,481	\$2,112,706	\$448,732	\$448,732
Method of Financing:						
8042	Insurance Maint Tax Fees	\$0	\$315,402	\$333,432	\$332,153	\$332,153
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$315,402	\$333,432	\$332,153	\$332,153
Method of Financing:						
36	Dept Ins Operating Acct	\$438,833	\$111,336	\$117,037	\$116,579	\$116,579
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$438,833	\$111,336	\$117,037	\$116,579	\$116,579
Method of Financing:						
666	Appropriated Receipts	\$758,578	\$1,621,743	\$1,662,237	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$758,578	\$1,621,743	\$1,662,237	\$0	\$0

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$448,732	\$448,732
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$1,197,411	\$2,048,481	\$2,112,706	\$448,732	\$448,732
FULL TIME EQUIVALENT POSITIONS:		1.0	0.6	1.0	1.0	1.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

This strategy supports strategy 1.1.1 Consumer Education and Outreach by issuing a competitive Request for Applications before each new biennium and awarding the three-share premium assistance grant funds to a consortium of local government entities. TDI provides on-going technical assistance to grantees and oversees project activities to ensure the grantees comply with the contractual requirements.

This strategy contributes to statewide goal 07 and benchmark 0.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Tex. Health and Safety Code Ch. 75 authorizes the establishment of regional or local health care programs for employees of small employers and states that a governing body operating the health care program is not an insurer or health maintenance organization and is not subject to regulation by the Texas Department of Insurance.

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

Changes in the health insurance marketplace under the Patient Protection and Affordable Care Act have created uncertainty. Two of the three remaining programs have seen slow declines in enrollment as they evaluate strategies for continued operations. The other has seen a dramatic increase in enrollment, which had to be capped due to limited grant funds.

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

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$4,161,187	\$897,464	\$(3,263,723)	\$(3,283,980)	Appropriated receipts representing rider appropriation for three-share activities in 2016-17 not in 2018-19 base request.
			\$20,257	Vacant salary in 2016 transferred to other strategies for one time purchases.
			\$(3,263,723)	Total of Explanation of Biennial Change

454 Department of Insurance

GOAL: 1 Promote Consumer Access to Affordable Insur Products W/in a Fair Mrkt

OBJECTIVE: 4 Administer Innovative Insurance Initiatives

Service Categories:

STRATEGY: 2 Promote the Healthy Texas program

Service: 17

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
2009	OTHER OPERATING EXPENSE	\$3,458,369	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$3,458,369	\$0	\$0	\$0	\$0
Method of Financing:						
1	General Revenue Fund	\$3,458,369	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$3,458,369	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,458,369	\$0	\$0	\$0	\$0

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Healthy Texas (Tex. Ins. Code, Ch. 1508) established a statewide health insurance program to help reduce the number of uninsured Texans. Healthy Texas was designed to bridge the affordability gap for uninsured small businesses.

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

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

This strategy coordinated with strategy 1.4.1 Three-Share Programs. This strategy contributed to statewide goal 7 and benchmark 0.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2016 + Bud 2017)</u>	<u>Baseline Request (BL 2018 + BL 2019)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$0	\$0	\$0	\$0	Program no longer exists. No funding requested.
			\$0	Total of Explanation of Biennial Change

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of Windstorm Inspections Completed	8,804.00	8,775.00	8,000.00	8,000.00	8,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,224,010	\$2,340,605	\$2,622,981	\$2,622,981	\$2,622,981
1002	OTHER PERSONNEL COSTS	\$107,855	\$148,871	\$84,724	\$84,724	\$84,724
2001	PROFESSIONAL FEES AND SERVICES	\$10,909	\$8,575	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$11,819	\$12,432	\$15,085	\$15,085	\$15,085
2004	UTILITIES	\$16,770	\$30,930	\$23,449	\$23,449	\$23,449
2005	TRAVEL	\$112,020	\$125,351	\$140,351	\$140,351	\$140,351
2006	RENT - BUILDING	\$82,581	\$89,058	\$85,675	\$85,675	\$85,675
2007	RENT - MACHINE AND OTHER	\$12,138	\$12,428	\$11,779	\$11,779	\$11,779
2009	OTHER OPERATING EXPENSE	\$110,512	\$133,014	\$234,031	\$119,853	\$119,853
5000	CAPITAL EXPENDITURES	\$2,651	\$12,268	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$2,691,265	\$2,913,532	\$3,218,075	\$3,103,897	\$3,103,897
Method of Financing:						
8042	Insurance Maint Tax Fees	\$1,961,870	\$2,153,393	\$2,381,982	\$2,297,514	\$2,297,514
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,961,870	\$2,153,393	\$2,381,982	\$2,297,514	\$2,297,514

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Method of Financing:						
36	Dept Ins Operating Acct	\$729,395	\$760,139	\$836,093	\$806,383	\$806,383
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$729,395	\$760,139	\$836,093	\$806,383	\$806,383
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,103,897	\$3,103,897
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$2,691,265	\$2,913,532	\$3,218,075	\$3,103,897	\$3,103,897
FULL TIME EQUIVALENT POSITIONS:		43.2	43.2	47.4	47.4	47.4
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Statutes direct TDI to provide:

- windstorm inspection for coastal structures (TIC Ch. 2210)
- oversight of non-TDI inspectors who perform windstorm inspections (TIC Ch. 2210)
- training and education on windstorm building code requirements (TIC Art. 2210)
- evaluation of loss control programs (TIC §§1903.001; 1903.051; 1952.058)
- enforcement of amusement ride inspections (Tx. Occ. Code, §§2151.001-2151.153), and
- certification of inspectors for the Voluntary Inspection Program (VIP) (TIC Ch. 2003, Subch. C).

Coastal construction is inspected for compliance with windstorm building codes and eligibility for windstorm and hail insurance coverage through TWIA. TDI employs windstorm inspectors and appoints and performs oversight on non-TDI inspectors. TDI evaluates loss control programs for insurers writing certain commercial lines of insurance to ensure they can provide loss control information and services to their policyholders. TDI administers the Amusement Ride Safety Inspection and Insurance Act, which requires each owner/operator to provide proof of liability insurance coverage and an inspection certificate.

This strategy contributes to statewide goal 07 and benchmark 01 by reducing costs that may increase rates and financial exposure to the general revenue fund, and supports strategy 1.1.1 Consumer Education and Outreach by providing a certificate of compliance for structures that meet the windstorm building code, educating policyholders about the importance of loss prevention and safety, and providing proof of insurability through VIP.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Legislation, market conditions, population changes, and weather patterns may impact this strategy. Since the adoption of the International Residential Code and International Building Code as the standards for windstorm certification, TDI has provided training for engineers, builders, architects, and homeowners to promote compliance with building code requirements. The market generally reflects decreasing requests for TDI inspections in favor of non-TDI inspections, except after significant weather events such as hurricanes or large hailstorms. As a result, TDI has increased its emphasis on oversight of non-TDI inspections and expanded training related to building code requirements for property owners and building trade professionals. Population growth and coastal development have increased the number of insured residences in windstorm-prone areas.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$6,131,607	\$6,207,794	\$76,187	\$76,187	Vacancies in 2016 shifted for other one-time uses in agency.
			\$76,187	Total of Explanation of Biennial Change

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Explanatory/Input Measures:						
1	Number of Insurance Company Insolvencies	0.00	2.00	2.00	2.00	2.00
2	Number of Entities Receiving TDI Solvency-related Intervention	2.00	4.00	4.00	4.00	4.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$6,123,857	\$6,466,934	\$6,900,901	\$6,900,900	\$6,900,900
1002	OTHER PERSONNEL COSTS	\$225,265	\$299,957	\$186,578	\$186,578	\$186,578
2001	PROFESSIONAL FEES AND SERVICES	\$38,451	\$82,896	\$5,200	\$5,200	\$5,200
2003	CONSUMABLE SUPPLIES	\$42,214	\$43,659	\$56,343	\$56,343	\$56,343
2004	UTILITIES	\$13,351	\$20,020	\$20,389	\$20,389	\$20,389
2005	TRAVEL	\$52,223	\$111,517	\$104,639	\$104,639	\$104,639
2006	RENT - BUILDING	\$78,020	\$78,262	\$79,020	\$79,020	\$79,020
2007	RENT - MACHINE AND OTHER	\$61,744	\$62,544	\$59,204	\$59,204	\$59,204
2009	OTHER OPERATING EXPENSE	\$499,741	\$545,989	\$880,346	\$532,051	\$532,051
5000	CAPITAL EXPENDITURES	\$5,612	\$25,975	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$7,140,478	\$7,737,753	\$8,292,620	\$7,944,324	\$7,944,324

Method of Financing:

454 Department of Insurance

GOAL: 2 Promote Financial Strength of Ins. Industry

OBJECTIVE: 1 Regulate Insurance Industry Solvency

Service Categories:

STRATEGY: 1 Analyze the Financial Condition of Insurers and Take Solvency Action

Service: 17

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
8042	Insurance Maint Tax Fees	\$5,191,607	\$5,718,977	\$6,138,103	\$5,880,414	\$5,880,414
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$5,191,607	\$5,718,977	\$6,138,103	\$5,880,414	\$5,880,414
Method of Financing:						
36	Dept Ins Operating Acct	\$1,930,171	\$2,018,776	\$2,154,517	\$2,063,910	\$2,063,910
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,930,171	\$2,018,776	\$2,154,517	\$2,063,910	\$2,063,910
Method of Financing:						
666	Appropriated Receipts	\$18,700	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$18,700	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$7,944,324	\$7,944,324
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$7,140,478	\$7,737,753	\$8,292,620	\$7,944,324	\$7,944,324
FULL TIME EQUIVALENT POSITIONS:		98.2	99.9	106.3	106.3	106.3
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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TDI is directed by statute to monitor the financial stability of insurers by analyzing their financial statement filings (Texas Insurance Code (TIC) §§401.051, 401.002, 404.001 and 802.001), reviewing actuarial opinions, providing actuarial expertise and reserve analysis (TIC §§404.001, 425.055, 425.054 and 802.002), reviewing holding company transactions and risk sharing contracts (TIC Ch 823, §§492.002 and 493.002). This is also supported by on-site examinations (TIC §401.051, §751.152).

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

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

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$16,030,373	\$15,888,648	\$(141,725)	\$(141,725)	Increase of one-time spending in 2016 not in ongoing budget due to several significant vacation accrual payments for retiring or departing employees.
			\$(141,725)	Total of Explanation of Biennial Change

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
	1 # of Fire Prevention and Fire Safety Presentations Coordinated by SFMO	108.00	95.00	40.00	40.00	40.00
	2 Number of Investigations Initiated by State Fire Marshal's Office	661.00	639.00	600.00	600.00	600.00
	3 Number of Samples Analyzed in the Arson Lab	2,423.00	3,000.00	2,500.00	2,500.00	2,500.00
KEY	4 Number of SFMO Registrations, Licenses, & Permits Issued	14,334.00	17,170.00	13,500.00	13,500.00	13,500.00
	5 Number of Licensing Investigations or Inspections Conducted	592.00	681.00	550.00	550.00	550.00
	6 Number of Buildings Inspected or Reinspected for Fire Safety Hazards	8,210.00	7,761.00	5,200.00	5,200.00	5,200.00
Efficiency Measures:						
	1 Average Cost Per Fire Safety Inspection	119.00	152.00	145.00	145.00	145.00
	2 Average Time to Complete Initial Investigation Report	72.00	47.00	60.00	60.00	60.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$3,874,072	\$3,796,898	\$4,097,925	\$4,084,732	\$4,084,732
1002	OTHER PERSONNEL COSTS	\$175,894	\$230,017	\$125,806	\$125,806	\$125,806
2001	PROFESSIONAL FEES AND SERVICES	\$160,688	\$147,719	\$12,500	\$12,500	\$12,500

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2002	FUELS AND LUBRICANTS	\$129,305	\$113,184	\$146,811	\$146,811	\$146,811
2003	CONSUMABLE SUPPLIES	\$37,584	\$45,807	\$32,099	\$32,099	\$32,099
2004	UTILITIES	\$54,161	\$62,897	\$65,087	\$65,087	\$65,087
2005	TRAVEL	\$253,150	\$259,274	\$249,459	\$249,459	\$249,459
2007	RENT - MACHINE AND OTHER	\$19,008	\$19,413	\$18,399	\$18,399	\$18,399
2009	OTHER OPERATING EXPENSE	\$404,764	\$378,202	\$558,502	\$362,152	\$362,152
5000	CAPITAL EXPENDITURES	\$96,492	\$159,722	\$0	\$40,000	\$40,000
TOTAL, OBJECT OF EXPENSE		\$5,205,118	\$5,213,133	\$5,306,588	\$5,137,045	\$5,137,045
Method of Financing:						
8042	Insurance Maint Tax Fees	\$3,783,814	\$3,851,846	\$3,918,111	\$3,802,457	\$3,802,457
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$3,783,814	\$3,851,846	\$3,918,111	\$3,802,457	\$3,802,457
Method of Financing:						
36	Dept Ins Operating Acct	\$1,406,769	\$1,359,686	\$1,375,284	\$1,334,588	\$1,334,588
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,406,769	\$1,359,686	\$1,375,284	\$1,334,588	\$1,334,588
Method of Financing:						
666	Appropriated Receipts	\$14,535	\$1,601	\$13,193	\$0	\$0

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
SUBTOTAL, MOF (OTHER FUNDS)		\$14,535	\$1,601	\$13,193	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$5,137,045	\$5,137,045
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$5,205,118	\$5,213,133	\$5,306,588	\$5,137,045	\$5,137,045
FULL TIME EQUIVALENT POSITIONS:		71.0	69.0	74.0	74.0	74.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

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

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

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$10,519,721	\$10,274,090	\$(245,631)	\$(13,193)	Appropriated receipts collected and expended in 2016 for conference run by State Fire Marshal's Office not in ongoing budget.
			\$(232,438)	Increase of one-time spending in 2016 not in ongoing budget from vacancies in other areas of the agency including equipment purchases and expenses to achieve accreditation of forensic arson lab.
			\$(245,631)	Total of Explanation of Biennial Change

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
	1 # of Workers' Compensation Enforcement Cases Concluded with Action	249.00	175.00	220.00	220.00	220.00
KEY 2	Number of Quality of Care Reviews Completed	779.00	744.00	97.00	97.00	97.00
	3 # of Complaints Closed Involving WC System Participants	4,641.00	4,700.00	4,700.00	4,700.00	4,700.00
	4 Number of Performance Reviews Completed	30.00	62.00	62.00	62.00	62.00
Efficiency Measures:						
KEY 1	AVG # Days Per Q of C Reviews of Provider Carriers/URAS/IROS Completed	9.00	180.00	180.00	180.00	180.00
KEY 2	AVG # of Days to Close a Complaint Involving WC System	109.00	110.00	110.00	110.00	110.00
	3 Average Number of Days to Complete a Performance Review	199.00	180.00	180.00	180.00	180.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$4,743,511	\$4,988,152	\$5,536,667	\$5,536,668	\$5,536,668
1002	OTHER PERSONNEL COSTS	\$303,009	\$192,678	\$178,296	\$178,296	\$178,296
2001	PROFESSIONAL FEES AND SERVICES	\$432,440	\$478,841	\$1,252,454	\$1,148,579	\$248,579
2002	FUELS AND LUBRICANTS	\$4	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$9,823	\$27,226	\$32,422	\$32,422	\$32,422

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2004	UTILITIES	\$29,895	\$46,649	\$42,535	\$42,535	\$42,535
2005	TRAVEL	\$14,032	\$35,907	\$34,191	\$34,191	\$34,191
2006	RENT - BUILDING	\$329,858	\$353,335	\$356,632	\$556,632	\$556,632
2007	RENT - MACHINE AND OTHER	\$38,273	\$83,417	\$60,746	\$60,746	\$60,746
2009	OTHER OPERATING EXPENSE	\$267,443	\$297,661	\$579,804	\$233,618	\$233,618
5000	CAPITAL EXPENDITURES	\$0	\$21,422	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$6,168,288	\$6,525,288	\$8,073,747	\$7,823,687	\$6,923,687
Method of Financing:						
36	Dept Ins Operating Acct	\$6,097,449	\$6,494,438	\$8,019,747	\$7,769,687	\$6,869,687
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$6,097,449	\$6,494,438	\$8,019,747	\$7,769,687	\$6,869,687
Method of Financing:						
666	Appropriated Receipts	\$70,839	\$30,850	\$54,000	\$54,000	\$54,000
SUBTOTAL, MOF (OTHER FUNDS)		\$70,839	\$30,850	\$54,000	\$54,000	\$54,000

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$7,823,687	\$6,923,687
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$6,168,288	\$6,525,288	\$8,073,747	\$7,823,687	\$6,923,687
FULL TIME EQUIVALENT POSITIONS:		80.5	80.2	88.2	86.1	86.1
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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The Division of Workers' Compensation (DWC) monitors all system participants, including injured employees, employers, insurance carriers, attorneys, and health care providers, for compliance with the TX Workers' Compensation Act and DWC rules.

In order to provide high-quality medical care in the system DWC monitors health care providers, insurance carriers, independent review organizations(IRO), and claimants for compliance with rules related to health care as well as treatment and fee guidelines. Delivery of quality medical care is mandated through policies relating to payment of medical services/delivery of medical benefits to ensure timely and appropriate care and reimbursement. DWC performs medical quality reviews of health care providers, insurance carriers, peer review/designated doctors, and IROs. DWC processes/approves applications of treating doctors who qualify to determine maximum medical improvement/impairment rating, maintains Designated Doctor List, and provides educational outreach.

To ensure compliance with the Act and rules, DWC uses data to conduct performance reviews/investigations, identify outreach, and place insurance carriers/health care providers into performance tiers. DWC also examines overall compliance records including dispute and complaint resolution in order to identify insurance carriers and health care providers who adversely impact the system.

This Strategy coordinates with strategies 1.2.1, 1.3.1, 1.3.3, 4.1.2, 4.2.1, and 4.2.2.to contribute to statewide goal 07 and benchmark 05 by ensuring timely access to quality care.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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DWC analyzes complaints, assigns priorities to complaint investigations, resolves complaints, reports complaint data, and refers matters for investigation and enforcement action. Violations are resolved through warning letters, consent orders, informal settlements, or contested case proceedings before State Office of Administrative Hearings (SOAH). Additionally, DWC refers violations to licensing agencies such as Texas Medical Board and the Texas Board of Chiropractic Examiners.

Future court decisions could affect the activities performed in this strategy. Additionally, changes in the reimbursement methodology for medical care at the Federal level may impact DWC's policies relating to payment of medical services/delivery of medical benefits. Increased use of technology for data collection and analysis continues to be important to the medical quality review process and compliance monitoring processes. The availability and quality of data provided to the DWC may affect the DWC's monitoring and enforcement actions. Internal factors impacting this strategy include the availability of resources to monitor and assess compliance trends and initiate enforcement actions when noncompliance is detected, including the use of automation to collect, analyze, and disseminate performance information and to conduct investigations.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL CHANGE</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$14,599,035	\$14,747,374	\$148,339	\$23,150	Projected under collection in 2016 of appropriated receipts.
			\$125,189	Funds shifted to other parts of the agency for one time use in 2016 due to vacancies projecting to be filled for 2018-19 biennium.
			\$148,339	Total of Explanation of Biennial Change

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
1	Number of Benefit Review Conferences Held	13,764.00	15,119.00	15,900.00	15,900.00	15,900.00
2	Number of Contested Case Hearings Held	5,928.00	6,318.00	7,500.00	7,500.00	7,500.00
3	Number of Appellate Decisions Issued	2,551.00	2,544.00	3,000.00	3,000.00	3,000.00
Efficiency Measures:						
KEY 1	Average Number of Days to Resolve a Medical Fee Dispute	289.00	380.00	300.00	300.00	300.00
KEY 2	Avg # of Days to Resolve Indemnity Disputes Via Resolution Proceedings	138.00	137.00	135.00	135.00	135.00
Explanatory/Input Measures:						
1	Number of Medical Fee Disputes Received	4,253.00	4,500.00	4,500.00	4,500.00	4,500.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$10,358,043	\$10,550,971	\$11,239,334	\$11,115,471	\$11,115,471
1002	OTHER PERSONNEL COSTS	\$701,861	\$528,019	\$489,477	\$489,477	\$489,477
2001	PROFESSIONAL FEES AND SERVICES	\$211,829	\$192,702	\$844,424	\$667,912	\$67,912
2002	FUELS AND LUBRICANTS	\$11	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$90,860	\$59,886	\$68,877	\$68,877	\$68,877
2004	UTILITIES	\$38,947	\$51,560	\$46,175	\$46,175	\$46,175

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2005	TRAVEL	\$356,012	\$255,502	\$251,855	\$251,855	\$251,855
2006	RENT - BUILDING	\$769,274	\$769,604	\$757,601	\$1,057,601	\$1,057,601
2007	RENT - MACHINE AND OTHER	\$153,736	\$148,047	\$70,062	\$70,062	\$70,062
2009	OTHER OPERATING EXPENSE	\$1,109,233	\$1,192,943	\$1,282,239	\$556,424	\$556,424
5000	CAPITAL EXPENDITURES	\$0	\$63,051	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$13,789,806	\$13,812,285	\$15,050,044	\$14,323,854	\$13,723,854
Method of Financing:						
36	Dept Ins Operating Acct	\$13,336,739	\$13,323,487	\$14,879,181	\$14,276,854	\$13,676,854
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$13,336,739	\$13,323,487	\$14,879,181	\$14,276,854	\$13,676,854
Method of Financing:						
666	Appropriated Receipts	\$453,067	\$488,798	\$170,863	\$47,000	\$47,000
SUBTOTAL, MOF (OTHER FUNDS)		\$453,067	\$488,798	\$170,863	\$47,000	\$47,000

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$14,323,854	\$13,723,854
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$13,789,806	\$13,812,285	\$15,050,044	\$14,323,854	\$13,723,854
FULL TIME EQUIVALENT POSITIONS:		215.8	211.6	224.9	222.0	222.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

Strategy 4.1.2 coordinates with agency strategies 1.2.1 Resolve Complaints, 4.1.1 Oversight and Enforcement 4.1.3 Subsequent Injury Fund Administration, and 4.2.2 Customer Service and Records Administration. Strategy 4.1.2 contributes to the statewide goal 07 and benchmark 05 by resolving disputes effectively and efficiently.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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The volume of DWC's dispute resolution services depends on the number of claims filed by injured employees and the number of claims or issues disputed. Additionally, changes in the reimbursement methodology for medical care at the federal level may impact DWC's policies relating to payment of medical services and delivery of medical benefits. Changes in agency rules, statutory changes, participation in workers' compensation health care networks and future court decisions may also affect this strategy.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$28,862,329	\$28,047,708	\$(814,621)	\$(565,661)	Appropriated receipt collections for designated doctor conferences and other activities not part of 2018-19 baseline request.
			\$(248,960)	One time purchases transferred to this strategy in 2016 and realignment of operations moving funds to other strategies for 2018-19.
			\$(814,621)	Total of Explanation of Biennial Change

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits
 STRATEGY: 3 Administer Subsequent Injury Fund

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	# of Injured Workers Receiving Lifetime Income Benefits through SIF	32.00	32.00	32.00	32.00	32.00
Efficiency Measures:						
1	Avg Days from Receipt of SIF Request for Reimbursement to Payment	23.00	62.00	62.00	62.00	62.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$65,149	\$57,579	\$167,455	\$167,455	\$167,455
1002	OTHER PERSONNEL COSTS	\$672	\$739	\$3,957	\$3,957	\$3,957
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$1,830	\$17,500	\$17,500	\$17,500
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$1,000	\$1,000	\$1,000
2004	UTILITIES	\$316	\$0	\$0	\$0	\$0
2005	TRAVEL	\$0	\$350	\$0	\$0	\$0
2006	RENT - BUILDING	\$3,655	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$6,959,321	\$9,966,881	\$5,470,131	\$7,409,792	\$7,409,792
TOTAL, OBJECT OF EXPENSE		\$7,029,113	\$10,027,379	\$5,660,043	\$7,599,704	\$7,599,704

Method of Financing:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
36	Dept Ins Operating Acct	\$71,052	\$62,619	\$191,691	\$191,811	\$191,811
5101	Subsequent Injury Fund	\$6,958,061	\$9,964,760	\$5,468,352	\$7,407,893	\$7,407,893
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$7,029,113	\$10,027,379	\$5,660,043	\$7,599,704	\$7,599,704
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$7,599,704	\$7,599,704
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$7,029,113	\$10,027,379	\$5,660,043	\$7,599,704	\$7,599,704
FULL TIME EQUIVALENT POSITIONS:		0.9	0.8	3.0	3.0	3.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

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

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The SIF was created by the Texas Legislature in 1947 to facilitate employment of individuals with disabilities including a large number of disabled veterans. If an employee with an existing disability sustained a work related injury and it resulted in certain permanent disabilities (§408.161 e.g. loss of sight in both eyes, loss of both limbs) the injured employee would be entitled to lifetime income benefits but insurance carriers pay only for the second work related injury and the SIF pays the balance of lifetime income benefits.

The SIF is funded through the payment of death benefits by insurance carriers if the deceased employee had no eligible beneficiaries (TLC §403.007).

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

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$15,687,422	\$15,199,408	\$(488,014)	\$(617,326)	Reductions in Subsequent Injury Fund #5101 baseline appropriations due to 4% reduction for the 2018-19 biennium.
			\$129,312	Increase of 2 FTEs in TDI Operating Account 36 required to process and manage payments to parties eligible for receipt of money from the Subsequent Injury Fund.
			<u>\$(488,014)</u>	Total of Explanation of Biennial Change

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
KEY 1	Number of Consultations and Inspections Provided to Employers	2,975.00	3,100.00	3,000.00	3,000.00	3,000.00
2	Number of Divisions of Workers' Compensation Presentations Made	473.00	521.00	250.00	250.00	250.00
3	# RTW, Provider, WPS Educational Products & Services	4,868,480.00	4,500,000.00	3,500,000.00	3,500,000.00	3,500,000.00
4	Number of WC Income Benefit Recipients Referred to DARS	22,105.00	20,000.00	20,000.00	20,000.00	20,000.00
Explanatory/Input Measures:						
1	Incidence of Injuries/Illness per 100 FTEs in the Private Sector	2.60	2.40	3.20	3.20	3.20
Objects of Expense:						
1001	SALARIES AND WAGES	\$2,902,425	\$3,001,187	\$3,217,584	\$3,217,584	\$3,217,584
1002	OTHER PERSONNEL COSTS	\$154,161	\$115,607	\$96,910	\$96,910	\$96,910
2001	PROFESSIONAL FEES AND SERVICES	\$3,002	\$184	\$0	\$0	\$0
2002	FUELS AND LUBRICANTS	\$3	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$12,296	\$24,902	\$21,098	\$21,098	\$21,098
2004	UTILITIES	\$26,979	\$26,773	\$17,988	\$17,988	\$17,988
2005	TRAVEL	\$213,069	\$237,975	\$157,002	\$157,002	\$157,002

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2006	RENT - BUILDING	\$237,450	\$249,156	\$244,124	\$244,124	\$244,124
2007	RENT - MACHINE AND OTHER	\$34,021	\$49,842	\$27,327	\$27,327	\$27,327
2009	OTHER OPERATING EXPENSE	\$241,564	\$198,799	\$255,005	\$204,846	\$204,846
5000	CAPITAL EXPENDITURES	\$0	\$17,613	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$3,824,970	\$3,922,038	\$4,037,038	\$3,986,879	\$3,986,879
Method of Financing:						
36	Dept Ins Operating Acct	\$1,620,139	\$1,682,849	\$1,846,779	\$1,796,620	\$1,796,620
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,620,139	\$1,682,849	\$1,846,779	\$1,796,620	\$1,796,620
Method of Financing:						
555	Federal Funds					
	17.005.001 OSHA BUREAU OF LABOR STATISTICS	\$180,476	\$186,344	\$186,344	\$186,344	\$186,344
	17.504.001 OSHA Consultation Agreements	\$1,931,935	\$2,003,915	\$2,003,915	\$2,003,915	\$2,003,915
CFDA Subtotal, Fund	555	\$2,112,411	\$2,190,259	\$2,190,259	\$2,190,259	\$2,190,259
SUBTOTAL, MOF (FEDERAL FUNDS)		\$2,112,411	\$2,190,259	\$2,190,259	\$2,190,259	\$2,190,259
Method of Financing:						
666	Appropriated Receipts	\$92,420	\$48,930	\$0	\$0	\$0

454 Department of Insurance

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed
 STRATEGY: 1 Provide Educational Services&WPS Consultations to System Participants

Service Categories:

Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
SUBTOTAL, MOF (OTHER FUNDS)		\$92,420	\$48,930	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,986,879	\$3,986,879
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,824,970	\$3,922,038	\$4,037,038	\$3,986,879	\$3,986,879
FULL TIME EQUIVALENT POSITIONS:		62.3	61.6	65.8	65.8	65.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Statute (Tex. Labor Code Ch. 411, 413 and Tex. Ins. Code Ch. 2054, Subchapter K) directs the TDI Division of Workers' Compensation (DWC) to promote safe and healthy workplaces and help employees return to work (RTW). DWC provides outreach to increase awareness and improve effectiveness of employer health and safety programs. DWC conducts inspections, consultations and investigations of employers and insurance companies to help develop effective health and safety programs, identify and control workplace hazards, and understand state and federal regulations. DWC compiles and analyzes data on occupational injuries, illnesses and fatalities by industry, case characteristics, and demographics.

DWC provides outreach to system participants to encourage the safe and timely return of injured employees to productive roles in the workplace (Tex. Labor Code Ch. 413). DWC assists injured employees to RTW by making referrals to the Texas Workforce Commission for vocational rehabilitation services (Tex. Labor Code §413.025). DWC's policies include RTW guidelines (Tex. Labor Code §413.011) that provide benchmarks for expected lost time durations for injuries and illnesses.

Strategy coordinates with strategies 1.3.3 Self-Insurance, 4.1.1 Oversight and Enforcement, 4.1.2 Dispute Resolution, and 4.2.2 Customer Service and Records Admin. Strategy 4.2.1 contributes to statewide goal 07 and benchmark 05 by assisting employers/employees in providing safe workplaces, reducing workplace injuries, and establishing clear standards for expected lost time durations.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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DWC administers an RTW program for employers with 50 or fewer employees to reimburse or advance certain expenses for accommodations that help injured employees return to work as early as possible (Tex. Labor Code §413.022).

The agency’s ability to appropriately focus its safety and RTW education and outreach efforts depends on the receipt of accurate injury and employment data. Safety consultations and inspections are dependent on a number of external factors including the number of insurance companies writing workers’ compensation insurance; the number of employers in the Rejected Risk program; and the number of employers requesting Occupational Safety and Health Consultation (OSHCON) services. The transition of the state’s vocational rehabilitation program from the Department of Assistive and Rehabilitative Services to the Texas Workforce Commission may provide new opportunities for DWC and the Texas Workforce Commission to exchange data regarding the outcome of vocational rehabilitation referrals. The number and scope of consultations and inspections is dependent on voluntary participation by employers, which can affect the number of hazards identified during those activities. Changes to state and federal laws, court rulings, and federal funding of grant programs may require program adjustments.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$7,959,076	\$7,973,758	\$14,682	\$(48,930)	Appropriated receipts associated with workplace safety conferences not part of ongoing budget request.
			\$63,612	Funds shifted to other strategies due to vacancies in 2016 expected to be fully staffed in 2018-19 biennium.
			\$14,682	Total of Explanation of Biennial Change

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Output Measures:						
1	Number of Injury Records in Which Indemnity Benefits are Initiated	50,239.00	50,000.00	65,800.00	65,800.00	65,800.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$3,363,651	\$2,982,594	\$3,327,511	\$3,327,511	\$3,327,511
1002	OTHER PERSONNEL COSTS	\$154,955	\$104,446	\$89,147	\$89,147	\$89,147
2001	PROFESSIONAL FEES AND SERVICES	\$258,931	\$167,970	\$40,309	\$40,309	\$40,309
2002	FUELS AND LUBRICANTS	\$5	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$46,316	\$32,509	\$37,519	\$37,519	\$37,519
2004	UTILITIES	\$41,697	\$59,620	\$56,317	\$56,317	\$56,317
2005	TRAVEL	\$40,628	\$30,200	\$30,200	\$30,200	\$30,200
2006	RENT - BUILDING	\$694,601	\$683,494	\$673,258	\$673,258	\$673,258
2007	RENT - MACHINE AND OTHER	\$57,028	\$58,971	\$45,671	\$45,671	\$45,671
2009	OTHER OPERATING EXPENSE	\$346,432	\$751,971	\$254,874	\$253,539	\$253,539
5000	CAPITAL EXPENDITURES	\$0	\$31,517	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$5,004,244	\$4,903,292	\$4,554,806	\$4,553,471	\$4,553,471

Method of Financing:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
36	Dept Ins Operating Acct	\$4,886,879	\$4,798,243	\$4,420,806	\$4,419,471	\$4,419,471
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$4,886,879	\$4,798,243	\$4,420,806	\$4,419,471	\$4,419,471
Method of Financing:						
666	Appropriated Receipts	\$117,365	\$105,049	\$134,000	\$134,000	\$134,000
SUBTOTAL, MOF (OTHER FUNDS)		\$117,365	\$105,049	\$134,000	\$134,000	\$134,000
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$4,553,471	\$4,553,471
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$5,004,244	\$4,903,292	\$4,554,806	\$4,553,471	\$4,553,471
FULL TIME EQUIVALENT POSITIONS:		96.2	83.3	95.1	93.8	93.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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The TDI Division of Workers' Compensation (DWC) is directed by statute to receive, collect and maintain information on every compensable injury that is reported to DWC and to establish a single point of contact for injured employees receiving services from the DWC (Tex. Labor Code Ch. 402). DWC also provides information and reports to qualified individuals, insurance carriers, and employers. (Tex. Labor Code Ch. 402, 406, 408, and 409). The information received is maintained in paper, microfiche, microfilm, and electronic format and as required by records retention schedules established under Ch. 441.185 Tex. Gov't. Code.

DWC is charged with educating system participants regarding their rights and responsibilities, how to interact within the workers' compensation system, and best practices for return-to-work and workplace safety programs (Tex. Labor Code Ch. 402). DWC also has a duty to provide education to health care providers about rules and procedures (Tex. Labor Code 413). DWC provides educational and training materials through various methods, including making the materials available on its website. This strategy supports agency strategies 4.1.1 Oversight and Enforcement, 4.1.2 Dispute Resolution, 4.1.3 Subsequent Injury Fund Administration, and 4.2.1 Health and Safety Services. Strategy 4.2.2 contributes to statewide goal 07 and benchmark 05 by efficiently maintaining records and effectively educating system participants regarding the workers' compensation system.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

454 Department of Insurance

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

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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DWC provides customer service through a statewide call center and multiple field offices across the state to injured employees and other system participants. Although insurance carriers are primarily responsible for adjusting and paying workers' compensation claims, by statute, certain specific claims decisions (e.g., requests to change a treating doctor, initial requests for Supplemental Income Benefits, and requests for a required medical examination) are made by DWC (Tex. Labor Code Ch. 408).

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

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$9,458,098	\$9,106,942	\$(351,156)	\$28,951	Under collection of appropriated receipts in 2016.
			\$(380,107)	Net decrease in request due to increase spending in current biennium to scan paper records and create electronic files.
			\$(351,156)	Total of Explanation of Biennial Change

454 Department of Insurance

GOAL: 5 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$7,452,661	\$7,007,442	\$7,994,828	\$7,981,851	\$7,981,851
1002	OTHER PERSONNEL COSTS	\$280,473	\$241,624	\$196,553	\$196,553	\$196,553
2001	PROFESSIONAL FEES AND SERVICES	\$138,005	\$105,906	\$62,316	\$62,316	\$62,316
2002	FUELS AND LUBRICANTS	\$2	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$18,725	\$67,375	\$82,920	\$82,920	\$82,920
2004	UTILITIES	\$44,598	\$60,304	\$52,610	\$52,610	\$52,610
2005	TRAVEL	\$50,982	\$82,661	\$70,518	\$70,518	\$70,518
2006	RENT - BUILDING	\$720,772	\$752,840	\$765,544	\$765,544	\$765,544
2007	RENT - MACHINE AND OTHER	\$39,194	\$90,330	\$69,544	\$69,544	\$69,544
2009	OTHER OPERATING EXPENSE	\$625,610	\$594,885	\$1,932,733	\$907,389	\$907,388
5000	CAPITAL EXPENDITURES	\$4,280	\$35,911	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$9,375,302	\$9,039,278	\$11,227,566	\$10,189,245	\$10,189,244
Method of Financing:						
1	General Revenue Fund	\$328,523	\$224,406	\$224,406	\$215,430	\$215,430
8042	Insurance Maint Tax Fees	\$3,727,813	\$3,304,911	\$4,252,246	\$3,766,296	\$3,766,295

454 Department of Insurance

GOAL: 5 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$4,056,336	\$3,529,317	\$4,476,652	\$3,981,726	\$3,981,725
Method of Financing:						
36	Dept Ins Operating Acct	\$5,318,966	\$5,506,961	\$6,746,914	\$6,207,519	\$6,207,519
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$5,318,966	\$5,506,961	\$6,746,914	\$6,207,519	\$6,207,519
Method of Financing:						
777	Interagency Contracts	\$0	\$3,000	\$4,000	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$0	\$3,000	\$4,000	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$10,189,245	\$10,189,244
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$9,375,302	\$9,039,278	\$11,227,566	\$10,189,245	\$10,189,244
FULL TIME EQUIVALENT POSITIONS:		112.8	102.3	114.2	115.6	115.6
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

GOAL: 5 Indirect Administration

OBJECTIVE: 1 Indirect Administration

STRATEGY: 1 Central Administration

Service Categories:

Service: 09

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Central Administration ensures activities are compliant with all statutory and regulatory requirements as well as consistent with TDI goals, objectives, purpose, and policies.

These activities include but are not limited to:

- ensures agency accountability and integrity;
- provides assistance and information to the Legislature, the public and the media.
- manages agency-wide budget including the LAR, the operating budget, and performance measures;
- performs all accounting functions and financial reporting;
- monitors the agency's compliance with Article IX provisions of the General Appropriations Act
- provides administrative support to the Office of Injured Employee Counsel;
- ensures compliance with employment laws, implements professional development training, maintains payroll records, and manages other personnel activities;
- leads the agency's recruitment and succession planning activities and promotes a positive working environment.

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

This strategy contributes to statewide goal 07 and benchmark 0.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

454 Department of Insurance

GOAL: 5 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 1 Central Administration

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$20,266,844	\$20,378,489	\$111,645	\$(17,952)	Baseline 4% reduction - general revenue fund for earned federal funds associated with DWC workplace safety grants.
			\$(7,000)	Interagency contract in 2016-17 biennium expires in December 2016.
			\$136,597	Vacancies in this strategy moved for one-time use in 2016. These positions are projected to be filled for 2018-19 biennium.
			<u>\$111,645</u>	Total of Explanation of Biennial Change

454 Department of Insurance

GOAL: 5 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$4,698,676	\$4,798,997	\$5,831,317	\$5,831,317	\$5,831,317
1002	OTHER PERSONNEL COSTS	\$177,689	\$196,769	\$156,316	\$156,316	\$156,316
2001	PROFESSIONAL FEES AND SERVICES	\$6,355,379	\$5,858,792	\$5,411,853	\$4,758,725	\$5,360,316
2002	FUELS AND LUBRICANTS	\$2	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$12,659	\$26,960	\$38,315	\$38,315	\$38,315
2004	UTILITIES	\$295,879	\$253,153	\$240,801	\$240,801	\$240,801
2005	TRAVEL	\$19,782	\$16,000	\$14,000	\$14,000	\$14,000
2006	RENT - BUILDING	\$136,523	\$142,800	\$144,650	\$144,650	\$144,650
2007	RENT - MACHINE AND OTHER	\$28,865	\$47,098	\$37,414	\$37,414	\$37,414
2009	OTHER OPERATING EXPENSE	\$1,348,028	\$1,237,255	\$1,810,833	\$1,619,025	\$1,619,025
5000	CAPITAL EXPENDITURES	\$2,840	\$207,791	\$140,112	\$140,112	\$140,112
TOTAL, OBJECT OF EXPENSE		\$13,076,322	\$12,785,615	\$13,825,611	\$12,980,675	\$13,582,266
Method of Financing:						
8042	Insurance Maint Tax Fees	\$5,434,061	\$4,911,298	\$5,359,843	\$4,971,561	\$5,220,929
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$5,434,061	\$4,911,298	\$5,359,843	\$4,971,561	\$5,220,929

454 Department of Insurance

GOAL: 5 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Method of Financing:						
36	Dept Ins Operating Acct	\$7,642,261	\$7,874,317	\$8,465,768	\$8,009,114	\$8,361,337
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$7,642,261	\$7,874,317	\$8,465,768	\$8,009,114	\$8,361,337
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$12,980,675	\$13,582,266
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$13,076,322	\$12,785,615	\$13,825,611	\$12,980,675	\$13,582,266
FULL TIME EQUIVALENT POSITIONS:		76.3	73.6	87.0	87.0	87.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

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

This strategy contributes to statewide goal 07 and benchmark 0.

454 Department of Insurance

GOAL: 5 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 2 Information Resources

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Innovations in hardware, software, and the increased need to provide around the clock access to agency information, data, and systems to the public may affect this strategy.

TDI agency programs and OIEC recognize the evolution of the workforce and constituents. TDI's hardware, software, and applications must meet the needs of agency staff and the public. TDI must ensure security of the agency's data and systems. The introduction of new technologies may require training, and hiring additional resources with new skill sets to develop, maintain, and support TDI's systems.

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$26,611,226	\$26,562,941	\$(48,285)	\$(48,285)	2016 IT spending on software and equipment funded from other strategies not part of ongoing budget request.
			\$(48,285)	Total of Explanation of Biennial Change

454 Department of Insurance

GOAL: 5 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 3 Other Support Services

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$1,673,281	\$1,712,011	\$1,879,514	\$1,879,514	\$1,879,514
1002	OTHER PERSONNEL COSTS	\$70,771	\$76,584	\$72,622	\$72,622	\$72,622
2001	PROFESSIONAL FEES AND SERVICES	\$10,703	\$14,783	\$11,500	\$11,500	\$11,500
2002	FUELS AND LUBRICANTS	\$9,202	\$13,960	\$13,960	\$13,960	\$13,960
2003	CONSUMABLE SUPPLIES	\$15,699	\$25,046	\$27,276	\$27,276	\$27,276
2004	UTILITIES	\$40,622	\$42,566	\$41,439	\$41,439	\$41,439
2005	TRAVEL	\$20,278	\$16,146	\$15,842	\$15,842	\$15,842
2006	RENT - BUILDING	\$126,613	\$148,186	\$154,266	\$154,266	\$154,266
2007	RENT - MACHINE AND OTHER	\$26,866	\$47,216	\$40,135	\$40,135	\$40,135
2009	OTHER OPERATING EXPENSE	\$1,253,499	\$1,621,677	\$1,553,822	\$1,418,550	\$1,418,550
5000	CAPITAL EXPENDITURES	\$27,655	\$10,898	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$3,275,189	\$3,729,073	\$3,810,376	\$3,675,104	\$3,675,104
Method of Financing:						
8042	Insurance Maint Tax Fees	\$1,456,170	\$1,648,464	\$1,478,439	\$1,472,342	\$1,472,342
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$1,456,170	\$1,648,464	\$1,478,439	\$1,472,342	\$1,472,342

454 Department of Insurance

GOAL: 5 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 3 Other Support Services

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Method of Financing:						
36	Dept Ins Operating Acct	\$1,818,569	\$2,080,316	\$2,331,937	\$2,202,762	\$2,202,762
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$1,818,569	\$2,080,316	\$2,331,937	\$2,202,762	\$2,202,762
Method of Financing:						
666	Appropriated Receipts	\$450	\$293	\$0	\$0	\$0
SUBTOTAL, MOF (OTHER FUNDS)		\$450	\$293	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$3,675,104	\$3,675,104
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$3,275,189	\$3,729,073	\$3,810,376	\$3,675,104	\$3,675,104
FULL TIME EQUIVALENT POSITIONS:		41.4	40.8	43.0	43.0	43.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

GOAL:	5	Indirect Administration	
OBJECTIVE:	1	Indirect Administration	Service Categories:
STRATEGY:	3	Other Support Services	Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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This strategy consists of the Procurement and General Services Office. The Purchasing and Contract Administration section of this office processes all agency purchasing and contracting transactions, coordinates the agency’s Historically Underutilized Business (HUB) program and is responsible for the administration of all agency contracts. The Staff Services sections of the office provide and coordinate facility-related and operational support consisting of seven primary functions: Facilities Management, Mail Services, Copy Center Services, Records Retention, Property Management, Warehouse Services, and Safety and Risk Management.

This strategy contributes to statewide goal 07 and benchmark 0.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

454 Department of Insurance

GOAL: 5 Indirect Administration
 OBJECTIVE: 1 Indirect Administration
 STRATEGY: 3 Other Support Services

Service Categories:
 Service: 09 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$7,539,449	\$7,350,208	\$(189,241)	\$(188,948)	Increase in spending in 2016 on moves of employees and required facility improvements not part of ongoing budget request.
			\$(293)	Appropriated receipt from sale of van (surplus property) not part of ongoing budget request.
			\$(189,241)	Total of Explanation of Biennial Change

454 Department of Insurance

GOAL: 6 Regulatory Response
 OBJECTIVE: 1 Regulatory Response
 STRATEGY: 1 Contingency Regulatory Response

Service Categories:
 Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
Objects of Expense:						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$0	\$0	\$0	\$0	\$0
Method of Financing:						
8042	Insurance Maint Tax Fees	\$0	\$0	\$0	\$0	\$0
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$0	\$0	\$0	\$0	\$0
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$0	\$0
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$0	\$0	\$0	\$0	\$0
FULL TIME EQUIVALENT POSITIONS:		0.0	0.0	0.0	0.0	0.0
STRATEGY DESCRIPTION AND JUSTIFICATION:						

454 Department of Insurance

GOAL: 6 Regulatory Response
 OBJECTIVE: 1 Regulatory Response Service Categories:
 STRATEGY: 1 Contingency Regulatory Response Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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State Regulatory Response Contingency Strategy allows TDI to respond to the following regulatory issues: a significant change in insurance regulatory environment, demands for federal healthcare reform implementation, a weather related disaster in the state of Texas, a public health crisis, such as a pandemic, a fire that has been declared as a disaster situation in the State of Texas, and non-weather related disasters.

This strategy contributes to statewide goal 07 and benchmark 0.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

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

EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2016 + Bud 2017)	Baseline Request (BL 2018 + BL 2019)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$0	\$0	\$0	\$0	Rider not activated in 2016-17; not part of baseline request for 2018-19.
			\$0	Total of Explanation of Biennial Change

3.A. Strategy Request

8/19/2016 7:53:58AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$114,040,875	\$112,816,788	\$119,904,968	\$113,331,397	\$112,432,986
METHODS OF FINANCE (INCLUDING RIDERS):				\$113,331,397	\$112,432,986
METHODS OF FINANCE (EXCLUDING RIDERS):	\$114,040,875	\$112,816,788	\$119,904,968	\$113,331,397	\$112,432,986
FULL TIME EQUIVALENT POSITIONS:	1,258.8	1,228.4	1,340.1	1,335.0	1,335.0

3.A.1. PROGRAM-LEVEL REQUEST SCHEDULE
85th Regular Session, Agency Submission, Version 1

Agency Code: 454		Agency: Texas Department of Insurance				Prepared By: Nancy Clark					
Date: August 22, 2016						16-17 Base	Requested 2018	Requested 2019	Biennial Total 18-19	Biennial Difference	
Goal	Goal Name	Strategy	Strategy Name	Program	Program Name					\$	%
A	Access to Affordable Insurance	A11	Consumer Education & Outreach	1	Administrative Operations	\$4,119,414	\$2,086,875	\$2,086,875	\$4,173,750	\$54,336	1.3%
				2	Compliance	\$3,423,601	\$1,755,620	\$1,755,620	\$3,511,240	\$87,639	2.6%
				4	Regulatory Policy	\$3,793,437	\$977,011	\$977,011	\$1,954,022	(\$1,839,415)	-48.5%
				7	TexasSure	\$10,147,505	\$5,073,753	\$5,073,752	\$10,147,505	\$0	0.0%
A	Access to Affordable Insurance	A21	Resolve Complaints	1	Administrative Operations	\$252,340	\$112,374	\$112,374	\$224,748	(\$27,592)	-10.9%
				2	Compliance	\$3,701,361	\$1,839,939	\$1,839,939	\$3,679,878	(\$21,483)	-0.6%
				3	Financial Solvency	\$976,685	\$507,725	\$507,725	\$1,015,450	\$38,765	4.0%
				4	Regulatory Policy	\$436,353	\$229,367	\$229,367	\$458,734	\$22,381	5.1%
A	Access to Affordable Insurance	A22	Investigation & Enforcement	1	Administrative Operations	\$594,430	\$290,189	\$290,189	\$580,378	(\$14,052)	-2.4%
				2	Compliance	\$5,454,125	\$2,707,222	\$2,707,222	\$5,414,444	(\$39,681)	-0.7%
A	Access to Affordable Insurance	A23	Insurance Fraud	1	Administrative Operations	\$207,427	\$95,993	\$95,993	\$191,986	(\$15,441)	-7.4%
				2	Compliance	\$6,679,676	\$3,296,645	\$3,296,645	\$6,593,290	(\$86,386)	-1.3%
A	Access to Affordable Insurance	A24	Workers Compensation Fraud	1	Administrative Operations	\$81,157	\$39,821	\$39,821	\$79,642	(\$1,515)	-1.9%
				9	Workers' Compensation	\$697,244	\$396,487	\$396,487	\$792,974	\$95,730	13.7%
A	Access to Affordable Insurance	A31	Process Rates, Forms & Licenses	1	Administrative Operations	\$3,661,181	\$1,862,996	\$1,862,996	\$3,725,992	\$64,811	1.8%
				3	Financial Solvency	\$4,934,307	\$2,555,187	\$2,555,187	\$5,110,374	\$176,067	3.6%
				4	Regulatory Policy	\$13,731,497	\$6,738,386	\$6,738,386	\$13,476,772	(\$254,725)	-1.9%
A	Access to Affordable Insurance	A32	Texas.Gov	1	Administrative Operations	\$760,000	\$379,739	\$379,739	\$759,478	(\$522)	-0.1%
A	Access to Affordable Insurance	A33	Certify Self-Insurance	1	Administrative Operations	\$133,067	\$65,097	\$65,097	\$130,194	(\$2,873)	-2.2%
				9	Workers' Compensation	\$1,110,582	\$554,354	\$554,354	\$1,108,708	(\$1,874)	-0.2%
A	Access to Affordable Insurance	A41	Three-Share Programs	1	Administrative Operations	\$122	\$183	\$183	\$366	\$244	200.0%
				8	Three-Share	\$4,161,065	\$448,549	\$448,549	\$897,098	(\$3,263,967)	-78.4%
A	Access to Affordable Insurance	A51	Loss Control Programs	1	Administrative Operations	\$198,570	\$91,367	\$91,367	\$182,734	(\$15,836)	-8.0%
				4	Regulatory Policy	\$5,933,037	\$3,012,530	\$3,012,530	\$6,025,060	\$92,023	1.6%
B	Promote Insurer Financial Strength	B11	Insurers Financial Condition	1	Administrative Operations	\$3,751,436	\$1,806,804	\$1,806,804	\$3,613,608	(\$137,828)	-3.7%
				3	Financial Solvency	\$12,242,410	\$6,137,520	\$6,137,520	\$12,275,040	\$32,630	0.3%
				4	Regulatory Policy	\$36,527	\$0	\$0	\$0	(\$36,527)	-100.0%
C	Reduce Losses Due to Fire	C11	Fire Marshal	1	Administrative Operations	\$308,940	\$142,591	\$142,591	\$285,182	(\$23,758)	-7.7%
				5	State Fire Marshal's Office	\$10,210,781	\$4,994,454	\$4,994,454	\$9,988,908	(\$221,873)	-2.2%
D	Regulate Workers' Comp System	D11	Oversight and Enforcement	1	Administrative Operations	\$1,306,355	\$758,919	\$758,919	\$1,517,838	\$211,483	16.2%
				9	Workers' Compensation	\$13,292,680	\$7,064,768	\$6,164,768	\$13,229,536	(\$63,144)	-0.5%
D	Regulate Workers' Comp System	D12	Dispute Resolution	1	Administrative Operations	\$2,492,623	\$1,359,896	\$1,359,896	\$2,719,792	\$227,169	9.1%
				9	Workers' Compensation	\$26,369,706	\$12,963,958	\$12,363,958	\$25,327,916	(\$1,041,790)	-4.0%
D	Regulate Workers' Comp System	D13	Subsequent Injury Fund Admin	1	Administrative Operations	\$157	\$224	\$224	\$448	\$291	185.4%
				6	Subsequent Injury Fund	\$15,687,265	\$7,599,480	\$7,599,480	\$15,198,960	(\$488,305)	-3.1%
D	Regulate Workers' Comp System	D21	Health & Safety Services	1	Administrative Operations	\$586,498	\$276,515	\$276,515	\$553,030	(\$33,468)	-5.7%
				9	Workers' Compensation	\$7,372,578	\$3,710,364	\$3,710,364	\$7,420,728	\$48,150	0.7%
D	Regulate Workers' Comp System	D22	Customer Service & Records Admin	1	Administrative Operations	\$1,784,453	\$835,512	\$835,512	\$1,671,024	(\$113,429)	-6.4%
				9	Workers' Compensation	\$7,673,645	\$3,717,959	\$3,717,959	\$7,435,918	(\$237,727)	-3.1%
E	Indirect Administration	E11	Central Administration	1	Administrative Operations	\$15,540,394	\$7,685,187	\$7,685,186	\$15,370,373	(\$170,021)	-1.1%
				9	Workers' Compensation	\$4,726,450	\$2,504,058	\$2,504,058	\$5,008,116	\$281,666	6.0%
E	Indirect Administration	E12	Information Resources	1	Administrative Operations	\$26,611,226	\$12,980,675	\$13,582,266	\$26,562,941	(\$48,285)	-0.2%
E	Indirect Administration	E13	Other Support Services	1	Administrative Operations	\$7,539,449	\$3,675,104	\$3,675,104	\$7,350,208	(\$189,241)	-2.5%
F	Regulatory Response	F11	Contingency Regulatory Response	El-1	Exceptional Item- Restore Rider		\$2,200,000	\$2,200,000	\$4,400,000	\$4,400,000	

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

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3.B. Rider Revisions and Additions Request

Agency Code: 454	Agency Name: Texas Department of Insurance	Prepared By: Nancy Clark	Date: August 22, 2016	Request Level:																																																			
Current Rider Number	Page Number in 2016-17 GAA	Proposed Rider Language																																																					
2	VIII-21	<p>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103. Upon approval from the Legislative Budget Board, capital budgeted funds listed below under "Acquisition of Information Resource Technologies" may be used to lease information resources hardware and/or software, if determined by agency management to be in the best interest of the State of Texas.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; width: 15%;"><u>2016</u> <u>2018</u></th> <th style="text-align: right; width: 15%;"><u>2017-2019</u></th> </tr> </thead> <tbody> <tr> <td colspan="3">a. Acquisition of Information Resource Technologies</td> </tr> <tr> <td> (1) Obsolescence Hardware and Software Replacement and Network Security</td> <td style="text-align: right;">\$ 1,234,088</td> <td style="text-align: right;">\$ 1,234,088</td> </tr> <tr> <td> (2) TexasSure Vehicle Insurance Verification</td> <td style="text-align: right;">5,073,753</td> <td style="text-align: right;">5,073,752</td> </tr> <tr> <td> (3) Gartner Cyber Security Enhancements</td> <td style="text-align: right;">140,112</td> <td style="text-align: right;">140,112</td> </tr> <tr> <td>Total, Acquisition of Information Resource Technologies</td> <td style="text-align: right;">\$ 6,447,953</td> <td style="text-align: right;">\$ 6,447,952</td> </tr> <tr> <td colspan="3">b. Data Center Consolidation</td> </tr> <tr> <td> (1) Data Center Consolidation</td> <td style="text-align: right;">\$ 5,118,435 <u>4,752,735</u></td> <td style="text-align: right;">\$ 5,405,863 <u>5,354,326</u></td> </tr> <tr> <td>Total, Data Center Consolidation</td> <td style="text-align: right;">\$ 5,118,435 <u>4,752,735</u></td> <td style="text-align: right;">\$ 5,405,863 <u>5,354,326</u></td> </tr> <tr> <td>Total, Capital Budget</td> <td style="text-align: right;">\$ 11,566,388 <u>11,200,688</u></td> <td style="text-align: right;">\$ 11,853,815 <u>11,802,278</u></td> </tr> <tr> <td colspan="3">Method of Financing (Capital Budget):</td> </tr> <tr> <td colspan="3">General Revenue - Insurance Companies</td> </tr> <tr> <td> Maintenance Tax and Insurance Department Fees</td> <td style="text-align: right;">\$ 2,840,526 <u>2,585,192</u></td> <td style="text-align: right;">\$ 2,984,240 <u>2,834,560</u></td> </tr> <tr> <td colspan="3">GR Dedicated - Texas Department of Insurance</td> </tr> <tr> <td> Operating Fund Account No. 036</td> <td style="text-align: right;">3,652,109 <u>3,541,743</u></td> <td style="text-align: right;">3,795,823 <u>3,893,966</u></td> </tr> <tr> <td> Texas Sure Fund 161</td> <td style="text-align: right;">5,073,753</td> <td style="text-align: right;">5,073,752</td> </tr> <tr> <td>Total, Method of Financing</td> <td style="text-align: right;"><u>\$11,566,388</u> <u>11,200,688</u></td> <td style="text-align: right;"><u>\$11,853,815</u> <u>11,802,278</u></td> </tr> </tbody> </table> <p><i>Updated fiscal years and modified the split between 2018 & 2019 and the method of finance (MOF).</i></p>				<u>2016</u> <u>2018</u>	<u>2017-2019</u>	a. Acquisition of Information Resource Technologies			(1) Obsolescence Hardware and Software Replacement and Network Security	\$ 1,234,088	\$ 1,234,088	(2) TexasSure Vehicle Insurance Verification	5,073,753	5,073,752	(3) Gartner Cyber Security Enhancements	140,112	140,112	Total, Acquisition of Information Resource Technologies	\$ 6,447,953	\$ 6,447,952	b. Data Center Consolidation			(1) Data Center Consolidation	\$ 5,118,435 <u>4,752,735</u>	\$ 5,405,863 <u>5,354,326</u>	Total, Data Center Consolidation	\$ 5,118,435 <u>4,752,735</u>	\$ 5,405,863 <u>5,354,326</u>	Total, Capital Budget	\$ 11,566,388 <u>11,200,688</u>	\$ 11,853,815 <u>11,802,278</u>	Method of Financing (Capital Budget):			General Revenue - Insurance Companies			Maintenance Tax and Insurance Department Fees	\$ 2,840,526 <u>2,585,192</u>	\$ 2,984,240 <u>2,834,560</u>	GR Dedicated - Texas Department of Insurance			Operating Fund Account No. 036	3,652,109 <u>3,541,743</u>	3,795,823 <u>3,893,966</u>	Texas Sure Fund 161	5,073,753	5,073,752	Total, Method of Financing	<u>\$11,566,388</u> <u>11,200,688</u>	<u>\$11,853,815</u> <u>11,802,278</u>
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3.B. Rider Revisions and Additions Request

3	VIII-21	<p>Appropriation Source, Rehabilitation of Insurance Companies. Of the amounts appropriated above, \$125,000 <u>0</u> each year of the biennium is from fees that the Department of Insurance shall collect from companies that are successfully rehabilitated by the department. Fees collected and appropriated above shall be in amounts sufficient to cover, yet not exceed, costs of rehabilitating those companies. Any such fees collected in excess of \$0 each year of the biennium are also hereby appropriated for the biennium beginning September 1, 2015<u>2017</u>, for the sole purpose of the rehabilitation of other insurance companies pursuant to 441.203 of the Texas Insurance Code (estimated to be \$0).</p> <p><i>Updated fiscal years and dollar amounts to reflect actual projections.</i></p>
4	VIII-21	<p>State Support for NAIC Activities. The agency is prohibited from using resources in support of the National Association of Insurance Commissioners in the absence of NAIC accreditation of the Department of Insurance for compliance with NAIC Financial Regulation Standards. The prohibition would be effective immediately upon loss of accreditation. The only exceptions to this prohibition shall be limited to expenditures necessary for (1) continued departmental use of the NAIC database for monitoring financial solvency of companies doing business in Texas; (2) solvency-related training; and (3) efforts to regain accreditation. The prohibition on using resources does not apply in the event that the Commissioner voluntarily determines not to participate in the state insurance department accreditation program.</p> <p><i>No changes.</i></p>
5	VIII-21	<p>Liquidation Oversight and Title Examiner Full-Time-Equivalent Positions. In addition to the "Number of Full-Time-Equivalents (FTE)" positions authorized above, an additional 38.5 FTE positions are authorized for each year of the 2016-17 <u>2018-19</u> biennium to support liquidation oversight and title examiner activities. These positions are excluded from the FTE cap.</p> <p><i>Updated fiscal years.</i></p>
6	VIII-21	<p>Appropriations Limited to Revenue Collections. The application of special provisions limiting appropriations to revenue collections elsewhere in this Article shall be consistent with relevant statutory provisions governing the agency's assessment of tax rates and fees. As provided by the Texas Insurance Code and the Texas Labor Code, the Commissioners shall take into account unexpended funds in the preceding year when adjusting rates of assessment necessary to pay all expenses of regulating insurance and conducting the operations of the State Fire Marshal and the Office of Injured Employee Counsel during the succeeding year.</p> <p><i>No changes.</i></p>
7	VIII-21	<p>Limit on Estimated Appropriations. Excluding appropriations for the Texas Gov Authority, the combined appropriation authority from the General Revenue Fund, which includes Insurance Companies Maintenance Tax (Object Code 3203) and Insurance Department Fees (Object Code 3215), and General Revenue Fund Dedicated Texas Department of Insurance Operating Fund Account No. Fund 36 shall not exceed \$94,484,412 in fiscal year 2016 or 92,384,412 in fiscal year 2017.</p> <p><i>Request to delete, this rider is duplicative of the appropriation limits contained in the agency budget and the rider 6 limitations.</i></p>
8	VIII-22	<p>State Support for NCOIL Activities. Funds appropriated above include funds from the General Revenue - Insurance Companies Maintenance Tax, Insurance Department Fees and General Revenue Fund-Dedicated for payment of state dues for the National Conference of Insurance Legislators.</p> <p><i>No changes.</i></p>

3.B. Rider Revisions and Additions Request

9	VIII-22	<p>Crash Records Information System. Included in Strategy D.2.1, Traffic Safety, at the Department of Transportation is \$750,000 for fiscal year 2016 <u>2018</u> and \$750,000 for fiscal year 2017 <u>2019</u> from General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees for on-going maintenance of the Crash Records Information System.</p> <p><i>Updated fiscal years.</i></p>
10	VIII-22	<p>Increase Consumer Choice. Out of amounts appropriated above, the Department of Insurance shall contract with the Office of Public Insurance Counsel in the amount of \$191,670 each fiscal year from the GR Dedicated-Texas Department of Insurance Operating Fund Account No. 036 to provide consumers with insurance information to make informed decisions.</p> <p><i>No changes.</i></p>
11	VIII-22	<p>Consumer Information Report. The Department of Insurance shall submit a report annually to the Legislature and the public no later than the 90th day after the last day of the calendar year covered by the report the following information for each insurer that writes property and casualty insurance, including workers' compensation insurance, in the state: market share, profits and losses, average rate, and average loss ratio. The report shall include the change in rate over the previous 12, 24, and 36 months.</p> <p><i>No changes.</i></p>
12	VIII-22	<p>Appropriation of Unexpended Balances. Any unexpended balances as of August 31, 2016 <u>2018</u>, not to exceed 5 percent for any item of appropriation above unless otherwise granted by the provisions of Article IX, §14.05, are hereby appropriated for the same purposes, in the same strategies, for the September 1, 2016 <u>2018</u></p> <p><i>Updated fiscal years.</i></p>
13	VIII-22	<p>13. Subsequent Injury Fund. Amounts appropriated above in Strategy D.1.3, Subsequent Injury Fund Administration, include an estimated \$5,468,353 <u>\$7,407,893</u> in fiscal year 2016 <u>2018</u> and \$5,468,352 <u>\$7,407,893</u> in fiscal year 2017 <u>2019</u> out of the GR Dedicated - Subsequent Injury Account No. 5101 for payment of liabilities pursuant to Labor Code, Chapter 403. In the event that actual liabilities exceed the estimated amounts, the Division of Workers' Compensation shall furnish information supporting the estimated additional liabilities to the Comptroller of Public Accounts. If the Comptroller finds that there are sufficient balances in the GR Dedicated - Subsequent Injury Account No. 5101 to support the payment of projected liabilities, a finding of fact to that effect shall be issued and a contingent appropriation shall be made available for the intended purposes.</p> <p><i>Updated fiscal years and appropriated amounts.</i></p>

3.B. Rider Revisions and Additions Request

14	VIII-22	<p>Three-Share Premium Assistance Programs.</p> <p>a. Amounts appropriated above to the Department of Insurance of \$444,866 <u>448,732</u> in fiscal year 2016 <u>2018</u> and \$444,866 <u>448,732</u> in fiscal year 2017 <u>2019</u> in General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees in Strategy A.4.21, Three-Share Assistance Programs, and 1.0 Full-Time-Equivalents (FTE) position each fiscal year included above in the "Number of Full-Time-Equivalents (FTE)" is for the purpose of awarding, through a competitive application process, grants to local government entities for the research, planning, development, and continuation of "three-share" premium assistance programs to increase access to private healthcare coverage for the uninsured, and providing technical assistance to grant recipients. The agency shall consider the following factors in selecting recipients of grant funds:</p> <ol style="list-style-type: none"> (1) proposals to match grant awards with local funds (2) percentage of uninsured in the applicable area (3) existing efforts in pursuing "three-share" premium assistance programs (4) healthcare use and delivery factors affecting the area's healthcare infrastructure and capacity. <p>b. In addition to amounts appropriated above, out of funds collected from regulated entities except for workers' compensation for fines, penalties, and sanctions and deposited to General Revenue, the Texas Department of Insurance is appropriated, out of amounts collected in excess of those contained in the Comptroller's Biennial Revenue Estimate (estimated to be \$0), an amount not to exceed \$1,500,000 in each year of the biennium for the Three Share Premium Assistance Program. Any unexpended and unobligated balances of appropriations for the fiscal year ending August 31, 2015<u>2017</u>, (estimated to be \$0) are appropriated to the agency for the same purposes for the fiscal year beginning September 1, 2015<u>2017</u>. In addition, any unexpended and unobligated balances of appropriations for the fiscal year ending August 31, 2016<u>2018</u>, are appropriated to the agency for the same purposes for the fiscal year beginning September 1, 2016<u>2018</u>.</p> <p>The agency shall report a summary of the grants awarded to local government entities to the Legislative Budget Board and the Governor no later than January 1, 2017<u>2019</u>.</p> <p><i>Updated fiscal years, appropriated amounts, and strategy.</i></p>
15	VIII-23	<p>Division of Workers' Compensation Reporting Requirement. The Division of Workers' Compensation shall include information collected about on-the-job injuries and occupational diseases, compliance with notice requirements regarding whether employers carry workers' compensation insurance from non-subscribing employers and administrative penalties levied against non-complying employers under the provisions of the Labor Code § 411.032 and Texas Administrative Code, Title 28, Insurance §§ 110.103, 110.101, and 160.2 in its biennial report submitted to the Legislature.</p> <p><i>Updated statutory reference.</i></p>

3.B. Rider Revisions and Additions Request

16	VIII-23	<p>Self-Leveling Agency Fee Change Notification Requirements. The following provisions are only applicable to actions taken by the Department of Insurance to increase or decrease fees for the General Revenue Insurance Companies Maintenance Tax and Insurance Department Fees and Texas Department of Insurance Operating Fund Account No. 036.</p> <p>a. Upon completion of actions to increase fees to cover an increase in appropriations and other necessary costs, the Texas Department of Insurance shall furnish copies of the agency's minutes and other information supporting the estimated revenues to be generated for the biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the increased appropriations shall be made available for the intended purposes.</p> <p>b. Upon completion of actions to decrease fees or upon receiving information that actual and/or projected revenue collections will be insufficient to offset appropriations and other necessary costs, the Texas Department of Insurance shall immediately provide notification to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts. The Comptroller of Public Accounts shall reduce the appropriation authority provided by this Act to be within the amount of revenue expected to be available unless the agency completes actions to increase revenues and receives a finding of fact from the Comptroller of Public Accounts pursuant to the requirements of subsection (a) above.</p> <p><i>Request to limit rider to the fees deposited to the Texas Department of Insurance Operating Fund Account No. 036. The maintenance taxes are set according to applicable sections of the Texas Insurance Code and the Texas Labor Code. These statutes prescribe the manner in which TDI must use to set the maintenance tax rates. In addition Rider 6 - Appropriations Limited to Revenue Collections also specifies that TDI shall consider fund balance when setting the maintenance tax rates.</i></p>
17	VIII-23	<p>TexasSure. Amounts appropriated above in Strategy A.1.1, Consumer Education and Outreach, include \$5,073,753, in fiscal year 2016 <u>2018</u> and \$5,073,752 in fiscal year 2017 <u>2019</u> out of the TexasSure Fund for the purpose of on-going maintenance of the TexasSure Motor Vehicle Financial Responsibility Verification program from fees collected pursuant to Transportation Code §502.357.</p> <p><i>Updated fiscal years.</i></p>

3.B. Rider Revisions and Additions Request

18	VIII-23	<p>Contingency Appropriation: State Regulatory Response.</p> <p>a. Amounts appropriated above to the Department of Insurance not to exceed \$1,430,000 in General Revenue Insurance Companies Maintenance Tax and Insurance Department Fees and \$770,000 in General Revenue Dedicated Fund 36 each year in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full Time Equivalents (FTE) positions each fiscal year included above in the "Number of Full Time Equivalents (FTE)" are contingent upon a finding of fact by the Commissioner of Insurance that additional resources are needed by the Department of Insurance due to:</p> <p>(1) a significant change in insurance regulatory environment, demands for federal healthcare reform implementation, a weather related disaster in the state of Texas, a public health crisis, such as a pandemic, a fire that has been declared as a disaster situation in the State of Texas, and non-weather related disasters.</p> <p>b. None of the funds appropriated above in Strategy F.1.1, Contingency Regulatory Response, may be expended and none of the 40.0 Full Time Equivalents (FTE) positions each fiscal year included above in the "Number of Full Time Equivalents (FTE)" may be used by the Department of Insurance unless the Commissioner of Insurance files a finding of fact with the Governor and the Legislative Budget Board and neither the Governor nor the Legislative Budget Board issues a written disapproval not later than:</p> <p>(1) the 10th day after the date the staff of the Legislative Budget Board concludes its review of the findings of fact and forwards those findings of fact along with the conclusions or comments of the Legislative Budget Board staff to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and</p> <p>(2) within 10 business days of the receipt of the finding of fact by the Governor.</p> <p>e. The appropriations above in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full Time Equivalents (FTE) positions each fiscal year included above in the "Number of Full Time Equivalents (FTE)" are also contingent upon the Department of Insurance maintaining a sufficient fund balance in General Revenue Dedicated Fund 36 to cover these contingency appropriations and related employee benefits, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the revenues are/will be available to fund the increased appropriations.</p> <p>d. Funds appropriated above in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full Time Equivalents (FTE) positions each fiscal year included above in the "Number of Full Time Equivalents (FTE)" may only be used to address issues included in the finding of fact submitted to the Governor and the Legislative Budget Board pursuant to subsection (b) above, and apply only to the 2016-2017 biennium unless otherwise appropriated. It is the intent of the Legislature that these funds not be included in base level funding requests for the 2018-2019 biennium.</p> <p>e. Notwithstanding transfer limits under Section 14.01, Article IX of this Act, at the discretion of the agency, amounts appropriated above may be transferred to another appropriation item in an amount not to exceed \$1,430,000 in General Revenue Insurance Companies Maintenance Tax and Insurance Department Fees and \$770,000 in General Revenue Dedicated Fund 36 each year in Strategy F.1.1, Contingency Regulatory Response.</p> <p><i>Funding of this rider was excluded from the approved Base level funding. The agency will request restoration of this rider via an exceptional item request.</i></p>
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3.B. Rider Revisions and Additions Request

19	VIII-24	<p>Medical Fee Disputes. Out of the amounts appropriated above to the Department of Insurance, \$2,100,000 <u>\$1,500,000</u> for fiscal year 2016 <u>2018</u> in Goal D, Regulate Workers' Comp System, out of General Revenue - Dedicated Fund 36 is appropriated for the purpose of financing the cost of appeals of medical disputes, and the cost of conducting medical quality review cases pursuant to Labor Code Chapter 413, Subchapter E, including financing the cost of appeals for those cases. The Department of Insurance shall allocate \$1,200,000 <u>\$900,000</u> for Strategy D.1.1, Oversight and Enforcement and \$900,000 <u>\$600,000</u> for Strategy D.1.2, Dispute Resolution. Any unexpended balance as of August 31, 2016 <u>2018</u>, is hereby appropriated for the same purpose, for the fiscal year beginning September 1, 2016 <u>2018</u>.</p> <p><i>Updated amounts and fiscal years to reflect current projections.</i></p>
20	VIII-24	<p>Administrative Attachment Budget. The amounts included above in Strategy E.1.1, Central Administration, include \$725,000 each year of the biennium in General Revenue Dedicated Texas Department of Insurance Operating Fund 36 for the costs of rental space, equipment, postage, and supplies associated with the administrative attachment costs for the Office of Injured Employee Counsel (OIEC). OIEC may not exceed projected expenditures in the above mentioned categories by more than ten percent without prior written approval from the Legislative Budget Board (LBB). Additionally, OIEC shall report to the LBB the actual expenditure totals related to the above mentioned categories on a quarterly basis in a format to be determined by the LBB.</p> <p><i>Request to delete.</i></p>
21	VIII-24	<p>Contingency for the Texas Department of Insurance TexasSure Fund</p> <p style="padding-left: 20px;">a.— Amounts appropriated above in Strategy A.1.1, Consumer Education and Outreach, include \$5,073,753 in fiscal year 2016 and \$5,073,752 in fiscal year 2017 from TexasSure Fund appropriations that are contingent on the enactment of legislation relating to the disposition of fees collected pursuant to Transportation Code §502.357 and deposited to the Texas Department of Insurance TexasSure Fund created by the Eighty fourth Legislature, Regular Session.</p> <p style="padding-left: 20px;">b.— In the event legislation relating to the disposition of fees collected by or on behalf of the Texas Department of Insurance to be deposited to the Texas Department of Insurance TexasSure Fund is not enacted by the Eighty fourth Legislature, Regular Session, appropriations made to the Texas Department of Insurance out of the TexasSure Fund by this Act are reduced by \$5,073,753 in fiscal year 2016 and \$5,073,752 in fiscal year 2017 and the amounts of \$5,073,753 in fiscal year 2016 and \$5,073,752 in fiscal year 2017 are appropriated to the Texas Department of Insurance from the State Highway Fund No. 006.</p> <p><i>Request to delete, no longer needed now incorporated into rider 17.</i></p>

3.B. Rider Revisions and Additions Request

22	VIII-25	<p>Appropriation of Amusement Ride Fee Collections and Reporting Requirements. Included in the amounts appropriated above in Strategy A.5.1, Loss Control Programs, an amount not to exceed \$193,000 each year from revenue object code 3149 contained in the Comptroller of Public Accounts 2016-17 18-19 Biennial Revenue Estimate for General Revenue-Dedicated Texas Department of Insurance (TDI) Operating Fund Account No. 36, shall be used for the purpose of administering and enforcing the Amusement Ride Safety Inspection and Insurance Act (Texas Occupations Code, Chapter 2151).</p> <p>Beginning September 1, 2015, TDI shall request monthly a report of the amusement ride operators who apply for a sales tax license and a report of amusement ride operators paying sales tax from the Comptroller of Public Accounts. TDI shall reconcile the reports with their records of registered amusement ride operators and investigate the need for registration of any operator not in their records. TDI shall report biennially to the Legislature on: (1) efforts to bring all amusement ride operators into compliance; and (2) the result of those efforts.</p> <p><i>Updated fiscal years and removed old date.</i></p>
23	New	<p><u>Fire Safety Cigarette's Penalties.</u> <u>In addition to amounts appropriated above in Strategy C.1.1, Fire Protection, to the Texas Department of Insurance, any unexpended balance up to \$100,000 in each year of the biennium from General Revenue - Dedicated Fire Prevention and Public Safety Account No. 5138 is appropriated for purposes of supporting fire safety and prevention programs at the office of the State Fire Marshal.</u></p> <p><i>Request to restore previous rider from 2012-2013 biennium. There are unexpended funds in fund 5138 and there may be new penalty funds deposited in the future.</i></p>

4. EXCEPTIONAL ITEM REQUEST

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4.A. Exceptional Item Request Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016
 TIME: 7:54:03AM

Agency code: 454

Agency name: Department of Insurance

CODE	DESCRIPTION	Excp 2018	Excp 2019
	<p>Item Name: Restore contingency appropriation State Regulatory Response</p> <p>Item Priority: 1</p> <p>IT Component: No</p> <p>Anticipated Out-year Costs: No</p> <p>Involve Contracts > \$50,000: No</p> <p>Includes Funding for the Following Strategy or Strategies: 06-01-01 Contingency Regulatory Response</p>		
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,000,000	2,000,000
2005	TRAVEL	200,000	200,000
TOTAL, OBJECT OF EXPENSE		\$2,200,000	\$2,200,000
METHOD OF FINANCING:			
8042	Insurance Maint Tax Fees	2,200,000	2,200,000
TOTAL, METHOD OF FINANCING		\$2,200,000	\$2,200,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		40.00	40.00

DESCRIPTION / JUSTIFICATION:

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

TDI is requesting \$2,200,000 for FY 18 from GR-Ins. Companies Maint. Tax and Ins. Dept. Fees and \$2,200,000 for FY 19 from GR-Ins. Companies Maint. Tax and Ins. Dept. Fees and 40 Full-Time-Equivalents (FTEs). TDI is requesting the appropriations be restored to the Strategy F.1.1, Contingency Regulatory Response.

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

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

4.A. Exceptional Item Request Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**
TIME: **7:54:03AM**

Agency code: **454**

Agency name:
Department of Insurance

CODE	DESCRIPTION	Excp 2018	Excp 2019
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EXTERNAL/INTERNAL FACTORS:

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

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

Agency code: 454 Agency name: Department of Insurance

Code	Description	Excp 2018	Excp 2019
Item Name: Restore contingency appropriation State Regulatory Response			
Allocation to Strategy: 6-1-1 Contingency Regulatory Response			
OBJECTS OF EXPENSE:			
1001	SALARIES AND WAGES	2,000,000	2,000,000
2005	TRAVEL	200,000	200,000
TOTAL, OBJECT OF EXPENSE		\$2,200,000	\$2,200,000
METHOD OF FINANCING:			
8042	Insurance Maint Tax Fees	2,200,000	2,200,000
TOTAL, METHOD OF FINANCING		\$2,200,000	\$2,200,000
FULL-TIME EQUIVALENT POSITIONS (FTE):		40.0	40.0

4.C. Exceptional Items Strategy Request
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016
TIME: 7:54:04AM

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

GOAL: 6 Regulatory Response

OBJECTIVE: 1 Regulatory Response

STRATEGY: 1 Contingency Regulatory Response

Service Categories:

Service: 17 Income: A.2 Age: B.3

CODE DESCRIPTION	Excp 2018	Excp 2019
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OBJECTS OF EXPENSE:

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

METHOD OF FINANCING:

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

FULL-TIME EQUIVALENT POSITIONS (FTE):

40.0	40.0
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EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:

Restore contingency appropriation State Regulatory Response

5. CAPITAL BUDGET

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5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**
 TIME : **7:54:05AM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2016	Bud 2017	BL 2018	BL 2019
5005 Acquisition of Information Resource Technologies					
<i>2/2 Gartner Cyber Security Enhancements</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	5000 CAPITAL EXPENDITURES	\$175,140	\$140,112	\$140,112	\$140,112
	Capital Subtotal OOE, Project 2	\$175,140	\$140,112	\$140,112	\$140,112
	Subtotal OOE, Project 2	\$175,140	\$140,112	\$140,112	\$140,112
TYPE OF FINANCING					
<u>Capital</u>					
General	CA 8042 Insurance Maint Tax Fees	\$175,140	\$140,112	\$140,112	\$140,112
	Capital Subtotal TOF, Project 2	\$175,140	\$140,112	\$140,112	\$140,112
	Subtotal TOF, Project 2	\$175,140	\$140,112	\$140,112	\$140,112
<i>3/3 Obsolescence Hardware and Software Replacement and Network Security</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	2001 PROFESSIONAL FEES AND SERVICES	\$1,152	\$0	\$0	\$0
General	2009 OTHER OPERATING EXPENSE	\$1,164,623	\$1,234,088	\$1,234,088	\$1,234,088
General	5000 CAPITAL EXPENDITURES	\$376,835	\$0	\$0	\$0
	Capital Subtotal OOE, Project 3	\$1,542,610	\$1,234,088	\$1,234,088	\$1,234,088
	Subtotal OOE, Project 3	\$1,542,610	\$1,234,088	\$1,234,088	\$1,234,088
TYPE OF FINANCING					
<u>Capital</u>					

5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**
 TIME : **7:54:05AM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE				Est 2016	Bud 2017	BL 2018	BL 2019
General	CA	36	Dept Ins Operating Acct	\$940,614	\$767,321	\$759,082	\$759,082
General	CA	8042	Insurance Maint Tax Fees	\$601,996	\$466,767	\$475,006	\$475,006
Capital Subtotal TOF, Project				\$1,542,610	\$1,234,088	\$1,234,088	\$1,234,088
Subtotal TOF, Project				\$1,542,610	\$1,234,088	\$1,234,088	\$1,234,088
<i>4/4 Texassure Vehicle Insurance Verification</i>							
OBJECTS OF EXPENSE							
<u>Capital</u>							
General	2001	PROFESSIONAL FEES AND SERVICES		\$4,093,158	\$4,393,752	\$4,393,753	\$4,393,752
General	2004	UTILITIES		\$5,000	\$5,000	\$5,000	\$5,000
General	2009	OTHER OPERATING EXPENSE		\$808,976	\$675,000	\$675,000	\$675,000
General	5000	CAPITAL EXPENDITURES		\$166,619	\$0	\$0	\$0
Capital Subtotal OOE, Project				\$5,073,753	\$5,073,752	\$5,073,753	\$5,073,752
Subtotal OOE, Project				\$5,073,753	\$5,073,752	\$5,073,753	\$5,073,752
TYPE OF FINANCING							
<u>Capital</u>							
General	CA	161	TexasSure Fund	\$5,073,753	\$5,073,752	\$5,073,753	\$5,073,752
Capital Subtotal TOF, Project				\$5,073,753	\$5,073,752	\$5,073,753	\$5,073,752
Subtotal TOF, Project				\$5,073,753	\$5,073,752	\$5,073,753	\$5,073,752
Capital Subtotal, Category				\$6,791,503	\$6,447,952	\$6,447,953	\$6,447,952
Informational Subtotal, Category							
Total, Category				\$6,791,503	\$6,447,952	\$6,447,953	\$6,447,952

5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**
 TIME : **7:54:05AM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE		Est 2016	Bud 2017	BL 2018	BL 2019
7000 Data Center Consolidation					
<i>1/1 Data Center Consolidation</i>					
OBJECTS OF EXPENSE					
<u>Capital</u>					
General	2001 PROFESSIONAL FEES AND SERVICES	\$5,118,435	\$5,405,863	\$4,752,735	\$5,354,326
	Capital Subtotal OOE, Project 1	\$5,118,435	\$5,405,863	\$4,752,735	\$5,354,326
	Subtotal OOE, Project 1	\$5,118,435	\$5,405,863	\$4,752,735	\$5,354,326
TYPE OF FINANCING					
<u>Capital</u>					
General	CA 36 Dept Ins Operating Acct	\$3,002,461	\$3,204,055	\$2,782,661	\$3,134,884
General	CA 8042 Insurance Maint Tax Fees	\$2,115,974	\$2,201,808	\$1,970,074	\$2,219,442
	Capital Subtotal TOF, Project 1	\$5,118,435	\$5,405,863	\$4,752,735	\$5,354,326
	Subtotal TOF, Project 1	\$5,118,435	\$5,405,863	\$4,752,735	\$5,354,326
	Capital Subtotal, Category 7000	\$5,118,435	\$5,405,863	\$4,752,735	\$5,354,326
	Informational Subtotal, Category 7000				
	Total, Category 7000	\$5,118,435	\$5,405,863	\$4,752,735	\$5,354,326

8000 Centralized Accounting and Payroll/Personnel System (CAPPS)

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

OBJECTS OF EXPENSE

Informational

General	1001 SALARIES AND WAGES	\$0	\$179,101	\$0	\$0
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5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**
 TIME : **7:54:05AM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE

Est 2016

Bud 2017

BL 2018

BL 2019

Informational Subtotal OOE, Project	5	\$0	\$179,101	\$0	\$0
Subtotal OOE, Project	5	\$0	\$179,101	\$0	\$0
TYPE OF FINANCING					
<u>Informational</u>					
General CA 36 Dept Ins Operating Acct		\$0	\$107,908	\$0	\$0
General CA 8042 Insurance Maint Tax Fees		\$0	\$71,193	\$0	\$0
Informational Subtotal TOF, Project	5	\$0	\$179,101	\$0	\$0
Subtotal TOF, Project	5	\$0	\$179,101	\$0	\$0
Capital Subtotal, Category	8000				
Informational Subtotal, Category	8000	\$0	\$179,101	\$0	\$0
Total, Category	8000	\$0	\$179,101	\$0	\$0
AGENCY TOTAL -CAPITAL		\$11,909,938	\$11,853,815	\$11,200,688	\$11,802,278
AGENCY TOTAL -INFORMATIONAL		\$0	\$179,101	\$0	\$0
AGENCY TOTAL		\$11,909,938	\$12,032,916	\$11,200,688	\$11,802,278

5.A. Capital Budget Project Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**
 TIME : **7:54:05AM**

Agency code: **454**

Agency name: **Department of Insurance**

Category Code / Category Name

Project Sequence/Project Id/ Name

OOE / TOF / MOF CODE	Est 2016	Bud 2017	BL 2018	BL 2019
METHOD OF FINANCING:				
<u>Capital</u>				
General 36 Dept Ins Operating Acct	\$3,943,075	\$3,971,376	\$3,541,743	\$3,893,966
General 161 TexasSure Fund	\$5,073,753	\$5,073,752	\$5,073,753	\$5,073,752
General 8042 Insurance Maint Tax Fees	\$2,893,110	\$2,808,687	\$2,585,192	\$2,834,560
Total, Method of Financing-Capital	\$11,909,938	\$11,853,815	\$11,200,688	\$11,802,278
<u>Informational</u>				
General 36 Dept Ins Operating Acct	\$0	\$107,908	\$0	\$0
General 8042 Insurance Maint Tax Fees	\$0	\$71,193	\$0	\$0
Total, Method of Financing-Informational	\$0	\$179,101	\$0	\$0
Total, Method of Financing	\$11,909,938	\$12,032,916	\$11,200,688	\$11,802,278
TYPE OF FINANCING:				
<u>Capital</u>				
General CA CURRENT APPROPRIATIONS	\$11,909,938	\$11,853,815	\$11,200,688	\$11,802,278
Total, Type of Financing-Capital	\$11,909,938	\$11,853,815	\$11,200,688	\$11,802,278
<u>Informational</u>				
General CA CURRENT APPROPRIATIONS	\$0	\$179,101	\$0	\$0
Total, Type of Financing-Informational	\$0	\$179,101	\$0	\$0
Total, Type of Financing	\$11,909,938	\$12,032,916	\$11,200,688	\$11,802,278

5.B. Capital Budget Project Information
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016
 TIME: 7:54:06AM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	7000	Category Name:	Data Center Consolidation
Project number:	1	Project Name:	DATA CENTER CONSOL

PROJECT DESCRIPTION

General Information

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

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

Number of Units / Average Unit Cost N/A

Estimated Completion Date N/A

Additional Capital Expenditure Amounts Required	2020	2021
	0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life Varies

Estimated/Actual Project Cost \$0

Length of Financing/ Lease Period N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2018	2019	2020	2021	Total over project life
0	0	0	0	0

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

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

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

Beneficiaries: TDI & OIEC staff and stakeholders

Frequency of Use and External Factors Affecting Use:

Daily

5.B. Capital Budget Project Information
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016
 TIME: 7:54:06AM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	2	Project Name:	Gartner Security Enhancements

PROJECT DESCRIPTION

General Information

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

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

Number of Units / Average Unit Cost	N/A			
Estimated Completion Date	N/A			
Additional Capital Expenditure Amounts Required		2020		2021
		0		0
Type of Financing	CA	CURRENT APPROPRIATIONS		
Projected Useful Life	Varies			
Estimated/Actual Project Cost	\$0			
Length of Financing/ Lease Period	N/A			

<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>					Total over project life
2018	2019	2020	2021		
0	0	0	0		0

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

Explanation: Gartner conducted a Security Assessment of the current state of TDI's security framework. A roadmap of recommendations was presented to TDI with key initiatives and additional staffing requirements. TDI addressed immediate and short-term recommendations. TDI continues to address security recommendations and improve TDI's security posture.

Project Location: TDI & OIEC headquarters and field offices

Beneficiaries: TDI & OIEC staff and stakeholders

Frequency of Use and External Factors Affecting Use:
 Daily

5.B. Capital Budget Project Information
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016
 TIME: 7:54:06AM

Agency Code:	454	Agency name:	Department of Insurance
Category Number:	5005	Category Name:	ACQUISITN INFO RES TECH.
Project number:	3	Project Name:	IT REPLACEMENT

PROJECT DESCRIPTION

General Information

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

Number of Units / Average Unit Cost N/A

Estimated Completion Date N/A

Additional Capital Expenditure Amounts Required	2020	2021
	0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life Varies

Estimated/Actual Project Cost \$0

Length of Financing/ Lease Period N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2018	2019	2020	2021	Total over project life
0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

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

Explanation: Obsolescence Hardware and Software Replacement and Network Security

Project Location: TDI & OIEC headquarters and field offices

Beneficiaries: TDI & OIEC staff and stakeholders

Frequency of Use and External Factors Affecting Use:

Daily

5.B. Capital Budget Project Information
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016
 TIME: 7:54:06AM

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

PROJECT DESCRIPTION

General Information

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

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

Number of Units / Average Unit Cost	N/A			
Estimated Completion Date	N/A			
Additional Capital Expenditure Amounts Required		2020		2021
		0		0
Type of Financing	CA	CURRENT APPROPRIATIONS		
Projected Useful Life	varies			
Estimated/Actual Project Cost	\$0			
Length of Financing/ Lease Period	N/A			

	<u>ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS</u>				Total over project life
	2018	2019	2020	2021	
	0	0	0	0	0

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

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

Project Location: TDI headquarters

Beneficiaries: TDI staff and stakeholders

Frequency of Use and External Factors Affecting Use:

Daily

5.B. Capital Budget Project Information
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016
 TIME: 7:54:06AM

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

PROJECT DESCRIPTION

General Information

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

Number of Units / Average Unit Cost N/A

Estimated Completion Date N/A

Additional Capital Expenditure Amounts Required	2020	2021
	0	0

Type of Financing CA CURRENT APPROPRIATIONS

Projected Useful Life Varies

Estimated/Actual Project Cost \$0

Length of Financing/ Lease Period N/A

ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS

2018	2019	2020	2021	Total over project life
0	0	0	0	0

REVENUE GENERATION / COST SAVINGS

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

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

Project Location: TDI & OIEC headquarters and field offices

Beneficiaries: TDI & OIEC staff and stakeholders

Frequency of Use and External Factors Affecting Use:

Daily

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

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
5005 Acquisition of Information Resource Technologies					
<i>2/2</i>	<i>Gartner Security Enhancements</i>				
<u>GENERAL BUDGET</u>					
Capital	5-1-2	INFORMATION RESOURCES	175,140	140,112	\$140,112
		TOTAL, PROJECT	\$175,140	\$140,112	\$140,112

3/3 ***IT REPLACEMENT***

GENERAL BUDGET

Capital	5-1-1	CENTRAL ADMINISTRATION	146,722	117,381	117,362	117,362
	5-1-2	INFORMATION RESOURCES	91,660	73,251	73,250	73,250
	5-1-3	OTHER SUPPORT SERVICES	44,916	36,010	35,981	35,981
	1-1-1	CONSUMER EDUCATION AND OUTREACH	51,254	40,387	40,364	40,364
	1-2-3	INSURANCE FRAUD	49,369	38,899	38,889	38,889
	1-2-1	RESOLVE COMPLAINTS	65,211	51,372	51,402	51,402
	1-2-2	INVESTIGATION AND ENFORCEMENT	52,938	41,708	41,712	41,712
	1-2-4	WORKERS COMPENSATION FRAUD	5,448	4,430	4,443	4,443
	1-3-1	PROCESS RATES, FORMS & LICENSES	221,925	174,844	174,870	174,870
	1-3-3	CERTIFY SELF-INSURANCE	11,985	9,745	9,774	9,774
	1-5-1	LOSS CONTROL PROGRAMS	48,001	37,826	37,798	37,798
	2-1-1	INSURERS FINANCIAL CONDITION	101,575	80,029	80,023	80,023
	3-1-1	FIRE MARSHAL	74,430	58,639	58,654	58,654
	4-1-1	OVERSIGHT AND ENFORCEMENT	92,562	75,308	75,289	75,289
	4-1-2	DISPUTE RESOLUTION	272,365	221,582	221,603	221,603

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

Category Code/Name

Project Sequence/Project Id/Name

	Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
Capital	4-2-1	HEALTH AND SAFETY SERVICES	76,117	61,930	\$61,902	\$61,902
	4-2-2	CUSTOMER SERVICE & RECORDS ADMIN	136,132	110,747	110,772	110,772
		TOTAL, PROJECT	<u>\$1,542,610</u>	<u>\$1,234,088</u>	<u>\$1,234,088</u>	<u>\$1,234,088</u>

4/4 TEXASSURE VEHICLE INS VERIF (1250)

GENERAL BUDGET

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

7000 Data Center Consolidation

1/1 DATA CENTER CONSOL

GENERAL BUDGET

Capital	5-1-2	INFORMATION RESOURCES	5,118,435	5,405,863	4,752,735	5,354,326
		TOTAL, PROJECT	<u>\$5,118,435</u>	<u>\$5,405,863</u>	<u>\$4,752,735</u>	<u>\$5,354,326</u>

8000 Centralized Accounting and Payroll/Personnel System (CAPPS)

5/5 ProjectONE/CAPPS

GENERAL BUDGET

Informational	5-1-1	CENTRAL ADMINISTRATION	0	179,101	0	0
		TOTAL, PROJECT	<u>\$0</u>	<u>\$179,101</u>	<u>\$0</u>	<u>\$0</u>

5.C. Capital Budget Allocation to Strategies (Baseline)
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/19/2016**
 TIME: **7:54:06AM**

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

Category Code/Name

Project Sequence/Project Id/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
	TOTAL CAPITAL, ALL PROJECTS	\$11,909,938	\$11,853,815	\$11,200,688	\$11,802,278
	TOTAL INFORMATIONAL, ALL PROJECTS	\$0	\$179,101	\$0	\$0
	TOTAL, ALL PROJECTS	\$11,909,938	\$12,032,916	\$11,200,688	\$11,802,278

454 Department of Insurance

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
5005 Acquisition of Information Resource Technologies					
2 Gartner Security Enhancements					
OOE					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
5000	CAPITAL EXPENDITURES	175,140	140,112	140,112	140,112
TOTAL, OOE's		\$175,140	\$140,112	140,112	140,112
MOF					
GENERAL REVENUE FUNDS					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	175,140	140,112	140,112	140,112
TOTAL, GENERAL REVENUE FUNDS		\$175,140	\$140,112	140,112	140,112
TOTAL, MOF's		\$175,140	\$140,112	140,112	140,112

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
3 IT REPLACEMENT					
OOE					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	38	0	0	0
2009	OTHER OPERATING EXPENSE	38,115	40,387	40,364	40,364
5000	CAPITAL EXPENDITURES	13,101	0	0	0
1-2-1 RESOLVE COMPLAINTS					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	48	0	0	0
2009	OTHER OPERATING EXPENSE	48,479	51,372	51,402	51,402
5000	CAPITAL EXPENDITURES	16,684	0	0	0
1-2-2 INVESTIGATION AND ENFORCEMENT					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	39	0	0	0
2009	OTHER OPERATING EXPENSE	39,360	41,708	41,712	41,712
5000	CAPITAL EXPENDITURES	13,539	0	0	0
1-2-3 INSURANCE FRAUD					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	36	0	0	0

454 Department of Insurance

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
3 IT REPLACEMENT					
2009	OTHER OPERATING EXPENSE	36,710	38,899	38,889	38,889
5000	CAPITAL EXPENDITURES	12,623	0	0	0
1-2-4 WORKERS COMPENSATION FRAUD					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	4	0	0	0
2009	OTHER OPERATING EXPENSE	4,180	4,430	4,443	4,443
5000	CAPITAL EXPENDITURES	1,264	0	0	0
1-3-1 PROCESS RATES, FORMS & LICENSES					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	163	0	0	0
2009	OTHER OPERATING EXPENSE	165,001	174,844	174,870	174,870
5000	CAPITAL EXPENDITURES	56,761	0	0	0
1-3-3 CERTIFY SELF-INSURANCE					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	9	0	0	0
2009	OTHER OPERATING EXPENSE	9,195	9,745	9,774	9,774
5000	CAPITAL EXPENDITURES	2,781	0	0	0
1-5-1 LOSS CONTROL PROGRAMS					
<u>General Budget</u>					

454 Department of Insurance

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
3 IT REPLACEMENT					
2001	PROFESSIONAL FEES AND SERVICES	35	0	0	0
2009	OTHER OPERATING EXPENSE	35,698	37,826	37,798	37,798
5000	CAPITAL EXPENDITURES	12,268	0	0	0
2-1-1 INSURERS FINANCIAL CONDITION					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	75	0	0	0
2009	OTHER OPERATING EXPENSE	75,525	80,029	80,023	80,023
5000	CAPITAL EXPENDITURES	25,975	0	0	0
3-1-1 FIRE MARSHAL					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	55	0	0	0
2009	OTHER OPERATING EXPENSE	55,337	58,639	58,654	58,654
5000	CAPITAL EXPENDITURES	19,038	0	0	0
4-1-1 OVERSIGHT AND ENFORCEMENT					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	70	0	0	0
2009	OTHER OPERATING EXPENSE	71,070	75,308	75,289	75,289
5000	CAPITAL EXPENDITURES	21,422	0	0	0
4-1-2 DISPUTE RESOLUTION					

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
3 IT REPLACEMENT					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	207	0	0	0
2009	OTHER OPERATING EXPENSE	209,107	221,582	221,603	221,603
5000	CAPITAL EXPENDITURES	63,051	0	0	0
4-2-1 HEALTH AND SAFETY SERVICES					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	58	0	0	0
2009	OTHER OPERATING EXPENSE	58,446	61,930	61,902	61,902
5000	CAPITAL EXPENDITURES	17,613	0	0	0
4-2-2 CUSTOMER SERVICE & RECORDS ADMIN					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	103	0	0	0
2009	OTHER OPERATING EXPENSE	104,512	110,747	110,772	110,772
5000	CAPITAL EXPENDITURES	31,517	0	0	0
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	110	0	0	0
2009	OTHER OPERATING EXPENSE	110,775	117,381	117,362	117,362
5000	CAPITAL EXPENDITURES	35,837	0	0	0

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
3 IT REPLACEMENT					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	69	0	0	0
2009	OTHER OPERATING EXPENSE	69,128	73,251	73,250	73,250
5000	CAPITAL EXPENDITURES	22,463	0	0	0
5-1-3 OTHER SUPPORT SERVICES					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	33	0	0	0
2009	OTHER OPERATING EXPENSE	33,985	36,010	35,981	35,981
5000	CAPITAL EXPENDITURES	10,898	0	0	0
TOTAL, OOE's		\$1,542,610	\$1,234,088	1,234,088	1,234,088
MOF					
GENERAL REVENUE FUNDS					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	37,882	29,376	29,877	29,877
1-2-1 RESOLVE COMPLAINTS					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	48,197	37,366	38,048	38,048
1-2-2 INVESTIGATION AND ENFORCEMENT					

454 Department of Insurance

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
<i>Project Sequence/Name</i>					
Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
3 IT REPLACEMENT					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	39,126	30,337	30,875	30,875
1-2-3 INSURANCE FRAUD					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	36,489	28,294	28,785	28,785
1-3-1 PROCESS RATES, FORMS & LICENSES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	164,026	127,174	129,440	129,440
1-5-1 LOSS CONTROL PROGRAMS					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	35,478	27,513	27,978	27,978
2-1-1 INSURERS FINANCIAL CONDITION					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	75,074	58,210	59,233	59,233
3-1-1 FIRE MARSHAL					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	55,011	42,652	43,416	43,416
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	57,254	44,394	45,173	45,173
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	37,969	29,436	29,973	29,973

454 Department of Insurance

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
3 IT REPLACEMENT					
5-1-3 OTHER SUPPORT SERVICES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	15,490	12,015	12,208	12,208
TOTAL, GENERAL REVENUE FUNDS		\$601,996	\$466,767	475,006	475,006
GR DEDICATED					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
36	Dept Ins Operating Acct	13,372	11,011	10,487	10,487
1-2-1 RESOLVE COMPLAINTS					
<u>General Budget</u>					
36	Dept Ins Operating Acct	17,014	14,006	13,354	13,354
1-2-2 INVESTIGATION AND ENFORCEMENT					
<u>General Budget</u>					
36	Dept Ins Operating Acct	13,812	11,371	10,837	10,837
1-2-3 INSURANCE FRAUD					
<u>General Budget</u>					
36	Dept Ins Operating Acct	12,880	10,605	10,104	10,104
1-2-4 WORKERS COMPENSATION FRAUD					
<u>General Budget</u>					
36	Dept Ins Operating Acct	5,448	4,430	4,443	4,443
1-3-1 PROCESS RATES, FORMS & LICENSES					
<u>General Budget</u>					

454 Department of Insurance

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
3 IT REPLACEMENT					
36	Dept Ins Operating Acct	57,899	47,670	45,430	45,430
1-3-3 CERTIFY SELF-INSURANCE					
<u>General Budget</u>					
36	Dept Ins Operating Acct	11,985	9,745	9,774	9,774
1-5-1 LOSS CONTROL PROGRAMS					
<u>General Budget</u>					
36	Dept Ins Operating Acct	12,523	10,313	9,820	9,820
2-1-1 INSURERS FINANCIAL CONDITION					
<u>General Budget</u>					
36	Dept Ins Operating Acct	26,501	21,819	20,790	20,790
3-1-1 FIRE MARSHAL					
<u>General Budget</u>					
36	Dept Ins Operating Acct	19,419	15,987	15,238	15,238
4-1-1 OVERSIGHT AND ENFORCEMENT					
<u>General Budget</u>					
36	Dept Ins Operating Acct	92,562	75,308	75,289	75,289
4-1-2 DISPUTE RESOLUTION					
<u>General Budget</u>					
36	Dept Ins Operating Acct	272,365	221,582	221,603	221,603
4-2-1 HEALTH AND SAFETY SERVICES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	76,117	61,930	61,902	61,902

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
3 IT REPLACEMENT					
4-2-2 CUSTOMER SERVICE & RECORDS ADMIN					
<u>General Budget</u>					
36	Dept Ins Operating Acct	136,132	110,747	110,772	110,772
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
36	Dept Ins Operating Acct	89,468	72,987	72,189	72,189
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	53,691	43,815	43,277	43,277
5-1-3 OTHER SUPPORT SERVICES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	29,426	23,995	23,773	23,773
TOTAL, GR DEDICATED		\$940,614	\$767,321	759,082	759,082
TOTAL, MOFs		\$1,542,610	\$1,234,088	1,234,088	1,234,088

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
4 TEXASSURE VEHICLE INS VERIF (1250)					
OOE					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	4,093,158	4,393,752	4,393,753	4,393,752
2004	UTILITIES	5,000	5,000	5,000	5,000
2009	OTHER OPERATING EXPENSE	808,976	675,000	675,000	675,000
5000	CAPITAL EXPENDITURES	166,619	0	0	0
TOTAL, OOE's		\$5,073,753	\$5,073,752	5,073,753	5,073,752
MOF					
OTHER FUNDS					
Capital					
1-1-1 CONSUMER EDUCATION AND OUTREACH					
<u>General Budget</u>					
161	TexasSure Fund	5,073,753	5,073,752	5,073,753	5,073,752
TOTAL, OTHER FUNDS		\$5,073,753	\$5,073,752	5,073,753	5,073,752
TOTAL, MOF's		\$5,073,753	\$5,073,752	5,073,753	5,073,752

7000 Data Center Consolidation

454 Department of Insurance

Category Code/Name

Project Sequence/Name

Goal/Obj/Str	Strategy Name	Est 2016	Bud 2017	BL 2018	BL 2019
1 DATA CENTER CONSOL					
OOE					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
2001	PROFESSIONAL FEES AND SERVICES	5,118,435	5,405,863	4,752,735	5,354,326
TOTAL, OOE's		\$5,118,435	\$5,405,863	4,752,735	5,354,326
MOF					
GENERAL REVENUE FUNDS					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	2,115,974	2,201,808	1,970,074	2,219,442
TOTAL, GENERAL REVENUE FUNDS		\$2,115,974	\$2,201,808	1,970,074	2,219,442
GR DEDICATED					
Capital					
5-1-2 INFORMATION RESOURCES					
<u>General Budget</u>					
36	Dept Ins Operating Acct	3,002,461	3,204,055	2,782,661	3,134,884
TOTAL, GR DEDICATED		\$3,002,461	\$3,204,055	2,782,661	3,134,884
TOTAL, MOFs		\$5,118,435	\$5,405,863	4,752,735	5,354,326

8000 Centralized Accounting and Payroll/Personnel System (CAPPS)

454 Department of Insurance

Category Code/Name		Est 2016	Bud 2017	BL 2018	BL 2019
Project Sequence/Name					
Goal/Obj/Str	Strategy Name				
5 ProjectONE/CAPPS					
OOE					
Informational					
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
1001	SALARIES AND WAGES	0	179,101	0	0
TOTAL, OOE's		\$0	\$179,101	0	0
MOF					
GENERAL REVENUE FUNDS					
Informational					
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
8042	Insurance Maint Tax Fees	0	71,193	0	0
TOTAL, GENERAL REVENUE FUNDS		\$0	\$71,193	0	0
GR DEDICATED					
Informational					
5-1-1 CENTRAL ADMINISTRATION					
<u>General Budget</u>					
36	Dept Ins Operating Acct	0	107,908	0	0
TOTAL, GR DEDICATED		\$0	\$107,908	0	0
TOTAL, MOF's		\$0	\$179,101	0	0

454 Department of Insurance

	Est 2016	Bud 2017	BL 2018	BL 2019
CAPITAL				
<u>General Budget</u>				
GENERAL REVENUE FUNDS	\$2,893,110	\$2,808,687	2,585,192	2,834,560
GR DEDICATED	\$3,943,075	\$3,971,376	3,541,743	3,893,966
OTHER FUNDS	\$5,073,753	\$5,073,752	5,073,753	5,073,752
TOTAL, GENERAL BUDGET	11,909,938	11,853,815	11,200,688	11,802,278
INFORMATIONAL				
<u>General Budget</u>				
GENERAL REVENUE FUNDS	\$0	\$71,193	0	0
GR DEDICATED	\$0	\$107,908	0	0
TOTAL, GENERAL BUDGET	0	179,101	0	0
TOTAL, ALL PROJECTS	\$11,909,938	\$12,032,916	11,200,688	11,802,278

6. SUPPORTING SCHEDULES

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6.A. Historically Underutilized Business Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/19/2016**
 Time: **7:54:08AM**

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

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2014 - 2015 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2014			Total Expenditures FY 2014		HUB Expenditures FY 2015			Total Expenditures FY 2015	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	% Goal		
32.9%	Special Trade	0.0 %	0.0%	0.0%	\$0	\$3,429	0.0 %	0.0%	0.0%	\$0	\$6,228	
23.7%	Professional Services	12.6 %	0.6%	-12.0%	\$2,025	\$335,501	0.8 %	4.3%	3.6%	\$9,300	\$215,648	
26.0%	Other Services	36.2 %	11.6%	-24.6%	\$523,437	\$4,501,899	18.6 %	9.4%	-9.2%	\$454,898	\$4,856,422	
21.1%	Commodities	35.5 %	27.9%	-7.6%	\$917,233	\$3,286,494	21.1 %	8.4%	-12.7%	\$401,325	\$4,774,428	
	Total Expenditures		17.8%		\$1,442,695	\$8,127,323		8.8%		\$865,523	\$9,852,726	

B. Assessment of Fiscal Year 2014 - 2015 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained or exceeded one of the three, or 33.33 percent, of the applicable statewide HUB procurement goals in FY 2014.

Applicability:

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

Factors Affecting Attainment:

Professional Services. The contracts established under the professional service category were for actuarial service contracts. TDI continues to competitively bid these services, but has found that there are few HUB actuarial firms certified in Texas that can provide the specialized actuarial services required by the agency. TDI did meet the agency set goal in FY2015.

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

Note: In the past, TDI HUB figures routinely included amounts awarded to HUBs for TDI's Special Deputy Receiver (SDR) dollars that require TDI to utilize HUB requirements. This is no longer the case as the SAO determined that the funds should not be included in TDI's HUB results. These figures have been reported as part of TDI's Supplemental HUB report. As a result TDI's reported HUB figures have decreased in both FY2014 and FY2015. TDI will continue to look for additional opportunities to increase HUB participation.

"Good-Faith" Efforts:

6.A. Historically Underutilized Business Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: **8/19/2016**
Time: **7:54:08AM**

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

TDI made the following good faith efforts in FY 2014 and 2015. One HUB forum was sponsored in FY 2014 and 2015, respectively. The forums primary objective was to fulfill TDI's procurement needs and to locate professional services needed. TDI participated in several forums sponsored by organizations and businesses and governmental entities to locate businesses that would provide goods and services for the agency. In addition, TDI attended quarterly HUB Discussion Group meetings. TDI distributed brochures and other informational items regarding HUB and the procurement process and ensured that contract specifications, terms, and conditions did not impose unreasonable or unnecessary requirements for contractors. A statewide Mentor Protégé Program was promoted and resulted in maintaining active mentor protégé relationship with a HUB and non-HUB vendors.

TDI was audited for HUB measures by TDI Internal Audit and by the State Auditor's Office (SAO). TDI was one of five agencies to be rated as "Substantially Compliant". TDI received second highest compliance score of all agencies audited by SAO in FY2014.

6.C. Federal Funds Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

8/19/2016 7:54:08AM

		454 Department of Insurance				
CFDA NUMBER/ STRATEGY		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
17.005.001	OSHA BUREAU OF LABOR STATISTICS					
4 - 2 - 1	HEALTH AND SAFETY SERVICES	180,476	186,344	186,344	186,344	186,344
	TOTAL, ALL STRATEGIES	\$180,476	\$186,344	\$186,344	\$186,344	\$186,344
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$180,476	\$186,344	\$186,344	\$186,344	\$186,344
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
17.504.001	OSHA Consultation Agreements					
4 - 2 - 1	HEALTH AND SAFETY SERVICES	1,931,935	2,003,915	2,003,915	2,003,915	2,003,915
	TOTAL, ALL STRATEGIES	\$1,931,935	\$2,003,915	\$2,003,915	\$2,003,915	\$2,003,915
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$1,931,935	\$2,003,915	\$2,003,915	\$2,003,915	\$2,003,915
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0
93.511.000	ACA-Grnts St Hlth Ins Premium Revw					
1 - 1 - 1	CONSUMER EDUCATION AND OUTREACH	1,156,734	96,394	2,252,346	0	0
	TOTAL, ALL STRATEGIES	\$1,156,734	\$96,394	\$2,252,346	\$0	\$0
	ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0
	TOTAL, FEDERAL FUNDS	\$1,156,734	\$96,394	\$2,252,346	\$0	\$0
	ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0

		454 Department of Insurance				
CFDA NUMBER/ STRATEGY		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
<u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u>						
17.005.001	OSHA BUREAU OF LABOR STATISTICS	180,476	186,344	186,344	186,344	186,344
17.504.001	OSHA Consultation Agreements	1,931,935	2,003,915	2,003,915	2,003,915	2,003,915
93.511.000	ACA-Grnts St Hlth Ins Premium Revw	1,156,734	96,394	2,252,346	0	0
TOTAL, ALL STRATEGIES		\$3,269,145	\$2,286,653	\$4,442,605	\$2,190,259	\$2,190,259
TOTAL , ADDL FED FUNDS FOR EMPL BENEFITS		0	0	0	0	0
TOTAL, FEDERAL FUNDS		\$3,269,145	\$2,286,653	\$4,442,605	\$2,190,259	\$2,190,259
TOTAL, ADDL GR FOR EMPL BENEFITS		\$0	\$0	\$0	\$0	\$0

SUMMARY OF SPECIAL CONCERNS/ISSUES

Assumptions and Methodology:

Potential Loss:

6.D. Federal Funds Tracking Schedule

DATE: 8/19/2016

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME : 7:54:09AM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2013	Expended SFY 2014	Expended SFY 2015	Expended SFY 2016	Expended SFY 2017	Budgeted SFY 2018	Estimated SFY 2019	Total	Difference from Award
CFDA 17.005.001 OSHA BUREAU OF LABOR STATISTICS										
2013	\$278,500	\$252,914	\$25,586	\$0	\$0	\$0	\$0	\$0	\$278,500	\$0
2014	\$282,300	\$0	\$249,363	\$32,937	\$0	\$0	\$0	\$0	\$282,300	\$0
2015	\$282,406	\$0	\$0	\$243,858	\$30,053	\$0	\$0	\$0	\$273,911	\$8,495
2016	\$280,295	\$0	\$0	\$0	\$253,788	\$23,358	\$0	\$0	\$277,146	\$3,149
2017	\$280,295	\$0	\$0	\$0	\$0	\$256,937	\$23,358	\$0	\$280,295	\$0
2018	\$280,295	\$0	\$0	\$0	\$0	\$0	\$256,937	\$23,358	\$280,295	\$0
2019	\$280,295	\$0	\$0	\$0	\$0	\$0	\$0	\$256,937	\$256,937	\$23,358
Total	\$1,964,386	\$252,914	\$274,949	\$276,795	\$283,841	\$280,295	\$280,295	\$280,295	\$1,929,384	\$35,002
<hr/>										
Empl. Benefit Payment		\$59,939	\$60,666	\$60,510	\$66,115	\$66,115	\$66,115	\$66,115	\$445,575	

6.D. Federal Funds Tracking Schedule

DATE: 8/19/2016

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

TIME : 7:54:09AM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2013	Expended SFY 2014	Expended SFY 2015	Expended SFY 2016	Expended SFY 2017	Budgeted SFY 2018	Estimated SFY 2019	Total	Difference from Award
CFDA 17.504.001 OSHA Consultation Agreements										
2013	\$2,628,000	\$2,200,859	\$418,141	\$0	\$0	\$0	\$0	\$0	\$2,619,000	\$9,000
2014	\$2,739,200	\$0	\$2,310,950	\$428,250	\$0	\$0	\$0	\$0	\$2,739,200	\$0
2015	\$2,739,200	\$0	\$0	\$2,351,214	\$271,438	\$0	\$0	\$0	\$2,622,652	\$116,548
2016	\$2,739,200	\$0	\$0	\$0	\$2,510,933	\$228,267	\$0	\$0	\$2,739,200	\$0
2017	\$2,739,200	\$0	\$0	\$0	\$0	\$2,510,933	\$228,267	\$0	\$2,739,200	\$0
2018	\$2,739,200	\$0	\$0	\$0	\$0	\$0	\$2,510,933	\$228,267	\$2,739,200	\$0
2019	\$2,739,200	\$0	\$0	\$0	\$0	\$0	\$0	\$2,510,933	\$2,510,933	\$228,267
Total	\$19,063,200	\$2,200,859	\$2,729,091	\$2,779,464	\$2,782,371	\$2,739,200	\$2,739,200	\$2,739,200	\$18,709,385	\$353,815

Empl. Benefit Payment	\$397,061	\$430,726	\$456,887	\$545,307	\$545,307	\$545,307	\$545,307	\$545,307	\$3,465,902
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6.D. Federal Funds Tracking Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/19/2016
 TIME : 7:54:09AM

Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2013	Expended SFY 2014	Expended SFY 2015	Expended SFY 2016	Expended SFY 2017	Budgeted SFY 2018	Estimated SFY 2019	Total	Difference from Award
CFDA 93.511.000 ACA-Grnts St Hlth Ins Premium Revw										
2014	\$4,326,798	\$0	\$821,324	\$1,156,734	\$96,394	\$2,252,346	\$0	\$0	\$4,326,798	\$0
Total	\$4,326,798	\$0	\$821,324	\$1,156,734	\$96,394	\$2,252,346	\$0	\$0	\$4,326,798	\$0
<hr/>										
Empl. Benefit Payment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

6.E. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
<u>1</u> General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3103 Limited Sales & Use Tax-State	371	264	300	300	300
3105 Discounts for Sales Tax-State	2	2	2	2	2
3175 Professional Fees	63,859	44,728	57,000	57,000	57,000
3206 Insurance Companies Fees	113,645	104,063	107,700	107,700	107,700
3210 Insurance Agents Licenses	766,003	698,554	824,502	856,333	912,143
3215 Insurance Dept Fees - Misc	385	150	225	225	225
3221 Unauthorized Insurance Penalty	49,720,484	45,285,390	45,545,000	45,545,000	45,545,000
3222 Ins Penalty Lieu of Suspension	5,246,325	2,648,833	4,065,273	4,515,706	4,273,317
3557 Health Care Facilities Fees	28,016	45,904	29,500	29,500	29,500
3714 Judgments	3,655	1,850	500	500	500
3727 Fees - Administrative Services	334,432	319,404	399,721	324,014	387,957
3733 Workers Compensation Penalties	1,651,641	1,244,493	911,000	911,000	911,000
3775 Returned Check Fees	1,410	1,480	1,300	1,300	1,300
3777 Default Fund - Warrant Voided	83	0	0	0	0
3795 Other Misc Government Revenue	104	4,961	0	0	0
3839 Sale of Motor Vehicle/Boat/Aircraft	0	1,267	3,000	3,000	0
Subtotal: Actual/Estimated Revenue	57,930,415	50,401,343	51,945,023	52,351,580	52,225,944
Total Available	\$57,930,415	\$50,401,343	\$51,945,023	\$52,351,580	\$52,225,944
DEDUCTIONS:					
Expended/Budgeted/Requested	(6,520)	(6,520)	(6,520)	(6,259)	(6,259)
HB 2 84th Leg. R S	(5,166,369)	0	0	0	0
Art. IX Sec 9.05 - Tx Online Occ Licenses (2014-2015 GAA)	(5)	0	0	0	0
Other (balances swept by Agency 902)	(52,757,521)	(50,394,823)	(51,938,503)	(52,345,321)	(52,219,685)
Total, Deductions	\$(57,930,415)	\$(50,401,343)	\$(51,945,023)	\$(52,351,580)	\$(52,225,944)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

6.E. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
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REVENUE ASSUMPTIONS:

The Department assumes fee rates will remain the same. COBJ 3221 contains estimated prompt payment penalty revenues due to implementation of SB 1367, 83rd Legislature. COBJ 3221 estimate based on 36 month average of revenue collections.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
36 Dept Ins Operating Acct					
Beginning Balance (Unencumbered):	\$79,164,349	\$73,091,639	\$68,575,088	\$64,666,826	\$63,278,747
Estimated Revenue:					
3149 Amusement Ride Inspection	381,340	385,989	380,000	380,000	380,000
3175 Professional Fees	2,914,600	2,866,465	2,912,680	2,961,666	2,989,195
3206 Insurance Companies Fees	440,493	386,352	356,500	356,500	356,500
3210 Insurance Agents Licenses	19,951,350	19,571,074	21,536,001	22,509,735	23,588,532
3211 Tx Work Comp Self - Ins App Fees	2,000	0	1,000	1,000	1,000
3212 Tx Work Comp Self - Ins Reg Fees	797,724	929,000	780,000	788,000	796,000
3213 Catastrophe Prop Ins Pool Fees	3,650	1,447	3,500	3,500	3,500
3214 Insur Maint Tax/Fee Coll-Comptrollr	57,775,106	54,787,905	61,083,953	61,010,900	60,253,426
3215 Insurance Dept Fees - Misc	870,783	818,155	946,044	942,815	940,357
3216 Insurance Dept Exam/Audit Fees	11,480,464	4,456,595	3,932,000	3,932,000	3,932,000
3219 Workers Comp Comm-Ins Co Maint Tax	778,442	1,076,200	1,078,000	1,089,000	1,100,000
3220 W/C Res & Oversight CNCL/Maint Tax	7,654	11,062	11,000	11,000	11,000
3722 Conf, Semin, & Train Regis Fees	8,863	0	0	0	0
3727 Fees - Administrative Services	152,250	107,750	38,600	144,500	107,750
3795 Other Misc Government Revenue	14,219	0	0	0	0
3839 Sale of Motor Vehicle/Boat/Aircraft	8,303	0	0	0	0
Subtotal: Actual/Estimated Revenue	95,587,241	85,397,994	93,059,278	94,130,616	94,459,260
Total Available	\$174,751,590	\$158,489,633	\$161,634,366	\$158,797,442	\$157,738,007

DEDUCTIONS:

Expended/ Budgeted/Requested	(50,761,996)	(52,708,012)	(58,751,066)	(56,964,605)	(55,816,828)
Art IX Sec 17.08 Data Center Increases (2014-15 GAA)	(55,962)	0	0	0	0
Art IX Sec 18.11 Contingency for HB 9 (salary increases)	0	(661,147)	(661,207)	0	0
Art IX Sec 9.05 - TX Online (2014-15/2016-17 GAA)	(132,278)	0	0	0	0
Art IX Sec 17.06 Salary Increase (2014-15 GAA)	(1,245,657)	0	0	0	0
Transfer Employee Benefits (OASI, ERS, Ins)	(20,272,308)	(22,332,427)	(23,256,859)	(24,246,001)	(25,304,382)
Benefit Replacement Pay	(245,823)	(221,241)	(199,117)	(179,205)	(161,284)
83rd Leg Ar I-29, Rider 16. Reimburse GR for Exam Tax Credit	(14,828,392)	0	0	0	0
Art IX, 15.04 Statewide Allocated Costs	(1,497,192)	(1,288,546)	(1,301,400)	(1,314,383)	(1,327,496)
Workers Compensation Reimb. (GAA)	(9,011)	(18,760)	(12,342)	(12,365)	(12,389)

6.E. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
Art I - 41 & I-40 - Texas Facilities Commission (GAA)	(1,030,083)	(1,030,083)	(1,030,083)	(1,030,083)	(1,030,083)
Art VIII - 15 - Office of Injured Employee Counsel	(11,212,758)	(11,447,111)	(11,551,487)	(11,570,608)	(11,591,068)
Art VIII - 66 & 80 - Lease Payments (GAA)	(327,484)	(165,066)	(167,534)	(165,000)	(165,000)
Transfer - Miscellaneous Claims	(5,631)	(6,422)	0	0	0
Transfer to Comptroller (TIC 201.052)	(35,376)	(35,730)	(36,445)	(36,445)	(36,445)
Total, Deductions	\$(101,659,951)	\$(89,914,545)	\$(96,967,540)	\$(95,518,695)	\$(95,444,975)
Ending Fund/Account Balance	\$73,091,639	\$68,575,088	\$64,666,826	\$63,278,747	\$62,293,032

REVENUE ASSUMPTIONS:

The Department assumes there will not be changes to the current fee rate structure. The Department assumes on average for 2017 to 2018 a 5% increase in revenues for 3210 Agents License fees. The Commissioner of Insurance annually sets assessment rates for object codes 3214 and 3216 (examination overhead assessment). In setting the assessment rates, the Department takes into consideration appropriations, other revenue sources and fund balance. For 2015, revenue for COBJ 3216 reflect increases necessary to reimburse the General Revenue fund for premium tax credits for examination costs as required by GAA rider 16 for Fiscal Programs - Comptroller of Public Accounts. This rider was eliminated beginning in FY 2016.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
<u>161</u> TexasSure Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3972 Other Cash Transfers Between Funds	0	5,073,753	5,073,752	5,073,753	5,073,752
Subtotal: Actual/Estimated Revenue	0	5,073,753	5,073,752	5,073,753	5,073,752
Total Available	\$0	\$5,073,753	\$5,073,752	\$5,073,753	\$5,073,752
DEDUCTIONS:					
Expended/Budgeted/Requested	0	(5,073,753)	(5,073,752)	(5,073,753)	(5,073,752)
Total, Deductions	\$0	\$(5,073,753)	\$(5,073,752)	\$(5,073,753)	\$(5,073,752)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

\$1 motor vehicle registration fee up to the amount appropriated to the TexasSure fund.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
<u>329</u> Healthy TX Sm Emp Prem Stabil. Fund					
Beginning Balance (Unencumbered):	\$47,083,053	\$47,083,053	\$47,083,053	\$47,083,053	\$47,083,053
Estimated Revenue:					
Ending Fund/Account Balance	\$47,083,053	\$47,083,053	\$47,083,053	\$47,083,053	\$47,083,053

REVENUE ASSUMPTIONS:

The balance in this fund is a result of SB 1367 of the 83rd Legislature.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
666 Appropriated Receipts					
Beginning Balance (Unencumbered):	\$1,429,449	\$2,181,872	\$1,799,293	\$0	\$0
Estimated Revenue:					
3206 Insurance Companies Fees	18,701	0	0	0	0
3222 Ins Penalty Lieu of Suspension	1,500,000	1,500,000	0	0	0
3719 Fees/Copies or Filing of Records	189,796	181,835	203,130	204,000	204,000
3722 Conf, Semin, & Train Regis Fees	539,527	318,376	0	0	0
3740 Grants/Donations	1,000	0	0	0	0
3752 Sale of Publications/Advertising	5,972	4,270	3,300	2,430	2,430
3802 Reimbursements-Third Party	2,720,790	2,406,183	2,488,375	2,558,828	2,631,438
3839 Sale of Motor Vehicle/Boat/Aircraft	2,768	293	0	0	0
3879 Credit Card and Related Fees	11,781	15,378	0	0	0
Subtotal: Actual/Estimated Revenue	4,990,335	4,426,335	2,694,805	2,765,258	2,837,868
Total Available	\$6,419,784	\$6,608,207	\$4,494,098	\$2,765,258	\$2,837,868

DEDUCTIONS:

Expended/Budgeted/Requested	(347,125)	(291,591)	(343,030)	(343,030)	(343,030)
Art IX Sec. 8.08 - Seminars & conferences 2014-15 GAA	(512,674)	0	0	0	0
Art IX, Sec 8.03 - Reimbursements and Payments 2014-15 GAA	(13,064)	0	0	0	0
Art IX, Sec. 8.03 - Reimb: Art VIII, Page 21, Rider 5 2014-15 GAA	(2,108,914)	0	0	0	0
Art IX Sec 8.04 - Surplus Property 2014-15 GAA	(2,768)	0	0	0	0
Art IX Sec 8.11 - Appropriation of Credit card fees 2014-15 GAA	(11,781)	0	0	0	0
Art VIII, Rider 14 - 2014-15/2016-17 GAA - 3 Share	(758,579)	(1,621,743)	(1,662,237)	0	0
Transfer Emp Benefits (OASI,ERS, Insurance)	(458,773)	(463,046)	(475,909)	(489,671)	(504,398)
Benefit Replacement Pay	(7,383)	(6,645)	(5,980)	(5,382)	(4,844)
Art IX Sec 8.01 - Gifts 2014-15 GAA	(16,851)	0	0	0	0
Art IX Sec. 8.07 - Seminars & conferences, 2016-17 GAA	0	(579,212)	(137,056)	0	0
Art IX, Sec 8.02 - Reimbursements and Payments 2016-17 GAA	0	(16,732)	0	0	0
Art IX, Sec. 8.02 - Reimb: Art VIII, Page 21, Rider 5 2016-17 GAA	0	(1,814,274)	(1,869,886)	(1,927,175)	(1,985,596)
Art IX Sec 8.03 - Surplus Property 2016-17 GAA	0	(293)	0	0	0
Art IX Sec 8.10 - Appropriation of Credit card fees 2016-17 GAA	0	(15,378)	0	0	0

6.E. Estimated Revenue Collections Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
Total, Deductions	\$(4,237,912)	\$(4,808,914)	\$(4,494,098)	\$(2,765,258)	\$(2,837,868)
Ending Fund/Account Balance	\$2,181,872	\$1,799,293	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

Assumes revenues will be collected to sustain current appropriated receipt funding levels for AY 2016 and 2017. AY 2018 and 2019 assumes reduced appropriated receipt funding. The Department assumes that revenue reimbursements from Liquidation and Title Allocated accounts equal estimated disbursements including matching and BRP benefits.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
<u>777</u> Interagency Contracts					
Beginning Balance (Unencumbered):	\$24,934	\$0	\$0	\$0	\$0
Estimated Revenue:					
3765 Supplies/Equipment/Services	0	3,000	4,000	0	0
3971 Federal Pass-Through Rev/Exp Codes	88,509	0	0	0	0
Subtotal: Actual/Estimated Revenue	88,509	3,000	4,000	0	0
Total Available	\$113,443	\$3,000	\$4,000	\$0	\$0
DEDUCTIONS:					
Expended/Budgeted/Requested DADS	(104,742)	0	0	0	0
Art IX Sec 14.01 Apprp Trfs - GAA DADS	(8,701)	0	0	0	0
Art IX Sec 14.01 Apprp Trfs - TCBE	0	(3,000)	(4,000)	0	0
Total, Deductions	\$(113,443)	\$(3,000)	\$(4,000)	\$0	\$0
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

Assumes that funding is no longer received from DADS. Assumes the contract with Texas Board Chiropractic Examiners ends December 31,2016.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
888 Earned Federal Funds					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3702 Fed Receipts-Earned Federal Funds	413,932	263,781	277,478	274,201	275,892
Subtotal: Actual/Estimated Revenue	413,932	263,781	277,478	274,201	275,892
Total Available	\$413,932	\$263,781	\$277,478	\$274,201	\$275,892
DEDUCTIONS:					
Expended/Budgeted/Requested	(224,406)	(224,406)	(224,406)	(221,689)	(221,689)
Art IX Sec 6.22 Earned Federal	(104,117)	0	0	0	0
Transfer Emp Benefits (OASI,ERS,Insurance)	(45,600)	(38,451)	(51,983)	(51,571)	(53,356)
Benefit Replacement Pay	(1,027)	(924)	(1,089)	(941)	(847)
Swept by Comptroller	(38,782)	0	0	0	0
Total, Deductions	\$(413,932)	\$(263,781)	\$(277,478)	\$(274,201)	\$(275,892)
Ending Fund/Account Balance	\$0	\$0	\$0	\$0	\$0

REVENUE ASSUMPTIONS:

The Department assumes 4% reduction of appropriation and assumes recoveries are sufficient to fund proportional fringe benefits.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
<u>5101</u> Subsequent Injury Fund					
Beginning Balance (Unencumbered):	\$69,894,641	\$74,017,677	\$74,584,897	\$79,066,545	\$81,633,652
Estimated Revenue:					
3869 Workers'CompDeathBenefits to State	11,081,097	10,531,980	9,950,000	9,975,000	10,000,000
Subtotal: Actual/Estimated Revenue	11,081,097	10,531,980	9,950,000	9,975,000	10,000,000
Total Available	\$80,975,738	\$84,549,657	\$84,534,897	\$89,041,545	\$91,633,652
DEDUCTIONS:					
Expended/Budgeted/Requested	(4,420,140)	(5,468,353)	(5,468,352)	(7,407,893)	(7,407,893)
Art VIII-22, Rider 13 Subsequent Injury Fund	(2,537,921)	(4,496,407)	0	0	0
Total, Deductions	\$(6,958,061)	\$(9,964,760)	\$(5,468,352)	\$(7,407,893)	\$(7,407,893)
Ending Fund/Account Balance	\$74,017,677	\$74,584,897	\$79,066,545	\$81,633,652	\$84,225,759

REVENUE ASSUMPTIONS:

The Department assumes the projected revenue will be slightly less than prior years.

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
 85th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
<u>5138</u> Fire Prevention And Public Safety					
Beginning Balance (Unencumbered):	\$49,153	\$49,153	\$49,153	\$49,153	\$49,153
Estimated Revenue:					
Ending Fund/Account Balance	\$49,153	\$49,153	\$49,153	\$49,153	\$49,153

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Joe Meyer

6.E. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
8042 Insurance Maint Tax Fees					
Beginning Balance (Unencumbered):	\$58,988,750	\$60,939,350	\$60,393,837	\$55,725,799	\$53,217,624
Estimated Revenue:					
3203 Insurance Comp Maintenance Tax	80,673,355	83,882,298	84,064,011	84,542,913	83,660,960
3206 Insurance Companies Fees	1,485,337	1,946,723	1,950,940	1,962,055	1,941,586
Subtotal: Actual/Estimated Revenue	82,158,692	85,829,021	86,014,951	86,504,968	85,602,546
Total Available	\$141,147,442	\$146,768,371	\$146,408,788	\$142,230,767	\$138,820,170
DEDUCTIONS:					
Expended/Budgeted/Requested	(36,026,078)	(38,385,260)	(42,137,031)	(41,130,168)	(41,379,535)
Art IX Sec 17.08 - Data Center Increases (2014-15 GAA)	(47,540)	0	0	0	0
Art IX Sec 18.11 - Contingency for HB 9 (Salary Increases)	0	(993,706)	(993,706)	0	0
Art IX Sec 17.06 - Salary Increase (2014-15 GAA)	(922,164)	0	0	0	0
Transfer Employee Benefits (OASI, ERS, Insurance)	(5,428,325)	(5,987,114)	(6,266,590)	(6,565,631)	(6,885,604)
Benefit Replacement Pay	(50,243)	(45,219)	(40,697)	(36,627)	(32,964)
Art IX Sec.15.04- Statewide Allocated Costs	(719,371)	(1,009,668)	(1,019,765)	(1,029,962)	(1,040,261)
Unemployment Reimb. (GAA)	(7,675)	(6,955)	(7,025)	(7,095)	(7,166)
Art III-240, rider 7 - Texas Forest Service (GAA)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Art I-3 - Attorney General (GAA)	(3,948,710)	(4,453,233)	(4,491,601)	(4,501,106)	(4,511,275)
Art II 48 & 49 - Dept of Health Services (GAA)	(7,811,233)	(7,771,062)	(7,806,867)	(7,822,847)	(7,839,945)
Art III - 230 & 237 - Texas Forest Service (GAA)	(22,554,756)	(25,020,900)	(25,199,262)	(25,199,262)	(25,199,262)
Art VII 15 VII - 16 - Crash Records (TxDot) (GAA)	(750,000)	(750,000)	(750,000)	(750,000)	(750,000)
Transfer to Comptroller (TIC Sec. 201.052)	(941,997)	(951,417)	(970,445)	(970,445)	(970,445)
Total, Deductions	\$(80,208,092)	\$(86,374,534)	\$(90,682,989)	\$(89,013,143)	\$(89,616,457)
Ending Fund/Account Balance	\$60,939,350	\$60,393,837	\$55,725,799	\$53,217,624	\$49,203,713

REVENUE ASSUMPTIONS:

6.E. Estimated Revenue Collections Supporting Schedule
85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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

FUND/ACCOUNT	Act 2015	Exp 2016	Exp 2017	Bud 2018	Est 2019
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The Department assumes the appropriated FY 2017 funding level for agencies 302, 303, 454, 576, and 601 plus fringe benefits for object 3203 (maintenance taxes) for FY 2018 and 2019. The Department also included other funding requirements such as reimbursement of statewide allocated costs and costs associated with the Comptroller tax function. The Department takes into consideration estimated fund balances and combined revenues and deductions in fund 8042 and account 0036 exclusive of DWC. The Commissioner sets maintenance tax rates annually. The Department did not include \$3.05 million deducted by the Comptroller as required by chapter 252 of the Texas Insurance Code.

CONTACT PERSON:

Joe Meyer

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

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2018-19 GAA BILL PATTERN	\$ 1,011,960,922
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Summary

Estimated Beginning Balance in FY 2016	\$	495,335,617
Estimated Revenues FY 2016	\$	108,474,132
Estimated Revenues FY 2017	\$	147,888,678
		751,698,427
FY-2016-17 Total	\$	751,698,427
Estimated Beginning Balance in FY 2018	\$	734,914,381
Estimated Revenues FY 2018	\$	139,507,847
Estimated Revenues FY 2019	\$	137,538,694
		1,011,960,922
FY 2018-19 Total	\$	1,011,960,922

Constitutional or Statutory Creation and Use of Funds:

See each tab for details.

Method of Calculation and Revenue Assumptions:

See each tab for details.

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

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2018–19 GAA BILL PATTERN	\$ 986,265,433
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Catastrophe Reserve Trust Fund

Estimated Beginning Balance in FY 2016	\$	484,716,780
Estimated Revenues FY 2016	\$	100,598,392
Estimated Revenues FY 2017	\$	140,028,535
	FY-2016–17 Total	\$ 725,343,707
Estimated Beginning Balance in FY 2018	\$	725,343,707
Estimated Revenues FY 2018	\$	131,523,122
Estimated Revenues FY 2019	\$	129,398,604
	FY 2018–19 Total	\$ 986,265,433

Constitutional or Statutory Creation and Use of Funds:

The Texas Legislature established the Catastrophe Reserve Trust Fund (CRTF) in 1996 as of the state's overall plan for funding catastrophic losses caused by windstorm and hail damage for designated areas on the Texas Gulf coast (designated catastrophe area). In the event of a major storm affecting the Texas coast, the Texas Windstorm Insurance Association (TWIA) would use the CRTF to pay certain losses. See Texas Insurance Code Chapter 2210.

Method of Calculation and Revenue Assumptions:

1. No Hurricanes strike Texas in FY 2017 - FY 2019.
2. TWIA makes payments on the TWIA Series 2014 Bonds in FY's 2017-2019 according to the schedule of principal and interest, no early payment of principal.
3. TWIA's reinsurance costs continue to increase with its exposure (see also exposure increase).
4. The inflationary growth in exposure for existing TWIA policyholders is 2 percent per year for residential policyholders and 0 percent per year for commercial policyholders.
5. The TWIA depopulation efforts as a result of TWIA's Voluntary Insurance Portal will result in a decline in policies in FY 2016 through FY 2019, for a total decline of approximately 10 percent in total over the calendar years 2016-2019.
6. There is no rate increase on January 1, 2017; thereafter, rates increase 5 percent per year effective January 1 of each year.
7. The non-hurricane loss experience and the expenses of TWIA will approximate recent historical averages.
8. There is no adverse loss development from outstanding Hurricane Ike claims in FY 2017 - FY 2019.

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

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2018–19 GAA BILL PATTERN		\$ 1,429,893
<u>Abandoned Property / Liquidation Operating Fund (1999)</u>		
Estimated Beginning Balance in FY 2016	\$	3,014,606
Estimated Revenues FY 2016	\$	9,887
Estimated Revenues FY 2017	\$	2,900
FY-2016–17 Total	\$	3,027,393
Estimated Beginning Balance in FY 2018	\$	1,425,893
Estimated Revenues FY 2018	\$	2,000
Estimated Revenues FY 2019	\$	2,000
FY 2018–19 Total	\$	1,429,893
Constitutional or Statutory Creation and Use of Funds:		
Texas Insurance Code article 21.28 - These are non-appropriated funds from insurance receiverships that have been closed. These amounts have been declared as "abandoned" by the court under former article 21.28. Pursuant to statute, these funds can be used to: (1) operate insurance company receivership liquidations where the insolvent estate's funds are inadequate to pay for the costs of administration, and (2) pay for expenses related to insurance receiverships that cannot be allocated to any receivership estate.		
Method of Calculation and Revenue Assumptions:		
Revenue estimated includes interest earned. Revenue estimates for FY2016 are based on actual interest received and projected through fiscal year-end, and an actual Abandoned Property Fund (APF) loan repayment, and residual funds received from a closing receivership estates. Revenue estimates for FY2017, FY2018, and FY2019 are based on projected interest. The estimated beginning balance for FY2018 was calculated using projected expenditures based on the FY2016 APF budget.		
Development of a methodology to project expenditures for inclusion in the GAA is dependent on predicting the cash needs of newly created receivership estates that have insufficient assets for their administration. Development of a methodology to project revenues for inclusion in the GAA is dependent on predicting the amount of unclaimed property that will become abandoned. No unclaimed property has been abandoned in the past several years as previously projected.		

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

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2018–19 GAA BILL PATTERN	\$ 24,265,596
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Examination Self Directed Budget Account

Estimated Beginning Balance in FY 2016	\$	7,284,336
Estimated Revenues FY 2016	\$	7,565,853
Estimated Revenues FY 2017	\$	7,857,243
	<u>\$</u>	<u>7,857,243</u>
FY-2016–17 Total	\$	22,707,432
Estimated Beginning Balance in FY 2018	\$	8,144,781
Estimated Revenues FY 2018	\$	7,982,725
Estimated Revenues FY 2019	\$	8,138,090
	<u>\$</u>	<u>8,138,090</u>
FY 2018–19 Total	\$	24,265,596

Constitutional or Statutory Creation and Use of Funds:

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

Method of Calculation and Revenue Assumptions:

1. FTE's that will be hired in FY17 and FY18 are used in estimate (HB1379).
2. Interest rate credit of .5% for trust fund account.
3. Revenue will be a combination of examination overhead assessments and direct billings to insurers and other entities being examined.
4. 5% growth rate for FY 2018 and FY 2019 to fund the Section's career ladder and other personnel expenses.

**6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern
Texas Department of Insurance**

ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2018–19 GAA BILL PATTERN	\$ -
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Health Insurance Pool - TTSTC Account 3155	
Estimated Beginning Balance in FY 2016	\$ 319,895
Estimated Revenues FY 2016	\$ 300,000
Estimated Revenues FY 2017	
FY-2016–17 Total	\$ 619,895
Estimated Beginning Balance in FY 2018	\$ -
Estimated Revenues FY 2018	\$ -
Estimated Revenues FY 2019	\$ -
FY 2018–19 Total	\$ -
Constitutional or Statutory Creation and Use of Funds:	
SB 1367 of the 83rd Legislature directed the Texas Department of Insurance to dissolve the Texas Health Insurance Pool. The bill also directed that remaining funds and obligations be transferred to TDI after the Pool was dissolved. The funds are held in the Texas Treasury Safekeeping Trust Company. The funds are used to satisfy obligations of the Pool in accord with SB 1367 and Chapter 1506 before it's repeal.	
Method of Calculation and Revenue Assumptions:	
The activities of the Texas Health Insurance Pool are winding down. The revenue estimate for 2016 is based on actual collections through July, 2016 plus an additional \$25,000. It is anticipated that activities will cease in the summer of 2017 and all funds will be disbursed.	

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/19/2016
Time: 7:54:10AM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	

1 Texas.Gov Fee Collections

Category: Programs - Lapse (No Service Reduction or Reduced Service Demands)

Item Comment: The appropriation for Texas.Gov in the general revenue fund represents an estimated and nontransferable appropriation for fees charged to TDI dependent upon revenue collected through the Texas.Gov Project. Should this appropriation be reduced, TDI would still collect revenues and pay fees as required, and rider appropriation authority for Texas.Gov currently in Article IX Section 9.05 of the General Appropriations Act may be utilized.

Strategy: 1-3-2 Texas.gov. Estimated and Nontransferable

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$626	\$626	\$1,252
General Revenue Funds Total	\$0	\$0	\$0	\$626	\$626	\$1,252
Item Total	\$0	\$0	\$0	\$626	\$626	\$1,252

FTE Reductions (From FY 2018 and FY 2019 Base Request)

2 Earned Federal Funds

Category: Programs - Lapse (No Service Reduction or Reduced Service Demands)

Item Comment: TDI receives appropriations out of the general revenue fund from earned federal funds the agency collects that are associated with workplace safety grants in the Division of Workers' Compensation.

Should the appropriation for the earned federal funds be reduced, the activities supporting the federal grant funds received would be reviewed and either maintained with available funds in the TDI operating account or would no longer be funded.

TDI would still collect the earned federal funds in accordance with provisions of the grants and may request appropriation authority currently in Article IX, Section 13.11 of the General Appropriations Act should enough funds be collected to warrant a rider appropriation for the agency.

Strategy: 5-1-1 Central Administration

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$21,543	\$21,543	\$43,086
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6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/19/2016
Time: 7:54:10AM

Agency code: 454 Agency name: Department of Insurance

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			TARGET
	2018	2019	Biennial Total	2018	2019	Biennial Total	
General Revenue Funds Total	\$0	\$0	\$0	\$21,543	\$21,543	\$43,086	
Item Total	\$0	\$0	\$0	\$21,543	\$21,543	\$43,086	
FTE Reductions (From FY 2018 and FY 2019 Base Request)							
3 Subsequent Injury Fund							
Category: Programs - Lapse (No Service Reduction or Reduced Service Demands)							
Item Comment: This would represent a reduction to the appropriations of the Subsequent Injury Fund (SIF), a general revenue-dedicated account managed by TDI's Division of Workers' Compensation. Payments from the SIF are statutorily required. The impact of reducing the appropriations from the SIF will be minimal because of riders contained in the General Appropriations Act. Specifically TDI's rider 13 allows TDI to request an increase in appropriations from the subsequent injury fund to pay for current liabilities that exceed appropriated amounts.							
Strategy: 4-1-3 Administer Subsequent Injury Fund							
<u>Gr Dedicated</u>							
5101 Subsequent Injury Fund	\$0	\$0	\$0	\$740,790	\$740,789	\$1,481,579	
Gr Dedicated Total	\$0	\$0	\$0	\$740,790	\$740,789	\$1,481,579	
Item Total	\$0	\$0	\$0	\$740,790	\$740,789	\$1,481,579	
FTE Reductions (From FY 2018 and FY 2019 Base Request)							
AGENCY TOTALS							
General Revenue Total				\$22,169	\$22,169	\$44,338	\$44,338
GR Dedicated Total				\$740,790	\$740,789	\$1,481,579	\$1,481,579
Agency Grand Total	\$0	\$0	\$0	\$762,959	\$762,958	\$1,525,917	
Difference, Options Total Less Target							
Agency FTE Reductions (From FY 2018 and FY 2019 Base Request)							

7. ADMINISTRATIVE AND SUPPORT COSTS

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7.A. Indirect Administrative and Support Costs

8/19/2016 7:54:11AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

454 Department of Insurance

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-1-1	Educate Consumers and Industry by Providing Outreach and Information					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$710,864	\$ 763,208	\$ 1,013,208	\$ 1,012,745	\$ 1,012,745
1002	OTHER PERSONNEL COSTS	27,198	29,074	27,449	27,460	27,460
2001	PROFESSIONAL FEES AND SERVICES	334,441	337,582	353,893	311,873	350,698
2002	FUELS AND LUBRICANTS	473	788	901	901	901
2003	CONSUMABLE SUPPLIES	2,421	6,740	9,581	9,584	9,584
2004	UTILITIES	19,596	20,100	21,602	21,610	21,610
2005	TRAVEL	4,681	6,482	6,474	6,477	6,477
2007	RENT - MACHINE AND OTHER	4,881	10,424	9,489	9,493	9,493
2009	OTHER OPERATING EXPENSE	165,940	194,991	341,747	254,593	254,593
5000	CAPITAL EXPENDITURES	1,788	14,374	9,039	9,042	9,042
Total, Objects of Expense		\$1,272,283	\$1,383,763	\$1,793,383	\$1,663,778	\$1,702,603
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	344,818	361,023	487,542	432,244	442,331
8042	Insurance Maint Tax Fees	927,465	1,022,740	1,305,841	1,231,534	1,260,272
Total, Method of Financing		\$1,272,283	\$1,383,763	\$1,793,383	\$1,663,778	\$1,702,603
FULL TIME EQUIVALENT POSITIONS		11.6	10.7	12.6	12.6	12.6

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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1-1-1 Educate Consumers and Industry by Providing Outreach and Information

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-2-1	Respond Promptly and Act on Complaints					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$533,485	\$ 552,215	\$ 632,239	\$ 631,950	\$ 631,950
1002	OTHER PERSONNEL COSTS	20,411	21,036	17,128	17,135	17,135
2001	PROFESSIONAL FEES AND SERVICES	250,990	244,256	220,828	194,608	218,834
2002	FUELS AND LUBRICANTS	355	570	562	562	562
2003	CONSUMABLE SUPPLIES	1,817	4,877	5,978	5,981	5,981
2004	UTILITIES	14,706	14,543	13,480	13,485	13,485
2005	TRAVEL	3,513	4,690	4,040	4,042	4,042
2007	RENT - MACHINE AND OTHER	3,663	7,543	5,921	5,923	5,923
2009	OTHER OPERATING EXPENSE	124,534	141,085	213,249	158,865	158,865
5000	CAPITAL EXPENDITURES	1,342	10,400	5,640	5,642	5,642
Total, Objects of Expense		\$954,816	\$1,001,215	\$1,119,065	\$1,038,193	\$1,062,419
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	258,777	261,217	304,224	269,719	276,013
8042	Insurance Maint Tax Fees	696,039	739,998	814,841	768,474	786,406
Total, Method of Financing		\$954,816	\$1,001,215	\$1,119,065	\$1,038,193	\$1,062,419
FULL TIME EQUIVALENT POSITIONS		8.7	7.8	7.9	7.9	7.9

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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1-2-1 Respond Promptly and Act on Complaints

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-2-2	Investigate Trade Practices and Bring Enforcement Actions as Needed					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$645,139	\$ 608,013	\$ 687,253	\$ 686,939	\$ 686,939
1002	OTHER PERSONNEL COSTS	24,683	23,162	18,619	18,626	18,626
2001	PROFESSIONAL FEES AND SERVICES	303,519	268,936	240,044	211,542	237,876
2002	FUELS AND LUBRICANTS	430	628	611	611	611
2003	CONSUMABLE SUPPLIES	2,197	5,369	6,499	6,501	6,501
2004	UTILITIES	17,784	16,013	14,652	14,658	14,658
2005	TRAVEL	4,249	5,164	4,392	4,393	4,393
2007	RENT - MACHINE AND OTHER	4,430	8,305	6,437	6,439	6,439
2009	OTHER OPERATING EXPENSE	150,597	155,341	231,805	172,689	172,689
5000	CAPITAL EXPENDITURES	1,623	11,451	6,131	6,133	6,133
Total, Objects of Expense		\$1,154,651	\$1,102,382	\$1,216,443	\$1,128,531	\$1,154,865
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	312,937	287,611	330,697	293,189	300,030
8042	Insurance Maint Tax Fees	841,714	814,771	885,746	835,342	854,835
Total, Method of Financing		\$1,154,651	\$1,102,382	\$1,216,443	\$1,128,531	\$1,154,865
FULL TIME EQUIVALENT POSITIONS		10.6	8.6	8.5	8.5	8.5

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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1-2-2 Investigate Trade Practices and Bring Enforcement Actions as Needed

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-2-3	Investigate Insurance Fraud and Refer Violations for Prosecution					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$685,467	\$ 654,346	\$ 769,518	\$ 769,167	\$ 769,167
1002	OTHER PERSONNEL COSTS	26,226	24,927	20,847	20,855	20,855
2001	PROFESSIONAL FEES AND SERVICES	322,493	289,430	268,777	236,864	266,350
2002	FUELS AND LUBRICANTS	457	676	684	684	684
2003	CONSUMABLE SUPPLIES	2,335	5,779	7,277	7,279	7,279
2004	UTILITIES	18,896	17,233	16,406	16,412	16,412
2005	TRAVEL	4,514	5,557	4,917	4,919	4,919
2007	RENT - MACHINE AND OTHER	4,707	8,937	7,207	7,210	7,210
2009	OTHER OPERATING EXPENSE	160,011	167,178	259,552	193,360	193,360
5000	CAPITAL EXPENDITURES	1,724	12,324	6,865	6,867	6,867
Total, Objects of Expense		\$1,226,830	\$1,186,387	\$1,362,050	\$1,263,617	\$1,293,103
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	332,499	309,528	370,281	328,284	335,944
8042	Insurance Maint Tax Fees	894,331	876,859	991,769	935,333	957,159
Total, Method of Financing		\$1,226,830	\$1,186,387	\$1,362,050	\$1,263,617	\$1,293,103
FULL TIME EQUIVALENT POSITIONS		11.2	9.2	9.6	9.6	9.6

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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1-2-3 Investigate Insurance Fraud and Refer Violations for Prosecution

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-2-4	Investigate Workers' Comp Fraud & Refer Violations for Prosecution					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$39,789	\$ 60,687	\$ 96,740	\$ 97,155	\$ 97,155
1002	OTHER PERSONNEL COSTS	1,522	2,312	2,621	2,634	2,634
2001	PROFESSIONAL FEES AND SERVICES	18,720	26,843	33,789	29,919	33,643
2002	FUELS AND LUBRICANTS	26	63	86	86	86
2003	CONSUMABLE SUPPLIES	136	536	915	919	919
2004	UTILITIES	1,097	1,598	2,063	2,073	2,073
2005	TRAVEL	262	515	618	621	621
2006	RENT - BUILDING	6,885	11,393	15,941	16,023	16,023
2007	RENT - MACHINE AND OTHER	273	829	906	911	911
2009	OTHER OPERATING EXPENSE	9,288	15,505	32,630	24,424	24,424
5000	CAPITAL EXPENDITURES	100	1,143	863	867	867
	Total, Objects of Expense	\$78,098	\$121,424	\$187,172	\$175,632	\$179,356
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	78,098	121,424	187,172	175,632	179,356
	Total, Method of Financing	\$78,098	\$121,424	\$187,172	\$175,632	\$179,356
FULL TIME EQUIVALENT POSITIONS		0.7	1.1	1.9	2.0	2.0

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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1-2-4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-3-1	Process Rates, Forms & Licenses Promptly					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$2,422,095	\$ 2,298,344	\$ 2,604,033	\$ 2,602,843	\$ 2,602,843
1002	OTHER PERSONNEL COSTS	92,670	87,554	70,547	70,574	70,574
2001	PROFESSIONAL FEES AND SERVICES	1,139,527	1,016,604	909,536	801,542	901,324
2002	FUELS AND LUBRICANTS	1,613	2,373	2,315	2,315	2,315
2003	CONSUMABLE SUPPLIES	8,249	20,297	24,624	24,633	24,633
2004	UTILITIES	66,769	60,529	55,519	55,539	55,539
2005	TRAVEL	15,951	19,519	16,640	16,646	16,646
2007	RENT - MACHINE AND OTHER	16,631	31,392	24,388	24,397	24,397
2009	OTHER OPERATING EXPENSE	565,400	587,202	878,319	654,325	654,325
5000	CAPITAL EXPENDITURES	6,093	43,286	23,231	23,239	23,239
Total, Objects of Expense		\$4,334,998	\$4,167,100	\$4,609,152	\$4,276,053	\$4,375,835
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	1,174,885	1,087,195	1,253,025	1,110,905	1,136,828
8042	Insurance Maint Tax Fees	3,160,113	3,079,905	3,356,127	3,165,148	3,239,007
Total, Method of Financing		\$4,334,998	\$4,167,100	\$4,609,152	\$4,276,053	\$4,375,835
FULL TIME EQUIVALENT POSITIONS		39.7	32.3	32.3	32.3	32.3

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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1-3-1 Process Rates, Forms & Licenses Promptly

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-3-3	Regulate Private Employers that Qualify to Self-Ins w/in the WC System					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$127,112	\$ 116,454	\$ 127,467	\$ 128,013	\$ 128,013
1002	OTHER PERSONNEL COSTS	4,863	4,436	3,453	3,471	3,471
2001	PROFESSIONAL FEES AND SERVICES	59,802	51,510	44,522	39,421	44,329
2002	FUELS AND LUBRICANTS	85	120	113	114	114
2003	CONSUMABLE SUPPLIES	433	1,028	1,205	1,211	1,211
2004	UTILITIES	3,504	3,067	2,718	2,732	2,732
2005	TRAVEL	837	989	815	819	819
2006	RENT - BUILDING	21,995	21,862	21,004	21,112	21,112
2007	RENT - MACHINE AND OTHER	873	1,591	1,194	1,200	1,200
2009	OTHER OPERATING EXPENSE	29,672	29,753	42,993	32,181	32,181
5000	CAPITAL EXPENDITURES	320	2,193	1,137	1,143	1,143
Total, Objects of Expense		\$249,496	\$233,003	\$246,621	\$231,417	\$236,325
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	249,496	233,003	246,621	231,417	236,325
Total, Method of Financing		\$249,496	\$233,003	\$246,621	\$231,417	\$236,325
FULL TIME EQUIVALENT POSITIONS		2.2	2.2	2.6	2.6	2.6

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Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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1-3-3 Regulate Private Employers that Qualify to Self-Ins w/in the WC System

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-4-1	Administer Three-Share Grant Program					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$13,074	\$ 9,472	\$ 15,523	\$ 15,515	\$ 15,515
1002	OTHER PERSONNEL COSTS	500	361	421	421	421
2001	PROFESSIONAL FEES AND SERVICES	6,151	4,190	5,422	4,778	5,373
2002	FUELS AND LUBRICANTS	9	10	14	14	14
2003	CONSUMABLE SUPPLIES	45	84	147	147	147
2004	UTILITIES	360	249	331	331	331
2005	TRAVEL	86	80	99	99	99
2007	RENT - MACHINE AND OTHER	90	129	145	145	145
2009	OTHER OPERATING EXPENSE	3,052	2,420	5,236	3,900	3,900
5000	CAPITAL EXPENDITURES	33	178	138	139	139
Total, Objects of Expense		\$23,400	\$17,173	\$27,476	\$25,489	\$26,084
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	6,342	4,480	7,470	6,622	6,777
8042	Insurance Maint Tax Fees	17,058	12,693	20,006	18,867	19,307
Total, Method of Financing		\$23,400	\$17,173	\$27,476	\$25,489	\$26,084
FULL TIME EQUIVALENT POSITIONS		0.2	0.1	0.2	0.2	0.2

7.A. Indirect Administrative and Support Costs

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Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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1-4-1 Administer Three-Share Grant Program

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-5-1	Inspect Loss Control Programs & Assure Code & Schedule Compliance					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$569,265	\$ 570,582	\$ 678,587	\$ 678,277	\$ 678,277
1002	OTHER PERSONNEL COSTS	21,780	21,736	18,384	18,391	18,391
2001	PROFESSIONAL FEES AND SERVICES	267,823	252,380	237,017	208,875	234,877
2002	FUELS AND LUBRICANTS	379	589	603	603	603
2003	CONSUMABLE SUPPLIES	1,939	5,039	6,417	6,419	6,419
2004	UTILITIES	15,693	15,027	14,468	14,473	14,473
2005	TRAVEL	3,749	4,846	4,336	4,338	4,338
2007	RENT - MACHINE AND OTHER	3,909	7,793	6,355	6,358	6,358
2009	OTHER OPERATING EXPENSE	132,886	145,778	228,882	170,511	170,511
5000	CAPITAL EXPENDITURES	1,432	10,746	6,054	6,056	6,056
Total, Objects of Expense		\$1,018,855	\$1,034,516	\$1,201,103	\$1,114,301	\$1,140,303
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	276,133	269,905	326,527	289,492	296,247
8042	Insurance Maint Tax Fees	742,722	764,611	874,576	824,809	844,056
Total, Method of Financing		\$1,018,855	\$1,034,516	\$1,201,103	\$1,114,301	\$1,140,303
FULL TIME EQUIVALENT POSITIONS		9.3	8.0	8.4	8.4	8.4

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Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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1-5-1 Inspect Loss Control Programs & Assure Code & Schedule Compliance

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2-1-1	Analyze the Financial Condition of Insurers and Take Solvency Action					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$1,567,482	\$ 1,576,480	\$ 1,785,321	\$ 1,784,505	\$ 1,784,505
1002	OTHER PERSONNEL COSTS	59,972	60,055	48,367	48,385	48,385
2001	PROFESSIONAL FEES AND SERVICES	737,455	697,309	623,577	549,536	617,946
2002	FUELS AND LUBRICANTS	1,044	1,628	1,587	1,587	1,587
2003	CONSUMABLE SUPPLIES	5,339	13,922	16,882	16,888	16,888
2004	UTILITIES	43,210	41,518	38,064	38,078	38,078
2005	TRAVEL	10,323	13,388	11,408	11,412	11,412
2007	RENT - MACHINE AND OTHER	10,763	21,533	16,721	16,727	16,727
2009	OTHER OPERATING EXPENSE	365,904	402,774	602,174	448,605	448,604
5000	CAPITAL EXPENDITURES	3,943	29,691	15,927	15,933	15,933
Total, Objects of Expense		\$2,805,435	\$2,858,298	\$3,160,028	\$2,931,656	\$3,000,065
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	760,338	745,729	859,072	761,635	779,407
8042	Insurance Maint Tax Fees	2,045,097	2,112,569	2,300,956	2,170,021	2,220,658
Total, Method of Financing		\$2,805,435	\$2,858,298	\$3,160,028	\$2,931,656	\$3,000,065
FULL TIME EQUIVALENT POSITIONS		25.7	22.2	22.2	22.2	22.2

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Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

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Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
3-1-1	Provide Fire Protection through Education, Enforcement and Engineering					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$991,620	\$ 925,591	\$ 1,060,168	\$ 1,056,272	\$ 1,056,272
1002	OTHER PERSONNEL COSTS	37,940	35,260	28,722	28,640	28,640
2001	PROFESSIONAL FEES AND SERVICES	466,529	409,407	370,295	325,277	365,770
2002	FUELS AND LUBRICANTS	660	956	942	940	940
2003	CONSUMABLE SUPPLIES	3,377	8,174	10,025	9,996	9,996
2004	UTILITIES	27,336	24,376	22,603	22,539	22,539
2005	TRAVEL	6,530	7,861	6,774	6,755	6,755
2007	RENT - MACHINE AND OTHER	6,809	12,642	9,929	9,901	9,901
2009	OTHER OPERATING EXPENSE	231,478	236,478	357,586	265,535	265,535
5000	CAPITAL EXPENDITURES	2,494	17,432	9,458	9,431	9,431
Total, Objects of Expense		\$1,774,773	\$1,678,177	\$1,876,502	\$1,735,286	\$1,775,779
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	481,005	437,836	510,138	450,822	461,342
8042	Insurance Maint Tax Fees	1,293,768	1,240,341	1,366,364	1,284,464	1,314,437
Total, Method of Financing		\$1,774,773	\$1,678,177	\$1,876,502	\$1,735,286	\$1,775,779
FULL TIME EQUIVALENT POSITIONS		16.2	13.0	13.2	13.1	13.1

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Automated Budget and Evaluation System of Texas (ABEST)

454 Department of Insurance

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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3-1-1 Provide Fire Protection through Education, Enforcement and Engineering

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
4-1-1	Oversee Activities of System Participants and Take Enforcement Action					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$1,221,517	\$ 1,244,250	\$ 1,469,841	\$ 1,476,141	\$ 1,476,141
1002	OTHER PERSONNEL COSTS	46,735	47,399	39,820	40,024	40,024
2001	PROFESSIONAL FEES AND SERVICES	574,689	550,357	513,386	454,576	511,165
2002	FUELS AND LUBRICANTS	813	1,285	1,307	1,313	1,313
2003	CONSUMABLE SUPPLIES	4,160	10,988	13,899	13,970	13,970
2004	UTILITIES	33,673	32,769	31,337	31,498	31,498
2005	TRAVEL	8,044	10,567	9,392	9,441	9,441
2006	RENT - BUILDING	211,367	233,585	242,203	243,443	243,443
2007	RENT - MACHINE AND OTHER	8,387	16,995	13,766	13,836	13,836
2009	OTHER OPERATING EXPENSE	285,144	317,892	495,765	371,085	371,085
5000	CAPITAL EXPENDITURES	3,073	23,434	13,113	13,180	13,180
	Total, Objects of Expense	\$2,397,602	\$2,489,521	\$2,843,829	\$2,668,507	\$2,725,096
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	2,397,602	2,489,521	2,843,829	2,668,507	2,725,096
	Total, Method of Financing	\$2,397,602	\$2,489,521	\$2,843,829	\$2,668,507	\$2,725,096
FULL TIME EQUIVALENT POSITIONS		20.9	23.4	29.4	29.9	29.9

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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4-1-1 Oversee Activities of System Participants and Take Enforcement Action

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
4-1-2	Resolve Indemnity, Medical Fee and Medical Necessity Disputes					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$2,667,334	\$ 2,631,845	\$ 2,983,752	\$ 2,963,516	\$ 2,963,516
1002	OTHER PERSONNEL COSTS	102,053	100,258	80,834	80,353	80,353
2001	PROFESSIONAL FEES AND SERVICES	1,254,904	1,164,118	1,042,164	912,611	1,026,220
2002	FUELS AND LUBRICANTS	1,776	2,718	2,652	2,636	2,636
2003	CONSUMABLE SUPPLIES	9,084	23,242	28,214	28,046	28,046
2004	UTILITIES	73,530	69,313	63,614	63,235	63,235
2005	TRAVEL	17,566	22,351	19,067	18,953	18,953
2006	RENT - BUILDING	461,546	494,081	491,669	488,738	488,738
2007	RENT - MACHINE AND OTHER	18,315	35,948	27,945	27,778	27,778
2009	OTHER OPERATING EXPENSE	622,647	672,408	1,006,394	744,994	744,994
5000	CAPITAL EXPENDITURES	6,709	49,567	26,619	26,460	26,460
	Total, Objects of Expense	\$5,235,464	\$5,265,849	\$5,772,924	\$5,357,320	\$5,470,929
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	5,235,464	5,265,849	5,772,924	5,357,320	5,470,929
	Total, Method of Financing	\$5,235,464	\$5,265,849	\$5,772,924	\$5,357,320	\$5,470,929
FULL TIME EQUIVALENT POSITIONS		45.6	49.6	59.8	60.1	60.1

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
4-1-3	Administer Subsequent Injury Fund					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$16,777	\$ 14,363	\$ 44,455	\$ 44,645	\$ 44,645
1002	OTHER PERSONNEL COSTS	642	547	1,204	1,211	1,211
2001	PROFESSIONAL FEES AND SERVICES	7,893	6,353	15,527	13,749	15,460
2002	FUELS AND LUBRICANTS	11	15	40	40	40
2003	CONSUMABLE SUPPLIES	57	127	420	423	423
2004	UTILITIES	462	378	948	953	953
2005	TRAVEL	110	122	284	286	286
2006	RENT - BUILDING	2,903	2,696	7,325	7,363	7,363
2007	RENT - MACHINE AND OTHER	115	196	416	418	418
2009	OTHER OPERATING EXPENSE	3,916	3,669	14,994	11,223	11,223
5000	CAPITAL EXPENDITURES	42	270	397	399	399
Total, Objects of Expense		\$32,928	\$28,736	\$86,010	\$80,710	\$82,421
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	32,928	28,736	86,010	80,710	82,421
Total, Method of Financing		\$32,928	\$28,736	\$86,010	\$80,710	\$82,421
FULL TIME EQUIVALENT POSITIONS		0.3	0.3	0.9	0.9	0.9

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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4-1-3 Administer Subsequent Injury Fund

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

454 Department of Insurance

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
4-2-1	Provide Educational Services&WPS Consultations to System Participants					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$747,413	\$ 748,619	\$ 854,185	\$ 857,846	\$ 857,846
1002	OTHER PERSONNEL COSTS	28,596	28,518	23,141	23,260	23,260
2001	PROFESSIONAL FEES AND SERVICES	351,636	331,129	298,350	264,173	297,059
2002	FUELS AND LUBRICANTS	498	773	759	763	763
2003	CONSUMABLE SUPPLIES	2,545	6,611	8,077	8,118	8,118
2004	UTILITIES	20,604	19,716	18,211	18,305	18,305
2005	TRAVEL	4,922	6,358	5,458	5,486	5,486
2006	RENT - BUILDING	129,330	140,540	140,754	141,474	141,474
2007	RENT - MACHINE AND OTHER	5,132	10,225	8,000	8,041	8,041
2009	OTHER OPERATING EXPENSE	174,472	191,264	288,109	215,653	215,653
5000	CAPITAL EXPENDITURES	1,880	14,099	7,620	7,659	7,659
	Total, Objects of Expense	\$1,467,028	\$1,497,852	\$1,652,664	\$1,550,778	\$1,583,664
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	1,467,028	1,497,852	1,652,664	1,550,778	1,583,664
	Total, Method of Financing	\$1,467,028	\$1,497,852	\$1,652,664	\$1,550,778	\$1,583,664
FULL TIME EQUIVALENT POSITIONS						
		12.8	14.1	17.1	17.4	17.4

7.A. Indirect Administrative and Support Costs

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Automated Budget and Evaluation System of Texas (ABEST)

454 Department of Insurance

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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4-2-1 Provide Educational Services&WPS Consultations to System Participants

Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Strategy		Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
4-2-2	Provide Customer Assistance & Records Admin for System Participants					
OBJECTS OF EXPENSE:						
1001	SALARIES AND WAGES	\$866,185	\$ 743,981	\$ 883,368	\$ 887,154	\$ 887,154
1002	OTHER PERSONNEL COSTS	33,140	28,341	23,932	24,054	24,054
2001	PROFESSIONAL FEES AND SERVICES	407,515	329,078	308,542	273,198	307,208
2002	FUELS AND LUBRICANTS	577	768	785	789	789
2003	CONSUMABLE SUPPLIES	2,950	6,570	8,353	8,396	8,396
2004	UTILITIES	23,878	19,594	18,834	18,930	18,930
2005	TRAVEL	5,704	6,318	5,645	5,674	5,674
2006	RENT - BUILDING	149,882	139,669	145,563	146,308	146,308
2007	RENT - MACHINE AND OTHER	5,948	10,162	8,273	8,316	8,316
2009	OTHER OPERATING EXPENSE	202,197	190,079	297,953	223,020	223,020
5000	CAPITAL EXPENDITURES	2,179	14,012	7,881	7,921	7,921
Total, Objects of Expense		\$1,700,155	\$1,488,572	\$1,709,129	\$1,603,760	\$1,637,770
METHOD OF FINANCING:						
36	Dept Ins Operating Acct	1,700,155	1,488,572	1,709,129	1,603,760	1,637,770
Total, Method of Financing		\$1,700,155	\$1,488,572	\$1,709,129	\$1,603,760	\$1,637,770
FULL TIME EQUIVALENT POSITIONS		14.8	14.0	17.7	18.0	18.0

7.A. Indirect Administrative and Support Costs

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454 Department of Insurance

Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
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Method of Allocation

The proportionate share of direct strategies was calculated using the salaries for each direct strategy divided by the total direct strategy. This proportionate share was applied to the indirect and administrative support costs to calculate the indirect costs for each direct strategy.

7.A. Indirect Administrative and Support Costs

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	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$13,824,618	\$13,518,450	\$15,705,658	\$15,692,683	\$15,692,683
1002 OTHER PERSONNEL COSTS	\$528,931	\$514,976	\$425,489	\$425,494	\$425,494
2001 PROFESSIONAL FEES AND SERVICES	\$6,504,087	\$5,979,482	\$5,485,669	\$4,832,542	\$5,434,132
2002 FUELS AND LUBRICANTS	\$9,206	\$13,960	\$13,961	\$13,958	\$13,958
2003 CONSUMABLE SUPPLIES	\$47,084	\$119,383	\$148,513	\$148,511	\$148,511
2004 UTILITIES	\$381,098	\$356,023	\$334,850	\$334,851	\$334,851
2005 TRAVEL	\$91,041	\$114,807	\$100,359	\$100,361	\$100,361
2006 RENT - BUILDING	\$983,908	\$1,043,826	\$1,064,459	\$1,064,461	\$1,064,461
2007 RENT - MACHINE AND OTHER	\$94,926	\$184,644	\$147,092	\$147,093	\$147,093
2009 OTHER OPERATING EXPENSE	\$3,227,138	\$3,453,817	\$5,297,388	\$3,944,963	\$3,944,962
5000 CAPITAL EXPENDITURES	\$34,775	\$254,600	\$140,113	\$140,111	\$140,111
Total, Objects of Expense	\$25,726,812	\$25,553,968	\$28,863,551	\$26,845,028	\$27,446,617
Method of Financing					
36 Dept Ins Operating Acct	\$15,108,505	\$14,889,481	\$16,947,325	\$15,611,036	\$15,950,480
8042 Insurance Maint Tax Fees	\$10,618,307	\$10,664,487	\$11,916,226	\$11,233,992	\$11,496,137
Total, Method of Financing	\$25,726,812	\$25,553,968	\$28,863,551	\$26,845,028	\$27,446,617
Full-Time-Equivalent Positions (FTE)	230.5	216.6	244.3	245.7	245.7

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-1-1	Educate Consumers and Industry by Providing Outreach and Information				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$196,879	\$221,943	\$277,637	\$277,637	\$277,637
1002 OTHER PERSONNEL COSTS	15,609	10,048	7,350	7,350	7,350
2003 CONSUMABLE SUPPLIES	643	933	1,031	1,031	1,031
2004 UTILITIES	218	1,018	1,075	1,075	1,075
2006 RENT - BUILDING	276	2,503	508	508	508
2009 OTHER OPERATING EXPENSE	1,969	2,219	2,776	2,776	2,776
Total, Objects of Expense	\$215,594	\$238,664	\$290,377	\$290,377	\$290,377
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	58,431	62,267	78,941	75,439	75,439
8042 Insurance Maint Tax Fees	157,163	176,397	211,436	214,938	214,938
Total, Method of Financing	\$215,594	\$238,664	\$290,377	\$290,377	\$290,377
FULL-TIME-EQUIVALENT POSITIONS (FTE):	4.4	4.7	5.5	5.5	5.5

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-2-1 Respond Promptly and Act on Complaints					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$131,303	\$142,707	\$153,957	\$153,957	\$153,957
1002 OTHER PERSONNEL COSTS	8,529	4,520	4,036	4,036	4,036
2003 CONSUMABLE SUPPLIES	498	572	725	725	725
2004 UTILITIES	106	102	102	102	102
2009 OTHER OPERATING EXPENSE	1,313	1,427	1,540	1,540	1,540
Total, Objects of Expense	\$141,749	\$149,328	\$160,360	\$160,360	\$160,360
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	38,417	38,960	43,595	41,661	41,661
8042 Insurance Maint Tax Fees	103,332	110,368	116,765	118,699	118,699
Total, Method of Financing	\$141,749	\$149,328	\$160,360	\$160,360	\$160,360
FULL-TIME-EQUIVALENT POSITIONS (FTE):	2.3	2.5	3.0	3.0	3.0

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-2-2	Investigate Trade Practices and Bring Enforcement Actions as Needed				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$181,954	\$180,056	\$191,775	\$191,775	\$191,775
1002 OTHER PERSONNEL COSTS	6,225	7,196	5,396	5,396	5,396
2003 CONSUMABLE SUPPLIES	770	765	924	924	924
2004 UTILITIES	394	846	846	846	846
2009 OTHER OPERATING EXPENSE	1,820	1,801	1,918	1,918	1,918
Total, Objects of Expense	\$191,163	\$190,664	\$200,859	\$200,859	\$200,859
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	51,810	49,744	54,605	52,183	52,183
8042 Insurance Maint Tax Fees	139,353	140,920	146,254	148,676	148,676
Total, Method of Financing	\$191,163	\$190,664	\$200,859	\$200,859	\$200,859
FULL-TIME-EQUIVALENT POSITIONS (FTE):	3.8	3.6	3.8	3.8	3.8

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-2-3	Investigate Insurance Fraud and Refer Violations for Prosecution				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$131,379	\$131,685	\$145,924	\$145,924	\$145,924
1002 OTHER PERSONNEL COSTS	4,125	3,232	3,417	3,417	3,417
2003 CONSUMABLE SUPPLIES	798	912	945	945	945
2004 UTILITIES	1,156	1,402	1,402	1,402	1,402
2006 RENT - BUILDING	32	1,687	1,603	1,603	1,603
2009 OTHER OPERATING EXPENSE	1,314	1,317	1,459	1,459	1,459
Total, Objects of Expense	\$138,804	\$140,235	\$154,750	\$154,750	\$154,750
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	37,619	36,587	42,070	40,204	40,204
8042 Insurance Maint Tax Fees	101,185	103,648	112,680	114,546	114,546
Total, Method of Financing	\$138,804	\$140,235	\$154,750	\$154,750	\$154,750
FULL-TIME-EQUIVALENT POSITIONS (FTE):	2.5	2.4	2.6	2.6	2.6

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-3-1 Process Rates, Forms & Licenses Promptly					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$493,626	\$491,824	\$525,074	\$525,074	\$525,074
1002 OTHER PERSONNEL COSTS	20,694	16,581	17,101	17,101	17,101
2003 CONSUMABLE SUPPLIES	1,810	2,064	2,613	2,613	2,613
2004 UTILITIES	536	834	753	753	753
2009 OTHER OPERATING EXPENSE	4,936	4,918	5,251	5,251	5,251
Total, Objects of Expense	\$521,602	\$516,221	\$550,792	\$550,792	\$550,792
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	141,366	134,682	149,736	143,094	143,094
8042 Insurance Maint Tax Fees	380,236	381,539	401,056	407,698	407,698
Total, Method of Financing	\$521,602	\$516,221	\$550,792	\$550,792	\$550,792
FULL-TIME-EQUIVALENT POSITIONS (FTE):	10.9	10.8	11.1	11.1	11.1

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-3-3	Regulate Private Employers that Qualify to Self-Ins w/in the WC System				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$40,636	\$38,434	\$39,528	\$39,528	\$39,528
1002 OTHER PERSONNEL COSTS	1,726	1,589	1,712	1,712	1,712
2003 CONSUMABLE SUPPLIES	78	348	401	401	401
2004 UTILITIES	276	365	341	341	341
2006 RENT - BUILDING	3,193	3,011	3,050	3,050	3,050
2009 OTHER OPERATING EXPENSE	406	384	395	395	395
Total, Objects of Expense	\$46,315	\$44,131	\$45,427	\$45,427	\$45,427
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	46,315	44,131	45,427	45,427	45,427
Total, Method of Financing	\$46,315	\$44,131	\$45,427	\$45,427	\$45,427
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.1	1.0	1.0	1.0	1.0

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
1-5-1	Inspect Loss Control Programs & Assure Code & Schedule Compliance				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$92,547	\$97,399	\$109,149	\$109,149	\$109,149
1002 OTHER PERSONNEL COSTS	4,488	6,195	3,526	3,526	3,526
2003 CONSUMABLE SUPPLIES	492	517	628	628	628
2004 UTILITIES	698	1,287	976	976	976
2006 RENT - BUILDING	3,436	3,706	3,565	3,565	3,565
2009 OTHER OPERATING EXPENSE	925	974	1,091	1,091	1,091
Total, Objects of Expense	\$102,586	\$110,078	\$118,935	\$118,935	\$118,935
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	27,803	28,719	32,333	30,899	30,899
8042 Insurance Maint Tax Fees	74,783	81,359	86,602	88,036	88,036
Total, Method of Financing	\$102,586	\$110,078	\$118,935	\$118,935	\$118,935
FULL-TIME-EQUIVALENT POSITIONS (FTE):	2.0	2.0	2.2	2.2	2.2

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$164,754	\$173,984	\$185,659	\$185,659	\$185,659
1002 OTHER PERSONNEL COSTS	6,060	8,070	5,020	5,020	5,020
2003 CONSUMABLE SUPPLIES	1,136	1,175	1,516	1,516	1,516
2004 UTILITIES	359	539	549	549	549
2006 RENT - BUILDING	2,099	2,106	2,126	2,126	2,126
2009 OTHER OPERATING EXPENSE	1,648	1,740	1,857	1,857	1,857
Total, Objects of Expense	\$176,056	\$187,614	\$196,727	\$196,727	\$196,727
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	47,715	48,948	53,481	51,109	51,109
8042 Insurance Maint Tax Fees	128,341	138,666	143,246	145,618	145,618
Total, Method of Financing	\$176,056	\$187,614	\$196,727	\$196,727	\$196,727
FULL-TIME-EQUIVALENT POSITIONS (FTE):	3.0	3.1	3.3	3.3	3.3

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
3-1-1 Provide Fire Protection through Education, Enforcement and Engineering					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$98,763	\$96,796	\$104,470	\$104,134	\$104,134
1002 OTHER PERSONNEL COSTS	4,484	5,864	3,207	3,207	3,207
2003 CONSUMABLE SUPPLIES	958	1,168	818	818	818
2004 UTILITIES	1,381	1,603	1,659	1,659	1,659
2009 OTHER OPERATING EXPENSE	988	968	1,045	1,041	1,041
Total, Objects of Expense	\$106,574	\$106,399	\$111,199	\$110,859	\$110,859
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	28,884	27,759	30,230	28,801	28,801
8042 Insurance Maint Tax Fees	77,690	78,640	80,969	82,058	82,058
Total, Method of Financing	\$106,574	\$106,399	\$111,199	\$110,859	\$110,859
FULL-TIME-EQUIVALENT POSITIONS (FTE):	2.9	2.8	3.0	3.0	3.0
DESCRIPTION					

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
4-1-1	Oversee Activities of System Participants and Take Enforcement Action				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$260,694	\$274,139	\$304,284	\$304,284	\$304,284
1002 OTHER PERSONNEL COSTS	16,653	10,589	9,799	9,799	9,799
2003 CONSUMABLE SUPPLIES	540	1,496	1,782	1,782	1,782
2004 UTILITIES	1,643	2,564	2,338	2,338	2,338
2006 RENT - BUILDING	18,128	19,419	19,600	30,591	30,591
2009 OTHER OPERATING EXPENSE	2,607	2,741	3,043	3,043	3,043
Total, Objects of Expense	\$300,265	\$310,948	\$340,846	\$351,837	\$351,837
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	300,265	310,948	340,846	351,837	351,837
Total, Method of Financing	\$300,265	\$310,948	\$340,846	\$351,837	\$351,837
FULL-TIME-EQUIVALENT POSITIONS (FTE):	6.3	6.3	6.9	6.7	6.7

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
4-1-2					
Resolve Indemnity, Medical Fee and Medical Necessity Disputes					
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$123,517	\$125,817	\$134,026	\$132,549	\$132,549
1002 OTHER PERSONNEL COSTS	8,370	6,296	5,837	5,837	5,837
2003 CONSUMABLE SUPPLIES	1,083	714	821	821	821
2004 UTILITIES	464	615	551	551	551
2006 RENT - BUILDING	9,173	9,177	9,034	12,612	12,612
2009 OTHER OPERATING EXPENSE	1,235	1,258	1,340	1,325	1,325
Total, Objects of Expense	\$143,842	\$143,877	\$151,609	\$153,695	\$153,695
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	143,842	143,877	151,609	153,695	153,695
Total, Method of Financing	\$143,842	\$143,877	\$151,609	\$153,695	\$153,695
FULL-TIME-EQUIVALENT POSITIONS (FTE):	2.8	2.7	2.9	2.9	2.9

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
4-2-1	Provide Educational Services&WPS Consultations to System Participants				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$143,254	\$148,128	\$158,809	\$158,809	\$158,809
1002 OTHER PERSONNEL COSTS	7,609	5,706	4,783	4,783	4,783
2003 CONSUMABLE SUPPLIES	607	1,229	1,041	1,041	1,041
2004 UTILITIES	1,332	1,321	888	888	888
2006 RENT - BUILDING	11,720	12,297	12,049	12,049	12,049
2009 OTHER OPERATING EXPENSE	1,433	1,481	1,588	1,588	1,588
Total, Objects of Expense	\$165,955	\$170,162	\$179,158	\$179,158	\$179,158
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	165,955	170,162	179,158	179,158	179,158
Total, Method of Financing	\$165,955	\$170,162	\$179,158	\$179,158	\$179,158
FULL-TIME-EQUIVALENT POSITIONS (FTE):	3.8	3.7	4.0	4.0	4.0

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: **454**

Agency name: **Department of Insurance**

Strategy	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
4-2-2	Provide Customer Assistance & Records Admin for System Participants				
OBJECTS OF EXPENSE:					
1001 SALARIES AND WAGES	\$56,576	\$50,167	\$55,968	\$55,968	\$55,968
1002 OTHER PERSONNEL COSTS	2,606	1,757	1,499	1,499	1,499
2001 PROFESSIONAL FEES AND SERVICES	0	0	0	0	0
2002 FUELS AND LUBRICANTS	0	0	0	0	0
2003 CONSUMABLE SUPPLIES	779	547	631	631	631
2004 UTILITIES	701	1,003	947	947	947
2005 TRAVEL	0	0	0	0	0
2006 RENT - BUILDING	11,683	11,496	11,324	11,324	11,324
2007 RENT - MACHINE AND OTHER	0	0	0	0	0
2009 OTHER OPERATING EXPENSE	566	502	560	560	560
Total, Objects of Expense	\$72,911	\$65,472	\$70,929	\$70,929	\$70,929
METHOD OF FINANCING:					
36 Dept Ins Operating Acct	72,911	65,472	70,929	70,929	70,929
Total, Method of Financing	\$72,911	\$65,472	\$70,929	\$70,929	\$70,929
FULL-TIME-EQUIVALENT POSITIONS (FTE):	1.3	1.1	1.3	1.3	1.3

DESCRIPTION

The direct administration and support costs were developed by identifying staff applicable to those functions and strategies. The strategies reflected are the actual costs for those staff within each direct strategy. Other expenses listed reflect proportionate share of expenses allocated among all staff paid out of a strategy such as supplies, utilities, rent.

Agency code: 454

Agency name: Department of Insurance

	Exp 2015	Est 2016	Bud 2017	BL 2018	BL 2019
GRAND TOTALS					
Objects of Expense					
1001 SALARIES AND WAGES	\$2,115,882	\$2,173,079	\$2,386,260	\$2,384,447	\$2,384,447
1002 OTHER PERSONNEL COSTS	\$107,178	\$87,643	\$72,683	\$72,683	\$72,683
2001 PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0	\$0
2002 FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003 CONSUMABLE SUPPLIES	\$10,192	\$12,440	\$13,876	\$13,876	\$13,876
2004 UTILITIES	\$9,264	\$13,499	\$12,427	\$12,427	\$12,427
2005 TRAVEL	\$0	\$0	\$0	\$0	\$0
2006 RENT - BUILDING	\$59,740	\$65,402	\$62,859	\$77,428	\$77,428
2007 RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$21,160	\$21,730	\$23,863	\$23,844	\$23,844
Total, Objects of Expense	\$2,323,416	\$2,373,793	\$2,571,968	\$2,584,705	\$2,584,705
Method of Financing					
36 Dept Ins Operating Acct	\$1,161,333	\$1,162,256	\$1,272,960	\$1,264,436	\$1,264,436
8042 Insurance Maint Tax Fees	\$1,162,083	\$1,211,537	\$1,299,008	\$1,320,269	\$1,320,269
Total, Method of Financing	\$2,323,416	\$2,373,793	\$2,571,968	\$2,584,705	\$2,584,705
Full-Time-Equivalent Positions (FTE)	47.1	46.7	50.6	50.4	50.4