

AGENCY STRATEGIC PLAN
FISCAL YEARS 2017 TO 2021

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

BY

OFFICE OF PUBLIC INSURANCE COUNSEL



June 24, 2016

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SIGNED:



DEEIA BECK, PUBLIC COUNSEL

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AGENCY MISSION

The mission of the Office of Public Insurance Counsel (OPIC) is to represent solely the interests of insurance consumers. This means advocating fairness and stability in insurance rates and coverage; promoting public understanding of insurance matters; working to make the overall insurance market more responsive to consumers; and ensuring consumers receive the services they have purchased.

AGENCY OPERATIONAL GOALS AND ACTION PLAN

OPERATIONAL GOAL

To advocate positions advantageous to Texas consumers effectively in rate, rulemaking, judicial and legislative proceedings, and other public forums involving insurance matters.

SPECIFIC ACTION ITEMS TO ACHIEVE GOAL

1. Review rate filings and work diligently against unjustified rate increases and toward increased benefits to policyholders;
2. Prevent or limit the reduction of coverage available to insurance consumers;
3. Work to make the overall insurance market more responsive to Texas insurance consumers; and
4. Act as a resource in legislative proceedings addressing issues affecting Texas insurance consumers.

DESCRIBE HOW YOUR GOAL OR ACTION ITEM SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.

The Office of Public Insurance Counsel is dedicated to diligently representing the interests of Texas consumers in a cost efficient manner. OPIC is funded by a small 5.7 cent fee on certain insurance policies sold in Texas. That fee is paid into General Revenue and OPIC typically has operated on about 40% or less of the funds generated by the fee. In recent years the appropriation received is less than a million per year. Below is a chart comparing the total assessment funds collected on behalf of the agency with the total funds appropriated to the agency for the past few fiscal years:

Fiscal Year	Statutory Assessment Collected	Appropriation from General Revenue (Total, All)	TDI Interagency Contract
2011	\$ 2,284,056	\$ 988,406	\$ 48,000
2012	\$ 2,267,255	\$ 841,418	\$ 191,670
2013	\$ 2,417,111	\$ 841,418	\$ 191,670
2014	\$ 2,493,289	\$ 850,085	\$ 191,670
2015	\$ 2,398,692	\$ 855,528	\$ 191,670
2016	\$ 2,414,000 (estimate)	\$ 870,368	\$ 191,670

With these funds, OPIC is able to save Texas consumers many millions per year by successfully opposing unjustified rate and fee increases. The affordability and availability of insurance will continue to be an important issue to Texans. The ability of Texas residents to insure their businesses, property, and health are of vital importance to the economic health of communities, including inner city neighborhoods and rural areas, as well as the state as a whole. OPIC's participation in rate, rule and form proceedings helps consumers obtain the insurance they need and want at better values.

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.

As the agency is small with a limited scope of authority, there has not been an issue of redundancy or taking on non-core functions. We do monitor all requests to make sure they are within the agency's scope. If not, the requestor is directed to the appropriate agency or authority. In addition, it is the practice of the agency to negotiate rate reductions and form changes with insurance companies before initiating litigation if possible. This avoids costly litigation while achieving appropriate savings for consumers.

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

OPIC annually reviews hundreds of rate filings and works diligently against unjustified rate increases. During fiscal years 2008-2016 (to date), OPIC advocated in 224 matters resulting in lower rates and/or other benefits for policyholders. These matters included homeowners, personal automobile, Texas Windstorm Insurance Association (TWIA), the Texas Automobile Insurance Plan Association (TAIPA), Fair Access to Insurance Requirements (FAIR) Plan, title and workers' compensation insurance. OPIC's participation in these cases resulted in rate decreases or reductions in proposed levels of rate increase estimated at \$854,083,904. It is the practice of the agency to negotiate rate reductions with insurers pre litigation when warranted. The agency has also worked to prevent or limit the reduction of coverage available to insurance consumers. During fiscal years 2008-2016 (to date), OPIC participated in 353 rulemaking proceedings, including policy form approvals, resulting in preservation and clarification of coverage or other benefits.

4. Providing excellent customer service.

The agency's customer base is insurance consumers who vary by line of insurance and needs, such as drivers buying personal automobile insurance, small employers, and individuals shopping for life or health coverage. Insurance consumers throughout the state often have different needs. Homeowners in North Texas may focus on coverage for roofs and related deductibles due to the prevalence of local hailstorms. Coastal residents are concerned with their homeowners rates and the cost of wind coverage due to the possibility of tropical storms, and rural residents may be concerned with access to health insurance as they shop for a managed care plan with services in their sparsely populated area. Residents across the state are concerned about large numbers of

uninsured drivers and access to affordable health insurance. In some cases the concerns are uniform throughout the state (such as loss of coverage or how insurance companies use credit scoring). Whether or not their interests or concerns vary, OPIC's customers inhabit all areas and counties of Texas and include those individuals who are seeking insurance as well as those who are current purchasers of insurance products.

Several common issues concern all insurance consumers: availability, affordability, and coverage. Most availability questions tend to also be related to affordability issues because in the insurance market, many products can be purchased at a price. However, because of economic difficulties, geographic location, job status, credit history, and other factors, many find themselves priced out of the market or choose not to participate.

A growing customer base will require OPIC to continually re-examine the primary interests of Texas consumers. OPIC continually strives to achieve the same high level of customer service as the best for profit companies. Each staff member is trained and evaluated on their adherence to these standards. We also require each employee to meet the highest ethical standards. This includes both thorough analysis of information, and fairness and sensitivity in working with consumers. We also make sure that requests from the public are addressed very quickly so that they can have the information and service they need. OPIC prides itself on having a "no wrong door" policy so that consumers will not have to waste time and effort finding the right person to help them.

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

OPIC considers openness and transparency with Texans paramount. Being a small agency, we have not been particularly well known by the public in years past. The agency has worked to raise public awareness of our activities and services. When the agency is involved in proceedings concerning insurance rates, forms, and/or rules, we advise the public of our positions and reasoning behind same. In that way, the public can understand the rationale for the actions we take and the importance to their interests. Additionally, we ensure that public open records and other information requests receive both timely and complete responses.

OTHER CONSIDERATIONS RELEVANT TO GOAL OR ACTION ITEM

Federal and State Legal Issues

Unlike many consumer products, insurance is primarily regulated by the states. In 1944, the United States Supreme Court ruled that the insurance industry should be subject to federal jurisdiction because the industry takes part in interstate commerce. In response to that ruling, in 1945 Congress passed the McCarran-Ferguson Act that exempts insurance from federal antitrust laws with some exceptions. With the passage of the McCarran-Ferguson Act, regulation of insurance was placed in the hands of the states. However, in spite of McCarran-Ferguson, federal actions have and will continue to affect the insurance industry and require state action. With the passage of federal health care reform, the role of the federal government in health insurance will increase. OPIC has since seen an increase in contacts from consumers seeking to understand the products available in the marketplace.

At the state level, the most significant factor affecting the future role of OPIC is possible legislation that impacts rate regulation for residential property and automobile insurance. Also at the state level, there are several legislative interim and oversight committees considering insurance-related issues such as windstorm coverage and funding, health care network adequacy and balance billing. Additionally, a hearing is presently set before the Commissioner of Insurance related to pre-dispute mandatory arbitration endorsements in property and casualty insurance products. OPIC will be requested to provide information or assistance on these and other issues.

Economic Variables

The insurance industry is affected by complex economic variables. Insurance rates are largely a function of the losses which must be paid on claims, as well as expenses and the income earned on investments. OPIC analyzes relevant variables when preparing its recommendations for rate and rule proceedings.

Technology Resources Planning

1. Initiative Name: Name of the current or planned technology initiative.	
Upgrade phones to DIR VOIP phone system	
2. Initiative Description: Brief description of the technology initiative.	
Upgrade OPIC phones and IT infrastructure to support DIR’s now mandatory VOIP platform for phone system.	
3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency’s Legislative Appropriations Request.	
Name	Status
IT hardware upgrade	Completed in 2016
4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
Increased communication and data transfer capabilities and security. Increased mobility options and we are now better able to adapt to future needs.	
5. Anticipated benefit(s): Identify the benefits that are expected to be gained through the technology initiative. (eg. operational efficiencies, improved service delivery, security, compliance, etc.)	
There is a monthly cost reduction for phone and internet services. Our phone system tracking and security is vastly improved. There is a speed improvement that will allow all employees to be more efficient. Also, this VOIP system is now mandatory for all agencies in the Hobby building and we are an early adopter that is now fully compliant.	
6. State Strategic Plan Goal Alignment: Identify the statewide technology focus areas the initiative aligns with, if any.	
Reliable and Secure Services <input checked="" type="checkbox"/> Security <input checked="" type="checkbox"/> Continuity of Operations <input checked="" type="checkbox"/> Connectivity	Cost-effective and Collaborative Solutions <input checked="" type="checkbox"/> Legacy Modernization <input type="checkbox"/> Cloud Services <input checked="" type="checkbox"/> Shared Services

<p>Mature IT Resources Management</p> <ul style="list-style-type: none"><input type="checkbox"/> IT Funding<input type="checkbox"/> IT Planning & Governance<input type="checkbox"/> IT Workforce	<p>Data Utility</p> <ul style="list-style-type: none"><input type="checkbox"/> Data Management & Governance<input type="checkbox"/> Open Data<input checked="" type="checkbox"/> Data Analytics <p>Mobile & Digital Services</p> <ul style="list-style-type: none"><input checked="" type="checkbox"/> Mobile Applications<input type="checkbox"/> Digital Services<input type="checkbox"/> Internet of Things
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OPERATIONAL GOAL

To increase effective consumer choice by educating Texas insurance consumers about their rights and responsibilities and about the operation of Texas insurance markets, and to obtain market information which results in rate, rule, or legislative proposals benefiting Texas insurance consumers.

SPECIFIC ACTION ITEMS TO ACHIEVE GOAL

1. Contact Texas insurance consumers by efficient means to educate insurance consumers about their rights and responsibilities.
2. Educate insurance consumers about the operation of Texas insurance markets.
3. Participate in public forums to obtain information in order to formulate positions advantageous to insurance consumers.
4. Obtain market information which results in rate, rule or legislative proposals benefiting insurance consumers.

DESCRIBE HOW YOUR GOAL OR ACTION ITEM SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.

OPIC is dedicated to diligently representing the interests of Texas consumers in a cost efficient manner. OPIC is funded by a small 5.7 cent fee on certain insurance policies sold in Texas. That fee is paid into General Revenue and OPIC typically has operated on about 40% or less of the funds generated by the fee. Typically the appropriation received is less than a million per year. Below is a chart comparing the total assessment funds collected on behalf of the agency with the total funds appropriated to the agency for the past few fiscal years:

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2015	\$ 2,398,692	\$ 855,528	\$ 191,670
2016	\$ 2,414,000 (estimate)	\$ 870,368	\$ 191,670

We continually strive to make sure all expenditures support our ongoing goals that make Texas consumers better equipped to select the insurance products they need and want. We post our higher value contracts and our budget on our website for the public to review.

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.

With the increased prevalence of the internet and social media, OPIC has been able to communicate with more consumers in a cost effective manner than ever before. Agency articles, bills of rights, brochures, health plan report cards, and many other products of the agency can now be disseminated via the web and social media at a nominal cost to the agency (and thus the taxpayer). In February 2012, OPIC launched its improved website featuring a redesigned policy comparison tool for homeowners, auto, renters, and condo coverage. The agency uses social media tools (Facebook and Twitter) to send educational messages to consumers. The agency also initiated a Spanish language outreach program utilizing radio spots and Spanish language educational tools to assist our Spanish speaking population in understanding their insurance policies. OPIC sends representatives to public events around the state to inform consumers about the resources available to them from the agency. We also participate in public forums to advocate for the best interests of the consumer. We coordinate with the Texas Department of Insurance to make sure that our efforts are not duplicative with respect to our educational services and materials.

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

OPIC constantly strives to be a more effective and efficient organization. In recent years, the agency has made great strides to increase its value and usefulness to Texas insurance consumers. As the agency charged with advocating for positions advantageous to Texas insurance consumers, OPIC performs a number of functions. However, all of these functions are designed to work together, to be mutually beneficial and supportive. These activities vary, but all are designed to bring information to decision makers in order to achieve financial or public policy benefits for consumers. As a supportive activity, the agency's information-gathering efforts have provided information for rule proposals and legislative solutions that have produced savings or benefits to consumers.

The agency is charged with advocating positions most advantageous for insurance consumers, and as such must be able to provide the Commissioner of Insurance, the State Office of Administrative Hearings, and courts complete input from the consumer's perspective. The agency must hear and understand from Texas consumers what their needs are and must be able to provide technical and knowledgeable evidence regarding those needs to the ultimate decision makers.

OPIC utilizes a detailed and comprehensive performance measure tracking system so that we can consistently measure our progress in goal attainment. The agency has been very successful at meeting its goals and has actually asked for increases in certain measures when the agency believed certain goals were too low. We also evaluate our results to determine if our efforts are focused properly.

While we at OPIC are proud of our efforts on behalf of consumers, we know that there is always room for improvement. We focus our efforts to reach as many consumers as possible and will continue to do so. As mentioned previously, we have redesigned our website to make it more

consumer friendly. We also continue a consumer outreach initiative utilizing strategic media purchases and social media. Additionally, we maintain a toll free number for consumer access. For Texas insurance consumers, knowledge is power. OPIC works to get consumers the resources they need to make educated insurance purchase decisions.

4. Providing excellent customer service.

OPIC continually strives to achieve the same high level of customer service as the best for profit companies. Each staff member is trained and evaluated on their adherence to these standards. We also require each employee to meet the highest ethical standards. This includes both thorough analysis of information, and fairness and sensitivity in working with consumers. We also make sure that requests from the public are addressed very quickly so that they can have the information and service they need. OPIC prides itself on having a “no wrong door” policy so that consumers will not have to waste time and effort finding the right person to help them.

The agency’s customer base is very diverse. Insurance consumers vary by line of insurance and needs, such as drivers buying personal automobile insurance, small employers, and individuals shopping for life or health coverage. Insurance consumers throughout the state often have different needs. Homeowners in North Texas may focus on coverage for roofs and related deductibles due to the prevalence of local hailstorms. Coastal residents are concerned with their homeowners rates and the cost of wind coverage due to the possibility of tropical storms, and rural residents may be concerned with access to health insurance as they shop for a managed care plan with services in their sparsely populated area. Residents across the state are concerned about large numbers of uninsured drivers and access to affordable health insurance. In some cases the concerns are uniform throughout the state (such as loss of coverage or how insurance companies use credit scoring). Whether or not their interests or concerns vary, OPIC’s customers inhabit all areas and counties of Texas and include those individuals who are seeking insurance as well as those who are current purchasers of insurance products.

Several common issues concern all insurance consumers: availability, affordability, and coverage. Most availability questions tend to also be related to affordability issues because in the insurance market, many products can be purchased at a price. However, because of economic difficulties, geographic location, job status, credit history, and other factors, many find themselves priced out of the market or choose not to participate. A growing customer base will require OPIC to continually re-examine the primary interests of Texas consumers.

Because of all of these factors, OPIC must continually assess its effectiveness and create better tools for insurance consumers to use to navigate a complex insurance marketplace. This includes creating tools for use by our growing Spanish speaking population as well.

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

Openness and transparency is very important in achieving the agency’s consumer education goal. One of our most important services has been providing tools for evaluating insurance products.

OPIC created a web based policy comparison tool for auto, homeowners and condo coverages. This tool allows consumers with no insurance expertise to compare insurance coverages offered by different companies. Insurance terms are explained in layman’s terms so that consumers can understand the policies available and make the best decision for their needs. The policy comparison tool was the first of its kind launched in the United States and has received acclaim from consumers, agents and regulators alike. In addition, since September 2008, the agency has partnered with the Texas Department of Insurance (TDI) to produce a website (HelpInsure.com) combining consumer information produced by the agencies as well as adding new information as required by legislation passed by the 80th Legislature. Additionally, by virtue of legislation passed by the 84th Legislature, OPIC was allowed to expand its offerings by posting property and casualty forms on the internet.

OPIC also issues annual consumer report cards on Health Maintenance Organizations. Mandated by the 75th Legislature, the consumer report card provides information to consumers about the various HMO products available in the state. This report card is especially valuable to consumers who are enrolling, or considering a change, in their health care plan. Included in the report card is information on the services provided by each HMO, the quality of care provided, the results of a consumer satisfaction survey, costs, and other helpful information. After the legislature restructured the Health and Human Services Commission in 2003, OPIC also began publishing the Guide to Texas HMO Quality, a technical report geared toward employers and statisticians. OPIC has produced consumer bills of rights for personal automobile, homeowners, and credit insurance. Mandated by the 72nd Legislature, the bills of rights are designed to inform consumers of their specific rights in various lines of personal insurance.

OPIC’s web, social media and strategic advertising strategies are designed to enhance our transparency to all Texans so that they can understand our role in the marketplace, evaluate our actions, and utilize the information provided to make them effective and strategic in their insurance purchases.

OTHER CONSIDERATIONS RELEVANT TO GOAL OR ACTION ITEM

Technology Resources Planning

1. Initiative Name: Name of the current or planned technology initiative.
Social Media Plan
2. Initiative Description: Brief description of the technology initiative.
OPIC uses social media to reach Texans and to further inform and educate about insurance issues. We will continue to expand our use of social media over the next 4 years. We have active Twitter and Facebook accounts and we have a LinkedIn page.

3. Associated Project(s): Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Legislative Appropriations Request.	
Name	Status
Build social media network	Ongoing
4. Agency Objective(s): Identify the agency objective(s) that the technology initiative supports.	
This initiative supports the agency's primary objective of educating Texas consumers about insurance.	
5. Anticipated benefit(s): Identify the benefits that are expected to be gained through the technology initiative. (eg. operational efficiencies, improved service delivery, security, compliance, etc.)	
OPIC expects to increase customer satisfaction through this initiative. Social media allows the agency to reach and interact with more Texans. It is also a low cost alternative to traditional outreach methods (i.e. advertising, conferences, etc.)	
6. State Strategic Plan Goal Alignment: Identify the statewide technology focus areas the initiative aligns with, if any.	
<p>Reliable and Secure Services</p> <ul style="list-style-type: none"> <input type="checkbox"/> Security <input checked="" type="checkbox"/> Continuity of Operations <input checked="" type="checkbox"/> Connectivity <p>Mature IT Resources Management</p> <ul style="list-style-type: none"> <input type="checkbox"/> IT Funding <input type="checkbox"/> IT Planning & Governance <input type="checkbox"/> IT Workforce 	<p>Cost-effective and Collaborative Solutions</p> <ul style="list-style-type: none"> <input type="checkbox"/> Legacy Modernization <input type="checkbox"/> Cloud Services <input checked="" type="checkbox"/> Shared Services <p>Data Utility</p> <ul style="list-style-type: none"> <input type="checkbox"/> Data Management & Governance <input checked="" type="checkbox"/> Open Data <input type="checkbox"/> Data Analytics <p>Mobile & Digital Services</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Mobile Applications <input type="checkbox"/> Digital Services <input type="checkbox"/> Internet of Things

REDUNDANCIES AND IMPEDIMENTS

Service, Statute, Rule or Regulation (Provide Specific Citation if applicable)	Describe why the Service, Statute, Rule or Regulation is Resulting in Inefficient or Ineffective Agency Operations	Provide Agency Recommendation for Modification or Elimination	Describe the Estimated Cost Savings or Other Benefit Associated with Recommended Change
Lack of statutory authority for initiating hearings.	Any rate hearing sought by OPIC cannot be initiated under its own authority. Instead, it must be requested from TDI pursuant to Tex. Ins. Code Ann. § 2251.105(a). As the State consumer advocate, OPIC should be able to initiate a proceeding on equal terms with insurance companies and TDI. Additionally, it is an open legal question as to if OPIC can obtain refunds for consumers if TDI does not join the proceeding as a party.	Texas Insurance Code Chapter 501 should be amended adding a specific right for OPIC to initiate a hearing and authorizing refunds to consumers if OPIC is successful in establishing an excessive rate was charged by the insurer.	Having to make a request to TDI is a waste of time and resources, however, the greatest waste is the inability for consumers to receive refunds (which can be many millions of dollars) if TDI does not join the action as a party.
TDI – interagency request vs. open records request	TDI treats most requests from OPIC as open records requests when they should be considered interagency transfer requests. This increases the amount of time and resources dedicated to these requests by TDI and OPIC and it impedes OPIC’s ability to timely and efficiently review documents we consider important. In addition, this creates inconsistencies in TDI’s disclosure of documents to OPIC that TDI and/or insurers may consider confidential because we are regularly provided with access to rate and form filings that have been marked confidential. If these are being treated as open records request, then they are now open to the public.	OPIC recommends that the Commissioner and OPIC agree to a memorandum of understanding that states all OPIC document requests shall be treated as interagency transfers. Separately, the legislature could clearly state in Chapter 501 of the Texas Insurance Code that all OPIC document requests shall be considered interagency transfer requests.	This will save time and money because TDI will not have to analyze OPIC requests as though they are open records requests that will be provided to the public and TDI will benefit because the documents will maintain whatever confidentiality they have while OPIC reviews them.

SCHEDULE A: BUDGET STRUCTURE

AGENCY GOAL 1: ADVOCATE FOR INSURANCE CONSUMERS

Advocate positions advantageous to Texas consumers effectively in rate, rulemaking, judicial and legislative proceedings, and other public forums involving insurance matters. (TEX. INS. CODE ANN. Chapter 501)

OBJECTIVE 1: FAIR INSURANCE RATES/RULES

In each year, participate in all rate hearings, rate filings, and rulemaking proceedings, as well as any judicial proceedings, including appeals subsequent to administrative proceedings and amicus briefs, having a significant impact on Texas insurance consumers to ensure that insurance rates in Texas are fair and that rules are adequate to protect Texas insurance consumers; and act as a resource in legislative proceedings addressing issues affecting Texas insurance consumers through 2021.

STRATEGY 1: PARTICIPATE IN RATE/RULE HEARINGS

Participate in rate hearings, rate filings, and rulemaking proceedings, as well as any judicial proceedings including appeals subsequent to administrative proceedings and amicus briefs, on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys; and provide information and research to the Legislature and executive branch through 2021.

OUTCOME MEASURES:

Percentage of Rate Hearings in Which OPIC Participated
Percentage of Rate and Rule Proceedings in Which OPIC Participated
Percentage of Rates and Rules Changed as a Result of OPIC Participation

OUTPUT MEASURES:

Number of Rate Hearings in Which OPIC Participated
Number of Rate Filings in Which OPIC Participated
Number of Rulemaking Proceedings in Which OPIC Participated
Number of Proposed Rules Analyzed
Number of Rate Filings Analyzed

EFFICIENCY MEASURES:

Average Cost Per Rate Hearing in Which OPIC Participated

AGENCY GOAL 2: INCREASE CONSUMER CHOICE

To increase effective consumer choice by educating Texas insurance consumers about their rights and responsibilities and about the operation of Texas insurance markets, and to obtain market information which results in rate, rule, or legislative proposals benefiting Texas insurance consumers. (TEX. INS. CODE ANN. Chapter 501)

OBJECTIVE 1: CONTACT INSURANCE CONSUMERS

To contact Texas insurance consumers by efficient means about insurance coverage and the insurance marketplace by reaching approximately 62 percent of those consumers each year and to participate in public forums to obtain information in order to formulate positions advantageous to insurance consumers through 2021.

STRATEGY 1: INSURANCE INFORMATION

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

OUTCOME MEASURES:

Percentage of Texas Insurance Consumers Reached by OPIC Outreach Efforts
Percentage of Bills of Rights Submitted for Adoption within Established Timelines

OUTPUT MEASURES:

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

EFFICIENCY MEASURES:

Average Cost Per Consumer Reached through Agency Publications

SCHEDULE B: PERFORMANCE MEASURE DEFINITIONS

GOAL 1: Advocate positions advantageous to Texas consumers effectively in rate, rulemaking, judicial and legislative proceedings, and other public forums involving insurance matters. (TEX. INS. CODE ANN. Chapter 501)

OBJECTIVE 1: In each year, participate in all rate hearings, rate filings, and rulemaking proceedings, as well as any judicial proceedings, including appeals subsequent to administrative proceedings and amicus briefs, having a significant impact on Texas insurance consumers to ensure that insurance rates in Texas are fair and that rules are adequate to protect Texas insurance consumers; and act as a resource in legislative proceedings addressing issues affecting Texas insurance consumers through 2021.

STRATEGY 1: Participate in rate hearings, rate filings, and rulemaking proceedings, as well as any judicial proceedings including appeals subsequent to administrative proceedings and amicus briefs, on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys; and provide information and research to the Legislature and executive branch through 2021.

OUTCOME MEASURE: Percentage of Rate Hearings in which OPIC Participated

Definition: The percentage of rate hearings in which the agency participated. Rate hearings include administrative proceedings held before the Commissioner of Insurance or an administrative law judge to set or disapprove rates and classification plans for various lines of insurance, as well as judicial appeals subsequent to such administrative proceedings.

Purpose/Importance: Participation in rate hearings addresses the agency's statutory duty to intervene on behalf of consumers in matters involving rates affecting all lines of insurance for which the commissioner sets or disapproves rates. Advocating for insurance consumers in these rate hearings is one of the primary goals of the agency. It is important to monitor any trends in these hearings in order to determine market trends and to aid the agency in its budget planning process.

Source/Collection of Data: Data used for this calculation is from an agency database maintained and utilized to track projects, activities, and outcomes of the agency.

Method of Calculation: The number of rate hearings in which the agency participated during the reporting period is divided by the total number of such hearings for the reporting period.

Data Limitations: The number of rate hearings is largely determined by outside influences such as a statutory change, the number and timing of rate filings made by insurers and the reasonableness of the rates requested in the filings as well as the number of hearings scheduled by the Texas Department of Insurance.

Calculation Type: Non-cumulative

New Measure: No

Target Attainment: Higher than target

OUTCOME MEASURE: Percentage of Rate and Rule Proceedings in which OPIC Participated

Definition: The percentage of rate and rule proceedings in which the agency participated. Rate proceedings include rates filed by individual insurance companies which are reviewed to determine if they affect, or have the potential to affect, a class or a substantial number of consumers. Rulemaking proceedings include proposals for rule and form changes filed by insurance companies, insurance industry trade groups, the Texas Department of Insurance staff, individual consumers, consumer groups, or the agency which are reviewed to determine if they affect, or have the potential to affect, a class or a substantial number of consumers.

Purpose/Importance: This measure addresses the agency's statutory duty to intervene on behalf of consumers in matters involving rates, rules, and forms in various lines of insurance. It is important to monitor any trends in the number or type of these proceedings conducted in order to determine market trends and to aid the agency in its budget planning process.

Source/Collection of Data: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rate and rulemaking proceedings is entered by agency staff on a regular basis. Data is collected from various sources including the Texas Register.

Method of Calculation: The number of rate and rulemaking proceedings in which the agency participated during the reporting period is divided by the total number of such proceedings for the reporting period.

Data Limitations: The number of rate and rulemaking proceedings in which the agency participates is largely determined by outside influences such as the number of such filings or proposals made and the reasonableness of the rates requested in the filings.

Calculation Type: Non-cumulative

New Measure: No

Target Attainment: Higher than Target

OUTCOME MEASURE: Percentage of Rates and Rules Changed as a Result of OPIC Participation

Definition: The percentage of rates and rules changed as a result of agency participation. Rates and rules changed as a result of OPIC participation includes the adoption or partial adoption of a consumer benefit, including rate reductions, rate justifications, form changes, increased coverage or other benefits, as a result of the agency's analysis, recommendation, and participation in rate or rulemaking proceedings.

Purpose/Importance: Participation in rate and rulemaking proceedings addresses the agency's statutory duty to intervene on behalf of consumers in matters involving rates, rules, and forms affecting various lines of insurance. Participating and advocating for insurance consumers in these proceedings is one of the primary goals of the agency. It is important to monitor these goals to determine the level of benefit received by consumers.

Source/Collection of Data: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rate filings and rule proceedings is entered by agency staff on a regular basis.

Method of Calculation: The total number of rate and rule proceedings in which the agency was successful in obtaining benefits for consumers during the reporting period is divided by the total number of such proceedings for the reporting period.

Data Limitations: The number of rate filings or rule proceedings analyzed and negotiated by the agency is largely determined by outside influences such as the number and timing of such filings or proposals made and the reasonableness of the rates requested or the number of proposals set for hearing by the Texas Department of Insurance.

Calculation Type: Non-cumulative

New Measure: No

Target Attainment: Higher than Target

OUTPUT MEASURE: Number of Rate Hearings in which OPIC Participated

Definition: The number of rate hearings in which the agency participated. Rate hearings include administrative proceedings held before the Commissioner of Insurance or an administrative law judge to set or disapprove rates and classification plans for various lines of insurance as well as judicial appeals subsequent to such administrative proceedings.

Purpose/Importance: This measure is intended to show the number of rate hearings held during any given year. Participation in these hearings addresses the agency's statutory duty to intervene on behalf of consumers on matters involving rates of various lines of insurance. It is important to monitor these proceedings in order to determine market trends and to aid the agency in its budget planning process.

Source/Collection of Data: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rate hearings is entered by agency staff on a regular basis.

Method of Calculation: Rate hearings in which the agency participated as a party of record during the reporting period are totaled

Data Limitations: The number of rate hearings is largely determined by outside influences such as a statutory change, the number and timing of rate filings made by insurers and the reasonableness of the

rates requested in the filings as well as the number of hearings scheduled by the Texas Department of Insurance.

Calculation Type: Cumulative

New Measure: No

Target Attainment: Higher than Target

OUTPUT MEASURE: Number of Rate Filings in which OPIC Participated

Definition: The number of individual insurance company rate filings which the agency participated in settlement negotiations or pre-hearing matters during the reporting period. This measure includes filings which the agency contested by filing a formal objection and request for disapproval, and/or a hearing. It also includes activities conducted in preparation for a hearing, such as conducting discovery, submitting requests for information and filing pre-hearing motions which may or may not result in a hearing.

Purpose/Importance: This measure addresses the agency's statutory duty to intervene on behalf of consumers in matters involving rates of various lines of insurance. This is one of the primary goals of the agency, and it is important to monitor the number of significant rate filings in order to determine market trends and to aid the agency in its budget planning process.

Source/Collection of Data: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding individual rate filings is entered by agency staff on a regular basis.

Method of Calculation: Rates filed by individual insurance companies in which the agency participated in settlement negotiations or pre-hearing matters during the reporting period are totaled.

Data Limitations: The number of rate filings in which the agency participated is largely determined by outside influences such as the number and timing of such filings and the reasonableness of the rates requested in the filings.

Calculation Type: Cumulative

New Measure: No

Target Attainment: Higher than Target

OUTPUT MEASURE: Number of Rulemaking Proceedings in which OPIC Participated

Definition: The number of rulemaking proceedings on proposed rules, rule changes, or forms in which the agency participated by providing written and/or oral testimony during the reporting period. This measure includes discussions or negotiations prior to postings or hearings that may result in the agency's

recommendation being incorporated into the proposal prior to publication, or which eliminates the need for a hearing. Rulemaking proceedings include administrative proceedings on proposals by the Texas Department of Insurance, insurance companies, insurance industry trade groups, consumer groups, individual consumers, the agency, or other entities which affect or have the potential to affect a class or a substantial number of consumers as well as judicial appeals subsequent to such administrative proceedings. This measure also includes the agency's involvement in judicial proceedings that affect or have the potential to affect a class or a substantial number of consumers.

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

Source/Collection of Data: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rulemaking proceedings and proposals is entered by agency staff on a regular basis. Data is collected from the Texas Register and the agency conducting the proceeding.

Method of Calculation: Rulemaking proceedings in which the agency participated during the reporting period are totaled.

Data Limitations: The number of rulemaking proceedings analyzed and participated in by the agency is largely determined by outside influences such as the number of such proposals made by others and the number of those proposals set for hearing by the Texas Department of Insurance.

Calculation Type: Cumulative

New Measure: No

Target Attainment: Higher than Target

OUTPUT MEASURE: Number of Proposed Rules Analyzed

Definition: The number of rules and forms proposed at the Texas Department of Insurance or other government agency which the agency analyzed but did not provide oral or written testimony or take any other action on during the reporting period.

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

Source/Collection of Data: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rulemaking proceedings and proposals is entered by

agency staff on a regular basis. Data is collected from the Texas Register and the agency receiving the rule proposal.

Method of Calculation: Rule proposals, including proposals at the Texas Department of Insurance or another government agency which the agency analyzed but did not take action on during the reporting period are totaled.

Data Limitations: The number of proposed rules and forms analyzed by the agency is largely determined by outside influences such as the number and type of such proposals made by others.

Calculation Type: Cumulative

New Measure: No

Target Attainment: Higher than Target

OUTPUT MEASURE: Number of Rate Filings Analyzed

Definition: The number of rate filings which the agency analyzed but did not provide oral or written testimony or take any other action on during the reporting period.

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

Source/Collection of Data: An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rate filings is entered by agency staff on a regular basis. Data is collected from the Texas Register and the agency receiving the rate filing.

Method of Calculation: Rate filings which the agency analyzed but did not take action on during the reporting period are totaled.

Data Limitations: The number of rate filings analyzed by the agency is largely determined by outside influences such as the number and type of filings made by insurers.

Calculation Type: Cumulative

New Measure: No

Target Attainment: Higher than Target

EFFICIENCY MEASURE: Average Cost Per Rate Hearing in Which OPIC Participated

Definition: The average cost per rate hearing in which the agency participated. Rate hearings include administrative proceedings held before the Commissioner of Insurance or an administrative law judge to set or disapprove rates and classification plans for various lines of insurance as well as judicial appeals subsequent to such administrative proceedings.

Purpose/Importance: This measure is intended to show the cost of these rate hearings. Participation in rate hearings addresses the agency's statutory duty to intervene on behalf of consumers in matters involving rates of various lines of insurance. Participating in and advocating for insurance consumers in these hearings is one of the primary goals of the agency. It is important to monitor these costs in order to aid the agency in its budget planning process.

Source/Collection of Data: Data used for this calculation is from an agency database, the comptroller's USAS system, and timesheets maintained by attorneys and support staff. An agency database is maintained and utilized to track projects, activities, and outcomes of the agency.

Method of Calculation: The total funds expended or costs incurred during the reporting period for participation in rate hearings is divided by the number of rate hearings in which the agency participated as a party of record during the reporting period. Costs include professional expert witness fees, staff salaries (attorney and support staff), and administrative costs and expenses. Administrative costs for capital expenditures are included and allocated in the same proportion that rate hearing activities bear to the total office activity for each reporting period.

Data Limitations: The number of rate hearings is largely determined by outside influences such as a statutory change, the number and timing of rate filings made by insurers and the reasonableness of the rates requested in the filings as well as the number of hearings scheduled by the Texas Department of Insurance.

Calculation Type: Non-cumulative

New Measure: No

Target Attainment: Lower than Target

GOAL 2: To increase effective consumer choice by educating Texas insurance consumers about their rights and responsibilities and about the operation of Texas insurance markets, and to obtain market information which results in rate, rule, or legislative proposals benefiting Texas insurance consumers. (TEX. INS. CODE ANN. Chapter 501)

OBJECTIVE 1: To contact Texas insurance consumers by efficient means about insurance coverage and the insurance marketplace by reaching approximately 62 percent of those consumers each year and to participate in public forums to obtain information in order to formulate positions advantageous to insurance consumers through 2021.

STRATEGY 1: To contact Texas consumers to obtain market information and to provide consumers with information needed in order to make informed choices by conducting issue research, producing informational materials, making public presentations, and formulating and revising consumer bills of rights.

OUTCOME MEASURE: Percentage of Texas Insurance Consumers Reached by OPIC Outreach Efforts

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

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

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

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

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

Calculation Type: Non-cumulative

New Measure: No

Target Attainment: Higher than Target

OUTCOME MEASURE: Percentage of Bills of Rights Submitted for Adoption within Established Timelines

Definition: The percentage of consumer bills of rights and revisions submitted to the Texas Department of Insurance for adoption within established timelines.

Purpose/Importance: This measure addresses the agency's statutory duty to submit bills of rights for distribution to consumers to advise them of their rights in various personal lines of insurance.

Source/Collection of Data: An agency database is maintained and updated regularly regarding bills of rights information.

Method of Calculation: The number of consumer bills of rights and revisions submitted to the Texas Department of Insurance for adoption during the reporting period is divided by the total number of bills of rights scheduled for completion by the agency during the reporting period.

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

Calculation Type: Non-cumulative

New Measure: No

Target Attainment: Higher than Target

OUTPUT MEASURE: Number of Bills of Rights or Revisions Proposed

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

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

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

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

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

Calculation Type: Cumulative

New Measure: No

Target Attainment: Higher than Target

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

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

Purpose/Importance: This measure addresses the statutory duties of the agency to educate and advocate on behalf of consumers. It is important to monitor these costs to aid the agency in its budget planning process.

Source/Collection of Data: Data used for this calculation is from an agency database and monthly server profiles on the agency's internet activity.

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

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

Calculation Type: Cumulative

New Measure: No

Target Attainment: Higher than Target

OUTPUT MEASURE: Number of Public Presentations or Communications

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

Purpose/Importance: This measure addresses the agency's statutory duties to educate and advocate on behalf of insurance consumers and provide information related to various lines of insurance. It is important to monitor this measure in order to aid the agency in its budget planning process.

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

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

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

Calculation Type: Cumulative

New Measure: No

Target Attainment: Higher than Target

EFFICIENCY MEASURE: Average Cost Per Consumer Reached through Agency Publications

Definition: The average cost per consumer reached through agency publications. Funds expended or costs incurred per consumer during the reporting period for distributing publications to insurance consumers.

Purpose/Importance: This measure is intended to show the cost of reaching consumers with agency publications and information. The publication of educational information addresses the agency's statutory duties to educate and advocate on behalf of consumers, submit consumer bills of rights to be distributed to insurance policyholders, and provide consumers with a comparison and evaluation of HMOs in Texas. It is important to monitor these costs to aid the agency in its budget planning process.

Source/Collection of Data: Data used for this calculation is from an agency database and economic calculations regarding the number of insured in Texas for the reporting period. The agency database is maintained and utilized to track projects, activities, and outcomes of the agency.

Method of Calculation: Total funds expended or costs incurred during the reporting period for distribution of publications are divided by the estimated number of consumers reached during the reporting period. Costs include publication and distribution expenses such as supplies, printing costs, and postage. The number of consumers reached includes the number of consumers who access or receive agency publications and information including HMO report cards and consumer bills of rights, and other agency publications.

Data Limitations: Web site visits and actual distribution of hard copy material is used. While web site visits and actual distribution of hard copy material is easily tracked, it is difficult to determine how many insurance consumers are accessing information through other media.

Calculation Type: Non-cumulative

New Measure: No

Target Attainment: Lower than Target

SCHEDULE C: HISTORICALLY UNDERUTILIZED BUSINESS PLAN

An agency may satisfy this requirement by including a copy of the HUB report. Attached are OPIC's HUB reports for fiscal years 2014 and 2015.

PROCUREMENT CATEGORY	TOTAL EXPENDITURES	TOTAL \$/% SPENT WITH NON HUBS	TOTAL \$/% SPENT WITH HUBS	ANNUAL PROCUREMENT GOAL %
HEAVY CONSTRUCTION	\$00	\$00 / 0.00%	\$00 / 0.00%	11.20%
BUILDING	\$00	\$00 / 0.00%	\$00 / 0.00%	21.10%
SPECIAL TRADE	\$00	\$00 / 0.00%	\$00 / 0.00%	32.70%
PROFESSIONAL	\$3,196	\$00 / 0.00%	\$3,196 / 100.00%	23.60%
OTHER SERVICES	\$89,371	\$58,756 / 65.74%	\$30,615 / 34.26%	24.60%
COMMODITY PURCHASING	\$6,955	\$3,324 / 47.80%	\$3,630 / 52.20%	21.00%
TOTAL	\$99,523	\$62,080 / 62.38%	\$37,442 / 37.62%	

CONSOLIDATED REPORT FOR THE STATE OF TEXAS

HEAVY CONSTRUCTION	\$5,288,183,271	\$5,170,201,074 / 97.77%	\$292,675,953 / 5.53%	11.20%
BUILDING	\$1,716,735,367	\$1,643,986,033 / 95.76%	\$379,848,183 / 22.13%	21.10%
SPECIAL TRADE	\$457,672,705	\$445,326,817 / 97.85%	\$151,713,022 / 27.20%	32.70%
PROFESSIONAL	\$678,716,862	\$612,384,840 / 90.23%	\$89,955,391 / 13.25%	23.60%
OTHER SERVICES	\$3,898,067,663	\$3,476,431,504 / 89.18%	\$635,102,741 / 16.29%	24.60%
COMMODITY PURCHASING	\$4,243,426,603	\$3,764,740,825 / 88.72%	\$511,567,677 / 12.06%	21.00%
TOTAL	\$16,382,802,474	\$15,113,071,034 / 92.25%	\$2,060,862,969 / 12.58%	

** ANALYSIS OF AWARDS FOR OFFICE OF PUBLIC INSURANCE COUNSEL

CERTIFIED HUB GROUP FOR HUB CREDIT	TOTAL # AND % OF HUB VIDS RECEIVING AWARDS	TOTAL DOLLAR AMOUNT AND % AWARDED TO HUBS
ASIAN PACIFIC	0 / 0.00%	\$00 / 0.00%
BLACK	0 / 0.00%	\$00 / 0.00%
HISPANIC	2 / 40.00%	\$87 / 0.23%
NATIVE AMERICAN	0 / 0.00%	\$00 / 0.00%
SERVICE-DISABLED VETERAN	0 / 0.00%	\$00 / 0.00%
WOMAN	3 / 60.00%	\$37,355 / 99.77%
TOTAL	5 / 100.00%	\$37,442 / 100.00%

** ANALYSIS OF AWARDS FOR THE STATE OF TEXAS

CERTIFIED HUB GROUP	# OF VIDS ELIGIBLE FOR HUB CREDIT, %	# OF MALES, %	# OF FEMALES, %	TOTAL # AND % OF HUB VIDS RECEIVING AWARDS	TOTAL DOLLAR AMOUNT AND % AWARDED TO HUBS
ASIAN PACIFIC	1223 / 7.49%	796 / 11.98%	427 / 4.41%	289 / 6.59%	\$230,418,269 / 11.18%
BLACK	3294 / 20.16%	2002 / 30.12%	1297 / 13.33%	418 / 9.53%	\$205,648,343 / 9.98%
HISPANIC	5036 / 30.82%	3610 / 54.32%	1426 / 14.71%	1327 / 30.26%	\$525,083,224 / 25.48%
NATIVE AMERICAN	311 / 1.90%	211 / 3.17%	100 / 1.03%	84 / 1.92%	\$22,693,045 / 1.10%
SERVICE-DISABLED VETERAN	27 / 0.17%	27 / 0.41%	0 / 0.00%	8 / 0.18%	\$1,830,145 / 0.09%
WOMEN	6448 / 39.14%	0 / 0.00%	6448 / 66.52%	2260 / 51.53%	\$1,075,189,940 / 52.17%
TOTAL	16339 / 100.00%	6646 / 100.00%	9693 / 100.00%	4386 / 100.00%	\$2,060,862,969 / 100.00%

** THE ANALYSIS IS BASED ON THE TOTAL # OF VENDOR ID NUMBERS THAT WERE ELIGIBLE TO RECEIVE HUB CREDIT. TOTAL # OF CERTIFIED HUBS FOR THE PERIOD OF FY2014 IS 16230.

SUCH AS, 1223 (7.49%) OF VID NUMBERS ELIGIBLE TO RECEIVE HUB CREDIT WERE ASIAN PACIFIC OWNED BUSINESSES, 796 (11.98%) WERE ASIAN PACIFIC MALE OWNED BUSINESSES AND 427 (4.41%) WERE ASIAN PACIFIC FEMALE OWNED BUSINESSES. 289 (6.59%) AWARDS WERE MADE TO ASIAN PACIFIC OWNED BUSINESSES, TOTALING \$230,418,269.100 (11.18%) OF THE TOTAL DOLLARS AWARDED TO HUBS.

CONSOLIDATED REPORT FOR

13-Oct-2015

359 OFFICE OF PUBLIC INSURANCE COUNSEL

PROCUREMENT CATEGORY	TOTAL EXPENDITURES	TOTAL \$/% SPENT WITH NON HUBS	TOTAL \$/% SPENT WITH HUBS	ANNUAL PROCUREMENT GOALS %
HEAVY CONSTRUCTION	\$00	0.00%	0.00%	11.20%
BLUDDING	\$00	0.00%	0.00%	21.10%
SPECIAL TRADE	\$00	0.00%	0.00%	32.90%
PROFESSIONAL	\$3,260	0.00%	100.00%	23.70%
OTHER SERVICES	\$29,618	90.07%	9.93%	26.00%
COMMODITY PURCHASING	\$9,038	100.00%	0.00%	21.10%
TOTAL	\$41,916	\$35,716 / 85.21%	\$6,200 / 14.79%	

CONSOLIDATED REPORT FOR THE STATE OF TEXAS

HEAVY CONSTRUCTION	\$5,279,525,567	\$5,143,699,276 / 97.43%	\$266,333,119 / 5.04%	11.20%
BLUDDING	\$1,703,623,997	\$1,659,458,402 / 97.41%	\$275,454,333 / 16.17%	21.10%
SPECIAL TRADE	\$645,612,438	\$541,210,924 / 83.83%	\$162,962,501 / 25.24%	32.90%
PROFESSIONAL	\$725,661,908	\$649,825,679 / 89.55%	\$215,269,331 / 29.67%	23.70%
OTHER SERVICES	\$4,187,585,949	\$3,779,310,526 / 90.25%	\$606,572,260 / 14.49%	26.00%
COMMODITY PURCHASING	\$4,419,922,326	\$3,944,722,465 / 89.25%	\$502,959,164 / 11.38%	21.10%
TOTAL	\$16,961,932,186	\$15,718,227,275 / 92.67%	\$2,029,550,710 / 11.97%	

359 OFFICE OF PUBLIC INSURANCE COUNSEL

CERTIFIED HUB GROUP FOR HUB CREDIT	TOTAL # AND % OF HUB VIDS RECEIVING AWARDS	TOTAL DOLLAR AMOUNT AND % AWARDED TO HUBS
ASIAN PACIFIC	1 / 25.00%	\$1,028 / 16.59%
BLACK	0 / 0.00%	\$00 / 0.00%
HISPANIC	1 / 25.00%	\$1,630 / 26.29%
NATIVE AMERICAN	0 / 0.00%	\$00 / 0.00%
SERVICE-DISABLED VETERAN	0 / 0.00%	\$00 / 0.00%
WOMAN	2 / 50.00%	\$3,541 / 57.12%
TOTAL	4 / 100.00%	\$6,200 / 100.00%

** ANALYSIS OF AWARDS FOR THE STATE OF TEXAS

CERTIFIED HUB GROUP	# OF VIDS ELIGIBLE FOR HUB CREDIT, %	# OF MALES, %	# OF FEMALES, %	TOTAL # AND % OF HUB VIDS RECEIVING AWARDS	TOTAL DOLLAR AMOUNT AND % AWARDED TO HUBS
ASIAN PACIFIC	1194 / 7.45%	777 / 11.68%	417 / 4.45%	303 / 7.05%	\$250,991,956 / 12.37%
BLACK	3282 / 20.48%	2004 / 30.14%	1278 / 13.63%	404 / 9.40%	\$217,484,744 / 10.72%
HISPANIC	4995 / 31.16%	3580 / 53.83%	1415 / 15.09%	1326 / 30.87%	\$517,062,956 / 25.48%
NATIVE AMERICAN	330 / 2.06%	228 / 3.43%	102 / 1.09%	90 / 2.09%	\$25,542,801 / 1.25%
SERVICE-DISABLED VETERAN	61 / 0.38%	0 / 0.00%	0 / 0.00%	20 / 0.47%	\$2,347,084 / 0.12%
WOMEN	6166 / 38.47%	0 / 0.00%	6166 / 65.75%	2153 / 50.12%	\$1,016,111,167 / 50.07%
TOTAL	16028 / 100.00%	6650 / 100.00%	9378 / 100.00%	4296 / 100.00%	\$2,029,550,710 / 100.00%

** THE ANALYSIS IS BASED ON THE TOTAL # OF VENDOR ID NUMBERS THAT WERE ELIGIBLE TO RECEIVE HUB CREDIT. TOTAL # OF CERTIFIED HUBS FOR THE PERIOD OF FY2015 IS 15924.

SUCH AS, 1194 (7.45%) OF VID NUMBERS ELIGIBLE TO RECEIVE HUB CREDIT WERE ASIAN PACIFIC OWNED BUSINESSES, 777 (11.68%) WERE ASIAN PACIFIC MALE OWNED BUSINESSES AND 417 (4.45%) WERE ASIAN PACIFIC FEMALE OWNED BUSINESSES. 303 (7.05%) AWARDS WERE MADE TO ASIAN PACIFIC OWNED BUSINESSES, TOTALING \$250,991,956.00 (12.37%) OF THE TOTAL DOLLARS AWARDED TO HUBS.

SCHEDULE D: STATEWIDE CAPITAL PLANNING

NOT APPLICABLE

SCHEDULE E: HEALTH AND HUMAN SERVICES STRATEGIC PLANNING

NOT APPLICABLE

SCHEDULE F: AGENCY WORKFORCE PLAN

Anticipated Changes to the Agency's Role

Since the passage of Senate Bill 14 in 2003, insurance rate regulation has changed dramatically. Many companies became regulated that were previously exempt. This increased the role of the agency in rate filing review as the volume of filings rose significantly. Although annual benchmark rate hearings were eliminated, there continue to be highly intensive hearings involving large individual companies. In addition, OPIC continues to have a role in industry-wide rate hearings for the title industry.

OPIC also has an increased role in public outreach and education. The agency believes that informed consumers can make better insurance purchase decisions. This improves the efficiency of the overall insurance marketplace in Texas making companies more competitive and thus more responsive to consumers. OPIC is committed through its outreach campaigns to improve Texans' understanding of the insurance policies they typically purchase.

As a result of budget reductions and greater efficiencies, OPIC's allowed FTEs decreased from 16.5 to 15.0 in the 2010 legislative session. The nature of the workforce is unlikely to change; however, the role of staff may need to be adapted to address any changes to the agency's mission that are ultimately determined by the legislature in the future.

Current Workforce Profile (*Supply Analysis*)

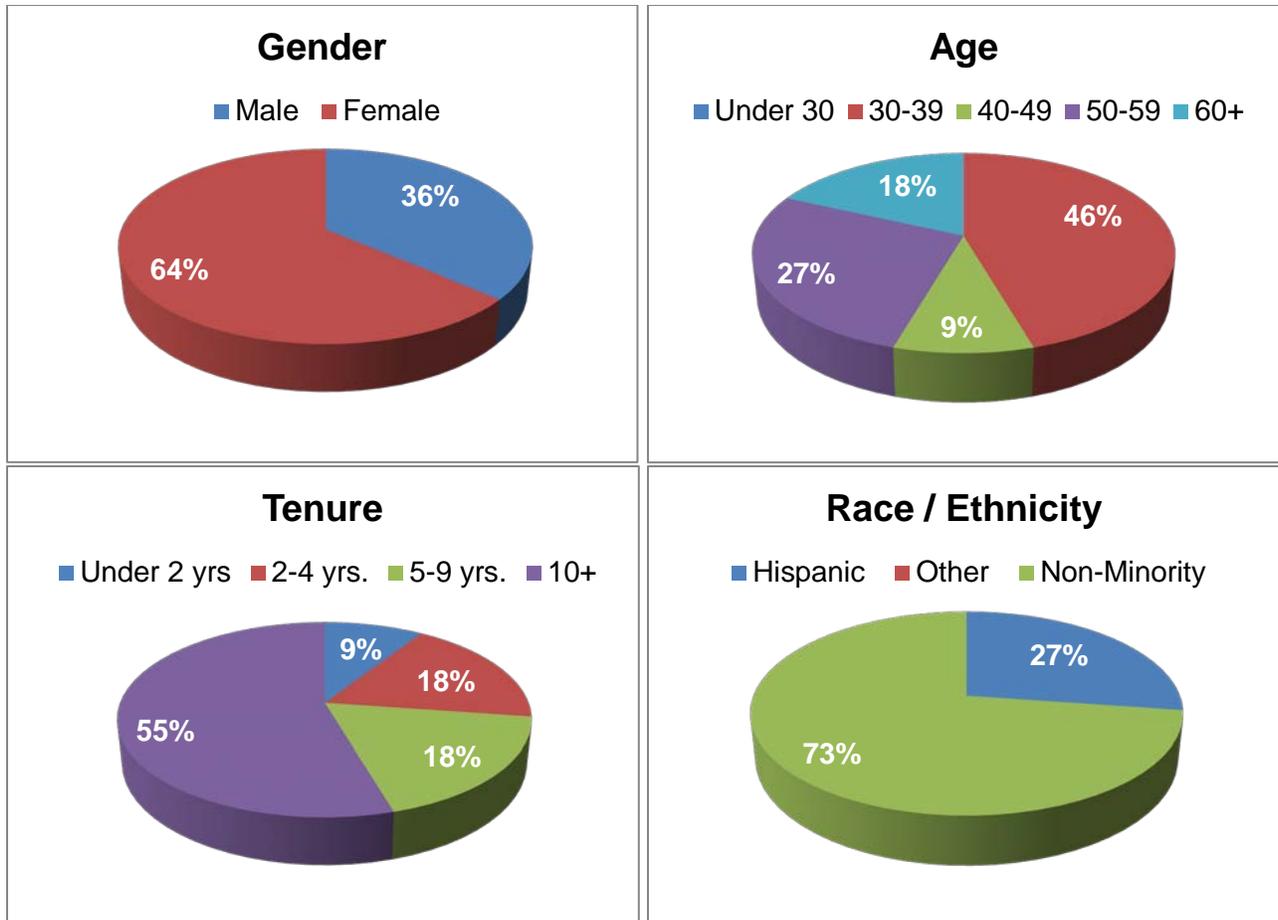
Critical Workforce Skills

The agency currently has a strong, well-qualified staff capable of performing the following functions that are critical to daily operations:

- Insurance rate making analysis
- Legal and insurance policy analysis
- Legal and insurance related research
- Consumer education and outreach
- Administration (budgeting, accounting, purchasing, payroll, human resources).

Workforce Demographics

The following charts profile the agency's workforce as of June 1, 2016. The agency is authorized 15.0 positions consisting of attorneys, economists, statisticians, researchers, and support staff. Currently, this workforce is comprised of approximately thirty-six percent males and sixty-four percent females with 45% being under age 40 and 55% being between age 40 and 63. The agency strives towards maintaining a diverse workplace and has had no significant change in the race/ethnic breakdown of its workforce in the past several years. At present, 27% of the agency's employees are minorities. Tenure remains high with 55% of the agency workforce having over ten years of state service.



Employee Turnover

Historically, the agency experiences less than one employee resignation or retirement per year. OPIC’s turnover rate has been low. The turnover rate as of June 1, 2016 for FY 2016 is 0%. An increase in that percentage between now and the end of the fiscal year is likely. Future attrition is likely to remain in the range of zero to one person per year.

Retirement Eligibility

At this time, the agency does not consider retirement eligibility to be a significant issue. The agency has two employees eligible to retire within the next 5 years.

Future Workforce Profile (*Demand Analysis*)

Anticipating changes to the state insurance regulatory environment requires that we continually reevaluate the skill sets of our workforce.

Critical Functions

- Improved capability for quantitative statistical insurance research and rate analysis
- Enhanced targeted research project functions
- Enhanced consumer outreach/social media skills to support consumer education role

Expected Workforce Changes

- Improve use of technology to increase research productivity and outreach opportunities
- Increase level of cross-training to maximize productivity of existing staff resources
- Continue seeking employees with strong quantitative skill set

Anticipated Increase/Decrease in FTEs

- An increase to the agency's FTE count is anticipated

Future Workforce Skills Needed

- Statistical software
- Strategic planning
- Insurance experience
- Research skills
- Actuarial skills
- Marketing and consumer outreach skills
- Effective verbal and written communication skills
- Teambuilding skills
- Database design
- Mathematical background
- Legal analysis
- Project management skills

Gap Analysis

The agency presently has sufficient personnel with the appropriate skills to make the transition to a more technical quantitative environment. The agency has hired personnel with enhanced social media and marketing skills to help achieve its mission. There remains the potential for a gap if there is ever significant turnover in key positions. Should this occur, the agency must be in a strong position to allow succession from within and recruit new employees with the appropriate skills needed to perform functions considered to be critical by the agency.

Historically, the agency has been able to recruit individuals with an insurance and policy background and those with strong quantitative analysis credentials. The difficulty is in finding individuals with both skill sets. This increases the importance of cross training to develop the potential of existing employees by enhancing their skills and abilities. The agency must also continue to improve existing efforts to recruit new employees with necessary skills as the need arises.

Strategy Development

<i>Gap</i>	Existing employees may not be adequately prepared for succession if there is turnover among key employees.
<i>Goal</i>	Further develop practices and procedures to maintain employee development and training for future succession and skill enhancement.
<i>Rationale</i>	Small agencies are vulnerable to potential lack of succession when there is turnover at key positions. Expanding agency responsibilities contributes to a tendency toward task and subject matter specialization. The nature and complexity of insurance issues exacerbates this situation. It is important for the agency to create an environment where key employees mentor, train and work with potential successors to ensure tasks can continue to be performed in the event of departure or extended absence.
<i>Action Steps</i>	<ul style="list-style-type: none"> • Continue to employ project management strategies to ensure pairing of experienced employees with newer employees of lesser experience. • Routinely survey employees to determine which skills they feel require more development. • Examine alternatives for employee training that maximizes resources. Examples of avenues for research include internal training, internet training, cross-agency training, external training. • Maintain and further develop internal cross-training procedures to allow for greater breadth of responsibility and knowledge. • Continue to include personnel turnover as an area for review in the internal audit risk assessment.

Survey of Employee Engagement Results and Utilization Plans

OPIC employees were asked to participate in the survey measuring employee engagement. Executive management was very pleased with the results. The overall score for the agency was 445, well in excess of the noted desired score of greater than 350. Additionally, fifty percent (50%) of OPIC employees were rated as Highly Engaged and forty percent (40%) were rated as Engaged.

The agency's highest scores were for the constructs of Job Satisfaction (478), Strategic (472), and Workplace Atmosphere (453). The Job Satisfaction construct captures the employees' perceptions about the overall work situation and ability to maintain a work-life balance. The Strategic construct reflects employees' thinking about their role in the agency and the organization's mission, vision and strategic plan. The Workplace construct measures the employees' perceptions of the overall work environment and the degree to which they feel safe and able to obtain the necessary resources to do their jobs.

The areas with the lowest scores were Pay (387), Employee Development (422) and Workgroup (429). While none of the scores are low per se, they are still important to evaluate for the ongoing health of the agency. The Pay construct is somewhat outside the agency's control but the agency does evaluate employees' levels of compensation relative to other state agencies. The Employee Development construct evaluates how employees feel about their needs for job growth and development. In response to this result, everyone recognizes in a small agency there are limited options for promotion, however, management will seek out opportunities to further develop employees. Concerning the Workgroup construct, which measures employees' perceptions of their coworkers' abilities and attitudes, management continues to encourage cooperation and rewards same as appropriate.

For future human resource planning, the survey results have shown that the agency is doing many things right and employees are generally very pleased with the agency. It also tells executive management to continue to be especially attentive to those areas that are important to ensure improved agency performance.

TEXAS WORKFORCE SYSTEM STRATEGIC PLAN

NOT APPLICABLE

SCHEDULE G: REPORT ON CUSTOMER SERVICE

History

Chapter 2114 of the Texas Government Code requires state agencies to periodically create and distribute an assessment of its customers' satisfaction. The OPIC customer satisfaction survey referenced in this report was distributed in the spring of 2016.

Customer Identification

The agency identified several customer groups to reach. These customers include those who interact with the agency through its website, those who have ordered an agency produced publication online, by telephone, or mail, and consumer or civic organizations that represent various specific groups of insurance consumers. While many of the agency's customers correspond electronically, we believe that it is critical to receive feedback from those who do not have access to the internet or do not regularly use a computer. The customer group requesting publications satisfied this criterion due to the agency's database of customers who contacted us by telephone or mail.

Inventory of External Customers per Budget Strategy

Pursuant to Chapter 2114 of the Texas Government Code the agency has determined who its customers are in correlation to its budget strategies as follows:

Strategy:

Actively participate in rate hearings, analyzed rate filings, and rulemaking proceedings on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys.

Agency customers include all insurance policyholders in Texas. Because it would have been prohibitively expensive to obtain mailing lists and send surveys out to all insurance policyholders, the agency used only its internal database and its website. All consumers or organizations that accessed the agency internet website and ordered an agency produced publication, or contacted the agency electronically to request information or services within the past year, were contacted. In addition, all consumer or civic organizations with which the agency worked were sent a survey.

Strategy:

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

Agency customers include those who have received reports and publications from the agency and civic and consumer groups who have requested information, assistance, or agency participation in local forums. These customers were reached with a survey to all who accessed the internet website, ordered an agency produced publication, and consumer or civic groups who have requested services or information within the past year.

Response Rates

The response rate to OPIC's customer service survey was fifty-three percent (53%). The majority of the surveys submitted (88%) were from customers completing the survey electronically via our agency's website. Because the inclusion of personal information is optional, an exact breakdown of the type of customer submitting surveys was not possible.

Analysis of Findings

Survey respondents rated the agency highly with eighty-eight percent (88%) giving the agency either an "excellent" or "good" overall rating. Nine percent (9%) of those responding to the survey reported having "no opinion" on questions regarding interaction with agency personnel. This may be attributable to the fact that a growing number of OPIC's customers are accessing our services on the internet without direct personal contact. Ninety-one percent (91%) of respondents found the agency staff to be courteous and helpful. Eighty-three percent (83%) found staff responsive to their concerns, and nine percent (9%) had no opinion. In each case, a small percentage (2%) rated staff "poor".

The agency continues to examine the structure and contents of its web site in order to provide more useful information to its users. In 2015, the agency restructured and increased the capabilities of the website substantially. This year, in reference to the agency's web site being user friendly, seventy-nine percent (79%) gave a rating of either "excellent" or "good".

Summary of Survey Responses

How many times have you interacted with OPIC staff or accessed its website in the past 12 months?

<u>58%</u>	1-2 times
<u>33%</u>	3-4 times
<u>2%</u>	5 times
<u>7%</u>	More
<u>0%</u>	No Answer

What was the purpose of your interaction?

<u>44%</u>	General Information
<u>14%</u>	Complaint about Insurance Issues
<u>79%</u>	Seek Information on Specific Issues
<u>16%</u>	Request Publications
<u>30%</u>	Bring Attention to Certain Issues or Concerns
<u>5%</u>	Request Action
<u>16%</u>	Other

Of those seeking information on specific issues, the following is a breakdown of areas of interest:

<u>35%</u>	Auto Insurance
<u>41%</u>	Homeowners, Condo or Renters Insurance
<u>18%</u>	Health Insurance
<u>0%</u>	Long Term Care Insurance
<u>6%</u>	Life Insurance
<u>0%</u>	Disability Insurance
<u>3%</u>	Title Insurance
<u>18%</u>	Other

Of those ordering OPIC publications, the following is a breakdown of publications of interest:

<u>29%</u>	Comparing Texas HMOs
<u>14%</u>	Consumer Bill of Rights
<u>29%</u>	Informational Brochures
<u>43%</u>	Other

Summary of Survey Responses (continued)

	No Opinion	Excellent	Good	Fair	Poor
Quality of Service					
Staff is courteous & helpful	7%	91%	0%	2%	0%
Staff is easily accessible	5%	86%	5%	5%	0%
Staff is knowledgeable	9%	81%	5%	2%	2%
Staff is responsive to concerns	9%	81%	2%	2%	5%
Staff provides references to other helpful sources	12%	72%	9%	2%	5%
Staff provides services in a timely manner	9%	81%	5%	2%	2%
Quality of Information					
Information is accurate	12%	79%	5%	2%	2%
Information is helpful	12%	74%	9%	2%	2%
Information is well organized and easy to understand	12%	77%	7%	5%	0%
Web Site					
Site is user-friendly	14%	60%	19%	7%	0%
Current information is provided	26%	51%	16%	7%	0%
Electronic links to other sites are helpful	30%	44%	19%	7%	0%
Contact person is easily accessible	16%	72%	5%	2%	5%
Overall Rating					
How would you rate OPIC?	5%	79%	9%	2%	5%

Customer Service Standard Performance Measures

Outcome Measures

Surveyed customer respondents expressing overall satisfaction with services received	94%
Surveyed customer respondents identifying ways to improve service delivery	7%

Output Measures

Customers surveyed	43
Customers served	17.4 million

Efficiency Measures

Approximate cost per customer surveyed	\$ 0.05
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Explanatory Measures

Number of customers identified	17.4 million
Number of customer groups inventoried	3 groups

SCHEDULE H: ASSESSMENT OF ADVISORY COMMITTEES

NOT APPLICABLE