

**LEGISLATIVE APPROPRIATIONS REQUEST
FOR FISCAL YEARS 2020 AND 2021**

**SUBMITTED TO THE
OFFICE OF THE GOVERNOR, BUDGET DIVISION
AND THE LEGISLATIVE BUDGET BOARD**

BY



**OFFICE OF PUBLIC
INSURANCE COUNSEL**

JULY 2018

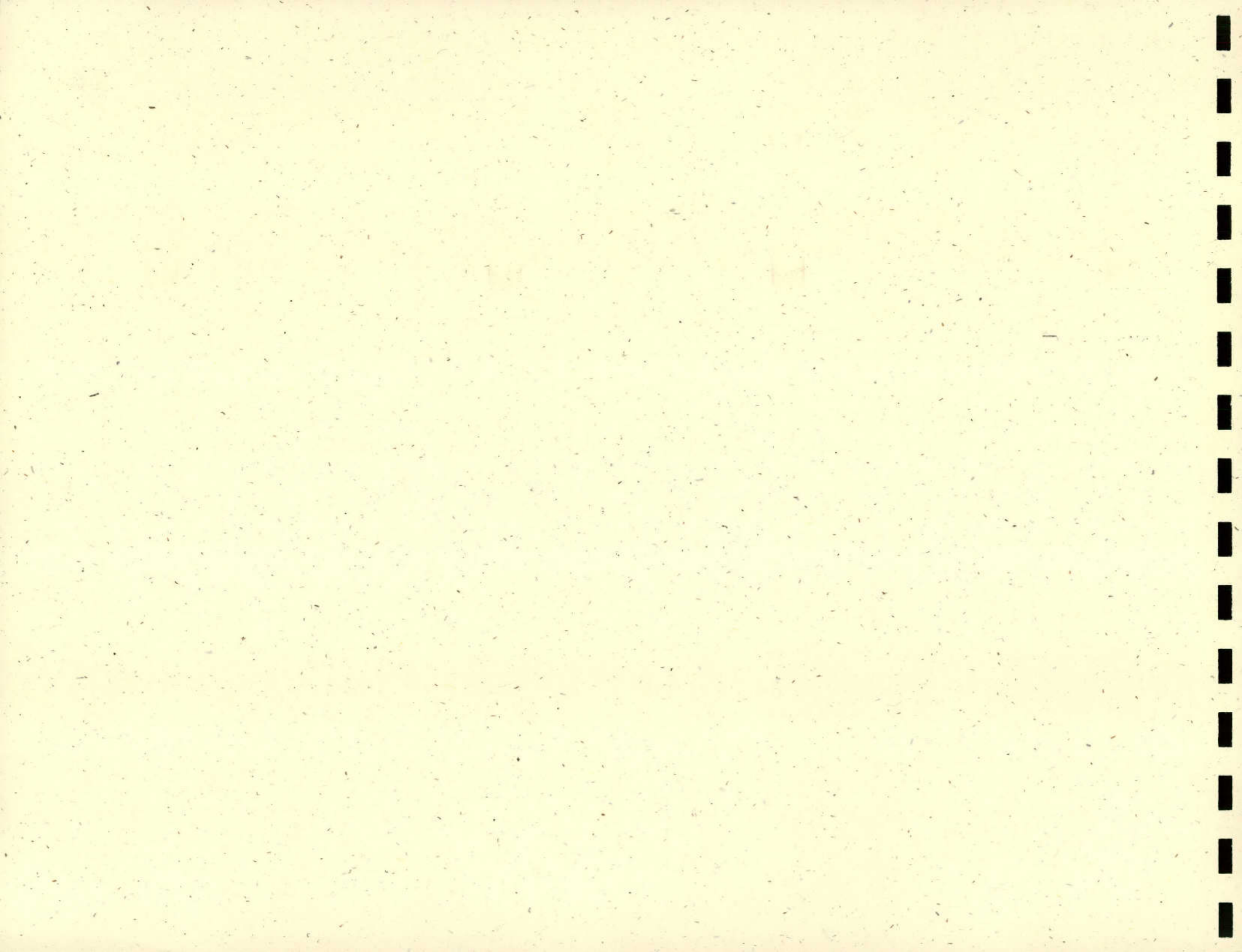


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359 Office of Public Insurance Counsel

The Texas Legislature established the Office of Public Insurance Counsel (OPIC) in 1991 and codified the agency's duties, structure, and method of funding in Chapter 501 of the Texas Insurance Code. The agency is funded by a statutorily set fee of 5.7 cents assessed on certain insurance policies.

Chapter 501 charges OPIC with representing the interests of Texas consumers in insurance matters. OPIC fulfills this statutory duty by representing the interests of consumers before the Texas Department of Insurance (TDI) on regulatory matters that relate to insurance rates, rules, and policy forms. When necessary and prudent, the agency also intervenes as a party and presents actuarial and economic evidence in rate hearings and rate filings before the Commissioner of Insurance and the State Office of Administrative Hearings. In addition, OPIC fulfills its statutory duties by recommending legislation to the Texas Legislature that would positively affect the interests of insurance consumers; providing resource testimony and information to the Texas Legislature on insurance issues; and intervening in legal and other matters, as appropriate, for positions that are most advantageous to a substantial number of insurance consumers.

One of OPIC's most important duties is consumer education and outreach. Section 501.252 of the Texas Insurance Code directs the agency to annually develop a Health Maintenance Organization (HMO) consumer report card to assist consumers in evaluating HMOs' quality of care and consumer satisfaction. Section 501.156 instructs the agency to submit to TDI for adoption a consumer bill of rights appropriate to personal lines of insurance regulated by TDI. Bills of rights are designed to advise consumers of their rights and are updated as new rules and regulations require. OPIC's subject matter experts also provide direct consumer assistance over the phone and via email on a daily basis.

As a result of action by the 82nd Texas Legislature, OPIC's responsibilities for consumer education and outreach have significantly increased. OPIC is tasked with reaching over 62 percent of all Texas insurance consumers (for a total in excess of 9 million) with information about insurance. Similarly, OPIC's measure for public presentations and communications has increased over fourfold.

While OPIC creates informational postcards, brochures, and other print materials to assist consumers, OPIC primarily uses its website and social media applications, Facebook and Twitter, to reach the goal of increased consumer education and outreach. OPIC created and maintains on its website a policy comparison tool that helps consumers compare policies and coverage when shopping for property insurance. OPIC has also recently undertaken a major update to its website and social media applications, both in form and content.

The goal of the extensive updates to the agency's website and social media applications is threefold. The updates will: 1) increase the number of consumers visiting the website for information and increase the number of followers on social media, thereby increasing the number of Texas consumers OPIC reaches and helps; 2) increase the quantity of information OPIC provides to consumers; and 3) improve the content of the information so that consumers receive information they need in a manner that is easy to read and understand. As part of this effort, OPIC hired a new communications specialist, and has partnered with TDI for plain language trainings. Consumer education and outreach, in plain language people can understand, are a priority for OPIC and require significant resources from the agency.

OPIC is scheduled to transition to the Centralized Accounting and Payroll/Personnel System (CAPPS) during Fiscal Year (FY) 2019. OPIC did not request additional funding for the transition to CAPPS.

OPIC's budget team conducted a careful and thorough review of the agency's budget in preparation for this budget cycle. One of the team's primary duties was to identify expenditures for a potential 10 percent biennial base reduction. The items identified for reduction, and detailed in the following document, are listed in order of impact on services from least to greatest. The proposed reductions in FY 2020 and FY 2021 are primarily the result of identifying more efficient operations and procedures, but additional reductions in future budget cycles could affect OPIC's performance of core functions, such as participation in rate hearings or consumer education and

Administrator's Statement

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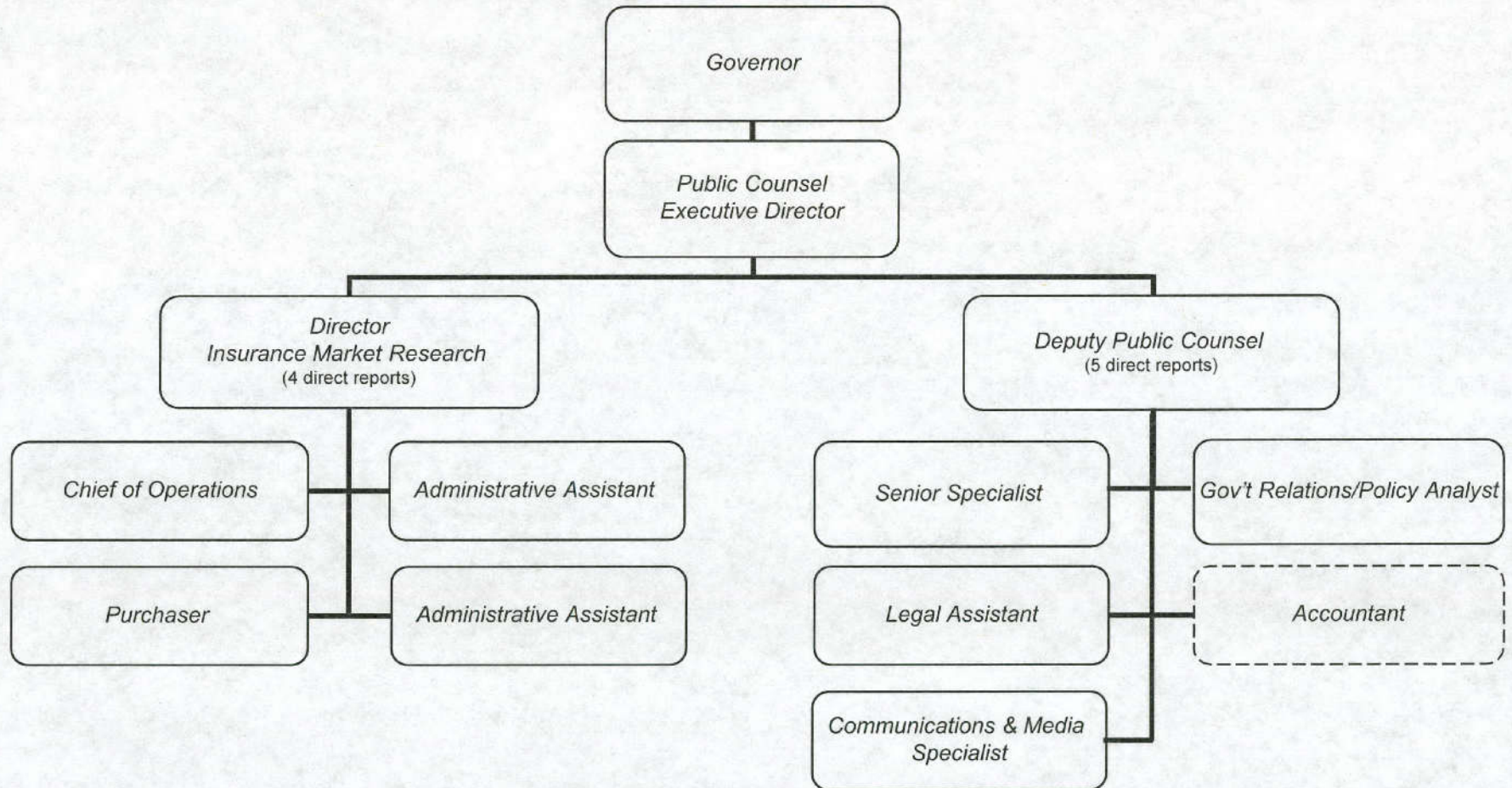
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outreach efforts. OPIC believes, however, that the agency can absorb the current proposed reductions and continue to operate as efficiently and effectively as possible while still fulfilling its statutory duties.



OFFICE OF PUBLIC
INSURANCE COUNSEL





CERTIFICATE

Agency Name Office of Public Insurance Counsel

This is to certify that the information contained in the agency Legislative Appropriations Request filed with the Legislative Budget Board (LBB) and the Governor's Office Budget Division (Governor's Office) 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 (2018-19 GAA).

Chief Executive Officer or Presiding Judge

Melissa R. Hamilton

Signature

Melissa R. Hamilton

Printed Name

Public Counsel

Title

July 27, 2018

Date

Board or Commission Chair

Signature

Printed Name

Title

Date

Chief Financial Officer

Mark T. Patterson

Signature

Mark T. Patterson

Printed Name

Accountant

Title

July 27, 2018

Date

Budget Overview - Biennial Amounts
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Appropriation Years: 2020-21

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS	
	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2018-19	2020-21	2020-21	
Goal: 1. Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings												
1.1.1. Participate In Rate/Rule Hearings	1,701,159	1,701,159								1,701,159	1,701,159	
Total, Goal	1,701,159	1,701,159								1,701,159	1,701,159	
Goal: 2. Increase Consumer Choice-Educate Texas Insurance Consumers												
2.1.1. Insurance Information							383,340	383,340	383,340	383,340		
Total, Goal							383,340	383,340	383,340	383,340		
Total, Agency	1,701,159	1,701,159					383,340	383,340	2,084,499	2,084,499		
Total FTEs									15.0	15.0		0.0

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings					
1 <i>Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers</i>					
1 PARTICIPATE IN RATE/RULE HEARINGS	825,934	850,579	850,580	850,579	850,580
TOTAL, GOAL 1	\$825,934	\$850,579	\$850,580	\$850,579	\$850,580
2 Increase Consumer Choice-Educate Texas Insurance Consumers					
1 <i>Contact Insurance Consumers Regarding Insurance Coverage/Markets</i>					
1 INSURANCE INFORMATION	191,670	191,670	191,670	191,670	191,670
TOTAL, GOAL 2	\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
TOTAL, AGENCY STRATEGY REQUEST	\$1,017,604	\$1,042,249	\$1,042,250	\$1,042,249	\$1,042,250
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*				\$0	\$0
GRAND TOTAL, AGENCY REQUEST	\$1,017,604	\$1,042,249	\$1,042,250	\$1,042,249	\$1,042,250

2.A. Summary of Base Request by Strategy

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Goal / Objective / STRATEGY	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
METHOD OF FINANCING:					
General Revenue Funds:					
1 General Revenue Fund	825,934	850,579	850,580	850,579	850,580
SUBTOTAL	\$825,934	\$850,579	\$850,580	\$850,579	\$850,580
Other Funds:					
777 Interagency Contracts	191,670	191,670	191,670	191,670	191,670
SUBTOTAL	\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
TOTAL, METHOD OF FINANCING	\$1,017,604	\$1,042,249	\$1,042,250	\$1,042,249	\$1,042,250

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

2.B. Summary of Base Request by Method of Finance
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Agency code: 359 Agency name: Office of Public Insurance Counsel

METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>GENERAL REVENUE</u>					
1 General Revenue Fund					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2016-17 GAA)	\$870,368	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2018-19 GAA)	\$0	\$850,579	\$850,580	\$0	\$0
Regular Appropriations from MOF Table (2020-21 GAA)	\$0	\$0	\$0	\$850,579	\$850,580
Comments: 2020-21 BLRequest					
<i>RIDER APPROPRIATION</i>					
Art IX, Sec 8.02, Reimbursements and Payments (2016-17 GAA)	\$290	\$0	\$0	\$0	\$0
<i>TRANSFERS</i>					
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)	\$14,098	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					

2.B. Summary of Base Request by Method of Finance
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Agency code: 359

Agency name: Office of Public Insurance Counsel

METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>GENERAL REVENUE</u>					
Regular Appropriation from MOF Table (2016-17 GAA)	\$(16,885)	\$0	\$0	\$0	\$0
Savings due to Hiring Freeze	\$(41,937)	\$0	\$0	\$0	\$0
TOTAL, General Revenue Fund	\$825,934	\$850,579	\$850,580	\$850,579	\$850,580
TOTAL, ALL GENERAL REVENUE	\$825,934	\$850,579	\$850,580	\$850,579	\$850,580

OTHER FUNDS

777 Interagency Contracts

TRANSFERS

Interagency Contract from MOF Table (2017-18 GAA)

\$191,670 \$0 \$0 \$0 \$0

Interagency Contract from MOF Table (2018-19 GAA)

\$0 \$191,670 \$191,670 \$0 \$0

2.B. Summary of Base Request by Method of Finance
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Agency code: 359		Agency name: Office of Public Insurance Counsel				
METHOD OF FINANCING		Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
<u>OTHER FUNDS</u>						
	Interagency Contract from MOF Table (2020-21 GAA)	\$0	\$0	\$0	\$191,670	\$191,670
TOTAL,	Interagency Contracts	\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
TOTAL, ALL	OTHER FUNDS	\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
GRAND TOTAL		\$1,017,604	\$1,042,249	\$1,042,250	\$1,042,249	\$1,042,250

2.B. Summary of Base Request by Method of Finance
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Agency code: **359** Agency name: **Office of Public Insurance Counsel**

METHOD OF FINANCING	Exp 2017	Est 2018	Bud 2019	Req 2020	Req 2021
FULL-TIME-EQUIVALENT POSITIONS					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2016-17 GAA)	15.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2018-19 GAA)	0.0	15.0	15.0	0.0	0.0
Regular Appropriation (2020-21)	0.0	0.0	0.0	15.0	15.0
Comments: 2020-21 BL Request					
LAPSED APPROPRIATIONS					
Savings due to Governor's Hiring Freeze	(0.6)	0.0	0.0	0.0	0.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Number Below Cap	(5.0)	(4.0)	0.0	0.0	0.0
TOTAL, ADJUSTED FTES	9.4	11.0	15.0	15.0	15.0
NUMBER OF 100% FEDERALLY FUNDED FTES					

2.C. Summary of Base Request by Object of Expense
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OBJECT OF EXPENSE	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1001 SALARIES AND WAGES	\$708,110	\$766,300	\$868,999	\$868,999	\$868,999
1002 OTHER PERSONNEL COSTS	\$89,560	\$55,626	\$48,000	\$48,000	\$48,000
2001 PROFESSIONAL FEES AND SERVICES	\$119,538	\$112,792	\$42,000	\$42,000	\$42,000
2003 CONSUMABLE SUPPLIES	\$1,321	\$1,900	\$2,000	\$1,900	\$1,900
2004 UTILITIES	\$2,160	\$1,738	\$500	\$500	\$500
2005 TRAVEL	\$772	\$4,006	\$3,000	\$3,000	\$3,000
2007 RENT - MACHINE AND OTHER	\$6,911	\$4,960	\$5,000	\$5,000	\$5,000
2009 OTHER OPERATING EXPENSE	\$89,232	\$94,927	\$72,751	\$72,850	\$72,851
OOE Total (Excluding Riders)	\$1,017,604	\$1,042,249	\$1,042,250	\$1,042,249	\$1,042,250
OOE Total (Riders)					
Grand Total	\$1,017,604	\$1,042,249	\$1,042,250	\$1,042,249	\$1,042,250

2.D. Summary of Base Request Objective Outcomes
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Goal/ Objective/ Outcome	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings					
1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers					
1 Percentage of Rate Hearings in Which OPIC Participated	100.00%	100.00%	100.00%	100.00%	100.00%
KEY 2 Percentage of Rate and Rule Proceedings in Which OPIC Participated	77.27%	70.00%	75.00%	75.00%	75.00%
KEY 3 % of Rates and Rules Changed As a Result of OPIC Participation	92.16%	86.00%	90.00%	90.00%	90.00%
2 Increase Consumer Choice-Educate Texas Insurance Consumers					
1 Contact Insurance Consumers Regarding Insurance Coverage/Markets					
KEY 1 Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts	51.13%	55.00%	62.00%	62.00%	62.00%
2 % Bills of Rights Submitted for Adoption within Established Timelines	0.00%	100.00%	100.00%	100.00%	100.00%

2.F. Summary of Total Request by Strategy
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DATE : 7/27/2018
 TIME : 4:38:21PM

Agency code: 359	Agency name: Office of Public Insurance Counsel					
Goal/Objective/STRATEGY	Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearing						
1 <i>Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consu</i>						
1 PARTICIPATE IN RATE/RULE HEARINGS	\$850,579	\$850,580	\$0	\$0	\$850,579	\$850,580
TOTAL, GOAL 1	\$850,579	\$850,580	\$0	\$0	\$850,579	\$850,580
2 Increase Consumer Choice-Educate Texas Insurance Consumers						
1 <i>Contact Insurance Consumers Regarding Insurance Coverage/Mark</i>						
1 INSURANCE INFORMATION	191,670	191,670	0	0	191,670	191,670
TOTAL, GOAL 2	\$191,670	\$191,670	\$0	\$0	\$191,670	\$191,670
TOTAL, AGENCY STRATEGY REQUEST	\$1,042,249	\$1,042,250	\$0	\$0	\$1,042,249	\$1,042,250
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST						
GRAND TOTAL, AGENCY REQUEST	\$1,042,249	\$1,042,250	\$0	\$0	\$1,042,249	\$1,042,250

2.F. Summary of Total Request by Strategy
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DATE : 7/27/2018
 TIME : 4:38:21PM

Agency code: 359 Agency name: Office of Public Insurance Counsel

Goal/Objective/STRATEGY	Base 2020	Base 2021	Exceptional 2020	Exceptional 2021	Total Request 2020	Total Request 2021
General Revenue Funds:						
1 General Revenue Fund	\$850,579	\$850,580	\$0	\$0	\$850,579	\$850,580
	\$850,579	\$850,580	\$0	\$0	\$850,579	\$850,580
Other Funds:						
777 Interagency Contracts	191,670	191,670	0	0	191,670	191,670
	\$191,670	\$191,670	\$0	\$0	\$191,670	\$191,670
TOTAL, METHOD OF FINANCING	\$1,042,249	\$1,042,250	\$0	\$0	\$1,042,249	\$1,042,250
FULL TIME EQUIVALENT POSITIONS	15.0	15.0	0.0	0.0	15.0	15.0

2.G. Summary of Total Request Objective Outcomes
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Date : 7/27/2018
 Time: 4:38:21 PM

Agency code: 359 Agency name: Office of Public Insurance Counsel

Goal/ Objective / Outcome

	BL 2020	BL 2021	Excp 2020	Excp 2021	Total Request 2020	Total Request 2021
1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings						
1 <i>Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers</i>						
1 Percentage of Rate Hearings in Which OPIC Participated						
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
KEY 2 Percentage of Rate and Rule Proceedings in Which OPIC Participated						
	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
KEY 3 % of Rates and Rules Changed As a Result of OPIC Participation						
	90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
2 Increase Consumer Choice-Educate Texas Insurance Consumers						
1 <i>Contact Insurance Consumers Regarding Insurance Coverage/Markets</i>						
KEY 1 Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts						
	62.00%	62.00%	62.00%	62.00%	62.00%	62.00%
2 % Bills of Rights Submitted for Adoption within Established Timelines						
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

3.A. Strategy Request
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359 Office of Public Insurance Counsel

GOAL: 1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers
 STRATEGY: 1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings

Service Categories:

Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Output Measures:						
KEY 1	Number of Rate Hearings in Which OPIC Participated	1.00	1.00	1.00	1.00	1.00
KEY 2	Number of Rate Filings in Which OPIC Participated	39.00	12.00	15.00	25.00	25.00
KEY 3	Number of Rulemaking Proceedings in Which OPIC Participated	12.00	15.00	20.00	40.00	40.00
4	Number of Proposed Rules Analyzed	2.00	29.00	30.00	30.00	30.00
5	Number of Rate Filings Analyzed	13.00	17.00	20.00	20.00	20.00
KEY 6	Number of Responses to Legislative Request for Research or Information	300.00	6.00	200.00	25.00	200.00
Efficiency Measures:						
1	Average Cost per Rate Hearing in Which OPIC Participated	31,638.00	45,000.00	45,000.00	45,000.00	45,000.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$594,433	\$640,500	\$680,499	\$680,499	\$680,499
1002	OTHER PERSONNEL COSTS	\$89,025	\$55,626	\$48,000	\$48,000	\$48,000
2001	PROFESSIONAL FEES AND SERVICES	\$43,782	\$65,000	\$41,299	\$41,180	\$41,180
2003	CONSUMABLE SUPPLIES	\$1,321	\$1,900	\$2,000	\$1,900	\$1,900
2004	UTILITIES	\$2,160	\$1,738	\$500	\$500	\$500
2005	TRAVEL	\$0	\$156	\$2,031	\$2,200	\$2,200

3.A. Strategy Request
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359 Office of Public Insurance Counsel

GOAL: 1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers
 STRATEGY: 1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings

Service Categories:

Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2007	RENT - MACHINE AND OTHER	\$6,911	\$4,960	\$5,000	\$5,000	\$5,000
2009	OTHER OPERATING EXPENSE	\$88,302	\$80,699	\$71,251	\$71,300	\$71,301
TOTAL, OBJECT OF EXPENSE		\$825,934	\$850,579	\$850,580	\$850,579	\$850,580
Method of Financing:						
1	General Revenue Fund	\$825,934	\$850,579	\$850,580	\$850,579	\$850,580
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)		\$825,934	\$850,579	\$850,580	\$850,579	\$850,580
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$850,579	\$850,580
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$825,934	\$850,579	\$850,580	\$850,579	\$850,580
FULL TIME EQUIVALENT POSITIONS:		9.4	11.0	15.0	15.0	15.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The agency is directed by statute, Texas Insurance Code, Section 501.153, to advocate for consumers in matters involving rates, rules, and forms for numerous lines of insurance. This strategy contributes to the agency goal of advocating positions advantageous to consumers in rate hearings and rulemaking proceedings. These efforts directly contribute to statewide goals such as fostering economic opportunity and capital investment by promoting a favorable business climate, supporting infrastructure development, and ensuring that Texas consumers are effectively and efficiently served by high quality professionals and businesses by setting clear standards, maintaining compliance, and seeking market-based solutions.

3.A. Strategy Request
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GOAL: 1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers Service Categories:
 STRATEGY: 1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The current system of ratemaking allows insurers to file and use their rates subject to statutory standards. The agency is authorized and directed to review and object to these filings by providing actuarial analysis and evidence to the Commissioner of Insurance. The agency's role in rate hearings and its participation in proceedings on rate filings will be decided largely by the reasonability and frequency of rate filings made by insurers and hearing schedules developed by the Texas Department of Insurance (TDI). Any additional changes within the regulatory structure of ratemaking may influence the duties, responsibilities, and fiscal needs of the agency.

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 2018 + Bud 2019)</u>	<u>Baseline Request (BL 2020 + BL 2021)</u>		<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOEs and FTEs)</u>
\$1,701,159	\$1,701,159	\$0	\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

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359 Office of Public Insurance Counsel

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers
 OBJECTIVE: 1 Contact Insurance Consumers Regarding Insurance Coverage/Markets Service Categories:
 STRATEGY: 1 Provide Consumers with Information to Make Informed Choices Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
Output Measures:						
	1 Number of Bills of Rights or Revisions Proposed	0.00	1.00	1.00	1.00	1.00
KEY 2	Number of Report Cards and Publications Produced & Distributed	3,664,031.00	3,900,000.00	3,000,000.00	3,000,000.00	3,000,000.00
KEY 3	Number of Public Presentations or Communications	1,549.00	1,445.00	1,300.00	1,200.00	1,200.00
Efficiency Measures:						
	1 Average Cost Per Consumer Reached through Agency Publications	0.01	0.01	0.01	0.01	0.01
Objects of Expense:						
1001	SALARIES AND WAGES	\$113,677	\$125,800	\$188,500	\$188,500	\$188,500
1002	OTHER PERSONNEL COSTS	\$535	\$0	\$0	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$75,756	\$47,792	\$701	\$820	\$820
2005	TRAVEL	\$772	\$3,850	\$969	\$800	\$800
2009	OTHER OPERATING EXPENSE	\$930	\$14,228	\$1,500	\$1,550	\$1,550
TOTAL, OBJECT OF EXPENSE		\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
Method of Financing:						
777	Interagency Contracts	\$191,670	\$191,670	\$191,670	\$191,670	\$191,670

359 Office of Public Insurance Counsel

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers
 OBJECTIVE: 1 Contact Insurance Consumers Regarding Insurance Coverage/Markets Service Categories:
 STRATEGY: 1 Provide Consumers with Information to Make Informed Choices Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
SUBTOTAL, MOF (OTHER FUNDS)		\$191,670	\$191,670	\$191,670	\$191,670	\$191,670
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$191,670	\$191,670
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$191,670	\$191,670	\$191,670	\$191,670	\$191,670

FULL TIME EQUIVALENT POSITIONS:

STRATEGY DESCRIPTION AND JUSTIFICATION:

The agency is directed by statute, Texas Insurance Code, Section 501.156, to submit to the Texas Department of Insurance a consumer bill of rights for each personal line of insurance and an annual HMO consumer report card, Section 501.252. This strategy supports statewide goals such as fostering economic opportunity and capital investment by promoting a favorable business climate, supporting infrastructure development, and ensuring that Texas consumers are effectively and efficiently served by high quality professionals and businesses by setting clear standards, maintaining compliance, and seeking market-based solutions.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The issuance of the statutorily mandated bills of rights varies yearly depending upon legislative or regulatory changes made. The issuance of the HMO report cards depends on the collection of data by the Texas Department of Insurance and the Texas Department of State Health Services.

3.A. Strategy Request

7/27/2018 4:38:21PM

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Automated Budget and Evaluation System of Texas (ABEST)

359 Office of Public Insurance Counsel

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers
 OBJECTIVE: 1 Contact Insurance Consumers Regarding Insurance Coverage/Markets Service Categories:
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CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
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EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):

STRATEGY BIENNIAL TOTAL - ALL FUNDS		BIENNIAL CHANGE	EXPLANATION OF BIENNIAL CHANGE	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$383,340	\$383,340	\$0		
			\$0	Total of Explanation of Biennial Change

3.A. Strategy Request
86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

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SUMMARY TOTALS:

OBJECTS OF EXPENSE:	\$1,017,604	\$1,042,249	\$1,042,250	\$1,042,249	\$1,042,250
METHODS OF FINANCE (INCLUDING RIDERS):				\$1,042,249	\$1,042,250
METHODS OF FINANCE (EXCLUDING RIDERS):	\$1,017,604	\$1,042,249	\$1,042,250	\$1,042,249	\$1,042,250
FULL TIME EQUIVALENT POSITIONS:	9.4	11.0	15.0	15.0	15.0

6.A. Historically Underutilized Business Supporting Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/27/2018
 Time: 4:38:22PM

Agency Code: 359 Agency: Office of Public Insurance Counsel

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2016 - 2017 HUB Expenditure Information

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2016			Total Expenditures FY 2016		HUB Expenditures FY 2017			Total Expenditures FY 2017	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$			
23.7%	Professional Services	23.7 %	100.0%	76.3%	\$3,494	\$3,494	23.7 %	100.0%	76.3%	\$3,420	\$3,420	
26.0%	Other Services	26.0 %	1.8%	-24.2%	\$959	\$52,997	26.0 %	7.1%	-18.9%	\$3,209	\$45,050	
21.1%	Commodities	21.1 %	74.4%	53.3%	\$23,187	\$31,165	21.1 %	4.8%	-16.3%	\$444	\$9,346	
	Total Expenditures		31.5%		\$27,640	\$87,656		12.2%		\$7,073	\$57,816	

B. Assessment of Fiscal Year 2016 - 2017 Efforts to Meet HUB Procurement Goals

Attainment:

The agency attained or exceeded 2 of 3, or 66%, of the applicable agency HUB procurement goals in fiscal year 2016.
 The agency attained or exceeded 1 of 3, or 33%, of the applicable agency HUB procurement goals in fiscal year 2017.

Applicability:

The following procurement categories are not applicable to OPIC:
 Heavy Construction
 Building Construction
 Special Trade

Factors Affecting Attainment:

The majority of expense related to Other Services involves contracted services with one non-HUB vendor for the agency's website management and hosting.

"Good-Faith" Efforts:

OPIC makes every effort to contract with HUB vendors whenever possible through the following practices:
 A minimum of three bids/quotes are sought from HUB vendors for every purchase requisition.
 If three bids/quotes are not received, an explanation is provided to the HUB Coordinator and Purchaser.
 An explanation is given for the selection of vendor.
 New HUB vendors are contracted and assisted through the application process.

6.E. Estimated Revenue Collections Supporting Schedule
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: **359** Agency name: **Office of Public Insurance Counsel**

FUND/ACCOUNT	Act 2017	Exp 2018	Exp 2019	Bud 2020	Est 2021
1 General Revenue Fund					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3205 Prop & Cas/Title/Other Assessment	2,462,653	2,654,942	2,565,000	2,450,000	2,450,000
Subtotal: Actual/Estimated Revenue	2,462,653	2,654,942	2,565,000	2,450,000	2,450,000
Total Available	\$2,462,653	\$2,654,942	\$2,565,000	\$2,450,000	\$2,450,000
DEDUCTIONS:					
Expended/Budgeted/Requested	(1,019,657)	(1,042,249)	(1,042,250)	(1,042,249)	(1,042,250)
Transfer of Employee Benefits	(199,889)	(210,628)	(220,000)	(225,000)	(225,000)
Other Indirect Costs/Hobby Bldg	(88,814)	(88,814)	(88,814)	(88,814)	(88,814)
Total, Deductions	\$(1,308,360)	\$(1,341,691)	\$(1,351,064)	\$(1,356,063)	\$(1,356,064)
Ending Fund/Account Balance	\$1,154,293	\$1,313,251	\$1,213,936	\$1,093,937	\$1,093,936

REVENUE ASSUMPTIONS:

CONTACT PERSON:

Mark T Patterson

6.I. Percent Biennial Base Reduction Options

10 % REDUCTION

86th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/27/2018
Time: 4:39:03PM

Agency code: 359 Agency name: Office of Public Insurance Counsel

Item Priority and Name/ Method of Financing	REVENUE LOSS		Biennial Total	REDUCTION AMOUNT		Biennial Total	PROGRAM AMOUNT		TARGET
	2020	2021		2020	2021		2020	2021	Biennial Total
1 Other Personnel Costs; Other Operating Expense									
Category: Programs - Service Reductions (Other)									
Item Comment: The agency will reduce approximately \$42,529 in GR expenses by eliminating or significantly reducing the following: Computer Equipment; Furnishing/Equipment; Return to Work; Magazines/Reference Materials;									
Strategy: 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings									
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$21,264	\$21,265	\$42,529
General Revenue Funds Total	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$21,264	\$21,265	\$42,529
Item Total	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$21,264	\$21,265	\$42,529

FTE Reductions (From FY 2020 and FY 2021 Base Request)

2 Other Personnel Costs; Consumable Supplies; Other Operating Expenses

Category: Programs - Service Reductions (Other)

Item Comment: The agency will reduce approximately \$42,529 in GR expenses by eliminating or significantly reducing the following: 1xMerit; Consumable Supplies; Continuing Legal Education Fees; Insurance Premiums

Strategy: 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings

General Revenue Funds

6.I. Percent Biennial Base Reduction Options
10 % REDUCTION
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/27/2018
 Time: 4:39:03PM

Agency code: 359 Agency name: Office of Public Insurance Counsel

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
1 General Revenue Fund	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$21,264	\$21,265	\$42,529
General Revenue Funds Total	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$21,264	\$21,265	\$42,529
Item Total	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$21,264	\$21,265	\$42,529

FTE Reductions (From FY 2020 and FY 2021 Base Request)

3 Professional Fees; Travel; Other Operating Expense

Category: Programs - Service Reductions (Other)

Item Comment: The agency will reduce approximately \$42,529 in GR expenses by eliminating or significantly reducing the following: Expert Witness Fees; Consumer Outreach Efforts

Strategy: 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$21,264	\$21,265	\$42,529
General Revenue Funds Total	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$21,264	\$21,265	\$42,529
Item Total	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$21,264	\$21,265	\$42,529

FTE Reductions (From FY 2020 and FY 2021 Base Request)

4 Other Personnel Costs; Other Operating Expense

Category: Programs - Service Reductions (Other)

Item Comment: The agency will reduce approximately \$42,529 in GR expenses by eliminating or significantly reducing the following: Expert Witness Fees; Consumer Education Efforts; Legal Reference Materials; Computer Software

Strategy: 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings

6.I. Percent Biennial Base Reduction Options
10 % REDUCTION
 86th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 7/27/2018
 Time: 4:39:03PM

Agency code: 359 Agency name: Office of Public Insurance Counsel

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
<u>General Revenue Funds</u>									
1 General Revenue Fund	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$21,264	\$21,265	\$42,529
General Revenue Funds Total	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$21,264	\$21,265	\$42,529
Item Total	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$21,264	\$21,265	\$42,529
FTE Reductions (From FY 2020 and FY 2021 Base Request)									
AGENCY TOTALS									
General Revenue Total				\$85,056	\$85,060	\$170,116	\$85,056	\$85,060	\$170,116
Agency Grand Total	\$0	\$0	\$0	\$85,056	\$85,060	\$170,116	\$85,056	\$85,060	\$170,116
Difference, Options Total Less Target									
Agency FTE Reductions (From FY 2020 and FY 2021 Base Request)									
Article Total				\$85,056	\$85,060	\$170,116	\$85,056	\$85,060	\$170,116
Statewide Total				\$85,056	\$85,060	\$170,116	\$85,056	\$85,060	\$170,116



