

Request for

# Legislative Appropriations

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For Fiscal Years 2026 and 2027

*Submitted to the Governor's Office Budget Division and the  
Legislative Budget Board by the*



Texas Department of Insurance

A handwritten signature in blue ink, appearing to read "C. Brown", is written over the printed name.

Cassie Brown, Commissioner of Insurance  
August 23, 2024

TEXAS DEPARTMENT OF INSURANCE  
REQUEST FOR LEGISLATIVE APPROPRIATIONS  
FISCAL YEARS 2026 AND 2027

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FISCAL YEARS 2026 AND 2027

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# **1. ADMINISTRATOR'S STATEMENT**

## Administrator's Statement

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89th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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#### GOVERNANCE: TDI COMMISSIONERS

The commissioner of insurance is the chief executive of the Texas Department of Insurance (TDI). The commissioner of workers' compensation is the chief executive for TDI's Division of Workers' Compensation (DWC).

The governor appoints both commissioners and the Senate confirms them. The commissioner of insurance and commissioner of workers' compensation regulate the Texas insurance industry and workers' compensation system, respectively, by administering and enforcing applicable laws.

The Texas Insurance Code and Labor Code define TDI's regulatory authority. The agency's regulatory rules are in the Texas Administrative Code.

#### COMMISSIONER OF INSURANCE UPDATE

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

With nearly \$290 billion of premiums written in 2023, Texas ranks as the nation's second largest insurance market and the seventh largest in the world. The agency regulates about 3,455 insurance companies and more than 940,000 agents and adjusters. The agency is the primary financial regulator for 539 insurers with 228 of them doing business outside of Texas.

TDI strives to modernize its processes, optimize resources to improve customer service, and develop content consumers can access and use. TDI's website had a 51% increase in visitors over last year. Spanish page views increased by 216%. TDI increased efficiency by changing processes to improve financial exam tracking. Applications agencywide received enhanced security vulnerability testing.

TDI's modernization efforts have allowed the agency to improve services and more effectively respond to a growing market.

Highlights from fiscal year (FY) 2023 and FY 2024 to date include:

- Resolved 31,914 complaints, helping consumers get more than \$113.6 million in additional claim payments and premium refunds.
- Processed 936,049 requests through the Independent Dispute Resolution system.
- Answered 229,457 consumer calls and 247,181 agent and adjuster calls.
- Averaged less than 30 seconds hold time on the consumer Help Line and less than 40 seconds hold time on the agent and adjuster line.
- Saved consumers about \$87 million by resolving actuarial, statutory, and regulatory compliance issues in companies' property and casualty rate filings.
- Obtained over \$10 million in restitution for fraud victims.
- State Fire Marshal's Office conducted 767 fire investigations, 904 licensing investigations, and 155 canine external agency assists covering over 126 counties.
- Issued 27,599 registrations, licenses, and permits to fire alarm, fire extinguisher, fire sprinkler, and fireworks firms, individuals, and other regulated entities.

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Current modernization efforts include:

- Replace older systems and technology with more current solutions, including data transfer, storage, and accessibility to improve staff efficiency.
- Continue finding best practices in the public and private sectors to improve information security, internal processes, and customer service.
- Expand use of software to analyze filings for compliance with state law.

**COMMISSIONER OF WORKERS' COMPENSATION UPDATE**

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

DWC regulates the workers' compensation system, enforces the Texas Workers' Compensation Act and rules, and resolves claim-level disputes about medical and income benefits.

The Texas workers' compensation system has gone through significant changes as a result of legislative reforms in 2005 and 2011. Since 2005, DWC established several key initiatives related to these legislative reforms that reduced and stabilized claim costs and improved injured employee outcomes. Together, these initiatives reduced workers' compensation rates by 78% since 2005. These changes include:

- Adopting evidence-based treatment and return-to-work guidelines, leading to improved rates of injured employees returning to work. Currently, 92% of injured employees return to work within one year post injury.
- Adopting a closed-pharmacy formulary—one of the first in the nation for workers' compensation. The closed formulary led to an 86% decrease in overall opioid prescriptions from 2009-2022.
- Implementing Medicare-based fee guidelines, which helped reduce overall system healthcare costs by 30% from 2012-2022.

In addition, DWC has continued to enhance key programs, increase efficiencies, and maximize limited resources. These efforts have streamlined operations and allowed DWC to reduce staff by 160 full-time employees (FTEs) (29%) since 2018 while maintaining a high level of service.

Highlights from FY 2023 and FY 2024 to date include:

- Assisted 261,291 system participants through our virtual call center and maintained a 99% call-capture rate and less than 15 second call-wait time.
- Returned \$6.9 million to system participants by resolving 690 complaints and obtained \$462,100 in restitution for fraud victims.
- Conducted 20,096 benefit review conferences and 8,162 contested case hearings.
- Trained 4,213 health care participants on how to treat and bill for services in the workers' compensation system through online webinars.
- Educated 6,334 employers and system participants about the importance of return-to-work programs at 47 seminars and presentations across the state.

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- Performed 3,808 safety inspections and consultations, helping employers assess their worksites and improve safety programs, despite unstable funding from the federal Department of Labor.

Ongoing efforts include:

- Transitioning claims and dispute-resolution management out of our current legacy system into a more modern system.
- Recruiting and retaining the best doctors available for the system.
- Adopting more current evidence-based medical treatment guidelines.

These advances will ensure that the Texas workers' compensation system remains a model for other states as we strive to have the best system in the country .

#### SPECIAL NOTE ON TDI'S FUNDING

TDI and DWC are funded primarily by maintenance taxes and fees paid by the insurance industry. This is consistent with the principle that a regulated industry should bear the cost of its regulation.

Appropriations made from the TDI Operating Account Fund 36 don't reduce the funds available for the Comptroller of Public Accounts' certification of the General Appropriations Act (GAA). This is due to the self-leveling mechanism where revenue generated for the account changes in response to estimated expenditures from the account.

Under state law, the agency adjusts the maintenance tax rates on premiums each year to cover the fund's appropriations . That means cutting TDI's appropriations also triggers a reduction in revenue collected and won't create savings for general revenue.

#### LEGISLATIVE APPROPRIATIONS REQUEST FOR FISCAL YEARS 2026-27

As directed by the state's leadership, TDI and DWC are submitting a baseline funding request of \$248,220,153 and 1,181.3 FTEs for the fiscal 2026-27 biennium. This baseline budget complies with the approved funding provided by the Legislative Budget Board (LBB) and will enable the department to maintain and build on the service improvements made over the past five years.

TDI is facing challenges competing for and retaining talent in certain job types with current salary levels. The agency is also struggling to meet demand in some key functions. Finally, TDI needs more resources to adequately fund key operational and information technology expenses. These challenges are addressed with the exceptional item requests documented below.

#### EXCEPTIONAL ITEM REQUEST

TDI requests

1. TDI respectfully requests \$2,622,240 for the biennium for targeted salary increases to help with recruitment and retention in certain professional classifications . These increases would apply to attorney, actuary, and related support positions. TDI relies on attorneys to write new rules that implement legislation and research complex legal questions. The agency also requires attorneys to operate the administrative enforcement and criminal fraud processes. In fiscal year 2023, the average turnover rate for TDI attorneys was 35% compared to the statewide average of 10.5%. Most state legal jobs provide higher salaries. This results in fewer attorneys to help with duties that expand with the growth in the market. These include complaints, fraud reports, legislative implementation, and reviewing

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complex company structures.

Actuaries are certified professionals that analyze risk and corresponding rates and are in high demand in the private sector. Experienced actuaries are critical to ensuring the detailed, complex company rate filings meet statutory requirements and include sufficient justification. More funding for competitive salaries is necessary to staff and retain the actuaries TDI needs for this important work. In FY 2023, TDI actuaries reviewed 5,625 rate filings across all lines, saving Texas policyholders over \$100 million.

2. TDI respectfully requests \$12,313,969 for the biennium for 73 new FTEs to address statutory responsibilities and LBB performance measures that the agency isn't able to meet with the current staffing level. This request includes positions in the General Counsel, Fraud and Enforcement, Property and Casualty, Customer Operations, Financial Regulation, and Information Technology divisions. Although TDI works consistently to increase its productivity, the tremendous growth of the insurance market in Texas has led to each of these areas experiencing a significant increase in demand.

In the Customer Operations division, TDI is requesting 16 FTEs for complaints processing and licensing. TDI processes more than 17,000 complaints from consumers annually. Despite modernization efforts, TDI is not able to meet a key performance measure for resolving complaints in less than 40 days on average. These new FTEs would create a more manageable caseload from about 135 to 100 cases per specialist. This request also includes more FTEs to process agent and adjuster license and renewal applications. TDI currently has over 940,000 agent and adjuster licensees, compared to 574,000 just five years ago.

In the Financial Regulation Division, TDI is requesting 13 new financial examiners. This will enable more in-depth examinations of company operations. Making sure companies have enough funds to pay claims is a central responsibility of TDI. Because of our favorable regulatory environment, the number of companies choosing to domesticate in Texas has continued to grow. TDI is the primary financial regulator for over 500 insurers. As that number continues to grow, TDI requires more FTEs to ensure all licensed companies remain financially solvent.

TDI is requesting 12 FTEs for the Property and Casualty Division for form and rate filings. Since Texas adopted form freedom in 2003, the insurance market has become more varied and complex in its products. Despite this complexity, TDI staff must make sure that these filings meet applicable state law. The agency hasn't been able to meet the LBB performance measure requiring that 87% of personal auto and residential property form filings be completed in 60 days. These FTEs will help the agency meet this expectation.

TDI is requesting six attorney positions related to rulemaking, drafting orders, and interpreting complex legal issues under tight statutory deadlines. Because of increased demands of legislative implementation, TDI rule projects have grown nearly 50% in cumulative length in the last 10 years.

The agency is requesting 12 FTEs dedicated to insurance fraud and administrative enforcement. TDI's enforcement efforts have been very impactful, returning almost \$650 million in restitution and rate refunds to Texas consumers in the last 10 years. Similarly, fraud reports to TDI have increased 60% since 2017. Due to the growth in the market, TDI pursues a smaller percentage of violations each year. These additional FTEs should allow TDI to take on 10% more enforcement cases and 35% more fraud cases.

Finally, TDI is requesting 14 FTEs for information technology. The agency is heavily reliant on systems and software for many of our statutory responsibilities. These tools have allowed TDI to operate more efficiently and effectively but have resulted in significant growth in our IT program. For comparison, TDI's IT budget strategy has grown from \$10.7 million in FY 2014 to \$19.1 million in FY 2025. While the agency relies on the Texas Department of Information Resources as much as possible, it needs additional staff to plan, execute, and maintain the required programs and systems that TDI relies on.

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3. TDI respectfully requests \$1,791,532 for the biennium to fund a move of all State Fire Marshal's Office (SFMO) investigators to Schedule C pay schedule. These sworn peace officers are experts in identifying the origin and cause of fire events. Frequently, these events are found to be arson. In those cases, SFMO investigators work with local law enforcement and district attorneys to identify suspects, build a case, and secure convictions. These job duties align with similar TDI and state employees currently on Schedule C. Reclassifying SFMO investigators will improve recruiting and retention of these crucial positions. Investigative staff turnover is significantly higher than the state average, which impacts SFMO's responsibilities to investigate fire incidents under its jurisdiction.

4. TDI respectfully requests \$1,115,000 for the biennium for the purchase of vehicles for SFMO and Fraud Unit functions. Failure to replace vehicles over recommended mileage limits presents potential maintenance and safety issues. Because of their statewide jurisdiction, SFMO maintains a fleet of 50 vehicles that are each driven an average of 1,200 miles per month. Some vehicles are over the Comptroller's recommended vehicle schedule, which is resulting in increased maintenance issues and availability. Continued reliance on these older vehicles could negatively impact performance measures, customer service, and SFMO's ability to conduct statutorily required functions such as inspection of state-owned buildings for fire safety.

Fraud Unit peace officers currently rely upon rental vehicles to conduct their investigations. Reliance on rental vehicles also presents officer safety challenges and risks of theft to law enforcement equipment, such as weapons, ammunition, ballistic vests, and agency laptops. Officers aren't able to safely store law enforcement equipment or easily identify themselves when abiding by their duty to help other law enforcement during an emergency.

5. TDI respectfully requests \$1,174,700 for the biennium for operational and equipment needs for SFMO. This office uses a variety of equipment to safely and effectively complete statutorily required duties. This includes radios, tasers, ballistic vests, drones, gas monitors, and cameras used for inspections, investigations, and other field duties. These items currently used by SFMO are coming to the end of their life expectancy. SFMO also faces increased travel and training requirements to comply with new National Association for Fire Protection standards for investigations, inspections, and licensing.

6. TDI respectfully requests \$2,450,000 for the biennium for information technology modernization and data enhancement. These funds are necessary to implement the following software products, including project planning, data migration services, configuration, and training:

- Health plan network adequacy software to allow staff to verify that health care networks meet new statutory time and distance standards for travel between an enrollee and a provider's office.
- Data management software for the agency's statutorily required data management program.
- Data collection system for routine and required data calls from external entities.
- Enterprise-wide online learning management system for employees.
- Upgraded data analytics software for DWC.

7. TDI respectfully requests \$2,000,000 for the biennium to continue operations of the TexasSure system. TexasSure is the vehicle insurance verification system that allows law enforcement, justice and municipal courts, and county tax officials to confirm whether a vehicle in Texas has required personal automobile liability insurance coverage. TDI selects a vendor in consultation with the Texas Department of Public Safety, Texas Department of Motor Vehicles, and Texas Department of Information Resources. The agency will issue a request for offers to move to a software as a service (SaaS) product for the program. To complete the procurement, more funding is needed in addition to the baseline request.

8. TDI respectfully requests \$6,466,424 for the biennium for added Data Center costs. TDI is required to participate in the state's Data Center Services (DCS) program to

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manage technology infrastructure services. The DCS provides security oversight and cloud management, among other solutions. Funding will allow TDI to pay for licensing costs for software, replace equipment that is no longer supported, and maintain current contracted service levels with the data center. Maintaining service levels is key to efficient regulation of the market and productivity for agency staff.

9. TDI respectfully requests restoration of the Regulatory Response Rider. This funding will only be used for a significant natural disaster or emergency response. The rider enables TDI to respond quickly to large scale emergency situations. The requested item totals \$4.4 million and 40 FTEs over the FY 2026-27 biennium levels. TDI activated this rider to respond to the aftermath of Hurricane Harvey. Versions of this rider have been included in TDI's budget every biennium since 2012.

DWC requests

1. DWC respectfully requests \$1,590,226 for the biennium for salary increases for our administrative law judges (ALJs) to recruit and retain high-skill dispute resolution positions within the agency. DWC ALJs oversee and make decisions on workers' compensation disputes through a robust administrative process, similar to typical court proceedings which serves as an injured employee's day in court.

The agency's comparative analysis of DWC ALJ salaries against other state agencies shows noteworthy variations in average compensation and service length.

The state average for ALJs is \$115,497, while DWC ALJs receive an average of \$91,313. This substantial difference (\$24,184) highlights misalignment impacting the agency's recruitment and retention efforts within the Hearings section. DWC needs to adjust ALJ salaries to meet the state average for individual classifications.

2. DWC respectfully requests \$1,097,040 for the biennium for additional agency staff to replace DWC's legacy claims management system, COMPASS, which has been in use since 1991, and for all future modernization projects. This request of six additional FTEs ensures that DWC can meet the accelerated modernization efforts and comply with Texas Government Code requirements and the Department of Information Resources 2024 – 2028 State Strategic Plan for Information Resources urging state agencies to accelerate modernization efforts, including replacement of legacy systems.

BACKGROUND CHECKS

TDI is authorized by law to deny a license application if the applicant fails to provide a complete set of fingerprints. The agency also is authorized to access an applicant's criminal history information from the Texas Department of Public Safety (DPS) and the FBI.

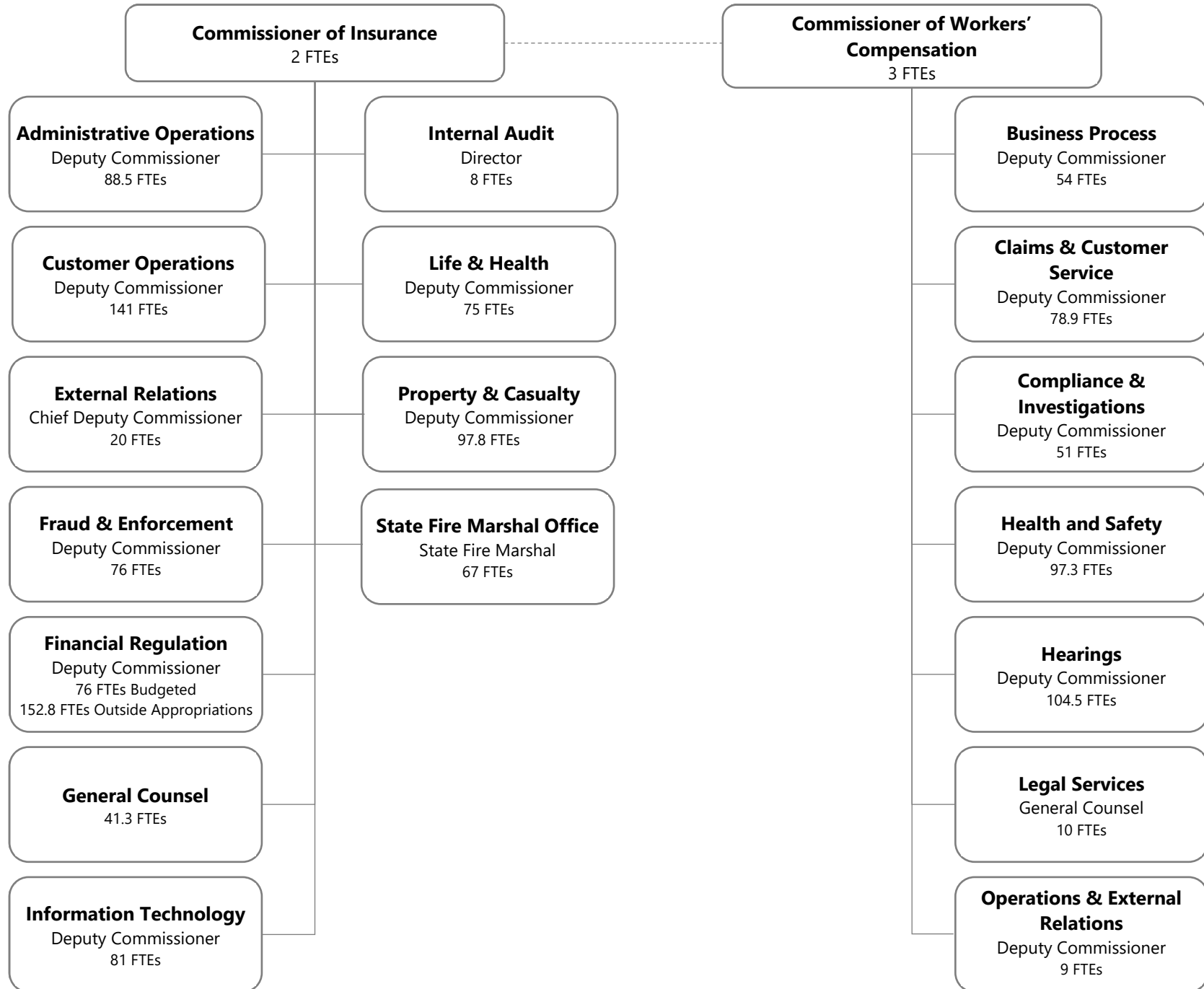
TDI has policies and procedures for conducting criminal background checks and has a memorandum of understanding with DPS on staff training, requesting information, and the handling of confidential criminal histories. These protocols establish guidelines for conducting criminal background checks on applicants for licenses administered by TDI.

TDI staff approved by DPS may perform criminal background checks:

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

## **1.A. ORGANIZATIONAL CHART**

# TDI functional organizational chart July 2024



## **1.B. CERTIFICATE OF DUAL SUBMISSION**



## CERTIFICATE

**Agency Name:** Texas Department of Insurance

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

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Office of the Governor will be notified in writing in accordance with House Bill 1, Article IX, Section 7.01, Eighty-eighth Legislature, Regular Session, 2023.

**Chief Executive Office or Presiding Judge**

A handwritten signature in blue ink, appearing to read "C. Brown", written over a horizontal line.

Signature

Cassie Brown  
Printed Name

Commissioner of Insurance  
Title

August 23, 2024  
Date

**Chief Financial Officer**

A handwritten signature in black ink, appearing to read "Amy Maddox", written over a horizontal line.

Signature

Amy Maddox  
Printed Name

Chief Financial Officer  
Title

August 23, 2024  
Date

## **2. SUMMARIES OF REQUEST**

**Budget Overview - Biennial Amounts**  
**89th Regular Session, Agency Submission, Version 1**  
Automated Budget and Evaluation System of Texas (ABEST)

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Appropriation Years: 2026-27

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2026-27
	<b>Goal: 1. Protect and Ensure the Fair Treatment of Consumers</b>										
1.1.1. Operations, Education, And Outreach			49,899,974	17,353,022			215,075	215,340	50,115,049	17,568,362	1,885,412
1.1.2. Texassure							10,147,504	10,147,504	10,147,504	10,147,504	2,000,000
1.1.3. Texas.Gov	6,200	6,200	982,200	982,200					988,400	988,400	
<b>Total, Goal</b>	<b>6,200</b>	<b>6,200</b>	<b>50,882,174</b>	<b>18,335,222</b>			<b>10,362,579</b>	<b>10,362,844</b>	<b>61,250,953</b>	<b>28,704,266</b>	<b>3,885,412</b>
<b>Goal: 2. A Competitive and Stable Insurance Market</b>											
2.1.1. Industry Solvency Regulation			12,661,774	14,274,640			4,125		12,665,899	14,274,640	2,092,520
2.2.1. Property & Casualty Regulation			15,482,792	16,134,508					15,482,792	16,134,508	2,085,653
2.2.2. Life & Health Regulation			11,326,419	12,418,530					11,326,419	12,418,530	219,240
2.3.1. Legal Review & Enforcement			15,221,248	15,717,384			11,398		15,232,646	15,717,384	3,956,666
2.3.2. Insurance Fraud			8,737,948	8,946,754					8,737,948	8,946,754	2,622,684
2.4.1. Three-Share Programs			135,731	139,302			7,601,375		7,737,106	139,302	
<b>Total, Goal</b>			<b>63,565,912</b>	<b>67,631,118</b>			<b>7,616,898</b>		<b>71,182,810</b>	<b>67,631,118</b>	<b>10,976,763</b>
<b>Goal: 3. Reduce Loss of Life &amp; Property Due to Fire</b>											
3.1.1. Fire Marshal			10,633,535	10,734,398			1,361		10,634,896	10,734,398	3,491,232
<b>Total, Goal</b>			<b>10,633,535</b>	<b>10,734,398</b>			<b>1,361</b>		<b>10,634,896</b>	<b>10,734,398</b>	<b>3,491,232</b>
<b>Goal: 4. Effectively Regulate the Texas Workers' Compensation System</b>											
4.1.1. Oversight And Compliance			21,164,907	21,745,183			81,425	75,700	21,246,332	21,820,883	
4.1.2. Dispute Resolution			20,362,363	20,674,544			160,772	94,000	20,523,135	20,768,544	1,590,226
4.1.3. Subsequent Injury Fund Admin			18,206,314	18,240,804					18,206,314	18,240,804	
4.1.4. Workers Compensation Fraud			2,332,349	2,344,524					2,332,349	2,344,524	
4.2.1. Health And Safety Services			3,694,464	3,674,402	4,622,860	4,712,656	12,265		8,329,589	8,387,058	
4.2.2. Customer Service & Information Mgmt			18,053,271	18,448,780			16,498	12,530	18,069,769	18,461,310	1,097,040
<b>Total, Goal</b>			<b>83,813,668</b>	<b>85,128,237</b>	<b>4,622,860</b>	<b>4,712,656</b>	<b>270,960</b>	<b>182,230</b>	<b>88,707,488</b>	<b>90,023,123</b>	<b>2,687,266</b>

**Budget Overview - Biennial Amounts**  
**89th Regular Session, Agency Submission, Version 1**  
Automated Budget and Evaluation System of Texas (ABEST)

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Appropriation Years: 2026-27

	GENERAL REVENUE FUNDS		GR DEDICATED		FEDERAL FUNDS		OTHER FUNDS		ALL FUNDS		EXCEPTIONAL ITEM FUNDS
	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2024-25	2026-27	2026-27
	<b>Goal: 5. Indirect Administration</b>										
5.1.1. Central Administration	13,210		14,083,864	14,709,694			76,000	76,000	14,173,074	14,785,694	
5.1.2. Information Resources			36,966,443	40,722,122					36,966,443	40,722,122	11,580,458
5.1.3. Other Support Services	546,112	546,112	9,884,001	10,407,050					10,430,113	10,953,162	
<b>Total, Goal</b>	<b>559,322</b>	<b>546,112</b>	<b>60,934,308</b>	<b>65,838,866</b>			<b>76,000</b>	<b>76,000</b>	<b>61,569,630</b>	<b>66,460,978</b>	<b>11,580,458</b>
<b>Goal: 6. Regulatory Response</b>											
6.1.1. Contingency Regulatory Response			4,400,000						4,400,000		4,400,000
<b>Total, Goal</b>			<b>4,400,000</b>						<b>4,400,000</b>		<b>4,400,000</b>
<b>Total, Agency</b>	<b>565,522</b>	<b>552,312</b>	<b>274,229,597</b>	<b>247,667,841</b>	<b>4,622,860</b>	<b>4,712,656</b>	<b>18,327,798</b>	<b>10,621,074</b>	<b>297,745,777</b>	<b>263,553,883</b>	<b>37,021,131</b>
<b>Total FTEs</b>									<b>1,170.5</b>	<b>1,181.3</b>	<b>119.0</b>

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Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<b>1</b> Protect and Ensure the Fair Treatment of Consumers					
<b>1</b> <i>High-Quality Information and Services to stakeholders</i>					
<b>1 OPERATIONS, EDUCATION, AND OUTREACH</b>	9,183,141	11,002,831	39,112,218	8,784,181	8,784,181
<b>2 TEXASSURE</b>	2,471,990	3,073,752	7,073,752	5,073,752	5,073,752
<b>3 TEXAS.GOV</b>	517,619	494,200	494,200	494,200	494,200
<b>TOTAL, GOAL</b> <b>1</b>	<b>\$12,172,750</b>	<b>\$14,570,783</b>	<b>\$46,680,170</b>	<b>\$14,352,133</b>	<b>\$14,352,133</b>
<b>2</b> A Competitive and Stable Insurance Market					
<b>1</b> <i>Regulate Insurance Industry Solvency</i>					
<b>1 INDUSTRY SOLVENCY REGULATION</b>	5,506,481	6,007,578	6,658,321	7,137,320	7,137,320
<b>2</b> <i>Efficiently Regulate P&amp;C/L&amp;H Rates, Forms, Programs, And Networks</i>					
<b>1 PROPERTY &amp; CASUALTY REGULATION</b>	6,534,982	7,345,481	8,137,311	8,067,254	8,067,254
<b>2 LIFE &amp; HEALTH REGULATION</b>	4,823,962	5,369,256	5,957,163	6,209,265	6,209,265
<b>3</b> <i>Compliance with Statutes and Rules</i>					

2.A. Summary of Base Request by Strategy

9/6/2024 10:03:01AM

89th Regular Session, Agency Submission, Version 1

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Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
1 LEGAL REVIEW & ENFORCEMENT	6,306,134	7,036,387	8,196,259	7,858,692	7,858,692
2 INSURANCE FRAUD	3,765,519	4,139,213	4,598,735	4,473,377	4,473,377
<u>4</u> Administrative Innovative Insurance Initiatives					
1 THREE-SHARE PROGRAMS	1,913,285	2,340,121	5,396,985	69,651	69,651
TOTAL, GOAL 2	<b>\$28,850,363</b>	<b>\$32,238,036</b>	<b>\$38,944,774</b>	<b>\$33,815,559</b>	<b>\$33,815,559</b>
<u>3</u> Reduce Loss of Life & Property Due to Fire					
<u>1</u> Protect the Public from Loss of Life and Property due to fire					
1 FIRE MARSHAL	5,195,844	5,276,150	5,358,746	5,364,699	5,369,699
TOTAL, GOAL 3	<b>\$5,195,844</b>	<b>\$5,276,150</b>	<b>\$5,358,746</b>	<b>\$5,364,699</b>	<b>\$5,369,699</b>
<u>4</u> Effectively Regulate the Texas Workers' Compensation System					
<u>1</u> Ensure Appropriate Delivery of Workers' Compensation Benefits					
1 OVERSIGHT AND COMPLIANCE	8,159,926	10,109,986	11,136,346	10,934,654	10,886,229

**454 Department of Insurance**

<b>Goal / Objective / STRATEGY</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b>2 DISPUTE RESOLUTION</b>	10,531,075	9,773,985	10,749,150	10,384,272	10,384,272
<b>3 SUBSEQUENT INJURY FUND ADMIN</b>	9,674,999	9,091,484	9,114,830	9,120,402	9,120,402
<b>4 WORKERS COMPENSATION FRAUD</b>	1,054,867	1,118,098	1,214,251	1,172,262	1,172,262
<b>2 <i>Ensure Workers' Comp System Participants are Educated and Informed</i></b>					
<b>1 HEALTH AND SAFETY SERVICES</b>	3,696,130	3,866,499	4,463,090	4,193,529	4,193,529
<b>2 CUSTOMER SERVICE &amp; INFORMATION MGMT</b>	7,920,565	8,558,577	9,511,192	9,230,655	9,230,655
<b>TOTAL, GOAL 4</b>	<b>\$41,037,562</b>	<b>\$42,518,629</b>	<b>\$46,188,859</b>	<b>\$45,035,774</b>	<b>\$44,987,349</b>

**5 Indirect Administration**

**1 *Indirect Administration***

<b>1 CENTRAL ADMINISTRATION</b>	6,274,250	6,652,358	7,520,716	7,392,847	7,392,847
<b>2 INFORMATION RESOURCES</b>	16,526,842	17,852,758	19,113,685	20,355,760	20,366,362
<b>3 OTHER SUPPORT SERVICES</b>	5,466,313	5,010,003	5,420,110	5,461,948	5,491,214

2.A. Summary of Base Request by Strategy

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454 Department of Insurance

Goal / Objective / STRATEGY		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
TOTAL, GOAL	5	\$28,267,405	\$29,515,119	\$32,054,511	\$33,210,555	\$33,250,423
<b>6 Regulatory Response</b>						
<b>1 Regulatory Response</b>						
1 CONTINGENCY REGULATORY RESPONSE		0	2,200,000	2,200,000	0	0
TOTAL, GOAL	6	\$0	\$2,200,000	\$2,200,000	\$0	\$0
TOTAL, AGENCY STRATEGY REQUEST		\$115,523,924	\$126,318,717	\$171,427,060	\$131,778,720	\$131,775,163
TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*					\$0	\$0
GRAND TOTAL, AGENCY REQUEST		\$115,523,924	\$126,318,717	\$171,427,060	\$131,778,720	\$131,775,163

2.A. Summary of Base Request by Strategy

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454 Department of Insurance

Goal / Objective / STRATEGY	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<u>METHOD OF FINANCING:</u>					
<b>General Revenue Funds:</b>					
1 General Revenue Fund	355,156	280,529	284,993	276,156	276,156
<b>SUBTOTAL</b>	<b>\$355,156</b>	<b>\$280,529</b>	<b>\$284,993</b>	<b>\$276,156</b>	<b>\$276,156</b>
<b>General Revenue Dedicated Funds:</b>					
36 Dept Ins Operating Acct	97,518,515	109,149,853	147,328,360	114,960,007	114,956,450
5101 Subsequent Injury Fund	9,469,615	8,875,692	8,875,692	8,875,692	8,875,692
<b>SUBTOTAL</b>	<b>\$106,988,130</b>	<b>\$118,025,545</b>	<b>\$156,204,052</b>	<b>\$123,835,699</b>	<b>\$123,832,142</b>
<b>Federal Funds:</b>					
555 Federal Funds	2,255,793	2,311,430	2,311,430	2,356,328	2,356,328
<b>SUBTOTAL</b>	<b>\$2,255,793</b>	<b>\$2,311,430</b>	<b>\$2,311,430</b>	<b>\$2,356,328</b>	<b>\$2,356,328</b>
<b>Other Funds:</b>					
161 TexasSure Fund	2,471,990	3,073,752	7,073,752	5,073,752	5,073,752
666 Appropriated Receipts	3,414,855	2,589,461	5,514,833	198,785	198,785
777 Interagency Contracts	38,000	38,000	38,000	38,000	38,000
<b>SUBTOTAL</b>	<b>\$5,924,845</b>	<b>\$5,701,213</b>	<b>\$12,626,585</b>	<b>\$5,310,537</b>	<b>\$5,310,537</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$115,523,924</b>	<b>\$126,318,717</b>	<b>\$171,427,060</b>	<b>\$131,778,720</b>	<b>\$131,775,163</b>

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

**2.A. Summary of Base Request by Strategy**

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**454 Department of Insurance**

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<b>Goal / Objective / STRATEGY</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
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**2.B. Summary of Base Request by Method of Finance**  
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Agency code: **454** Agency name: **Department of Insurance**

<b>METHOD OF FINANCING</b>		<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>GENERAL REVENUE</u></b>						
<b><u>1</u></b>	General Revenue Fund					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2022-23 GAA)	\$229,806	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$280,529	\$284,993	\$0	\$0
	Regular Appropriations from MOF Table (2026-27 GAA)	\$0	\$0	\$0	\$276,156	\$276,156
	<i>RIDER APPROPRIATION</i>					
	Art IX, Sec 13.10, Earned Federal Funds (2022-23 GAA)	\$125,350	\$0	\$0	\$0	\$0
<b>TOTAL,</b>	<b>General Revenue Fund</b>	<b>\$355,156</b>	<b>\$280,529</b>	<b>\$284,993</b>	<b>\$276,156</b>	<b>\$276,156</b>
<b>TOTAL, ALL</b>	<b>GENERAL REVENUE</b>	<b>\$355,156</b>	<b>\$280,529</b>	<b>\$284,993</b>	<b>\$276,156</b>	<b>\$276,156</b>

**GENERAL REVENUE FUND - DEDICATED**

**2.B. Summary of Base Request by Method of Finance**  
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Agency code: **454** Agency name: **Department of Insurance**

METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
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**GENERAL REVENUE FUND - DEDICATED**

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

*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2022-23 GAA)

\$100,044,694	\$0	\$0	\$0	\$0
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Regular Appropriations from MOF Table (2024-25 GAA)

\$0	\$111,383,092	\$116,080,340	\$0	\$0
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Regular Appropriations from MOF Table (2026-27 GAA)

\$0	\$0	\$0	\$114,960,007	\$114,956,450
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*RIDER APPROPRIATION*

Art VIII- Rider 18- Agent and Adjuster Licensing Fee Collections (2022-23 GAA)

\$9,272,289	\$0	\$0	\$0	\$0
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Art IX, Sec 9.05, Texas.gov Project: Occupational Licenses (2022-23 GAA)

\$118,719	\$0	\$0	\$0	\$0
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Art IX, Sec. 17.46 - Appn for Law Enf. Officer Salary Increase (2022-23 GAA)

\$245,343	\$0	\$0	\$0	\$0
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**2.B. Summary of Base Request by Method of Finance**  
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Agency code: <b>454</b>	Agency name: <b>Department of Insurance</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
<i>TRANSFERS</i>					
SB 30, 88th Leg, Regular Session	\$676,354	\$0	\$0	\$0	\$0
<b>Comments:</b> Transfer of funds from CPA to fund 5% salary increase for July and August 2023					
<i>SUPPLEMENTAL, SPECIAL OR EMERGENCY APPROPRIATIONS</i>					
88th Leg, SB 30, Sec 9.02 (26) MOTOR VEHICLE PURCHASE	\$450,000	\$0	\$0	\$0	\$0
<b>Comments:</b> Supplemental for Vehicle purchases					
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2022-23 GAA)	\$(11,261,594)	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2022-23 GAA)	\$(1,227,585)	\$0	\$0	\$0	\$0
<b>Comments:</b> Rider 19 - Health Insurance Risk Pool					
Lapse- Art VIII, Rider 20- Regulatory Response Rider					

**2.B. Summary of Base Request by Method of Finance**  
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Agency code: <b>454</b>	Agency name: <b>Department of Insurance</b>				
METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
	\$(2,200,000)	\$0	\$0	\$0	\$0
<b>Comments:</b> Art VIII - Rider 20- Regulatory Response Rider					
87th Leg, HB2 Sec 35 Information Technology Projects	\$(2,276,606)	\$0	\$0	\$0	\$0
Art VIII - Rider 19 - Health Insurance Risk Pool (GAA 2022-2023)	\$(1,103,805)	\$0	\$0	\$0	\$0
<b>Comments:</b> Lapse Unexpended Balance funds moved from 2022 to 2023					
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Art IX, Sec 14.03(i), Capital Budget UB (2022-23 GAA)	\$1,788,959	\$0	\$0	\$0	\$0
<b>Comments:</b> Unexpended Balance from 2022 to 2023					
Art VIII- Rider 11- 5% UB	\$5,074,694	\$0	\$0	\$0	\$0
<b>Comments:</b> Unexpended Balance from 2022 to 2023					
87th Leg, HB2 Sec 35 Information Technology Projects UB					

**2.B. Summary of Base Request by Method of Finance**  
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Agency code: <b>454</b>	Agency name: <b>Department of Insurance</b>				
METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
	\$4,907,333	\$0	\$0	\$0	\$0
Art VIII, Rider 9- Unexpended Balance (p. VIII-20 of 2024-25 GAA)					
	\$0	\$(3,448,020)	\$3,448,020	\$0	\$0
<b>Comments:</b> Projected Unexpended Balance from 2024 to 2025					
88th Leg, SB 30, Sec 9.02 (26) MOTOR VEHICLE PURCHASE (2024-2025 GAA)					
	\$(450,000)	\$450,000	\$0	\$0	\$0
<b>Comments:</b> Unexpended Balance from 2023 to 2024					
Art VIII- Rider 18- Agent and Adjuster Licensing Fee Collections UB (2022-23 GAA)					
	\$20,920,696	\$0	\$0	\$0	\$0
<b>Comments:</b> Unexpended Balance from 2022 to 2023					
Art VIII- Rider 18- Agent and Adjuster Licensing Fee Collections UB (2024-25 GAA)					
	\$(28,564,781)	\$28,564,781	\$0	\$0	\$0
<b>Comments:</b> Unexpended Balance from 2023 to 2024					
Art VIII- Rider 14- Agent and Adjuster Licensing Fee Collections UB (2024-25 GAA)					
	\$0	\$(27,800,000)	\$27,800,000	\$0	\$0

**2.B. Summary of Base Request by Method of Finance**  
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Agency code: <b>454</b>	Agency name: <b>Department of Insurance</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>					
<b>Comments:</b> Projected Unexpended Balance from 2024 to 2025					
Art VIII- Rider 19- Health Insurance Risk Pool UB (2022-23 GAA)					
	\$1,103,805	\$0	\$0	\$0	\$0
<b>Comments:</b> Unexpended Balance from 2022 to 2023					
<b>TOTAL,</b>	<b>GR Dedicated - Texas Department of Insurance Operating Fund Account No. 036</b>				
	<b>\$97,518,515</b>	<b>\$109,149,853</b>	<b>\$147,328,360</b>	<b>\$114,960,007</b>	<b>\$114,956,450</b>
<b><u>5101</u></b>	GR Dedicated - Subsequent Injury Account No. 5101				
	<i>REGULAR APPROPRIATIONS</i>				
	Regular Appropriations from MOF Table (2022-23 GAA)				
	\$7,672,692	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2024-25 GAA)				
	\$0	\$8,875,692	\$8,875,692	\$0	\$0
	Regular Appropriations from MOF Table (2026-27 GAA)				
	\$0	\$0	\$0	\$8,875,692	\$8,875,692
	<i>RIDER APPROPRIATION</i>				

2.B. Summary of Base Request by Method of Finance  
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Agency code: 454		Agency name: Department of Insurance				
METHOD OF FINANCING		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<b><u>GENERAL REVENUE FUND - DEDICATED</u></b>						
	Art VIII, Rider 12- SIF Additional Appropriation	\$2,200,000	\$0	\$0	\$0	\$0
	<i>LAPSED APPROPRIATIONS</i>					
	Article VIII, Rider 12- SIF Additional Appropriation	\$(403,077)	\$0	\$0	\$0	\$0
<b>TOTAL,</b>	<b>GR Dedicated - Subsequent Injury Account No. 5101</b>	<b>\$9,469,615</b>	<b>\$8,875,692</b>	<b>\$8,875,692</b>	<b>\$8,875,692</b>	<b>\$8,875,692</b>
<b>TOTAL, ALL</b>	<b>GENERAL REVENUE FUND - DEDICATED</b>	<b>\$106,988,130</b>	<b>\$118,025,545</b>	<b>\$156,204,052</b>	<b>\$123,835,699</b>	<b>\$123,832,142</b>
<b>TOTAL,</b>	<b>GR &amp; GR-DEDICATED FUNDS</b>	<b>\$107,343,286</b>	<b>\$118,306,074</b>	<b>\$156,489,045</b>	<b>\$124,111,855</b>	<b>\$124,108,298</b>
<b><u>FEDERAL FUNDS</u></b>						
<b>555</b>	Federal Funds					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2022-23 GAA)	\$2,255,793	\$0	\$0	\$0	\$0
	Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$2,311,430	\$2,311,430	\$0	\$0

**2.B. Summary of Base Request by Method of Finance**  
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Agency code: <b>454</b>	Agency name: <b>Department of Insurance</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>FEDERAL FUNDS</u></b>					
Regular Appropriations from MOF Table (2026-27 GAA)	\$0	\$0	\$0	\$2,356,328	\$2,356,328
<b>TOTAL, Federal Funds</b>	<b>\$2,255,793</b>	<b>\$2,311,430</b>	<b>\$2,311,430</b>	<b>\$2,356,328</b>	<b>\$2,356,328</b>
<b>TOTAL, ALL FEDERAL FUNDS</b>	<b>\$2,255,793</b>	<b>\$2,311,430</b>	<b>\$2,311,430</b>	<b>\$2,356,328</b>	<b>\$2,356,328</b>

**OTHER FUNDS**

**161** TexasSure Fund No. 161  
*REGULAR APPROPRIATIONS*

Regular Appropriations from MOF Table (2022-23 GAA)	\$5,073,752	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2024-25 GAA)	\$0	\$5,073,752	\$5,073,752	\$0	\$0
Regular Appropriations from MOF Table (2026-27 GAA)	\$0	\$0	\$0	\$5,073,752	\$5,073,752

*LAPSED APPROPRIATIONS*

**2.B. Summary of Base Request by Method of Finance**  
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Agency code: <b>454</b>		Agency name: <b>Department of Insurance</b>				
<b>METHOD OF FINANCING</b>		<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>OTHER FUNDS</u></b>						
Regular Appropriations from MOF Table (2022-23 GAA)		\$ (4,704,509)	\$ 0	\$ 0	\$ 0	\$ 0
<i>UNEXPENDED BALANCES AUTHORITY</i>						
Art IX, Sec 14.03(i), Capital Budget UB (2022-23 GAA)		\$ 2,102,747	\$ 0	\$ 0	\$ 0	\$ 0
Art IX, Sec 14.03(i), Capital Budget UB (2024-25 GAA)		\$ 0	\$ (2,000,000)	\$ 2,000,000	\$ 0	\$ 0
<b>TOTAL,</b>	<b>TexasSure Fund No. 161</b>	<b>\$ 2,471,990</b>	<b>\$ 3,073,752</b>	<b>\$ 7,073,752</b>	<b>\$ 5,073,752</b>	<b>\$ 5,073,752</b>
<b><u>329</u></b>	<b>Healthy Texas Small Employer Premium Stabilization Fund</b>					
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2022-23 GAA)		\$ 29,052,524	\$ 0	\$ 0	\$ 0	\$ 0
<i>LAPSED APPROPRIATIONS</i>						
Art. VIII, Rider 22(b), Contingency Appropriation: Health Insurance Pool (2022-23 GAA)		\$ (41,052,524)	\$ 0	\$ 0	\$ 0	\$ 0

**2.B. Summary of Base Request by Method of Finance**  
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Agency code: <b>454</b>	Agency name: <b>Department of Insurance</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>OTHER FUNDS</u></b>					
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Art VIII - Rider 19 - Health Insurance Risk Pool (GAA 2022-2023)					
	\$12,000,000	\$0	\$0	\$0	\$0
<b>TOTAL,</b>	<b>Healthy Texas Small Employer Premium Stabilization Fund</b>				
	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b><u>666</u> Appropriated Receipts</b>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2022-23 GAA)					
	\$276,525	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2024-25 GAA)					
	\$0	\$189,340	\$189,340	\$0	\$0
Regular Appropriations from MOF Table (2026-27 GAA)					
	\$0	\$0	\$0	\$198,785	\$198,785
<i>RIDER APPROPRIATION</i>					
Art VIII- Rider 13- Three Share Premium Assistance Program (2022-2023 GAA)					
	\$2,250,000	\$0	\$0	\$0	\$0

**2.B. Summary of Base Request by Method of Finance**  
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Agency code: <b>454</b>	Agency name: <b>Department of Insurance</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>OTHER FUNDS</u></b>					
Art IX, Sec 8.02, Reimbursements and Payments (2022-23 GAA)	\$1,276,994	\$0	\$0	\$0	\$0
Art IX, Sec 8.03, Surplus Property (2022-23 GAA)	\$5,034	\$0	\$0	\$0	\$0
Art IX, Sec 8.02, Reimbursements and Payments (2024-25 GAA)	\$0	\$29,623	\$0	\$0	\$0
<b>Comments:</b> Third Party Reimbursements					
Art IX, Sec 8.07, Seminars and Conferences (2022-23 GAA)	\$59,961	\$0	\$0	\$0	\$0
<b>Comments:</b> Appropriation of collections in 2023 - reverse \$335 to correct AY					
Art IX, Sec 8.07, Seminars and Conferences (2024-25 GAA)	\$0	\$55,831	\$0	\$0	\$0
<b>Comments:</b> Appropriation of collections in 2024					
Art VIII- Rider 11- Three-Share Premium Assistance Program (2024-2025 GAA)					

**2.B. Summary of Base Request by Method of Finance**  
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METHOD OF FINANCING	Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
Agency code: <b>454</b> Agency name: <b>Department of Insurance</b>					
<b><u>OTHER FUNDS</u></b>					
	\$0	\$2,250,000	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>					
Regular Appropriations from MOF Table (2022-23 GAA)	\$(111,654)	\$0	\$0	\$0	\$0
<i>UNEXPENDED BALANCES AUTHORITY</i>					
Art VIII- Rider 13- Three Share Premium Assistance Program (2022-2023 GAA)	\$4,957,701	\$0	\$0	\$0	\$0
<b>Comments:</b> Unexpended Balance from 2022 to 2023					
Art VIII- Rider 13- Three Share Premium Assistance Program (2022-2023 GAA)	\$(5,351,375)	\$5,351,375	\$0	\$0	\$0
<b>Comments:</b> Unexpended Balance from 2023 to 2024					
Art IX, Sec. 8.07- Seminars and Conferences	\$90,454	\$0	\$0	\$0	\$0
<b>Comments:</b> Unexpended Balance from 2022 to 2023					
Art IX, Sec. 8.07- Seminars and Conferences					

**2.B. Summary of Base Request by Method of Finance**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: <b>454</b>		Agency name: <b>Department of Insurance</b>				
<b>METHOD OF FINANCING</b>		<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b><u>OTHER FUNDS</u></b>						
		\$(38,785)	\$38,785	\$0	\$0	\$0
	<b>Comments:</b> Unexpended Balance from 2023 to 2024					
	Art VIII- Rider 11- Three-Share Premium Assistance Program (2024-2025 GAA)					
		\$0	\$(5,325,493)	\$5,325,493	\$0	\$0
<b>TOTAL,</b>	<b>Appropriated Receipts</b>					
		<b>\$3,414,855</b>	<b>\$2,589,461</b>	<b>\$5,514,833</b>	<b>\$198,785</b>	<b>\$198,785</b>
<u>777</u>	Interagency Contracts					
	<i>REGULAR APPROPRIATIONS</i>					
	Regular Appropriations from MOF Table (2024-25 GAA)					
		\$0	\$38,000	\$38,000	\$0	\$0
	Regular Appropriations from MOF Table (2026-27 GAA)					
		\$0	\$0	\$0	\$38,000	\$38,000
	<i>RIDER APPROPRIATION</i>					
	Art IX, Sec. 8.02- Third Party Reimbursements- Other					
		\$38,000	\$0	\$0	\$0	\$0

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

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89th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

Agency code: <b>454</b>		Agency name: <b>Department of Insurance</b>				
METHOD OF FINANCING		Exp 2023	Est 2024	Bud 2025	Req 2026	Req 2027
<b><u>OTHER FUNDS</u></b>						
<b>TOTAL,</b>	<b>Interagency Contracts</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$38,000</b>
<b>TOTAL, ALL</b>	<b>OTHER FUNDS</b>	<b>\$5,924,845</b>	<b>\$5,701,213</b>	<b>\$12,626,585</b>	<b>\$5,310,537</b>	<b>\$5,310,537</b>
<b>GRAND TOTAL</b>		<b>\$115,523,924</b>	<b>\$126,318,717</b>	<b>\$171,427,060</b>	<b>\$131,778,720</b>	<b>\$131,775,163</b>

**2.B. Summary of Base Request by Method of Finance**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

9/6/2024 10:03:02AM

Agency code: <b>454</b>	Agency name: <b>Department of Insurance</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b>FULL-TIME-EQUIVALENT POSITIONS</b>					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2022-23 GAA)	1,262.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	1,221.3	1,221.3	0.0	0.0
Regular Appropriations from MOF Table (2026-27 GAA)	0.0	0.0	0.0	1,181.3	1,181.3
LAPSED APPROPRIATIONS					
Art. VIII,p. VIII-22 Rider 19, Contingency Appropriation: Health Insurance Pool (2022-23 GAA)	(12.0)	0.0	0.0	0.0	0.0
<b>Comments:</b> Contingency Appropriation: Health Insurance Risk Pool does not exist in the 88th GAA					
Art VIII, p. VIII 22-23 Rider 20, Contingency Appropriation: State Regulatory Response (2022-23 GAA)	(40.0)	0.0	0.0	0.0	0.0
Art VIII, p. VIII 21-22 Rider 15, Contingency Appropriation: State Regulatory Response (2024-25 GAA)	0.0	(40.0)	(40.0)	0.0	0.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Regular Appropriations from MOF Table (2022-23 GAA)	(134.1)	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2024-25 GAA)	0.0	(57.4)	(10.8)	0.0	0.0

**2.B. Summary of Base Request by Method of Finance**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

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Agency code: <b>454</b>	Agency name: <b>Department of Insurance</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>Req 2026</b>	<b>Req 2027</b>
<b>TOTAL, ADJUSTED FTES</b>	<b>1,075.9</b>	<b>1,123.9</b>	<b>1,170.5</b>	<b>1,181.3</b>	<b>1,181.3</b>

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**NUMBER OF 100% FEDERALLY FUNDED  
 FTEs**

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

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89th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

**454 Department of Insurance**

<b>OBJECT OF EXPENSE</b>	<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>BL 2026</b>	<b>BL 2027</b>
1001 SALARIES AND WAGES	\$72,964,334	\$80,174,583	\$88,814,954	\$87,976,771	\$87,976,771
1002 OTHER PERSONNEL COSTS	\$4,406,939	\$1,949,277	\$2,554,642	\$2,221,350	\$2,221,350
2001 PROFESSIONAL FEES AND SERVICES	\$12,821,176	\$16,090,594	\$18,731,899	\$18,575,344	\$18,526,919
2002 FUELS AND LUBRICANTS	\$145,485	\$157,387	\$155,950	\$195,300	\$195,300
2003 CONSUMABLE SUPPLIES	\$106,260	\$272,535	\$229,623	\$229,623	\$229,623
2004 UTILITIES	\$222,343	\$281,929	\$240,784	\$244,220	\$244,220
2005 TRAVEL	\$762,012	\$1,088,558	\$1,235,762	\$946,157	\$946,157
2006 RENT - BUILDING	\$1,862,654	\$1,756,376	\$1,828,016	\$1,867,304	\$1,896,570
2007 RENT - MACHINE AND OTHER	\$429,869	\$1,767,709	\$541,549	\$548,300	\$548,300
2008 DEBT SERVICE	\$0	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$17,786,837	\$19,394,047	\$49,768,388	\$18,974,351	\$18,989,953
4000 GRANTS	\$1,856,326	\$2,275,882	\$5,325,493	\$0	\$0
5000 CAPITAL EXPENDITURES	\$2,159,689	\$1,109,840	\$2,000,000	\$0	\$0
<b>OOE Total (Excluding Riders)</b>	<b>\$115,523,924</b>	<b>\$126,318,717</b>	<b>\$171,427,060</b>	<b>\$131,778,720</b>	<b>\$131,775,163</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$115,523,924</b>	<b>\$126,318,717</b>	<b>\$171,427,060</b>	<b>\$131,778,720</b>	<b>\$131,775,163</b>

**2.D. Summary of Base Request Objective Outcomes**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

9/6/2024 10:03:02AM

**454 Department of Insurance**

Goal/ Objective / Outcome	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1 Protect and Ensure the Fair Treatment of Consumers					
1 High-Quality Information and Services to stakeholders					
KEY      1 % of Calls Answered by the TDI Consumer Help Line Call Center	95.70%	97.34%	97.34%	95.00%	95.00%
2 Average Number of Dollars Returned to Consumers, Per Complaint	2,928.10	3,549.57	3,000.00	3,000.00	3,000.00
KEY      3 Percent of Continuing Education Filings Completed within Ten Days	99.70%	100.00%	99.00%	95.00%	95.00%
KEY      4 Percent of Agent and Adjuster Applications Completed within Seven Days	99.70%	99.91%	99.00%	95.00%	95.00%
5 Percent of Licensees Who Renew Online	99.90%	99.86%	99.00%	95.00%	95.00%
KEY      6 % Autos w/Personal or Comm. Liability Insurance	89.70%	89.00%	89.00%	90.00%	90.00%
2 A Competitive and Stable Insurance Market					
1 Regulate Insurance Industry Solvency					
1 Percent of Identified Companies Reviewed	96.80%	98.00%	98.00%	98.00%	98.00%
2 Percent of Company, TPA and PF License Apps Completed within 60 Days	100.00%	98.00%	98.00%	95.00%	95.00%
2 Efficiently Regulate P&C/L&H Rates, Forms, Programs, And Networks					
KEY      1 Percent of Statutory Rate and Form Filings Completed within 90 Days	93.10%	92.90%	87.00%	87.00%	87.00%
KEY      2 Percent Personal Auto/Res Property Form Filings Completed in 60 Days	90.70%	71.20%	87.00%	87.00%	87.00%
3 Compliance with Statutes and Rules					
1 Percent of Enforcement Cases Concluded with Action within 365 Days	72.20%	78.00%	60.00%	60.00%	60.00%

**2.D. Summary of Base Request Objective Outcomes**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

9/6/2024 10:03:02AM

**454 Department of Insurance**

Goal/ Objective / Outcome	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
3 Reduce Loss of Life & Property Due to Fire <i>1 Protect the Public from Loss of Life and Property due to fire</i>					
<b>KEY 1 % of Fire Safety Registrations, Licenses, Permits Issued w/in 20 Days</b>	99.40%	99.00%	99.00%	99.00%	99.00%
4 Effectively Regulate the Texas Workers' Compensation System <i>1 Ensure Appropriate Delivery of Workers' Compensation Benefits</i>					
<b>1 % of WC Enforcement Cases Concluded within 365 Days</b>	91.00%	96.00%	90.00%	70.00%	70.00%
<b>KEY 2 % of Med Fee Disputes Resolved or Upheld Upon Appeal</b>	100.00%	100.00%	100.00%	95.00%	95.00%
<b>3 Percent of Workers' Comp Insurance Fraud Cases Resolved</b>	7.80%	5.00%	5.00%	5.00%	5.00%
<i>2 Ensure Workers' Comp System Participants are Educated and Informed</i>					
<b>KEY 1 Percent of TIBs Recipients Released to Work within 90 Days of Injury</b>	59.80%	62.35%	62.35%	54.00%	54.00%

**2.E. Summary of Exceptional Items Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME : 10:03:03AM

Agency code: 454

Agency name: **Department of Insurance**

Priority	Item	2026			2027			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
1	Salary Increases	\$890,820	\$890,820		\$1,731,420	\$1,731,420		\$2,622,240	\$2,622,240
2	DWC Salary Increases	\$795,113	\$795,113		\$795,113	\$795,113		\$1,590,226	\$1,590,226
3	Insurance FTE Increases	\$6,211,736	\$6,211,736	73.0	\$6,102,233	\$6,102,233	73.0	\$12,313,969	\$12,313,969
4	Schedule C	\$895,766	\$895,766		\$895,766	\$895,766		\$1,791,532	\$1,791,532
5	DWC FTE Increases	\$553,020	\$553,020	6.0	\$544,020	\$544,020	6.0	\$1,097,040	\$1,097,040
6	Vehicle Purchases	\$727,500	\$727,500		\$387,500	\$387,500		\$1,115,000	\$1,115,000
7	SFMO Operations	\$877,700	\$877,700		\$297,000	\$297,000		\$1,174,700	\$1,174,700
8	Software Modernization	\$1,600,000	\$1,600,000		\$850,000	\$850,000		\$2,450,000	\$2,450,000
9	Texas Sure		\$1,000,000			\$1,000,000			\$2,000,000
10	Data Center	\$2,908,522	\$2,908,522		\$3,557,902	\$3,557,902		\$6,466,424	\$6,466,424
11	Regulatory Response Rider	\$2,200,000	\$2,200,000	40.0	\$2,200,000	\$2,200,000	40.0	\$4,400,000	\$4,400,000
<b>Total, Exceptional Items Request</b>		<b>\$17,660,177</b>	<b>\$18,660,177</b>	<b>119.0</b>	<b>\$17,360,954</b>	<b>\$18,360,954</b>	<b>119.0</b>	<b>\$35,021,131</b>	<b>\$37,021,131</b>

**Method of Financing**

General Revenue

General Revenue - Dedicated

Federal Funds

Other Funds

General Revenue - Dedicated	17,660,177	17,660,177		17,360,954	17,360,954		35,021,131	35,021,131
Other Funds		1,000,000			1,000,000			2,000,000
	<b>\$17,660,177</b>	<b>\$18,660,177</b>		<b>\$17,360,954</b>	<b>\$18,360,954</b>		<b>\$35,021,131</b>	<b>\$37,021,131</b>

**Full Time Equivalent Positions**

**119.0**

**119.0**

**2.E. Summary of Exceptional Items Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME : 10:03:03AM

Agency code: 454

Agency name: **Department of Insurance**

Priority	Item	2026			2027			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds

**Number of 100% Federally Funded FTEs**

**2.F. Summary of Total Request by Strategy**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 9/6/2024  
 TIME : 10:03:03AM

Agency code: 454 Agency name: Department of Insurance

Goal/Objective/STRATEGY	Base 2026	Base 2027	Exceptional 2026	Exceptional 2027	Total Request 2026	Total Request 2027
<b>1</b> Protect and Ensure the Fair Treatment of Consumers						
1 <i>High-Quality Information and Services to stakeholders</i>						
1 OPERATIONS, EDUCATION, AND OUTREACH	\$8,784,181	\$8,784,181	\$954,706	\$930,706	\$9,738,887	\$9,714,887
2 TEXASSURE	5,073,752	5,073,752	1,000,000	1,000,000	6,073,752	6,073,752
3 TEXAS.GOV	494,200	494,200	0	0	494,200	494,200
<b>TOTAL, GOAL 1</b>	<b>\$14,352,133</b>	<b>\$14,352,133</b>	<b>\$1,954,706</b>	<b>\$1,930,706</b>	<b>\$16,306,839</b>	<b>\$16,282,839</b>
<b>2</b> A Competitive and Stable Insurance Market						
1 <i>Regulate Insurance Industry Solvency</i>						
1 INDUSTRY SOLVENCY REGULATION	7,137,320	7,137,320	1,056,010	1,036,510	8,193,330	8,173,830
2 <i>Efficiently Regulate P&amp;C/L&amp;H Rates, Forms, Programs, And Networ</i>						
1 PROPERTY & CASUALTY REGULATION	8,067,254	8,067,254	1,007,728	1,077,925	9,074,982	9,145,179
2 LIFE & HEALTH REGULATION	6,209,265	6,209,265	109,620	109,620	6,318,885	6,318,885
3 <i>Compliance with Statutes and Rules</i>						
1 LEGAL REVIEW & ENFORCEMENT	7,858,692	7,858,692	1,646,683	2,309,983	9,505,375	10,168,675
2 INSURANCE FRAUD	4,473,377	4,473,377	1,450,292	1,172,392	5,923,669	5,645,769
4 <i>Administrative Innovative Insurance Initiatives</i>						
1 THREE-SHARE PROGRAMS	69,651	69,651	0	0	69,651	69,651
<b>TOTAL, GOAL 2</b>	<b>\$33,815,559</b>	<b>\$33,815,559</b>	<b>\$5,270,333</b>	<b>\$5,706,430</b>	<b>\$39,085,892</b>	<b>\$39,521,989</b>
<b>3</b> Reduce Loss of Life & Property Due to Fire						
1 <i>Protect the Public from Loss of Life and Property due to fire</i>						
1 FIRE MARSHAL	5,364,699	5,369,699	2,035,966	1,455,266	7,400,665	6,824,965
<b>TOTAL, GOAL 3</b>	<b>\$5,364,699</b>	<b>\$5,369,699</b>	<b>\$2,035,966</b>	<b>\$1,455,266</b>	<b>\$7,400,665</b>	<b>\$6,824,965</b>

**2.F. Summary of Total Request by Strategy**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 9/6/2024  
 TIME : 10:03:03AM

Agency code: 454 Agency name: Department of Insurance

<b>Goal/Objective/STRATEGY</b>	<b>Base 2026</b>	<b>Base 2027</b>	<b>Exceptional 2026</b>	<b>Exceptional 2027</b>	<b>Total Request 2026</b>	<b>Total Request 2027</b>
<b>4 Effectively Regulate the Texas Workers' Compensation System</b>						
<i>1 Ensure Appropriate Delivery of Workers' Compensation Benefits</i>						
1 OVERSIGHT AND COMPLIANCE	\$10,934,654	\$10,886,229	\$0	\$0	\$10,934,654	\$10,886,229
2 DISPUTE RESOLUTION	10,384,272	10,384,272	795,113	795,113	11,179,385	11,179,385
3 SUBSEQUENT INJURY FUND ADMIN	9,120,402	9,120,402	0	0	9,120,402	9,120,402
4 WORKERS COMPENSATION FRAUD	1,172,262	1,172,262	0	0	1,172,262	1,172,262
<i>2 Ensure Workers' Comp System Participants are Educated and Inform</i>						
1 HEALTH AND SAFETY SERVICES	4,193,529	4,193,529	0	0	4,193,529	4,193,529
2 CUSTOMER SERVICE & INFORMATION MGMT	9,230,655	9,230,655	553,020	544,020	9,783,675	9,774,675
<b>TOTAL, GOAL 4</b>	<b>\$45,035,774</b>	<b>\$44,987,349</b>	<b>\$1,348,133</b>	<b>\$1,339,133</b>	<b>\$46,383,907</b>	<b>\$46,326,482</b>
<b>5 Indirect Administration</b>						
<i>1 Indirect Administration</i>						
1 CENTRAL ADMINISTRATION	7,392,847	7,392,847	0	0	7,392,847	7,392,847
2 INFORMATION RESOURCES	20,355,760	20,366,362	5,851,039	5,729,419	26,206,799	26,095,781
3 OTHER SUPPORT SERVICES	5,461,948	5,491,214	0	0	5,461,948	5,491,214
<b>TOTAL, GOAL 5</b>	<b>\$33,210,555</b>	<b>\$33,250,423</b>	<b>\$5,851,039</b>	<b>\$5,729,419</b>	<b>\$39,061,594</b>	<b>\$38,979,842</b>

**2.F. Summary of Total Request by Strategy**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 9/6/2024  
 TIME : 10:03:03AM

Agency code: 454 Agency name: Department of Insurance

<b>Goal/Objective/STRATEGY</b>	<b>Base 2026</b>	<b>Base 2027</b>	<b>Exceptional 2026</b>	<b>Exceptional 2027</b>	<b>Total Request 2026</b>	<b>Total Request 2027</b>
<b>6</b> Regulatory Response						
<b>1</b> Regulatory Response						
1 CONTINGENCY REGULATORY RESPONSE	\$0	\$0	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000
<b>TOTAL, GOAL 6</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,200,000</b>	<b>\$2,200,000</b>	<b>\$2,200,000</b>	<b>\$2,200,000</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$131,778,720</b>	<b>\$131,775,163</b>	<b>\$18,660,177</b>	<b>\$18,360,954</b>	<b>\$150,438,897</b>	<b>\$150,136,117</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$131,778,720</b>	<b>\$131,775,163</b>	<b>\$18,660,177</b>	<b>\$18,360,954</b>	<b>\$150,438,897</b>	<b>\$150,136,117</b>

**2.F. Summary of Total Request by Strategy**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 9/6/2024  
 TIME : 10:03:03AM

Agency code: 454 Agency name: Department of Insurance

<b>Goal/Objective/STRATEGY</b>	<b>Base 2026</b>	<b>Base 2027</b>	<b>Exceptional 2026</b>	<b>Exceptional 2027</b>	<b>Total Request 2026</b>	<b>Total Request 2027</b>
<b>General Revenue Funds:</b>						
1 General Revenue Fund	\$276,156	\$276,156	\$0	\$0	\$276,156	\$276,156
	<b>\$276,156</b>	<b>\$276,156</b>	<b>\$0</b>	<b>\$0</b>	<b>\$276,156</b>	<b>\$276,156</b>
<b>General Revenue Dedicated Funds:</b>						
36 Dept Ins Operating Acct	114,960,007	114,956,450	17,660,177	17,360,954	132,620,184	132,317,404
5101 Subsequent Injury Fund	8,875,692	8,875,692	0	0	8,875,692	8,875,692
	<b>\$123,835,699</b>	<b>\$123,832,142</b>	<b>\$17,660,177</b>	<b>\$17,360,954</b>	<b>\$141,495,876</b>	<b>\$141,193,096</b>
<b>Federal Funds:</b>						
555 Federal Funds	2,356,328	2,356,328	0	0	2,356,328	2,356,328
	<b>\$2,356,328</b>	<b>\$2,356,328</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,356,328</b>	<b>\$2,356,328</b>
<b>Other Funds:</b>						
161 TexasSure Fund	5,073,752	5,073,752	1,000,000	1,000,000	6,073,752	6,073,752
666 Appropriated Receipts	198,785	198,785	0	0	198,785	198,785
777 Interagency Contracts	38,000	38,000	0	0	38,000	38,000
	<b>\$5,310,537</b>	<b>\$5,310,537</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$6,310,537</b>	<b>\$6,310,537</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$131,778,720</b>	<b>\$131,775,163</b>	<b>\$18,660,177</b>	<b>\$18,360,954</b>	<b>\$150,438,897</b>	<b>\$150,136,117</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>1,181.3</b>	<b>1,181.3</b>	<b>119.0</b>	<b>119.0</b>	<b>1,300.3</b>	<b>1,300.3</b>

**2.G. Summary of Total Request Objective Outcomes**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 9/6/2024  
 Time: 10:03:04AM

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

Goal/ Objective / Outcome

		<b>BL 2026</b>	<b>BL 2027</b>	<b>Excp 2026</b>	<b>Excp 2027</b>	<b>Total Request 2026</b>	<b>Total Request 2027</b>
1	Protect and Ensure the Fair Treatment of Consumers						
1	<i>High-Quality Information and Services to stakeholders</i>						
<b>KEY</b>	<b>1 % of Calls Answered by the TDI Consumer Help Line Call Center</b>	95.00%	95.00%			95.00%	95.00%
	<b>2 Average Number of Dollars Returned to Consumers, Per Complaint</b>	3,000.00	3,000.00			3,000.00	3,000.00
<b>KEY</b>	<b>3 Percent of Continuing Education Filings Completed within Ten Days</b>	95.00%	95.00%			95.00%	95.00%
<b>KEY</b>	<b>4 Percent of Agent and Adjuster Applications Completed within Seven Days</b>	95.00%	95.00%			95.00%	95.00%
	<b>5 Percent of Licensees Who Renew Online</b>	95.00%	95.00%			95.00%	95.00%
<b>KEY</b>	<b>6 % Autos w/Personal or Comm. Liability Insurance</b>	90.00%	90.00%			90.00%	90.00%
2	A Competitive and Stable Insurance Market						
1	<i>Regulate Insurance Industry Solvency</i>						
	<b>1 Percent of Identified Companies Reviewed</b>	98.00%	98.00%			98.00%	98.00%

**2.G. Summary of Total Request Objective Outcomes**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 9/6/2024  
 Time: 10:03:04AM

Agency code: 454

Agency name: Department of Insurance

Goal/ Objective / Outcome

	BL 2026	BL 2027	Excp 2026	Excp 2027	Total Request 2026	Total Request 2027
<b>2 Percent of Company, TPA and PF License Apps Completed within 60 Days</b>	95.00%	95.00%			95.00%	95.00%
2 <i>Efficiently Regulate P&amp;C/L&amp;H Rates, Forms, Programs, And Networks</i>						
<b>KEY 1 Percent of Statutory Rate and Form Filings Completed within 90 Days</b>	87.00%	87.00%			87.00%	87.00%
<b>KEY 2 Percent Personal Auto/Res Property Form Filings Completed in 60 Days</b>	87.00%	87.00%			87.00%	87.00%
3 <i>Compliance with Statutes and Rules</i>						
<b>1 Percent of Enforcement Cases Concluded with Action within 365 Days</b>	60.00%	60.00%			60.00%	60.00%
3 Reduce Loss of Life & Property Due to Fire						
1 <i>Protect the Public from Loss of Life and Property due to fire</i>						
<b>KEY 1 % of Fire Safety Registrations, Licenses, Permits Issued w/in 20 Days</b>	99.00%	99.00%			99.00%	99.00%
4 Effectively Regulate the Texas Workers' Compensation System						
1 <i>Ensure Appropriate Delivery of Workers' Compensation Benefits</i>						
<b>1 % of WC Enforcement Cases Concluded within 365 Days</b>	70.00%	70.00%			70.00%	70.00%
<b>KEY 2 % of Med Fee Disputes Resolved or Upheld Upon Appeal</b>	95.00%	95.00%			95.00%	95.00%

**2.G. Summary of Total Request Objective Outcomes**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

Date : 9/6/2024  
 Time: 10:03:04AM

Agency code: **454**

Agency name: **Department of Insurance**

Goal/ Objective / Outcome

	<b>BL 2026</b>	<b>BL 2027</b>	<b>Excp 2026</b>	<b>Excp 2027</b>	<b>Total Request 2026</b>	<b>Total Request 2027</b>
<b>3 Percent of Workers' Comp Insurance Fraud Cases Resolved</b>						
	5.00%	5.00%			5.00%	5.00%
2	<i>Ensure Workers' Comp System Participants are Educated and Informed</i>					
<b>KEY</b>	<b>1 Percent of TIBs Recipients Released to Work within 90 Days of Injury</b>					
	54.00%	54.00%			54.00%	54.00%

### **3. STRATEGY REQUESTS**

**454 Department of Insurance**

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers  
 OBJECTIVE: 1 High-Quality Information and Services to stakeholders Service Categories:  
 STRATEGY: 1 Provide Information To Consumers, Resolve Complaints, & License Agents Service: 17      Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
KEY 1	Number of Complaints Resolved	17,824.00	18,791.00	18,791.00	17,000.00	17,000.00
<b>Efficiency Measures:</b>						
KEY 1	Average Response Time (in DAYS) to Complaints	43.30	47.50	47.50	40.00	40.00
<b>Explanatory/Input Measures:</b>						
KEY 1	Number of Inquiries Received	130,338.00	136,000.00	134,000.00	132,000.00	132,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$6,765,988	\$7,365,085	\$8,095,687	\$8,220,117	\$8,220,117
1002	OTHER PERSONNEL COSTS	\$378,447	\$155,883	\$227,205	\$169,086	\$169,086
2001	PROFESSIONAL FEES AND SERVICES	\$130,707	\$109,094	\$13,285	\$13,285	\$13,285
2003	CONSUMABLE SUPPLIES	\$94	\$1,500	\$1,500	\$1,500	\$1,500
2004	UTILITIES	\$15,186	\$6,197	\$3,751	\$4,412	\$4,412
2005	TRAVEL	\$19,467	\$32,938	\$32,138	\$42,593	\$42,593
2006	RENT - BUILDING	\$0	\$1,211	\$1,500	\$1,500	\$1,500
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$1,190,386	\$3,330,923	\$30,737,152	\$331,688	\$331,688
5000	CAPITAL EXPENDITURES	\$682,866	\$0	\$0	\$0	\$0

**454 Department of Insurance**

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers  
 OBJECTIVE: 1 High-Quality Information and Services to stakeholders Service Categories:  
 STRATEGY: 1 Provide Information To Consumers, Resolve Complaints, & License Agents Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$9,183,141</b>	<b>\$11,002,831</b>	<b>\$39,112,218</b>	<b>\$8,784,181</b>	<b>\$8,784,181</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$9,080,412	\$10,885,981	\$39,013,993	\$8,676,511	\$8,676,511
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$9,080,412</b>	<b>\$10,885,981</b>	<b>\$39,013,993</b>	<b>\$8,676,511</b>	<b>\$8,676,511</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$102,729	\$116,850	\$98,225	\$107,670	\$107,670
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$102,729</b>	<b>\$116,850</b>	<b>\$98,225</b>	<b>\$107,670</b>	<b>\$107,670</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$8,784,181</b>	<b>\$8,784,181</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$9,183,141</b>	<b>\$11,002,831</b>	<b>\$39,112,218</b>	<b>\$8,784,181</b>	<b>\$8,784,181</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>129.0</b>	<b>135.8</b>	<b>140.0</b>	<b>141.0</b>	<b>141.0</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**454 Department of Insurance**

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers  
 OBJECTIVE: 1 High-Quality Information and Services to stakeholders Service Categories:  
 STRATEGY: 1 Provide Information To Consumers, Resolve Complaints, & License Agents Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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The Texas Insurance Code (TIC) directs the Texas Department of Insurance (TDI) to:

- Operate and raise awareness about the agency’s Help Line. (TIC 521)
- Develop an educational program about health insurance. (TIC 524)
- Maintain and publicize a website to help consumers make informed decisions about home and auto insurance. (TIC 32.102-103)

TDI maintains a consumer section on its website, develops content and videos, and conducts outreach through news media and social media. TDI maintains HelpInsure.com that allows consumers to compare home and auto rates.

The TWIA ombudsman runs the COAST program as directed by TIC 2210.582. The ombudsman conducts educational outreach events and responds to consumers.

TDI facilitates the resolution of consumer complaints, helps recover valid claims, and oversees the independent dispute resolution system for surprise medical bills. (TIC 521.002, 843.282, 1467.082, 1467.0505, 1467.151, and 1811.204)

TDI also reviews and approves applications and renewals for agents and adjusters. (TIC 4001-4004, 4101)

This strategy supports the agency's goals of modernizing agent and adjuster licensing technology, providing easy-to-understand consumer information, and excellent customer service. It coordinates with various strategies through the technology modernization efforts including 2.3.1, 2.3.2, 4.1.1, and 5.1.2.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**454 Department of Insurance**

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers  
 OBJECTIVE: 1 High-Quality Information and Services to stakeholders Service Categories:  
 STRATEGY: 1 Provide Information To Consumers, Resolve Complaints, & License Agents Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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Legislation, market trends, population changes, and the information needs of the public and the industry affect this strategy. Changes in state or federal laws may expand or decrease regulation. Changes in the economy, natural disasters or other catastrophes, market changes, industry compliance, and publicity about insurance issues can lead to more consumer complaints. As insurance companies create more policy types and market conditions change, policymakers and consumers face greater challenges. Policymakers need data and analysis for public policy decisions that affect available products.

Consumers face challenges in selecting policies that most cost-effectively meet their needs. They benefit from TDI’s educational materials about policies, coverages, and companies. TDI continues to adapt its consumer resources to meet the needs of Texans. Internal factors include the increased need for automation and need to use the same technology the industry and consumers use. Market conditions might change rapidly, and TDI must balance the need to provide comprehensive data with the need to provide it quickly.

Changing market conditions also require TDI to manage resources to ensure that data collected, analyzed, and distributed reflects the needs of consumers, legislators, and the industry.

**454 Department of Insurance**

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers  
 OBJECTIVE: 1 High-Quality Information and Services to stakeholders Service Categories:  
 STRATEGY: 1 Provide Information To Consumers, Resolve Complaints, & License Agents Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$50,115,049	\$17,568,362	\$(32,546,687)	\$(26,500,781)	Excess agents license collections for current biennium 2024-2025.
			\$(3,982,171)	MOF 36 - Net impact of FY2024-25 biennialized salary adjustments and realignment of funds to address operational needs in other strategies.
			\$(2,064,000)	Funds transferred to Strategy E.1.2, for IT projects. Approved in 2024 RTE.
			\$265	MOF 666 - Net adjustment for 2024-25 appropriated receipts related to TWIA Grant forecasted for 2026-27.
			<u>\$(32,546,687)</u>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers  
 OBJECTIVE: 1 High-Quality Information and Services to stakeholders Service Categories:  
 STRATEGY: 2 TexasSure Motor Vehicle Financial Responsibility Verification Program Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Objects of Expense:</b>						
2001	PROFESSIONAL FEES AND SERVICES	\$1,634,216	\$1,603,308	\$4,393,752	\$4,393,752	\$4,393,752
2004	UTILITIES	\$0	\$5,000	\$5,000	\$5,000	\$5,000
2007	RENT - MACHINE AND OTHER	\$65,870	\$395,222	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$39,050	\$411,519	\$675,000	\$675,000	\$675,000
5000	CAPITAL EXPENDITURES	\$732,854	\$658,703	\$2,000,000	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,471,990</b>	<b>\$3,073,752</b>	<b>\$7,073,752</b>	<b>\$5,073,752</b>	<b>\$5,073,752</b>
<b>Method of Financing:</b>						
161	TexasSure Fund	\$2,471,990	\$3,073,752	\$7,073,752	\$5,073,752	\$5,073,752
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$2,471,990</b>	<b>\$3,073,752</b>	<b>\$7,073,752</b>	<b>\$5,073,752</b>	<b>\$5,073,752</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$5,073,752</b>	<b>\$5,073,752</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$2,471,990</b>	<b>\$3,073,752</b>	<b>\$7,073,752</b>	<b>\$5,073,752</b>	<b>\$5,073,752</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>						

**454 Department of Insurance**

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers  
 OBJECTIVE: 1 High-Quality Information and Services to stakeholders Service Categories:  
 STRATEGY: 2 TexasSure Motor Vehicle Financial Responsibility Verification Program Service: 17    Income: A.2    Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

TexasSure is the vehicle insurance verification system that allows law enforcement and county tax officials to check if a vehicle has required personal auto liability insurance coverage.

The TexasSure program is mandated by Texas Transportation Code (TTC) 601, Subchapter N. The law requires TDI – in consultation with the Department of Public Safety (DPS), Department of Motor Vehicles (DMV), and the Department of Information Resources (DIR) – to choose a vendor to develop and maintain a program to reduce the number of uninsured motorists. TDI maintains a website with information about the program and vehicle statistics.

This strategy coordinates with strategy 2.2.1 and supports the agency goals of modernizing agency technology and improving TDI's regulatory efficiency and effectiveness.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The TexasSure program is funded by fees the DMV collects. (TTC 502.357) TDI staff manage the contract. TDI works with DPS, DMV, and DIR to make sure the system is working as intended. In 2022, the Quality Assurance Team recommended that TDI report TexasSure as a Major Information Resources Project.

**454 Department of Insurance**

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers  
 OBJECTIVE: 1 High-Quality Information and Services to stakeholders Service Categories:  
 STRATEGY: 2 TexasSure Motor Vehicle Financial Responsibility Verification Program Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$10,147,504	\$10,147,504	\$0	\$0	MOF 161 - No incremental changes in method of finance for baseline request.
			<b>\$0</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers  
 OBJECTIVE: 1 High-Quality Information and Services to stakeholders  
 STRATEGY: 3 Texas.gov Estimated and Nontransferable

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$0	\$0	\$0	\$0	\$0
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0	\$0
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$0	\$0	\$0	\$0	\$0
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$517,619	\$494,200	\$494,200	\$494,200	\$494,200
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$517,619</b>	<b>\$494,200</b>	<b>\$494,200</b>	<b>\$494,200</b>	<b>\$494,200</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$5,400	\$3,100	\$3,100	\$3,100	\$3,100
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$5,400</b>	<b>\$3,100</b>	<b>\$3,100</b>	<b>\$3,100</b>	<b>\$3,100</b>

**454 Department of Insurance**

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers  
 OBJECTIVE: 1 High-Quality Information and Services to stakeholders Service Categories:  
 STRATEGY: 3 Texas.gov Estimated and Nontransferable Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$512,219	\$491,100	\$491,100	\$491,100	\$491,100
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$512,219</b>	<b>\$491,100</b>	<b>\$491,100</b>	<b>\$491,100</b>	<b>\$491,100</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$494,200</b>	<b>\$494,200</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$517,619</b>	<b>\$494,200</b>	<b>\$494,200</b>	<b>\$494,200</b>	<b>\$494,200</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>						

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Texas e-government initiative (Texas Government Code 2054, Subchapter I) gives Texans access to government services 24 hours a day, seven days a week, and 365 days a year.

Licensees can renew online by submitting payment through Texas.gov or other third-party systems.

Strategy 1.1.3 supports multiple strategies and the agency’s goal to modernize technology by providing online license renewals .

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**454 Department of Insurance**

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers  
 OBJECTIVE: 1 High-Quality Information and Services to stakeholders Service Categories:  
 STRATEGY: 3 Texas.gov Estimated and Nontransferable Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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Online services increase customer convenience and access to government services. They also provide automated error-checking.

TDI encourages online renewals and has seen growth. The number of licensees renewing online is hard to predict, but these are contributing factors:

- Continued growth in Texas' population.
- Number of active agents in the insurance industry.
- Recruitment of new agents.
- Evolution of the online service industry.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$988,400	\$988,400	\$0	\$0	MOF 1 and MOF 36 - No incremental changes in method of finance for baseline request.
			<b>\$0</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market

OBJECTIVE: 1 Regulate Insurance Industry Solvency

Service Categories:

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

Service: 17

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Explanatory/Input Measures:</b>						
1	Number of Insurance Company Insolvencies	1.00	4.00	1.00	1.00	1.00
2	Number of Entities Receiving TDI Solvency-related Intervention	6.00	8.00	3.00	3.00	3.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$4,764,044	\$5,219,405	\$5,563,853	\$5,898,775	\$5,898,775
1002	OTHER PERSONNEL COSTS	\$287,651	\$127,079	\$151,458	\$163,214	\$163,214
2001	PROFESSIONAL FEES AND SERVICES	\$74,384	\$44,654	\$33,494	\$33,494	\$33,494
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
2004	UTILITIES	\$6,820	\$7,389	\$7,956	\$8,631	\$8,631
2005	TRAVEL	\$26,653	\$33,419	\$19,294	\$27,294	\$27,294
2006	RENT - BUILDING	\$0	\$15	\$15	\$15	\$15
2007	RENT - MACHINE AND OTHER	\$0	\$179,190	\$214,049	\$206,300	\$206,300
2009	OTHER OPERATING EXPENSE	\$346,929	\$396,427	\$668,202	\$799,597	\$799,597
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market

OBJECTIVE: 1 Regulate Insurance Industry Solvency

Service Categories:

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

Service: 17

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$5,506,481</b>	<b>\$6,007,578</b>	<b>\$6,658,321</b>	<b>\$7,137,320</b>	<b>\$7,137,320</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$5,485,880	\$6,003,453	\$6,658,321	\$7,137,320	\$7,137,320
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$5,485,880</b>	<b>\$6,003,453</b>	<b>\$6,658,321</b>	<b>\$7,137,320</b>	<b>\$7,137,320</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$20,601	\$4,125	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$20,601</b>	<b>\$4,125</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$7,137,320</b>	<b>\$7,137,320</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$5,506,481</b>	<b>\$6,007,578</b>	<b>\$6,658,321</b>	<b>\$7,137,320</b>	<b>\$7,137,320</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>67.4</b>	<b>74.5</b>	<b>75.5</b>	<b>76.0</b>	<b>76.0</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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Statute tells TDI how to approve and license insurers. (Texas Insurance Code (TIC) 801.051, 822.051, 822.101, 841.051, 841.101, and 843.071)

Statute also tells TDI to monitor insurer’s financial stability by:

- Analyzing their financial statements. (TIC 401.051, 401.002, 404.001, and 802.001)
- Reviewing actuarial opinions. (TIC 404.001, 425.055, 425.054, and 802.002)
- Providing actuarial expertise and reserve analysis. (TIC 404.001, 425.055, 425.054, and 802.002)
- Reviewing holding company transactions and risk sharing contracts. (TIC 823 and 493.002)

On-site examinations also support this. (TIC 401.051 and 751.152)

TDI uses these intervention strategies to address insurers with financial problems:

- Holds informal management conferences.
- Requires insurers to file updated business plans.
- Places insurers under enhanced reporting.
- Takes formal administrative action to address troubled companies. This could be issuing orders that place companies in supervision or conservation. (TIC 401.051, 404.001, 443.001, and 441.001)

TDI monitors companies released from supervision or conservation. If a company can’t overcome its financial problems, TDI seeks to appoint a special deputy receivers (SDR) to rehabilitate or liquidate the company.

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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TDI reviews the plans, budgets, and expenses of all SDRs to make sure estates are managed appropriately. (TIC 443.001) TDI also monitors the guaranty associations to make sure claims are paid timely. (TIC 2602, 462.001, and 463.001)

This strategy contributes to all agency goals by encouraging the financial health of the industry.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

Future changes in federal legislation may preempt state regulations and TDI’s ability to regulate certain segments of the insurance industry.

Many external factors affect insurers including:

- The health of the economy.
- Changes in investment yields and the volatility of financial markets.
- Adverse trends in claims due to frequency and severity of losses.
- An increasing number of acquisitions, mergers, and reorganizations.

These factors introduce complexity into solvency assessment and increase the time needed for an analysis. The health of the economy makes TDI’s ability to recruit and retain qualified staff more difficult.

Adequate computer resources are critical to the success of this strategy. The automation of data, the development of automated programs, and access to the NAIC database, including Teammate+, are important to the solvency monitoring process.

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$12,665,899	\$14,274,640	\$1,608,741	\$1,612,866	MOF 36 -Net impact of FY 2024-25 biennialized salary adjustments and realignment of baseline request to address operational needs and persistent vacancies.
			\$(4,125)	MOF 666 - Net adjustment for 2024-25 appropriated receipts not forecasted for 2026-27.
			<b>\$1,608,741</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 2 Efficiently Regulate P&C/L&H Rates, Forms, Programs, And Networks Service Categories:  
 STRATEGY: 1 Efficiently Regulate P&C Rates, Forms, And Programs Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
1	Number of Property and Casualty Filings Completed	16,093.00	13,900.00	15,500.00	13,500.00	13,500.00
2	Number of Windstorm Inspections	2,926.00	2,900.00	2,900.00	2,900.00	2,900.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$5,989,717	\$6,753,664	\$7,413,864	\$7,606,274	\$7,606,274
1002	OTHER PERSONNEL COSTS	\$304,780	\$171,046	\$205,150	\$153,887	\$153,887
2001	PROFESSIONAL FEES AND SERVICES	\$33,440	\$106,799	\$36,601	\$36,601	\$36,601
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$1,423	\$4,432	\$3,663	\$3,663	\$3,663
2004	UTILITIES	\$20,420	\$21,726	\$21,719	\$21,719	\$21,719
2005	TRAVEL	\$76,512	\$97,562	\$97,910	\$97,910	\$97,910
2006	RENT - BUILDING	\$23,890	\$23,890	\$23,890	\$23,890	\$23,890
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$79,165	\$166,362	\$334,514	\$123,310	\$123,310
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$5,635	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$6,534,982</b>	<b>\$7,345,481</b>	<b>\$8,137,311</b>	<b>\$8,067,254</b>	<b>\$8,067,254</b>

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 2 Efficiently Regulate P&C/L&H Rates, Forms, Programs, And Networks Service Categories:  
 STRATEGY: 1 Efficiently Regulate P&C Rates, Forms, And Programs Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$6,534,982	\$7,345,481	\$8,137,311	\$8,067,254	\$8,067,254
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$6,534,982</b>	<b>\$7,345,481</b>	<b>\$8,137,311</b>	<b>\$8,067,254</b>	<b>\$8,067,254</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$8,067,254</b>	<b>\$8,067,254</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$6,534,982</b>	<b>\$7,345,481</b>	<b>\$8,137,311</b>	<b>\$8,067,254</b>	<b>\$8,067,254</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>86.4</b>	<b>95.8</b>	<b>96.8</b>	<b>97.8</b>	<b>97.8</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 2 Efficiently Regulate P&C/L&H Rates, Forms, Programs, And Networks Service Categories:  
 STRATEGY: 1 Efficiently Regulate P&C Rates, Forms, And Programs Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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The Property and Casualty (P&C) Division reviews rate and policy form filings for property and casualty coverages. (Texas Insurance Code (TIC) 706, 1805, 1811, 1901, 1951, 1952, 2052, 2053, 2151, 2210, 2211, 2251, 2301, 3501, and 3502)

P&C also:

- Reviews credit scoring models (TIC 559) and underwriting guidelines. (TIC 38, 2053)
- Collects data through agency statistical plans and data calls.
- Publishes the annual legislative report and rate filing report. (TIC 2251)
- Conducts studies. (TIC 38 and 2210)
- Regulates title insurance by adopting rates, rules, and forms. (TIC Title 11)

TDI oversees four residual markets for insurance: Texas Windstorm Insurance Association (TIC 2210), Texas FAIR Plan Association (TIC 2211), Texas Automobile Insurance Plan Association (TIC 2151), and the Texas Medical Liability Underwriting Association (TIC 2203).

As part of this oversight, P&C:

- Manages windstorm inspections and inspectors for coastal structures. (TIC 2210)
- Trains and educates inspectors about windstorm building code requirements. (TIC 2210)
- Administers the amusement ride program. (Texas Occupations Code 2151.001-2151.153)
- Certifies inspectors for the Voluntary Inspection Program. (TIC 2003, Subchapter C)

This strategy contributes to agency goals and strategies 1.1.1, 2.3.1, and 2.3.2 by regulating the industry and examining rates and policy forms for appropriateness. This strategy also supports strategy 1.1.2 by managing the TexasSure project.

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 2 Efficiently Regulate P&C/L&H Rates, Forms, Programs, And Networks Service Categories:  
 STRATEGY: 1 Efficiently Regulate P&C Rates, Forms, And Programs Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

In response to changes in the economy and market trends, insurers are developing more complex products and rating plans. Changes in market conditions can affect what coverages insurers offer and at what rate.

TDI continues to improve its information technology to support filing reviews. The variety of lines of insurance and coverages within those lines requires significant cross training to ensure that filings are processed timely. Employee turnover impacts the agency's ability to complete timely filings. Competitive private sector salaries and local cost of living increases impact the agency's ability to attract and retain actuaries, engineers, data analysts, and policy form compliance analysts.

Since the adoption of the International Residential Code and International Building Code as the standards for windstorm certification, TDI has provided training for engineers, builders, architects, and homeowners to promote compliance with building code requirements. Population growth and coastal development have increased the number of insured residences in windstorm-prone areas.

TDI has experienced a decrease in inspection requests in favor of non-TDI inspections, except after large weather events like hurricanes and hailstorms. As a result, TDI is focusing on oversight of non-TDI inspections and expanding training on building code requirements for property owners and building trade professionals.

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 2 Efficiently Regulate P&C/L&H Rates, Forms, Programs, And Networks Service Categories:  
 STRATEGY: 1 Efficiently Regulate P&C Rates, Forms, And Programs Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$15,482,792	\$16,134,508	\$651,716	\$651,716	MOF 36 -Net impact of FY 2024-25 biennialized salary adjustments and realignment of baseline request to address operational needs and persistent vacancies.
			<b>\$651,716</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 2 Efficiently Regulate P&C/L&H Rates, Forms, Programs, And Networks Service Categories:  
 STRATEGY: 2 Efficiently Regulate L&H Rates, Forms, and Networks Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
1	Number of Life and Health Filings Completed	12,176.00	12,250.00	12,250.00	12,250.00	12,250.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$4,552,275	\$5,168,628	\$5,578,412	\$5,803,387	\$5,803,387
1002	OTHER PERSONNEL COSTS	\$209,519	\$103,703	\$151,582	\$169,358	\$169,358
2001	PROFESSIONAL FEES AND SERVICES	\$3,453	\$11,687	\$11,583	\$11,583	\$11,583
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
2004	UTILITIES	\$213	\$0	\$0	\$0	\$0
2005	TRAVEL	\$1,220	\$2,652	\$5,000	\$5,000	\$5,000
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2008	DEBT SERVICE	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$57,282	\$82,586	\$210,586	\$219,937	\$219,937
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$4,823,962</b>	<b>\$5,369,256</b>	<b>\$5,957,163</b>	<b>\$6,209,265</b>	<b>\$6,209,265</b>

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 2 Efficiently Regulate P&C/L&H Rates, Forms, Programs, And Networks Service Categories:  
 STRATEGY: 2 Efficiently Regulate L&H Rates, Forms, and Networks Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$4,823,962	\$5,369,256	\$5,957,163	\$6,209,265	\$6,209,265
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$4,823,962</b>	<b>\$5,369,256</b>	<b>\$5,957,163</b>	<b>\$6,209,265</b>	<b>\$6,209,265</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$6,209,265</b>	<b>\$6,209,265</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$4,823,962</b>	<b>\$5,369,256</b>	<b>\$5,957,163</b>	<b>\$6,209,265</b>	<b>\$6,209,265</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>68.6</b>	<b>72.1</b>	<b>73.0</b>	<b>74.0</b>	<b>74.0</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 2 Efficiently Regulate P&C/L&H Rates, Forms, Programs, And Networks Service Categories:  
 STRATEGY: 2 Efficiently Regulate L&H Rates, Forms, and Networks Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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The Life & Health Division (LAH) reviews rate and policy form filings for life, annuity, credit, accident and health, and HMO coverages. TDI reviews filings for association group eligibility, health group cooperatives and coalitions, multiple employer welfare arrangements (MEWAs), and the modification and discontinuation of coverages in health benefit plans. (TIC 843, 846, 1131, 1251, 1271, 1111A, 1153, 1369, 1501, 1651, 1652, and 1701)

LAH reviews provider contracts and delegation agreements for HMOs, network adequacy for HMO plans, preferred provider benefit plans (PPBPs), exclusive provider benefit plans (EPBPs), and workers’ compensation plans. Network adequacy reviews include annual reports, configuration changes, and service area expansions and reductions. TDI registers network contracting entities and affiliates. (TIC 843, 1272, 1301, 1305, 1369, and 1458)

TDI approves applications for utilization review agents, independent review organizations, and certified workers’ compensation health care networks. (TIC 1305, 1369, 4201, and 4202) As part of this oversight, LAH reviews:

- Service area expansions or reductions
- Changes to return to work or utilization review policies for certified workers’ compensation health care networks
- Updates and renewals for utilization review agents and independent review organizations

TDI collects prompt pay claims data and prompt pay penalty reports. (TIC 843 and 1301)

This strategy contributes to agency goals in strategies 1.1.1, 2.3.1, and 2.3.2 by regulating the industry and examining rates and policy forms for appropriateness.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 2 Efficiently Regulate P&C/L&H Rates, Forms, Programs, And Networks Service Categories:  
 STRATEGY: 2 Efficiently Regulate L&H Rates, Forms, and Networks Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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State and federal legislation, changes in the economy, and market trends impact this strategy. Federal health care reform legislation impacted the number and types of filings TDI reviewed. State legislation gave health plan issuers the opportunity to design new health care coverages.

In response to changes in the economy, market trends, and state statutes, issuers have developed more complex products. Changes in market conditions can also affect the type of coverages issuers offer and the rates they charge. Mergers and consolidations, particularly in the HMO market, have resulted in fewer form filings. Economic conditions, including costs of medical services and other cost factors associated with claims, also impact coverage types and rates.

An internal factor that impacts this strategy is the increased amount of automation TDI needs to track and review filings. Issuers are offering more types of insurance and coverages. To make sure TDI is using staff resources effectively, team leads provide significant cross-training to ensure timely processing of filings.

In addition, competitive private sector salaries and local increases for cost of living affect the agency's ability to attract and retain qualified actuaries and compliance analysts.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$11,326,419	\$12,418,530	\$1,092,111	\$1,092,111	MOF 36 -Net impact of FY 2024-25 biennialized salary adjustments and realignment of baseline request to address operational needs and persistent vacancies.
			<b>\$1,092,111</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market

OBJECTIVE: 3 Compliance with Statutes and Rules

Service Categories:

STRATEGY: 1 Review Compliance and Bring Enforcement Actions as Needed

Service: 17

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$5,763,103	\$6,759,165	\$7,398,062	\$7,404,879	\$7,404,879
1002	OTHER PERSONNEL COSTS	\$295,809	\$117,543	\$183,459	\$156,048	\$156,048
2001	PROFESSIONAL FEES AND SERVICES	\$12,027	\$12,805	\$13,659	\$13,659	\$13,659
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$227	\$200	\$200	\$200
2004	UTILITIES	\$7,357	\$5,453	\$5,556	\$5,556	\$5,556
2005	TRAVEL	\$3,304	\$17,201	\$14,744	\$14,744	\$14,744
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$63,740	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$224,534	\$60,253	\$580,579	\$263,606	\$263,606
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$6,306,134</b>	<b>\$7,036,387</b>	<b>\$8,196,259</b>	<b>\$7,858,692</b>	<b>\$7,858,692</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$6,298,989	\$7,024,989	\$8,196,259	\$7,858,692	\$7,858,692
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$6,298,989</b>	<b>\$7,024,989</b>	<b>\$8,196,259</b>	<b>\$7,858,692</b>	<b>\$7,858,692</b>

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market

OBJECTIVE: 3 Compliance with Statutes and Rules

Service Categories:

STRATEGY: 1 Review Compliance and Bring Enforcement Actions as Needed

Service: 17

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$7,145	\$11,398	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$7,145</b>	<b>\$11,398</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$7,858,692</b>	<b>\$7,858,692</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$6,306,134</b>	<b>\$7,036,387</b>	<b>\$8,196,259</b>	<b>\$7,858,692</b>	<b>\$7,858,692</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>67.5</b>	<b>73.7</b>	<b>76.3</b>	<b>77.3</b>	<b>77.3</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 3 Compliance with Statutes and Rules Service Categories:  
 STRATEGY: 1 Review Compliance and Bring Enforcement Actions as Needed Service: 17      Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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TDI is directed by statute (Texas Insurance Code (TIC) 31.002 and 82, Subchapter B; 83; and 101) to ensure compliance with insurance laws and rules. The Enforcement Division investigates and takes action against entities engaged in unfair, fraudulent, and other illegal practices.

Many investigations are resolved through informal settlements, including consent orders. Alleged violations are also resolved through contested case proceedings before the State Office of Administrative Hearings (SOAH). The insurance commissioner enters a final order based on the proposal of the SOAH administrative law judge.

TDI’s General Counsel Division (GC) provides legal services and advice to the commissioner and agency. The division drafts rules, orders, and bulletins and provides support for a wide range of regulatory issues.

GC coordinates with the Office of the Attorney General to represent TDI in lawsuits, receiverships, and subpoenas; advise the commissioner on enforcement matters; and process all public information requests in accordance with the Public Information Act.

This strategy contributes to all agency goals by investigating and enforcing Texas statutes, which supports fair rates and practices by insurance companies and other regulated entities.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 3 Compliance with Statutes and Rules Service Categories:  
 STRATEGY: 1 Review Compliance and Bring Enforcement Actions as Needed Service: 17    Income: A.2    Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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External factors that impact legal support to agency divisions include legislation, economic changes, and market forces. These external forces may shift agency priorities and strategies and affect legal support. An example of a shifting priority is the economy causing more solvency and compliance issues. New legislation may require rule implementation and more program support. This could require changes to agency functions and internal processes.

Internal factors that impact rules, orders, bulletins, legal analyses, other documents and legal support include the availability of resources, effective internal processes, and the availability and retention of high-quality staff.

Changes in economic or market forces might lead to increased enforcement activity. For example, high reinsurance rates and weather concerns could result in companies restricting how many policies they write. TDI monitors those practices to ensure compliance with Texas law. New legislation might create more industry requirements, which invokes TDI’s compliance and enforcement duties.

Internal factors affecting this strategy include agency practices to achieve swift resolution of compliance issues. Opportunity for informal resolution of actions and concern for particular issues, such as availability of insurance at reasonable rates, non-discrimination, and unauthorized insurance activities, affects TDI’s enforcement efforts.

In addition, competitive private sector salaries and increases in the local cost of living affect the agency’s ability to attract and retain qualified attorneys.

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 3 Compliance with Statutes and Rules Service Categories:  
 STRATEGY: 1 Review Compliance and Bring Enforcement Actions as Needed Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$15,232,646	\$15,717,384	\$484,738	\$496,136	MOF 36 -Net impact of FY 2024-25 biennialized salary adjustments and realignment of baseline request to address operational needs and persistent vacancies.
			\$(11,398)	MOF 666 - Net adjustment for 2024-25 appropriated receipts not forecasted for 2026-27.
			<b>\$484,738</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market

OBJECTIVE: 3 Compliance with Statutes and Rules

Service Categories:

STRATEGY: 2 Investigate Insurance Fraud and Refer Violations for Prosecution

Service: 17

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
KEY 1	Number of Insurance Fraud Suspects Investigated and Resolved	456.00	400.00	400.00	400.00	400.00
<b>Efficiency Measures:</b>						
1	Percent of Investigations of Fraud Suspects Resolved within Two Years	86.20 %	80.00 %	80.00 %	80.00 %	80.00 %
<b>Explanatory/Input Measures:</b>						
1	Number of Insurance-related Fraud Reports Received	20,133.00	20,000.00	18,500.00	18,000.00	18,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$3,276,847	\$3,574,850	\$4,045,438	\$4,099,721	\$4,099,721
1002	OTHER PERSONNEL COSTS	\$189,484	\$122,152	\$138,828	\$80,654	\$80,654
2001	PROFESSIONAL FEES AND SERVICES	\$9,846	\$4,528	\$4,528	\$4,528	\$4,528
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$1,063	\$7,450	\$7,450	\$7,450	\$7,450
2004	UTILITIES	\$19,917	\$24,621	\$22,300	\$22,300	\$22,300
2005	TRAVEL	\$94,307	\$77,287	\$77,287	\$77,287	\$77,287
2006	RENT - BUILDING	\$62,961	\$64,481	\$64,481	\$66,824	\$66,824
2007	RENT - MACHINE AND OTHER	\$0	\$135,675	\$0	\$0	\$0

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market

OBJECTIVE: 3 Compliance with Statutes and Rules

Service Categories:

STRATEGY: 2 Investigate Insurance Fraud and Refer Violations for Prosecution

Service: 17

Income: A.2

Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
2009	OTHER OPERATING EXPENSE	\$111,094	\$128,169	\$238,423	\$114,613	\$114,613
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,765,519</b>	<b>\$4,139,213</b>	<b>\$4,598,735</b>	<b>\$4,473,377</b>	<b>\$4,473,377</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$3,762,583	\$4,139,213	\$4,598,735	\$4,473,377	\$4,473,377
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$3,762,583</b>	<b>\$4,139,213</b>	<b>\$4,598,735</b>	<b>\$4,473,377</b>	<b>\$4,473,377</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$2,936	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$2,936</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$4,473,377</b>	<b>\$4,473,377</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,765,519</b>	<b>\$4,139,213</b>	<b>\$4,598,735</b>	<b>\$4,473,377</b>	<b>\$4,473,377</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>35.8</b>	<b>38.8</b>	<b>39.0</b>	<b>40.0</b>	<b>40.0</b>

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 3 Compliance with Statutes and Rules Service Categories:  
 STRATEGY: 2 Investigate Insurance Fraud and Refer Violations for Prosecution Service: 17      Income: A.2      Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Texas Insurance Code (TIC) 701, Subchapter C directs TDI to investigate potential insurance fraud committed by insurance companies, medical providers, consumers, and anyone conducting unauthorized business of insurance. TDI's Fraud Unit also initiates and makes referrals for criminal prosecutions. TDI evaluates and investigates fraudulent activities reported by staff, the public, the insurance industry, and other regulatory or law enforcement agencies.

The TDI Fraud Unit is a law enforcement agency that employs licensed peace officers. (Texas Code of Criminal Procedures 2.12(27)) Fraud Unit peace officers make arrests, execute search warrants and subpoenas, refer cases to district attorneys, and participate in state and federal criminal investigation task forces.

This strategy protects consumers, the insurance market, and ensures that the insurance industry maintains integrity in its business practices. The Fraud Unit works with strategy 1.1.1 to provide information, tools, and resources to consumers and governmental officials to reduce insurance fraud. One example of this effort is the deployment of staff to areas impacted by major catastrophes to educate victims and the local community about avoiding insurance and contractor fraud.

This strategy contributes to the agency's goals of improving TDI's regulatory effectiveness and providing excellent customer service. Eliminating and deterring fraud reduces unfair and illegal practices, which encourages fair competition in the insurance industry.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 3 Compliance with Statutes and Rules Service Categories:  
 STRATEGY: 2 Investigate Insurance Fraud and Refer Violations for Prosecution Service: 17    Income: A.2    Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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Fraud victimizes consumers when agents convert premiums, unauthorized insurance companies sell fake coverage, and company employees use company assets for personal gain. Consumers defraud insurers through material misrepresentations, which causes losses to insurance companies and increases in premiums. The Fraud Unit supports a governor’s executive order to prevent and eliminate fraud, waste, and abuse.

Economic trends affect the amount and type of fraudulent activities statewide. The regulatory climate may lead to voids in the marketplace that fraudsters try to fill. The Fraud Unit contracts with the Texas Commission on Law Enforcement to be an accredited training provider to local law enforcement on insurance fraud. The Fraud Unit Training Advisory Board oversees the unit’s training program.

Memorandums of understanding with district attorney offices allow TDI to support special prosecutors and investigators in insurance fraud investigations and prosecutions.

Continued funding for access to national and statewide insurer databases – as well as maintenance, enhancement, and expanded use of existing TDI databases and case management systems – is essential.

The National Association of Insurance Commissioners develops model insurance fraud laws. As the models are updated, Texas may consider changes to fraud statutes. As states enact tougher fraud laws, insurance consumers and taxpayers benefit.

In addition, competitive private sector salaries and increases in the local cost of living affect the agency’s ability to attract and retain qualified attorneys and investigators .

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 3 Compliance with Statutes and Rules Service Categories:  
 STRATEGY: 2 Investigate Insurance Fraud and Refer Violations for Prosecution Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$8,737,948	\$8,946,754	\$208,806	\$208,806	MOF 36 - Biennialize FY 2024-25 salary adjustments and realignment of baseline request to address operational needs and persistent vacancies.
			<b>\$208,806</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 4 Administrative Innovative Insurance Initiatives  
 STRATEGY: 1 Administer Three-Share Premium Assistance Program.

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$49,871	\$62,666	\$67,440	\$67,683	\$67,683
1002	OTHER PERSONNEL COSTS	\$6,589	\$827	\$1,563	\$1,968	\$1,968
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0	\$0
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$0	\$0	\$0	\$0	\$0
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$499	\$746	\$2,489	\$0	\$0
4000	GRANTS	\$1,856,326	\$2,275,882	\$5,325,493	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,913,285</b>	<b>\$2,340,121</b>	<b>\$5,396,985</b>	<b>\$69,651</b>	<b>\$69,651</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$56,959	\$64,239	\$71,492	\$69,651	\$69,651
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$56,959</b>	<b>\$64,239</b>	<b>\$71,492</b>	<b>\$69,651</b>	<b>\$69,651</b>

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 4 Administrative Innovative Insurance Initiatives  
 STRATEGY: 1 Administer Three-Share Premium Assistance Program.

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$1,856,326	\$2,275,882	\$5,325,493	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$1,856,326</b>	<b>\$2,275,882</b>	<b>\$5,325,493</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$69,651</b>	<b>\$69,651</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,913,285</b>	<b>\$2,340,121</b>	<b>\$5,396,985</b>	<b>\$69,651</b>	<b>\$69,651</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>0.9</b>	<b>1.2</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 4 Administrative Innovative Insurance Initiatives Service Categories:  
 STRATEGY: 1 Administer Three-Share Premium Assistance Program. Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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The General Appropriations Act directs the agency to award grants to regional and local health care programs for the research, planning, and development of three-share premium assistance programs.

TDI provides technical assistance and project oversight to grantees. The long-term goal is for more uninsured Texans to have affordable health care plans. The three-share programs use a combination of employer, employee, and public funds to pay for health plan premiums. The public funds keep premiums affordable for qualifying low-income employees.

This program supports strategy 1.1.1 by issuing a competitive request for applications before each new biennium and awarding grant funds to qualifying regional and local health care programs. TDI provides technical assistance to grantees and oversees project activities to ensure grantees comply with contracts.

This strategy coordinates with strategy 2.2.2 because program staff report to the agency's Life and Health Division.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

Texas Health and Safety Code 75 authorizes regional and local health care programs for small business employees. It says that governing bodies that operate health care programs aren't insurance companies or HMOs and aren't subject to TDI regulation. The amount of grant funds available is contingent upon funds collected from regulated entities, except for workers' compensation, for fines, penalties, and sanctions and deposited to General Revenue.

**454 Department of Insurance**

GOAL: 2 A Competitive and Stable Insurance Market  
 OBJECTIVE: 4 Administrative Innovative Insurance Initiatives Service Categories:  
 STRATEGY: 1 Administer Three-Share Premium Assistance Program. Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$7,737,106	\$139,302	\$(7,597,804)	\$(7,601,375)	MOF 666 - Adjustment for Three-Share rider appropriation forecasted for 2024-25 biennium. 2026-27 appropriated amounts are based on approved rider language.
			\$3,571	MOF 36 - Net impact of FY 2024-25 biennialized salary adjustments.
			<b>\$(7,597,804)</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

GOAL: 3 Reduce Loss of Life & Property Due to Fire  
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:  
 STRATEGY: 1 Investigate Arson, Conduct Safety Inspections, and Administer Lics Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
	1 Number of Investigations Initiated by State Fire Marshal's Office	1,005.00	900.00	900.00	800.00	800.00
KEY 2	Number of SFMO Registrations, Licenses, & Permits Issued	16,483.00	16,450.00	16,450.00	16,000.00	16,000.00
	3 Number of Licensing Investigations or Inspections Conducted	1,096.00	1,000.00	1,000.00	960.00	960.00
	4 Number of Buildings Inspected or Reinspected for Fire Safety Hazards	7,171.00	7,100.00	7,100.00	7,000.00	7,000.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$3,765,552	\$3,841,690	\$4,420,555	\$4,504,567	\$4,504,567
1002	OTHER PERSONNEL COSTS	\$295,249	\$90,966	\$131,301	\$140,049	\$140,049
2001	PROFESSIONAL FEES AND SERVICES	\$39,339	\$67,235	\$51,015	\$51,015	\$51,015
2002	FUELS AND LUBRICANTS	\$143,010	\$148,787	\$145,350	\$184,700	\$184,700
2003	CONSUMABLE SUPPLIES	\$39,490	\$29,669	\$22,470	\$22,470	\$22,470
2004	UTILITIES	\$34,348	\$46,714	\$39,537	\$39,537	\$39,537
2005	TRAVEL	\$167,626	\$141,453	\$144,403	\$185,234	\$185,234
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2008	DEBT SERVICE	\$0	\$0	\$0	\$0	\$0

**454 Department of Insurance**

GOAL: 3 Reduce Loss of Life & Property Due to Fire  
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:  
 STRATEGY: 1 Investigate Arson, Conduct Safety Inspections, and Administer Lics Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
2009	OTHER OPERATING EXPENSE	\$478,227	\$468,474	\$404,115	\$237,127	\$242,127
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$233,003	\$441,162	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$5,195,844</b>	<b>\$5,276,150</b>	<b>\$5,358,746</b>	<b>\$5,364,699</b>	<b>\$5,369,699</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$5,190,074	\$5,274,789	\$5,358,746	\$5,364,699	\$5,369,699
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$5,190,074</b>	<b>\$5,274,789</b>	<b>\$5,358,746</b>	<b>\$5,364,699</b>	<b>\$5,369,699</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$5,770	\$1,361	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$5,770</b>	<b>\$1,361</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$5,364,699</b>	<b>\$5,369,699</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$5,195,844</b>	<b>\$5,276,150</b>	<b>\$5,358,746</b>	<b>\$5,364,699</b>	<b>\$5,369,699</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>62.2</b>	<b>65.9</b>	<b>67.0</b>	<b>67.0</b>	<b>67.0</b>

**454 Department of Insurance**

GOAL: 3 Reduce Loss of Life & Property Due to Fire  
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:  
 STRATEGY: 1 Investigate Arson, Conduct Safety Inspections, and Administer Lics Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**STRATEGY DESCRIPTION AND JUSTIFICATION:**

Texas Insurance Code (TIC) 6001-6003, and Occupations Code 2154 directs the State Fire Marshal’s Office (SFMO) to:

- License companies and individuals in the fire protection industry.
- Enforces regulations for the sale, service, and installation of fire alarms, extinguishers, and sprinklers.
- Enforce regulations for the sales, storage, and public display of fireworks.
- Inspect fire standard compliant cigarettes and responds to related complaints. (Health and Safety Code 796)

SFMO conducts fire safety inspections of:

- Public buildings. (Texas Government Code (TGC) 417.008)
- State owned and leased buildings. (TGC 417.0081)
- Retail service stations for violations of flammable liquid storage tanks, if requested. (Texas Health and Safety Code 753)

SFMO also:

- Investigates fires and helps prosecute criminal offenses, if requested. (TGC 417.006-417.007)
- Investigates arson, conducts studies of fire protection, conducts research, and helps the public and nonprofit entities upon request. (TGC 417.004)
- Investigates firefighter line-of-duty deaths. (TGC 417.0075)
- Provides fire prevention education to Texans and maintains the Texas Fire Incident Reporting System. (TGC 417.0051-417.0052)

Strategy 3.1.1 contributes to all agency goals by modernizing technology, providing excellent customer service and by helping lower insurance premiums through the reduction of risks associated with fire.

**454 Department of Insurance**

GOAL: 3 Reduce Loss of Life & Property Due to Fire  
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:  
 STRATEGY: 1 Investigate Arson, Conduct Safety Inspections, and Administer Lics Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The growing state population impacts the delivery of fire prevention, investigation, inspection, and licensing services. Population and city growth exposes more people to the risk of preventable fires and could redefine the services currently required of SFMO. The state fire marshal assesses its service delivery plan to make sure it's an effective fire prevention resource.

A key component of inspections and investigations is the need for reliable state-owned vehicles to transport equipment and personnel. Increased costs in vehicles, fuel, and preventive maintenance and the difficulty of buying new vehicles affects our ability to perform critical functions. These factors also affect our ability to maintain training recommended by the Texas Forensic Science Commission.

SFMO will work to leverage its resources to enhance local official's ability to provide services. The SFMO continues to work with local communities and state agencies to provide training and help enforce laws and regulations.

In addition, salaries and local increases for cost of living affect the agency's ability to attract and retain qualified peace officers.

**454 Department of Insurance**

GOAL: 3 Reduce Loss of Life & Property Due to Fire  
 OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire Service Categories:  
 STRATEGY: 1 Investigate Arson, Conduct Safety Inspections, and Administer Lics Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$10,634,896	\$10,734,398	\$99,502	\$100,863	MOF 36 -Net impact of FY 2024-25 biennialized salary adjustments and realignment of baseline request to address operational needs and persistent vacancies.
			\$(1,361)	MOF 666 - Net adjustment for 2024-25 appropriated receipts not forecasted for 2026-27.
			<u>\$99,502</u>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
	1 # of Workers' Compensation Enforcement Cases Concluded with Action	897.00	750.00	650.00	340.00	340.00
KEY	2 Number of Quality of Care Reviews Completed	228.00	200.00	200.00	200.00	200.00
	3 # of Complaints Closed Involving WC System Participants	2,187.00	1,900.00	2,000.00	2,000.00	2,000.00
	4 Number of Performance Reviews Completed	59.00	59.00	62.00	62.00	62.00
<b>Efficiency Measures:</b>						
	1 AVG # Days Per Q of C Reviews of Provider Carriers/URAS/IROS Completed	23.90	180.00	180.00	180.00	180.00
KEY	2 Average Number of Days to Close a Complaint Involving WC System	96.00	85.00	110.00	110.00	110.00
	3 Average Number of Days to Complete a Performance Review	161.60	180.00	180.00	180.00	180.00
<b>Explanatory/Input Measures:</b>						
	1 % Market Share of Self-insurance to Total WC Insurance Market	5.10 %	4.40 %	5.00 %	5.00 %	5.00 %
KEY	2 Percent of Medical Bills Processed Timely (Within 45 Days)	98.90 %	98.00 %	98.00 %	98.00 %	98.00 %
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$4,813,667	\$4,849,472	\$5,748,602	\$5,867,972	\$5,867,972

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
1002	OTHER PERSONNEL COSTS	\$232,562	\$133,894	\$178,195	\$183,969	\$183,969
2001	PROFESSIONAL FEES AND SERVICES	\$2,893,947	\$4,730,774	\$4,571,032	\$4,636,749	\$4,588,324
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$521	\$500	\$500	\$500
2004	UTILITIES	\$4,217	\$3,503	\$2,298	\$2,298	\$2,298
2005	TRAVEL	\$20,579	\$49,727	\$53,962	\$53,962	\$53,962
2006	RENT - BUILDING	\$46,179	\$6,000	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$66,330	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$148,775	\$269,765	\$581,757	\$189,204	\$189,204
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$8,159,926</b>	<b>\$10,109,986</b>	<b>\$11,136,346</b>	<b>\$10,934,654</b>	<b>\$10,886,229</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$8,128,913	\$10,066,411	\$11,098,496	\$10,896,804	\$10,848,379
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$8,128,913</b>	<b>\$10,066,411</b>	<b>\$11,098,496</b>	<b>\$10,896,804</b>	<b>\$10,848,379</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$31,013	\$43,575	\$37,850	\$37,850	\$37,850

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
SUBTOTAL, MOF (OTHER FUNDS)		\$31,013	\$43,575	\$37,850	\$37,850	\$37,850
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$10,934,654	\$10,886,229
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$8,159,926	\$10,109,986	\$11,136,346	\$10,934,654	\$10,886,229
FULL TIME EQUIVALENT POSITIONS:		60.5	64.5	69.4	70.4	70.4
STRATEGY DESCRIPTION AND JUSTIFICATION:						

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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The Division of Workers' Compensation (DWC) regulates and monitors the performance of the Texas workers' compensation system and its participants (injured employees, employers, insurance carriers, attorneys, and health care providers) and ensures compliance with the Texas Labor Code and rules. DWC is improving system performance by modernizing technology to better serve all system participants.

DWC monitors compliance with rules related to health care, medical treatment, and fee guidelines. Quality medical care is mandated by law and agency rules. DWC performs medical quality reviews of health care providers, insurance carriers, peer review medical professionals, designated doctors, and independent review organizations. DWC certifies doctors qualified to determine maximum medical improvement and impairment ratings and maintains the Designated Doctor List. DWC uses data to conduct performance reviews and investigations, identify outreach opportunities, place carriers and providers into performance tiers, and examine agency records to identify insurance carriers and health providers adversely impacting the system.

The Research and Evaluation Group produces reports from data analysis and surveys of system participants. DWC grants certificates of authority to self-insure for workers' compensation to qualified private employers.

This strategy supports the agency goals of modernizing technology, improving efficiencies across DWC, and providing a healthy Texas workers' compensation system for all participants.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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Future court decisions could affect the activities performed in this strategy. Increased use of technology for data collection and analysis continues to be important to the medical quality review and compliance monitoring processes. The availability and quality of data provided to DWC may affect monitoring and enforcement actions. Internal factors impacting this strategy include available resources to monitor and assess compliance trends and take enforcement action on identified noncompliance, including using automation to collect, analyze, and disseminate performance information and conduct investigations.

Research and products of the Research and Evaluation Group greatly depend on the accuracy and thoroughness of claim data submitted to DWC by system participants.

Private employers may voluntarily apply for self-insurance certification from DWC. In this strategy, the volume of activity related to self-insurance regulation depends on the number of companies seeking self-insured status and the rate of withdrawal from self-insurance.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
<u>Base Spending (Est 2024 + Bud 2025)</u>	<u>Baseline Request (BL 2026 + BL 2027)</u>	<u>CHANGE</u>	<u>\$ Amount</u>	<u>Explanation(s) of Amount (must specify MOFs and FTEs)</u>
\$21,246,332	\$21,820,883	\$574,551	\$580,276	MOF 36 -Net impact of FY 2024-25 biennialized salary adjustments and realignment of baseline request to address operational needs and persistent vacancies.
			\$(5,725)	MOF 666 - Net adjustment for 2024-25 appropriated receipts not forecasted for 2026-27.
			<b>\$574,551</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
	1 Number of Benefit Review Conferences Held	10,296.00	10,500.00	10,500.00	15,900.00	15,900.00
	2 Number of Contested Case Hearings Held	4,331.00	4,250.00	4,250.00	7,500.00	7,500.00
	3 Number of Appellate Decisions Issued	1,920.00	1,875.00	1,875.00	3,000.00	3,000.00
<b>Efficiency Measures:</b>						
KEY 1	Average Number of Days to Resolve a Medical Fee Dispute	59.10	125.00	125.00	200.00	200.00
KEY 2	Avg # of Days to Resolve Indemnity Disputes Via Resolution Proceedings	121.80	113.00	125.00	135.00	135.00
<b>Explanatory/Input Measures:</b>						
	1 Number of Medical Fee Disputes Received	3,344.00	2,900.00	3,100.00	3,300.00	3,300.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$8,168,468	\$8,520,661	\$9,364,359	\$9,383,930	\$9,383,930
1002	OTHER PERSONNEL COSTS	\$605,114	\$277,261	\$338,939	\$252,222	\$252,222
2001	PROFESSIONAL FEES AND SERVICES	\$628,744	\$332,419	\$283,350	\$283,350	\$283,350
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$253	\$5,000	\$500	\$500	\$500
2004	UTILITIES	\$2,829	\$789	\$900	\$900	\$900
2005	TRAVEL	\$108,176	\$109,510	\$109,510	\$109,510	\$109,510

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
2006	RENT - BUILDING	\$36,894	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$980,597	\$528,345	\$651,592	\$353,860	\$353,860
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$10,531,075</b>	<b>\$9,773,985</b>	<b>\$10,749,150</b>	<b>\$10,384,272</b>	<b>\$10,384,272</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$10,421,090	\$9,660,213	\$10,702,150	\$10,337,272	\$10,337,272
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$10,421,090</b>	<b>\$9,660,213</b>	<b>\$10,702,150</b>	<b>\$10,337,272</b>	<b>\$10,337,272</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$109,985	\$113,772	\$47,000	\$47,000	\$47,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$109,985</b>	<b>\$113,772</b>	<b>\$47,000</b>	<b>\$47,000</b>	<b>\$47,000</b>

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$10,384,272</b>	<b>\$10,384,272</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$10,531,075</b>	<b>\$9,773,985</b>	<b>\$10,749,150</b>	<b>\$10,384,272</b>	<b>\$10,384,272</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>129.8</b>	<b>130.6</b>	<b>133.5</b>	<b>134.3</b>	<b>134.3</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

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

This strategy supports the goals of improving efficiencies across DWC and providing a healthy Texas workers' compensation system for all participants by resolving disputes effectively and efficiently.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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External factors include challenges with hiring and retaining skilled administrative law judges (ALJs) due to our low salaries compared to other state agencies. The state average salary for ALJs is \$115,497. The average salary for DWC ALJs is \$91,313. This substantial difference (\$24,184) impacts DWC’s recruitment and retention efforts within the Hearings section. As vacancies occur, it is increasingly difficult to maintain qualified ALJ staff. Currently, 18.75% of DWC ALJs are retirement eligible, and projected to increase by 3% each year over the next three fiscal years. Compounding this issue, DWC’s average turnover rate has exceeded 15% over the last three fiscal years with a significant spike to 24.24% turnover in FY24.

Without qualified, experienced ALJs in the workers' compensation system, participants may receive diminished quality of decisions involving healthcare and indemnity benefits in the future.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$20,523,135	\$20,768,544	\$245,409	\$312,181	MOF 36 -Net impact of FY 2024-25 biennialized salary adjustments and realignment of baseline request to address operational needs and persistent vacancies.
			\$(66,772)	MOF 666 - Net adjustment for 2024-25 appropriated receipts not forecasted for 2026-27.
			<b>\$245,409</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

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

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Efficiency Measures:</b>						
1	Avg Days from Receipt of SIF Request for Reimbursement to Payment	14.10	20.00	20.00	40.00	40.00
<b>Explanatory/Input Measures:</b>						
KEY 1	# of Injured Workers Receiving Lifetime Income Benefits through SIF	22.00	21.00	21.00	21.00	21.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$183,062	\$193,673	\$210,240	\$222,456	\$222,456
1002	OTHER PERSONNEL COSTS	\$13,215	\$3,882	\$5,714	\$4,205	\$4,205
2001	PROFESSIONAL FEES AND SERVICES	\$5,898	\$13,373	\$17,184	\$10,000	\$10,000
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
2004	UTILITIES	\$0	\$0	\$0	\$0	\$0
2005	TRAVEL	\$0	\$0	\$0	\$0	\$0
2006	RENT - BUILDING	\$0	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$9,472,824	\$8,880,556	\$8,881,692	\$8,883,741	\$8,883,741
4000	GRANTS	\$0	\$0	\$0	\$0	\$0

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$9,674,999</b>	<b>\$9,091,484</b>	<b>\$9,114,830</b>	<b>\$9,120,402</b>	<b>\$9,120,402</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$205,384	\$215,792	\$239,138	\$244,710	\$244,710
5101	Subsequent Injury Fund	\$9,469,615	\$8,875,692	\$8,875,692	\$8,875,692	\$8,875,692
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$9,674,999</b>	<b>\$9,091,484</b>	<b>\$9,114,830</b>	<b>\$9,120,402</b>	<b>\$9,120,402</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$9,120,402</b>	<b>\$9,120,402</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$9,674,999</b>	<b>\$9,091,484</b>	<b>\$9,114,830</b>	<b>\$9,120,402</b>	<b>\$9,120,402</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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The Subsequent Injury Fund (SIF) is a statutorily dedicated account in the general revenue fund. The commissioner of workers' compensation is required to appoint a SIF administrator. Under defined circumstances, the SIF is responsible for the timely payment of lifetime income benefits to qualified recipients. Additionally, the SIF is directed to reimburse insurance carrier overpayments produced in defined cases: payments made pursuant to a DWC interlocutory order or decision that is later reversed or modified, multiple employment claim payments, certain pharmaceutical claim payments, and overpayment of benefits made due to designated doctor opinions which are reversed or modified by final arbitration, final order, or decision.

This strategy supports the goal of improving efficiencies across DWC by ensuring eligible injured employees receive lifetime income benefits under the Texas Labor Code and by effectively distributing reimbursements to eligible insurance carriers for overpayment of benefits and other authorized reimbursements.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The SIF was created by the Texas Legislature in 1947 to enable employment of individuals with disabilities, including a large number of disabled veterans. If an employee with a previous injury sustained another work-related injury resulting in certain permanent disabilities such as loss of sight in both eyes or loss of both limbs, the injured employee would be entitled to lifetime income benefits (LIBs). However, in this instance insurance carriers pay only for the second work-related injury and the SIF pays the balance of LIBs.

The SIF is funded by death benefits paid into it by insurance carriers when a compensable death occurs and there is no legal beneficiary, or when beneficiary status ends prior to an established date.

The SIF's annual LIBs payments and claim reimbursement payments vary. The aggregate number of LIBs and overpayment reimbursements to be paid by the SIF annually depends on the number and values of eligible claims submitted. The SIF's financial condition may be affected by changes in statute regarding the types of direct payments and carrier reimbursements made from the SIF, the number and types of reimbursement requests the SIF receives annually, and by the number and amount of death benefits insurance carriers pay to the SIF when an eligible beneficiary is not identified.

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$18,206,314	\$18,240,804	\$34,490	\$34,490	MOF 36 -Net impact of FY 2024-25 biennialized salary adjustments and realignment of baseline request to address operational needs.
			<b>\$34,490</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System  
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:  
 STRATEGY: 4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
1	Number of Workers' Compensation Fraud Cases Resolved	64.00	67.00	60.00	60.00	60.00
2	Number of Prosecutions for Workers' Compensation Fraud Cases	6.00	3.00	0.00	10.00	10.00
<b>Efficiency Measures:</b>						
1	% of Workers' Compensation Fraud Cases Resolved within 365 Days	83.30 %	82.00 %	65.00 %	60.00 %	60.00 %
<b>Explanatory/Input Measures:</b>						
1	Number of Reports of Workers' Compensation Insurance Fraud Received	1,451.00	1,450.00	1,400.00	1,300.00	1,300.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$953,625	\$976,130	\$1,068,127	\$1,069,716	\$1,069,716
1002	OTHER PERSONNEL COSTS	\$20,701	\$14,716	\$28,322	\$25,090	\$25,090
2001	PROFESSIONAL FEES AND SERVICES	\$17,065	\$10,005	\$49,377	\$10,005	\$10,005
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$20	\$1,175	\$1,175	\$1,175	\$1,175
2004	UTILITIES	\$5,157	\$3,960	\$3,940	\$3,940	\$3,940
2005	TRAVEL	\$9,067	\$11,863	\$11,063	\$11,063	\$11,063

**454 Department of Insurance**

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System  
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:  
 STRATEGY: 4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
2006	RENT - BUILDING	\$11,571	\$7,200	\$5,400	\$5,400	\$5,400
2007	RENT - MACHINE AND OTHER	\$0	\$36,180	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$37,661	\$56,869	\$46,847	\$45,873	\$45,873
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,054,867</b>	<b>\$1,118,098</b>	<b>\$1,214,251</b>	<b>\$1,172,262</b>	<b>\$1,172,262</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$1,054,867	\$1,118,098	\$1,214,251	\$1,172,262	\$1,172,262
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$1,054,867</b>	<b>\$1,118,098</b>	<b>\$1,214,251</b>	<b>\$1,172,262</b>	<b>\$1,172,262</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$1,172,262</b>	<b>\$1,172,262</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$1,054,867</b>	<b>\$1,118,098</b>	<b>\$1,214,251</b>	<b>\$1,172,262</b>	<b>\$1,172,262</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>13.2</b>	<b>12.2</b>	<b>13.0</b>	<b>14.0</b>	<b>14.0</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**454 Department of Insurance**

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System  
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:  
 STRATEGY: 4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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The Division of Workers' Compensation (DWC) is directed by statute to maintain a fraud unit to conduct investigations relating to alleged violations of the Texas Labor Code, agency rules, or a commissioner order or decision, with particular emphasis on violations of Texas Labor Code (Chapters 402, 403, 406-414, and 418). DWC's Fraud Unit receives, evaluates, and investigates reports of fraud from the industry, public, regulatory, and law enforcement agencies. The DWC Fraud Unit refers cases to district attorneys and federal prosecutors and provides technical assistance to the industry and prosecutors on fraud cases. The DWC Prosecution Unit, embedded in the Travis County District Attorney's Office, accepts cases from the DWC Fraud unit for prosecution. Workers' compensation fraud is costly to insurance carriers and consumers alike. This strategy ensures that the workers' compensation insurance industry has effective antifraud business practices.

This strategy supports the goals of improving efficiencies across DWC and providing a healthy Texas workers' compensation system for all participants by eliminating or deterring fraud; it also reduces unfair and illegal practices and decreases workers' compensation claim costs and insurance premiums.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

Legislation affects this strategy. The DWC Fraud Unit investigates fraud impacting the Texas workers' compensation system. System participants, such as injured employees, employers, attorneys, health care providers, and insurance carriers can be subjects of these investigations. Referrals can be reported via the National Insurance Crime Bureau, the National Health Care Anti-Fraud Association, and other anti-fraud organizations. Changes in the economy and the volume of work-related claims reported impact fraudulent activities because economic downturns and tighter markets create an incentive for fraudulent activity.

DWC Fraud Unit works with DWC Prosecution Unit and other Texas Department of Insurance (TDI) embedded prosecutors to process workers' compensation fraud referrals. Memorandums of understanding with district attorney offices for Bexar, Dallas, Harris, Tarrant, and Travis counties allow TDI and DWC to support special prosecutors and investigators and assist in investigations and prosecution of workers' compensation fraud. Continued funding and access to national and statewide databases, as well as available resources to collect, analyze, and evaluate data identifying fraudulent activity is essential to this strategy. The maintenance, enhancement, and expanding existing databases and case management systems are also essential to the success of this strategy.

**454 Department of Insurance**

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System  
 OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits Service Categories:  
 STRATEGY: 4 Investigate Workers' Comp Fraud & Refer Violations for Prosecution Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$2,332,349	\$2,344,524	\$12,175	\$12,175	MOF 36 -Net impact of FY 2024-25 biennialized salary adjustments and realignment of baseline request to address operational needs and persistent vacancies.
			<b>\$12,175</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Output Measures:</b>						
KEY 1	Number of Consultations and Inspections Provided to Employers	2,393.00	1,700.00	1,700.00	1,600.00	1,600.00
2	# RTW, Provider, WPS Educational Products & Services	640,656.00	660,625.00	660,625.00	400,000.00	400,000.00
3	Number of WC Income Benefit Recipients Referred to TWC	22,125.00	47,272.00	47,227.00	20,000.00	20,000.00
<b>Explanatory/Input Measures:</b>						
1	Incidence of Injuries/Illness per 100 FTEs in the Private Sector	2.10	2.00	2.00	2.00	2.00
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$3,092,181	\$3,434,679	\$3,793,174	\$3,811,501	\$3,811,501
1002	OTHER PERSONNEL COSTS	\$229,822	\$65,015	\$111,154	\$116,176	\$116,176
2001	PROFESSIONAL FEES AND SERVICES	\$6,920	\$17,574	\$4,500	\$5,500	\$5,500
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$31	\$2,608	\$1,600	\$1,600	\$1,600
2004	UTILITIES	\$5,397	\$5,630	\$460	\$460	\$460
2005	TRAVEL	\$191,991	\$224,115	\$336,809	\$187,918	\$187,918
2006	RENT - BUILDING	\$21,083	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$0	\$0	\$0	\$0

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
2009	OTHER OPERATING EXPENSE	\$143,382	\$116,878	\$215,393	\$70,374	\$70,374
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$5,323	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$3,696,130</b>	<b>\$3,866,499</b>	<b>\$4,463,090</b>	<b>\$4,193,529</b>	<b>\$4,193,529</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$1,421,701	\$1,542,804	\$2,151,660	\$1,837,201	\$1,837,201
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$1,421,701</b>	<b>\$1,542,804</b>	<b>\$2,151,660</b>	<b>\$1,837,201</b>	<b>\$1,837,201</b>
<b>Method of Financing:</b>						
555	Federal Funds					
17.005.001	OSHA BUREAU OF LABOR STATISTICS	\$225,335	\$231,011	\$231,011	\$258,021	\$258,021
17.504.001	OSHA Consultation Agreements	\$2,030,458	\$2,080,419	\$2,080,419	\$2,098,307	\$2,098,307
CFDA Subtotal, Fund	555	\$2,255,793	\$2,311,430	\$2,311,430	\$2,356,328	\$2,356,328
<b>SUBTOTAL, MOF (FEDERAL FUNDS)</b>		<b>\$2,255,793</b>	<b>\$2,311,430</b>	<b>\$2,311,430</b>	<b>\$2,356,328</b>	<b>\$2,356,328</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$18,636	\$12,265	\$0	\$0	\$0

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$18,636</b>	<b>\$12,265</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$4,193,529</b>	<b>\$4,193,529</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$3,696,130</b>	<b>\$3,866,499</b>	<b>\$4,463,090</b>	<b>\$4,193,529</b>	<b>\$4,193,529</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>53.5</b>	<b>55.6</b>	<b>59.0</b>	<b>60.0</b>	<b>60.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Division of Workers’ Compensation (DWC) is directed by statute to promote safe and healthy workplaces and help employees return to work (RTW). DWC conducts outreach to increase awareness and improve effectiveness of employer health and safety programs. DWC provides consultations, safety training, and educational resources to Texas employers and insurance companies to help develop effective health and safety programs, identify and control workplace hazards, and understand state and federal regulations. DWC compiles and analyzes data on occupational injuries, illnesses and fatalities by industry, case characteristics, and demographics.

DWC provides outreach to system participants encouraging safe and timely return of injured employees to productive roles in the workplace. DWC helps injured employees RTW through referrals to the Texas Workforce Commission for vocational rehabilitation services. DWC’s policies include RTW guidelines that provide benchmarks for expected lost time durations for injuries and illnesses.

This strategy supports the goals of improving efficiencies across DWC, providing a healthy Texas workers’ compensation system for all participants, and promoting safe and healthy workplaces by assisting employers and employees in providing safe workplaces, reducing workplace injuries, and establishing clear standards for expected lost time durations.

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The agency’s ability to focus its safety and RTW education and outreach efforts depends on receiving accurate injury and employment data. Safety consultations and safety training services depend on several external factors including the number of insurance companies writing workers’ compensation insurance, employers in the Rejected Risk program, and how many employers request Occupational Safety and Health Consultation services. The number and scope of consultations and safety training services depend on voluntary participation by employers, which affects the number of hazards identified during those activities. Changes to state and federal laws, court rulings, and federal grant funding may require program adjustments.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$8,329,589	\$8,387,058	\$57,469	\$(12,265)	MOF 666 - Net adjustment for 2024-25 appropriated receipts not forecasted for 2026-27.
			\$(20,061)	MOF 36 -Net impact of FY 2024-25 biennialized salary adjustments and realignment of baseline request to address operational needs and persistent vacancies.
			\$89,795	MOF 555 -Increase in Federal Grant funds for 2026-2027 due to increase in grant award for OSHA and BLS grants.
			<b>\$57,469</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System  
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed Service Categories:  
 STRATEGY: 2 Provide Customer Assistance & Information Management Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$7,088,690	\$7,743,456	\$8,497,633	\$8,508,861	\$8,508,861
1002	OTHER PERSONNEL COSTS	\$495,129	\$258,695	\$266,328	\$240,819	\$240,819
2001	PROFESSIONAL FEES AND SERVICES	\$5,076	\$19,650	\$15,650	\$15,650	\$15,650
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$8,753	\$41,861	\$30,861	\$30,861	\$30,861
2004	UTILITIES	\$16,330	\$16,926	\$17,660	\$17,660	\$17,660
2005	TRAVEL	\$30,962	\$45,977	\$51,000	\$51,000	\$51,000
2006	RENT - BUILDING	\$64,596	\$40,000	\$40,000	\$40,000	\$40,000
2007	RENT - MACHINE AND OTHER	\$19,298	\$19,500	\$19,500	\$19,500	\$19,500
2009	OTHER OPERATING EXPENSE	\$191,731	\$362,537	\$572,560	\$306,304	\$306,304
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$9,975	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$7,920,565</b>	<b>\$8,558,577</b>	<b>\$9,511,192</b>	<b>\$9,230,655</b>	<b>\$9,230,655</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$6,804,329	\$8,548,344	\$9,504,927	\$9,224,390	\$9,224,390
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$6,804,329</b>	<b>\$8,548,344</b>	<b>\$9,504,927</b>	<b>\$9,224,390</b>	<b>\$9,224,390</b>

**454 Department of Insurance**

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System  
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed Service Categories:  
 STRATEGY: 2 Provide Customer Assistance & Information Management Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$1,116,236	\$10,233	\$6,265	\$6,265	\$6,265
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$1,116,236</b>	<b>\$10,233</b>	<b>\$6,265</b>	<b>\$6,265</b>	<b>\$6,265</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$9,230,655</b>	<b>\$9,230,655</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$7,920,565</b>	<b>\$8,558,577</b>	<b>\$9,511,192</b>	<b>\$9,230,655</b>	<b>\$9,230,655</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>121.4</b>	<b>122.3</b>	<b>126.0</b>	<b>126.0</b>	<b>126.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Division of Workers' Compensation (DWC) is directed by statute to receive, collect, and maintain information on every compensable injury that is reported to DWC and establish a single point of contact for injured employees receiving DWC services. DWC also provides information and reports to qualified individuals, insurance carriers, and employers. The information received is maintained as required by records retention schedules under the Texas Government Code.

DWC is charged with educating system participants regarding their rights and responsibilities, how to interact within the workers' compensation system, and best practices for return-to-work and workplace safety programs. DWC also has a duty to educate health care providers about rules and procedures. DWC provides educational and training materials through various methods, including on its website.

This strategy supports the goals of improving efficiencies across DWC and providing a healthy Texas workers' compensation system for all participants by efficiently maintaining records and effectively educating participants regarding the workers' compensation system.

**454 Department of Insurance**

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System  
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed Service Categories:  
 STRATEGY: 2 Provide Customer Assistance & Information Management Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

DWC provides customer service through a statewide call center to injured employees and other system participants. Although insurance carriers are primarily responsible for adjusting and paying workers' compensation claims, by statute, certain specific claims decisions such as requests to change a treating doctor, initial requests for supplemental income benefits, and requests for a required medical examination are made by DWC.

Legislative changes and information needs of system participants impact this strategy. Changes in state law and agency rules may expand or decrease the functions performed under this strategy, based on the information required to be received and maintained by the agency, and based on the impact that rule and policy changes have on system participants. Additionally, the number of claims filed by injured employees directly affects the volume of records reported and the frequency of customer service inquiries reported to DWC. The use of technology can have a major impact on this strategy. Increasing the ability to process and store information electronically is a key goal for the agency. DWC is working with TDI Administrative Operations to transition certain DWC operations from legacy systems to more current internal systems.

Identifying and implementing alternate methods to provide educational materials and training to system participants through technology enhances the agency's ability to inform the public.

**454 Department of Insurance**

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System  
 OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed Service Categories:  
 STRATEGY: 2 Provide Customer Assistance & Information Management Service: 17 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$18,069,769	\$18,461,310	\$391,541	\$395,508	MOF 36 -Net impact of FY 2024-25 biennialized salary adjustments and realignment of baseline request to address operational needs and persistent vacancies.
			\$(3,967)	MOF 666 - Net adjustment for 2024-25 appropriated receipts not forecasted for 2026-27.
			<b>\$391,541</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$5,652,371	\$6,122,865	\$6,891,449	\$6,839,909	\$6,839,909
1002	OTHER PERSONNEL COSTS	\$254,421	\$126,337	\$176,817	\$116,546	\$116,546
2001	PROFESSIONAL FEES AND SERVICES	\$41,843	\$57,301	\$47,886	\$47,886	\$47,886
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$553	\$282	\$452	\$452	\$452
2004	UTILITIES	\$11,795	\$9,869	\$7,455	\$7,455	\$7,455
2005	TRAVEL	\$9,636	\$34,481	\$41,642	\$41,642	\$41,642
2006	RENT - BUILDING	\$29,867	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$11,105	\$0	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$262,659	\$301,223	\$355,015	\$338,957	\$338,957
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$6,274,250</b>	<b>\$6,652,358</b>	<b>\$7,520,716</b>	<b>\$7,392,847</b>	<b>\$7,392,847</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$24,406	\$4,373	\$8,837	\$0	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$24,406</b>	<b>\$4,373</b>	<b>\$8,837</b>	<b>\$0</b>	<b>\$0</b>

**454 Department of Insurance**

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$6,068,411	\$6,609,985	\$7,473,879	\$7,354,847	\$7,354,847
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$6,068,411</b>	<b>\$6,609,985</b>	<b>\$7,473,879</b>	<b>\$7,354,847</b>	<b>\$7,354,847</b>
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$143,433	\$0	\$0	\$0	\$0
777	Interagency Contracts	\$38,000	\$38,000	\$38,000	\$38,000	\$38,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$181,433</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$38,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$7,392,847</b>	<b>\$7,392,847</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$6,274,250</b>	<b>\$6,652,358</b>	<b>\$7,520,716</b>	<b>\$7,392,847</b>	<b>\$7,392,847</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>69.1</b>	<b>69.0</b>	<b>79.5</b>	<b>79.5</b>	<b>79.5</b>

STRATEGY DESCRIPTION AND JUSTIFICATION:

**454 Department of Insurance**

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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Central Administration makes sure divisions are compliant with statutory and regulatory requirements and consistent with TDI goals, objectives, purpose, and policies.

Central Administration:

- Ensures agency accountability and integrity.
- Manages the agency budget including the LAR, the operating budget, and performance measures.
- Performs accounting functions and financial reporting.
- Monitors the agency’s compliance with Article IX provisions of the General Appropriations Act.
- Provides administrative support to the Office of Injured Employee Counsel.
- Ensures compliance with employment laws, implements professional development training, maintains payroll records, and manages other personnel activities.
- Leads the agency’s recruitment and succession planning activities and promotes a positive working environment.

TDI strives to maintain a highly productive Central Administration to allow programs to focus on effective and efficient regulation of the Texas insurance market and workers’ compensation system.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

As TDI services expand to meet the insurance and workers’ compensation needs of Texans, administrative resources are critical for:

- Communicating direction and policy.
- Establishing new programs.
- Recruiting and hiring employees.
- Managing budgetary and planning activities.

**454 Department of Insurance**

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

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$14,173,074	\$14,785,694	\$612,620	\$625,830	MOF 36 - Biennialize FY 2024-25 salary adjustments and realignment of baseline request to address operational needs.
			\$(13,210)	MOF 1 - Adjustment to reduce GR
			<u>\$612,620</u>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$6,164,193	\$5,577,604	\$6,348,857	\$6,362,803	\$6,362,803
1002	OTHER PERSONNEL COSTS	\$358,091	\$132,755	\$181,817	\$196,168	\$196,168
2001	PROFESSIONAL FEES AND SERVICES	\$7,274,748	\$8,947,888	\$9,183,503	\$9,006,787	\$9,006,787
2002	FUELS AND LUBRICANTS	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$0	\$0	\$4,472	\$4,472	\$4,472
2004	UTILITIES	\$28,473	\$71,787	\$79,488	\$81,588	\$81,588
2005	TRAVEL	\$279	\$3,203	\$28,000	\$28,000	\$28,000
2006	RENT - BUILDING	\$5,271	\$0	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$0	\$558,872	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$2,214,156	\$2,560,649	\$3,287,548	\$4,675,942	\$4,686,544
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$481,631	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$16,526,842</b>	<b>\$17,852,758</b>	<b>\$19,113,685</b>	<b>\$20,355,760</b>	<b>\$20,366,362</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$16,526,797	\$17,852,758	\$19,113,685	\$20,355,760	\$20,366,362
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$16,526,797</b>	<b>\$17,852,758</b>	<b>\$19,113,685</b>	<b>\$20,355,760</b>	<b>\$20,366,362</b>

**454 Department of Insurance**

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Method of Financing:</b>						
666	Appropriated Receipts	\$45	\$0	\$0	\$0	\$0
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$45</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$20,355,760</b>	<b>\$20,366,362</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$16,526,842</b>	<b>\$17,852,758</b>	<b>\$19,113,685</b>	<b>\$20,355,760</b>	<b>\$20,366,362</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>74.5</b>	<b>77.4</b>	<b>82.0</b>	<b>83.0</b>	<b>83.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

The Information Technology Division (IT) provides information technology, data management, and information security services to TDI and the Office of Injured Employee Counsel (OIEC).

- IT ensures their services meet the needs of program areas to help them achieve their business goals. IT partners with TDI program areas and OIEC to understand their needs and improve services. IT provides these services: Customer Support provides help desk and desktop services.
- Business Services includes project management and administrative services.
- Agency Operations monitors servers, telecommunications, and internet connectivity.
- Development builds and maintains software applications that serve agency employees and the public.
- Information Security Office (ISO) provides security monitoring and education and data management services.

**454 Department of Insurance**

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

IT works with the Department of Information Resources (DIR), the Comptroller of Public Accounts, and State Technology Services vendors to provide information and technology services and continuity of operations after disasters. The agency aligns these services with the goals published in the DIR State Strategic Plan for Information Resources.

Internally, IT needs a highly-skilled workforce to:

- Maintain and improve its information technology infrastructure.
- Conform to industry standards.
- Remain compatible with external organizations and entities.
- Maintain an active information security posture that protects TDI and OIEC data and technology assets.

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

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

**454 Department of Insurance**

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

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		BIENNIAL CHANGE	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)		\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$36,966,443	\$40,722,122	\$3,755,679	\$1,691,679	MOF 36 -Net impact of FY 2024-25 biennialized salary adjustments and realignment of baseline request to address operational needs and persistent vacancies.
			\$2,064,000	Funds transferred to Strategy E.1.2, for IT projects. Approved in 2024 RTE.
			<b>\$3,755,679</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$1,920,680	\$2,010,890	\$2,309,202	\$2,304,220	\$2,304,220
1002	OTHER PERSONNEL COSTS	\$230,356	\$47,523	\$76,810	\$51,891	\$51,891
2001	PROFESSIONAL FEES AND SERVICES	\$9,523	\$1,500	\$1,500	\$1,500	\$1,500
2002	FUELS AND LUBRICANTS	\$2,475	\$8,600	\$10,600	\$10,600	\$10,600
2003	CONSUMABLE SUPPLIES	\$54,580	\$177,810	\$154,780	\$154,780	\$154,780
2004	UTILITIES	\$43,884	\$52,365	\$22,764	\$22,764	\$22,764
2005	TRAVEL	\$2,233	\$7,170	\$13,000	\$13,000	\$13,000
2006	RENT - BUILDING	\$1,560,342	\$1,613,579	\$1,692,730	\$1,729,675	\$1,758,941
2007	RENT - MACHINE AND OTHER	\$333,596	\$313,000	\$308,000	\$322,500	\$322,500
2009	OTHER OPERATING EXPENSE	\$1,290,267	\$777,566	\$830,724	\$851,018	\$851,018
4000	GRANTS	\$0	\$0	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$18,377	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$5,466,313</b>	<b>\$5,010,003</b>	<b>\$5,420,110</b>	<b>\$5,461,948</b>	<b>\$5,491,214</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$325,350	\$273,056	\$273,056	\$273,056	\$273,056
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$325,350</b>	<b>\$273,056</b>	<b>\$273,056</b>	<b>\$273,056</b>	<b>\$273,056</b>

**454 Department of Insurance**

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$5,140,963	\$4,736,947	\$5,147,054	\$5,188,892	\$5,218,158
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$5,140,963</b>	<b>\$4,736,947</b>	<b>\$5,147,054</b>	<b>\$5,188,892</b>	<b>\$5,218,158</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$5,461,948</b>	<b>\$5,491,214</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$5,466,313</b>	<b>\$5,010,003</b>	<b>\$5,420,110</b>	<b>\$5,461,948</b>	<b>\$5,491,214</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>33.1</b>	<b>31.5</b>	<b>36.5</b>	<b>37.0</b>	<b>37.0</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**454 Department of Insurance**

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

Service Categories:

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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Other support services/functions within the agency provide procurement support and coordination support for general services of TDI. This strategy also funds agency leases and the lease of multi-functional devices for printing, copying, and scanning.

These support functions ensure their services meet the needs of program areas to help them achieve their business goals.

The Procurement Office:

- Processes purchasing and contracting transactions.
- Coordinates the agency’s Historically Underutilized Business program.
- Administers contracts.

The General Services Office provides and coordinates support for these six functions:

- Facilities Management.
- Mail Services.
- Copy Center Services.
- Property Management.
- Warehouse Services.
- Safety Management.

The Shared Services Office supports Records Retention and Risk Management.

**454 Department of Insurance**

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

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

The agency strives to support its mobile workforce by modernizing processes and support services. The number and complexity of agency procurements, in addition, to the fluctuating lease environment, impacts resources in this strategy.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$10,430,113	\$10,953,162	\$523,049	\$523,049	MOF 36 - Biennialize FY 2024-25 salary adjustments and realignment of baseline request to address operational needs.
			<b>\$523,049</b>	<b>Total of Explanation of Biennial Change</b>

**454 Department of Insurance**

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

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
<b>Objects of Expense:</b>						
1001	SALARIES AND WAGES	\$0	\$2,000,000	\$2,000,000	\$0	\$0
2005	TRAVEL	\$0	\$200,000	\$200,000	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$0</b>	<b>\$2,200,000</b>	<b>\$2,200,000</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing:</b>						
36	Dept Ins Operating Acct	\$0	\$2,200,000	\$2,200,000	\$0	\$0
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)</b>		<b>\$0</b>	<b>\$2,200,000</b>	<b>\$2,200,000</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$0</b>	<b>\$0</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$0</b>	<b>\$2,200,000</b>	<b>\$2,200,000</b>	<b>\$0</b>	<b>\$0</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>STRATEGY DESCRIPTION AND JUSTIFICATION:</b>						

**454 Department of Insurance**

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

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

CODE	DESCRIPTION	Exp 2023	Est 2024	Bud 2025	BL 2026	BL 2027
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The State Regulatory Response Contingency Strategy allows TDI to respond to these regulatory issues:

- Significant changes in the insurance regulatory environment.
- Demands for federal health care reform implementation.
- Weather disasters in Texas.
- Public health crises, such as pandemics, fires with disaster declarations, and nonweather-related disasters.

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

TDI activates the Regulatory Response Rider for natural and health disasters and for significant changes to the regulatory environment, such as new legislation or economic changes.

**EXPLANATION OF BIENNIAL CHANGE (includes Rider amounts):**

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2024 + Bud 2025)	Baseline Request (BL 2026 + BL 2027)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$4,400,000	\$0	\$(4,400,000)	\$(4,400,000)	MOF 36 - Agency requests exceptional item to restore Contingency Appropriation: State Regulatory Response rider.
			<b>\$(4,400,000)</b>	<b>Total of Explanation of Biennial Change</b>

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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$115,523,924</b>	<b>\$126,318,717</b>	<b>\$171,427,060</b>	<b>\$131,778,720</b>	<b>\$131,775,163</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$131,778,720</b>	<b>\$131,775,163</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$115,523,924</b>	<b>\$126,318,717</b>	<b>\$171,427,060</b>	<b>\$131,778,720</b>	<b>\$131,775,163</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>1,075.9</b>	<b>1,123.9</b>	<b>1,170.5</b>	<b>1,181.3</b>	<b>1,181.3</b>

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

**3.B. Rider Revisions and Additions Request**

<b>Agency Code:</b> 454	<b>Agency Name:</b> Texas Department of Insurance	<b>Prepared By:</b> Amy Maddox	<b>Date:</b> August 23, 2024	<b>Request Level:</b>																																													
<b>Current Rider Number</b>	<b>Page Number in 2024-25 GAA</b>	<b>Proposed Rider Language</b>																																															
2	VIII-19 VIII-20	<p><b>Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with a "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code Section 1232.103.</b></p> <table border="0"> <thead> <tr> <th></th> <th align="right"><del>2026</del><b>2024</b></th> <th align="right"><del>2025</del><b>—2027</b></th> </tr> </thead> <tbody> <tr> <td><b>a. Acquisition of Information Resource Technologies</b></td> <td></td> <td></td> </tr> <tr> <td><del>(1) Obsolescence Hardware and Software Replacement and Network Security</del> \$ 150,000</td> <td align="right"><del>—</del></td> <td align="right">\$ 150,000</td> </tr> <tr> <td><del>(2) (1) TexasSure Vehicle Insurance Verification</del></td> <td align="right"><del>5,073,752</del></td> <td align="right">5,073,752</td> </tr> <tr> <td><del>(3) (2) PC Replacement</del></td> <td align="right"><del>600,880 659,060</del></td> <td align="right"><del>542,700 600,800</del></td> </tr> <tr> <td><del>(4) Support for Document Management System</del></td> <td align="right"><del>348,402 328,402</del></td> <td align="right"><del>338,253 358,855</del></td> </tr> <tr> <td><b>Total, Acquisition of Information Resource Technologies</b></td> <td align="right"><del>6,022,886</del> <b>\$ 6,211,214</b></td> <td align="right"><del>\$ 6,104,705</del> <b>6,033,487</b></td> </tr> <tr> <td><b>b. Data Center/Shared Technology Services</b></td> <td></td> <td></td> </tr> <tr> <td><del>(1) Data Center Consolidation</del></td> <td align="right"><del>8,997,987</del></td> <td align="right"><del>\$ 8,821,271</del> <b>\$ 9,174,703</b> <del>8,997,987</del></td> </tr> <tr> <td><b>Total, Capital Budget</b></td> <td align="right"><del>15,020,873</del></td> <td align="right"><del>\$ 15,032,485</del> <b>15,279,408</b> <del>15,031,474</del></td> </tr> <tr> <td><b>Method of Financing (Capital Budget):</b></td> <td></td> <td></td> </tr> <tr> <td><b>GR Dedicated - Texas Department of Insurance</b></td> <td></td> <td></td> </tr> <tr> <td><b>Operating Fund Account No. 036</b></td> <td align="right"><del>9,947,121</del></td> <td align="right"><del>\$ 9,958,733</del> <b>\$ 10,205,656</b> <del>9,957,722</del></td> </tr> <tr> <td><b>TexasSure Fund No. 161</b></td> <td align="right"><del>5,073,752</del></td> <td align="right"><del>\$ 5,073,752</del> <b>\$ 5,073,752</b></td> </tr> <tr> <td><b>Total, Method of Financing</b></td> <td align="right"><del>15,020,873</del></td> <td align="right"><del>\$ 15,032,485</del> <b>15,279,408</b> <del>15,031,474</del></td> </tr> </tbody> </table> <p><i>Updated allocation of baseline request, and fiscal years. Deleted Obsolescence Hardware and Software capital budget and added to other capital budget item. If approved, need to update the Data Center exceptional item requests, and add the Vehicles exceptional item request, then update totals.</i></p>				<del>2026</del> <b>2024</b>	<del>2025</del> <b>—2027</b>	<b>a. Acquisition of Information Resource Technologies</b>			<del>(1) Obsolescence Hardware and Software Replacement and Network Security</del> \$ 150,000	<del>—</del>	\$ 150,000	<del>(2) (1) TexasSure Vehicle Insurance Verification</del>	<del>5,073,752</del>	5,073,752	<del>(3) (2) PC Replacement</del>	<del>600,880 659,060</del>	<del>542,700 600,800</del>	<del>(4) Support for Document Management System</del>	<del>348,402 328,402</del>	<del>338,253 358,855</del>	<b>Total, Acquisition of Information Resource Technologies</b>	<del>6,022,886</del> <b>\$ 6,211,214</b>	<del>\$ 6,104,705</del> <b>6,033,487</b>	<b>b. Data Center/Shared Technology Services</b>			<del>(1) Data Center Consolidation</del>	<del>8,997,987</del>	<del>\$ 8,821,271</del> <b>\$ 9,174,703</b> <del>8,997,987</del>	<b>Total, Capital Budget</b>	<del>15,020,873</del>	<del>\$ 15,032,485</del> <b>15,279,408</b> <del>15,031,474</del>	<b>Method of Financing (Capital Budget):</b>			<b>GR Dedicated - Texas Department of Insurance</b>			<b>Operating Fund Account No. 036</b>	<del>9,947,121</del>	<del>\$ 9,958,733</del> <b>\$ 10,205,656</b> <del>9,957,722</del>	<b>TexasSure Fund No. 161</b>	<del>5,073,752</del>	<del>\$ 5,073,752</del> <b>\$ 5,073,752</b>	<b>Total, Method of Financing</b>	<del>15,020,873</del>	<del>\$ 15,032,485</del> <b>15,279,408</b> <del>15,031,474</del>
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### 3.B. Rider Revisions and Additions Request

3	VIII-20	<p><b>Appropriation Source, Rehabilitation of Insurance Companies.</b> Of the amounts appropriated above, \$0 each year of the biennium is from fees that the Department of Insurance shall collect from companies that are successfully rehabilitated by the department. Fees collected and appropriated above shall be in amounts sufficient to cover, yet not exceed, costs of rehabilitating those companies. Any such fees collected in excess of \$0 each year of the biennium are also appropriated for the biennium beginning September 1, <del>2023, 2025</del>, for the sole purpose of the rehabilitation of other insurance companies pursuant to 441.203 of the Texas Insurance Code (estimated to be \$0).</p> <p><i><a href="#">Updated fiscal year</a></i></p>
4	VIII-20	<p><b>State Support for NAIC Activities.</b> The Department of Insurance shall use no appropriated funds in support of the National Association of Insurance Commissioners (NAIC) in the absence of NAIC accreditation of the Department of Insurance for compliance with NAIC Financial Regulation Standards. The prohibition would be effective immediately upon loss of accreditation. The only exceptions to this prohibition shall be limited to expenditures necessary for (1) continued departmental use of the NAIC database for monitoring financial solvency of companies doing business in Texas; (2) solvency-related training; and (3) efforts to regain accreditation. The prohibition on using resources does not apply in the event that the commissioner voluntarily determines not to participate in the state insurance department accreditation program.</p> <p><i><a href="#">No updates</a></i></p>
5	VIII-20	<p><b>Liquidation Oversight and Title Examiner Full-Time-Equivalent Positions.</b> In addition to the "Number of Full-Time-Equivalents (FTE)" positions authorized above, an additional 40.0 FTE positions are authorized for each year of the <del>2024-25</del> <b>2026-2027</b> biennium to support liquidation oversight and title examiner activities. These positions are excluded from the FTE cap.</p> <p><i><a href="#">Updated fiscal years.</a></i></p>
6	VIII-20	<p><b>Appropriations Limited to Revenue Collections.</b> The application of special provisions limiting appropriations to revenue collections elsewhere in this Article shall be consistent with relevant statutory provisions governing the agency's assessment of tax rates and fees. As provided by the Texas Insurance Code and the Texas Labor Code, the commissioners shall take into account unexpended funds in the preceding year when adjusting rates of assessment necessary to pay all expenses of regulating insurance and conducting the operations of the State Fire Marshal's Office and the Office of Injured Employee Counsel during the succeeding year.</p> <p><i><a href="#">No updates</a></i></p>
7	VIII-20	<p><b>State Support for NCOIL Activities.</b> Funds appropriated above include funds from General Revenue-Dedicated Texas Department of Insurance Operating Fund 36 for payment of state dues for the National Council of Insurance Legislators.</p> <p><i><a href="#">No updates</a></i></p>

### 3.B. Rider Revisions and Additions Request

8	VIII-20	<p><b>Increase Consumer Choice.</b> Out of amounts appropriated above, the Department of Insurance shall contract with the Office of Public Insurance Counsel in the amount of \$191,670 each fiscal year from the GR Dedicated-Texas Department of Insurance Operating Fund Account No. 036 to provide consumers with insurance information to make informed decisions.</p> <p><i><a href="#">No updates</a></i></p>
9	VIII-21	<p><b>Appropriation of Unexpended Balances.</b> Any unexpended balances as of August 31, <del>2024</del><u>2026</u>, not to exceed 5 percent for any item of appropriation above unless otherwise granted by the provisions of Article IX, Section 14.05, are appropriated for the same purposes, in the same strategies, for the fiscal year beginning September 1, <del>2024</del><u>2026</u>.</p> <p><i><a href="#">Updated fiscal years</a></i></p>
10	VIII-21	<p><b>Subsequent Injury Fund.</b> Amounts appropriated above in Strategy D.1.3, Subsequent Injury Fund Administration, include an estimated \$8,875,692 in fiscal year <del>2024</del><u>2026</u> and \$8,875,692 in fiscal year <del>2025</del><u>2027</u> out of the GR Dedicated - Subsequent Injury Account No. 5101 for payment of liabilities pursuant to Labor Code, Chapter 403. In the event that actual liabilities exceed the estimated amounts, the Division of Workers' Compensation shall furnish information supporting the estimated additional liabilities to the Comptroller of Public Accounts. If the Comptroller finds that there are sufficient balances in the GR Dedicated - Subsequent Injury Account No. 5101 to support the payment of projected liabilities, a finding of fact to that effect shall be issued and a contingent appropriation shall be made available for the intended purposes.</p> <p><i><a href="#">Updated fiscal years</a></i></p>

### 3.B. Rider Revisions and Additions Request

<p style="text-align: center;">11</p>	<p style="text-align: center;">VIII-21</p>	<p><b>Three-Share Premium Assistance Programs.</b></p> <p>a. Amounts appropriated above to the Department of Insurance of <del>\$66,786</del> <u>67,682</u> in fiscal year <del>2024-2026</del> and <del>\$66,786</del> <u>67,682</u> in fiscal year <del>2025-2027</del> in Strategy B.4.1, Three-Share Programs, and 1.0 Full-Time Equivalents (FTE) position each fiscal year included above in the "Number of Full-Time Equivalents (FTE)" is for the purpose of awarding, through a competitive application process, grants to local government entities for the research, planning, development, and continuation of "three-share" premium assistance programs to increase access to private health care coverage for the uninsured, and providing technical assistance to grant recipients. The department shall consider the following factors in selecting recipients of grant funds:</p> <p style="margin-left: 40px;">(1) proposals to match grant awards with local funds;  (2) percentage of uninsureds in the applicable area;  (3) existing efforts in pursuing "three-share" premium assistance programs;  (4) and health care use and delivery factors affecting the area's health care infrastructure and capacity.</p> <p>b. In addition to amounts appropriated above, out of funds collected from regulated entities except for workers' compensation for fines, penalties, and sanctions (revenue object codes 3221 or 3222) and deposited to General Revenue, the Department of Insurance is appropriated, out of amounts collected in excess of those contained in the Comptroller's Biennial Revenue Estimate (estimated to be \$0), an amount not to exceed \$2,250,000 in each year of the biennium for the Three-Share Premium Assistance Programs. Any unexpended and unobligated balances of appropriations for the fiscal year ending August 31, <del>2023-2025</del>, (estimated to be \$0) are appropriated to the agency for the same purposes for the fiscal year beginning September 1, <del>2023-2025</del>. In addition, any unexpended and unobligated balances of appropriations for the fiscal year ending August 31, <del>2024-2026</del>, are appropriated to the department for the same purposes for the fiscal year beginning September 1, <del>2024-2026</del>.</p> <p>The department shall spend any unexpended and unobligated balances that are appropriated to it for the same purposes to the extent necessary to maintain the agency's approved enrollment levels for that biennium for each Three-Share Premium Assistance Program. The department shall report a summary of the grants awarded to local government entities to the Legislative Budget Board and the governor no later than January 1, <del>2025-2027</del>.</p> <p><i>Updated fiscal years. Updated salary in baseline request.</i></p>
<p style="text-align: center;">12</p>	<p style="text-align: center;">VIII-21</p>	<p><b>Division of Workers' Compensation Reporting Requirement.</b> The Division of Workers' Compensation shall include information collected about on-the-job injuries and occupational diseases, compliance with notice requirements regarding whether employers carry workers' compensation insurance from non-subscribing employers and administrative penalties levied against non-complying employers under the provisions of the Labor Code Section 411.032 and Texas Administrative Code, Title 28, Insurance Sections 110.103, 110.101, and 160.2 in its biennial report submitted to the Legislature.</p> <p><i>No updates</i></p>

### 3.B. Rider Revisions and Additions Request

13	VIII-21	<p><b>Amusement Ride Reporting Requirements.</b> The Department of Insurance shall request monthly a report of the amusement ride operators who apply for a sales tax license and a report of amusement ride operators paying sales tax from the Comptroller of Public Accounts. The department shall reconcile the reports with their records of registered amusement ride operators and investigate the need for registration of any operator not in their records. The department shall report biennially to the Legislature on: (1) efforts to bring all amusement ride operators into compliance; and (2) the result of those efforts.</p> <p><i>No updates</i></p>
14	VIII-22	<p><b>Appropriation: Agent and Adjuster Licensing Fee Collections.</b> In addition to amounts appropriated above, out of funds collected from agent and adjuster licensing fees (revenue object code 3210) deposited to General Revenue-Dedicated Texas Department of Insurance Operating Fund 36, the Department of Insurance is appropriated all amounts collected in excess of those contained in the <del>c</del>Comptroller's January <del>2023</del><u>2024</u> Biennial Revenue Estimate (estimated to be \$0) to Strategy A.1.1. Operations, Education, and Outreach.</p> <p>(a) Any unexpended and unobligated balances of appropriations, <u>not to exceed \$1,000,000</u>, for the fiscal year ending August 31, <del>2023</del><u>2025</u>, (<del>estimated to be \$0</del>) are appropriated to the department for the same purposes for the fiscal year beginning September 1, <del>2023</del><u>2025</u>. In addition, unexpended and unobligated balances of appropriations, <u>not to exceed \$1,000,000</u>, for the fiscal year ending August 31, <del>2024</del><u>2026</u>, are appropriated to the department for the same purposes for the fiscal year beginning September 1, <del>2024</del><u>2026</u>.</p> <p>(b) Notwithstanding Article IX, Section 14.01, Appropriation Transfers of this Act, <del>appropriations</del><u>the additional appropriations made by this rider</u> may not be transferred from Strategy A.1.1, Customer Operations, Education, and Outreach, to other strategies without prior written approval from the Legislative Budget Board.</p> <p><i>Updated fiscal years, updated language to limit the amount of funds agency is allowed to UB and request removing the transferability limitations on the regular appropriated funds in strategy A.1.1</i></p>

### 3.B. Rider Revisions and Additions Request

15	VIII-22	<p><del>Contingency Appropriation: State Regulatory Response.</del></p> <p><del>(a) Amounts appropriated above to the Department of Insurance not to exceed \$2,200,000 in General Revenue Dedicated Texas Department of Insurance Operating Fund 36 each year in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full Time Equivalents (FTE) positions each fiscal year included above in the "Number of Full Time Equivalents (FTE)" are contingent upon a finding of fact by the Commissioner of Insurance that additional resources are needed by the department due to:</del></p> <p><del>— (1) a significant change in insurance regulatory environment, demands for federal healthcare reform implementation, a weather related disaster in the State of Texas, a public health crisis, such as a pandemic, a fire that has been declared as a disaster situation in the State of Texas, and non weather related disasters.</del></p> <p><del>(b) None of the funds appropriated above in Strategy F.1.1, Contingency Regulatory Response, may be expended and none of the 40.0 Full Time Equivalents (FTE) positions each fiscal year included above in the "Number of Full Time Equivalents (FTE)" may be used by the department unless the Commissioner of Insurance files a finding of fact with the Governor and the Legislative Budget Board (LBB) and neither the Governor nor the LBB issues a written disapproval not later than:</del></p> <p><del>— (1) the 10th business day after the date the staff of the LBB concludes its review of the findings of fact and forwards those findings of fact along with the conclusions or comments of the LBB staff to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor; and</del></p> <p><del>— (2) the 10th business day after the receipt of the finding of fact by the Governor.</del></p> <p><del>(c) The appropriations above in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full Time Equivalents (FTE) positions each fiscal year included above in the "Number of Full Time Equivalents (FTE)" are also contingent upon the department maintaining a sufficient fund balance in General Revenue Dedicated Texas Department of Insurance Operating Fund 36 to cover these contingency appropriations and related employee benefits, and providing such information as may be deemed necessary by the Comptroller of Public Accounts to issue a finding of fact that the revenues are/will be available to fund the increased appropriations.</del></p> <p><del>(d) Funds appropriated above in Strategy F.1.1, Contingency Regulatory Response, and 40.0 Full Time Equivalents (FTE) positions each fiscal year included above in the "Number of Full Time Equivalents (FTE)" may only be used to address issues included in the finding of fact submitted to the Governor and the LBB pursuant to subsection (b) above, and apply only to the 2024-25 biennium unless otherwise appropriated. It is the intent of the Legislature that these funds not be included in base level funding requests for the 2026-27 biennium.</del></p> <p><del>(e) Notwithstanding transfer limits under Article IX, Section 14.01 of this Act, at the discretion of the department, amounts appropriated above may be transferred to another appropriation item in an amount not to exceed \$2,200,000 in General Revenue Dedicated Texas Department of Insurance Operating Fund 36 each year in Strategy F.1.1, Contingency Regulatory Response.</del></p> <p><i>The agency will request restoration of this rider via an exceptional item request.</i></p>
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### 3.B. Rider Revisions and Additions Request

16	VIII-23	<p>Captive Insurance Specialist. Amounts appropriated above to the Department of Insurance of \$150,000 in fiscal year <del>2025</del> <u>2026</u> and \$150,000 in fiscal year <del>2025</del><u>2027</u>, in General Revenue-Dedicated Texas Department of Insurance Operating Fund 36, in Strategy B.1.1, Industry Solvency Regulation, are for the purpose of retaining, through a competitive application process, a captive insurance specialist to support captive insurance oversight and related activities in the Texas captive insurance market.</p> <p><i><u>Updated fiscal years</u></i></p>
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## **4. EXCEPTIONAL ITEM REQUEST**

**4.A. Exceptional Item Request Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME: 10:04:56AM

Agency code: 454 Agency name: Department of Insurance

CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> Targeted Salary Increases <b>Item Priority:</b> 1 <b>IT Component:</b> No <b>Anticipated Out-year Costs:</b> No <b>Involve Contracts &gt; \$50,000:</b> No <b>Includes Funding for the Following Strategy or Strategies:</b>		
	02-02-01 Efficiently Regulate P&C Rates, Forms, And Programs		
	02-02-02 Efficiently Regulate L&H Rates, Forms, and Networks		
	02-03-01 Review Compliance and Bring Enforcement Actions as Needed		
	02-03-02 Investigate Insurance Fraud and Refer Violations for Prosecution		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	890,820	1,731,420
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$890,820</b>	<b>\$1,731,420</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	890,820	1,731,420
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$890,820</b>	<b>\$1,731,420</b>

**DESCRIPTION / JUSTIFICATION:**

Actuaries and attorneys are critical to effectively regulate the insurance landscape. Both positions face significant economic pressures from the labor market. The agency's need to attract and retain highly skilled professional staff to accomplish increasingly complex job duties has grown. The agency's salary levels significantly impact the performance of these areas. To remain competitive in recruiting new staff and retaining current staff, TDI is requesting salary increases for attorneys, actuaries, and support staff.

Attorneys in General Counsel, Fraud and Enforcement: The growth in the number of Texas licensees, complaints, fraud reports, and complexity of legislative implementation requires highly skilled professionals to address an array of issues. Most private sector and, increasingly, most state legal jobs pay higher salaries and a larger ratio of attorneys to casework. In the past few years, several attorneys entered private practice with almost 100% salary increases or left for other state agencies with significant (\$10,000-\$20,000 per year) salary increases. This results in TDI losing attorneys and few applicants to replace them. In 2023, the turnover rate for TDI attorneys was about 35%, higher than the 10.5% statewide average. During this time, it took over six months on average to fill vacant attorney positions.

Actuaries in Property & Casualty and Life & Health Divisions: TDI actuaries and support staff work on a high volume of detailed and complex rate filings that require more staff analysis, increased scrutiny, and time to review. This workload requires educated staff that are highly specialized professionals, which is hard to recruit at current salary levels. TDI continues to be at a competitive disadvantage with actuaries in the private sector, with salaries lagging by 37%. Hiring difficulties are reflected in the time it takes to fill a position. For the 2022-23 biennium, it took over six months to fill vacant positions in these divisions.

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**EXTERNAL/INTERNAL FACTORS:**

TDI's regulated market has grown substantially over the past 20 years.

Inflation has significantly increased the cost of living, especially in Austin where most TDI attorneys and actuaries work. Austin's cost of living is above the national average and is one of the highest in Texas. The median prices for homes in the Austin area has nearly doubled in the last 10 years.

There is a competitive disadvantage with private practice and other Texas state agencies. The agency continues to lose critical staff to the private sector and other state agencies. During the last several sessions other state agencies have requested exceptional items for salary increases for targeted classifications. While it can be difficult to compete with private sector salaries, the agency should offer competitive and comparable salaries to other state agencies.

**PCLS TRACKING KEY:**

**4.A. Exceptional Item Request Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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Agency code: 454 Agency name: Department of Insurance

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**Item Name:** DWC Targeted Salary Increases  
**Item Priority:** 2  
**IT Component:** No  
**Anticipated Out-year Costs:** No  
**Involve Contracts > \$50,000:** No  
**Includes Funding for the Following Strategy or Strategies:** 04-01-02 Resolve Indemnity, Medical Fee and Medical Necessity Disputes

**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	795,113	795,113
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>795,113</b>	<b>795,113</b>

**METHOD OF FINANCING:**

36	Dept Ins Operating Acct	795,113	795,113
<b>TOTAL, METHOD OF FINANCING</b>		<b>795,113</b>	<b>795,113</b>

**DESCRIPTION / JUSTIFICATION:**

DWC requests salary increases for our 33 administrative law judges (ALJ) to achieve parity with ALJs at other state agencies. Currently, DWC ALJs are paid 23.7% below the state median.

DWC ALJs oversee and make decisions on workers' compensation disputes involving benefit eligibility through a robust administrative process similar to typical court proceedings. This administrative process serves as an injured employee's day in court. Total costs for the biennium are \$1,590,226.

**EXTERNAL/INTERNAL FACTORS:**

External factors: The noteworthy variations in average compensation compared to other state agencies. The state average salary for ALJs is \$115,497. The average salary for DWC ALJs is \$91,313. This substantial difference (\$24,184) impacts DWC's recruitment and retention efforts within the Hearings section. As these positions become vacant it has become increasingly challenging to maintain our ALJ staff.

Internal factors: Currently, 18.75% of our ALJs are eligible for retirement, a figure that is projected to increase by 3% each year over the next three fiscal years. Compounding this issue, we have experienced an average turnover rate exceeding 15% over the last three fiscal years, with a significant spike to 24.24% turnover in FY'24.

These statistics underscore the urgent need for additional funding to halt the increasing trend in turnover and vacancies, as the level of customer service we provide to system participants in our hearings is dependent upon our ability to retain experienced and skilled administrative law judges.

**PCLS TRACKING KEY:**

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Agency code: 454                      Agency name: Department of Insurance

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**4.A. Exceptional Item Request Schedule**  
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Agency code: 454 Agency name: Department of Insurance

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**Item Name:** Insurance FTE Increases  
**Item Priority:** 3  
**IT Component:** Yes  
**Anticipated Out-year Costs:** Yes  
**Involve Contracts > \$50,000:** No  
**Includes Funding for the Following Strategy or Strategies:**

01-01-01	Provide Information To Consumers, Resolve Complaints, & License Agents
02-01-01	Analyze the Financial Condition of Insurers and Take Solvency Action
02-02-01	Efficiently Regulate P&C Rates, Forms, And Programs
02-03-01	Review Compliance and Bring Enforcement Actions as Needed
02-03-02	Investigate Insurance Fraud and Refer Violations for Prosecution
05-01-02	Information Resources

**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	5,909,761	5,909,761
1002	OTHER PERSONNEL COSTS	88,647	88,647
2005	TRAVEL	13,000	13,000
2009	OTHER OPERATING EXPENSE	200,328	90,825
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$6,211,736</b>	<b>\$6,102,233</b>

**METHOD OF FINANCING:**

36	Dept Ins Operating Acct	6,211,736	6,102,233
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$6,211,736</b>	<b>\$6,102,233</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

73.00	73.00
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**DESCRIPTION / JUSTIFICATION:**

This request is for an additional 73 FTEs for the 2026-27 biennium, distributed across these divisions:

Customer Operations: Ten Insurance Specialists to meet the key performance measure for resolving complaints in less than 40 days on average, which TDI hasn't been able to meet. This would reduce caseload from 135 to 100 cases per specialist. Another six FTEs are for Insurance Specialists to support the growth of license and renewal applications and active licenses managed.

Financial Regulation: Adding 12 Financial Examiner III positions and one Financial Examiner VII will reduce company-to-analyst ratio from 11:1 to 9:1 and enable more in-depth examinations.

Property and Casualty: Five Compliance Analyst I and four Actuary III positions to reduce individual workloads from 25 to 19 per analyst and 85 to 61 per actuary, leading to an estimated 4% increase in completed filings. Two Program Specialist VI and one Data Analyst III will provide technical assistance and analysis for timely and thorough reviews.

General Counsel: Six Attorney IV positions will ensure timely responses to the agency's growing legal demands for rulemaking, drafting orders, and interpreting complex legal

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issues under tight statutory deadlines.

Enforcement: One Attorney I, one Attorney II, and one Investigator III will increase capacity by 10%. This would more swiftly protect Texas customers through proactive and timely investigations and disciplinary actions.

Fraud: Six Sergeants, one Captain, one Criminal Intelligence Analyst I, and one Program Specialist III will enable the handling of 35% more fraud cases to protect consumers with timely investigations and disciplinary actions.

Information Technology: Three Data Analyst V, two Information Technology Business Analyst III, two Project Manager IV, three Systems Administrator V, two Systems Analyst V, and two Information Technology Support Specialist IV would be used for key areas of technology modernization .

**EXTERNAL/INTERNAL FACTORS:**

Insurance premiums and licenses have nearly doubled since 2014. The workload has increased without a coinciding increase in FTEs. Texas' population hovers around 30 million, up from 25 million in 2010. Texas is the nation's second largest insurance market and the seventh largest in the world. The number of TDI-issued insurance licensees has almost doubled in the last decade and insurance premiums now are nearly \$290 billion.

The surrounding regulatory landscape has also increased in size and complexity. TDI's resources for regulating, protecting, and ensuring a fair market haven't increased FTEs to support these factors. In addition, the hiring and retention of staff can be directly affected by the economic and labor conditions at the national and state levels. TDI has seen the following impact:

- Insurer solvency regulation is becoming more complex, requiring thorough assessments of insurance groups and identification of potential insolvency risks. Texas' current company-to-analyst ratio is 11:1, compared to 2:1 and 7:1 in the other largest U.S. insurance markets. This FTE request would improve Texas' ratio to 9:1.
- Stricter underwriting guidelines and increased rate filing complexity have created a review backlog for Property and Casualty staff that has hindered the ability to meet performance targets.
- The Enforcement Division brought in \$66 million in administrative penalties and returned almost \$650 million in restitution and rate refunds to Texas consumers in the last 10 years. Despite a decade of increasing case numbers, Enforcement staffing levels have remained unchanged.
- Insurance fraud reports have surged from 12,607 in FY 2017 to over 21,000 in FY 2024.
- Additional IT staff are needed to ensure modernization efforts for vital systems are successful and that the agency is aligned with DIR and legislative IT goals.

**PCLS TRACKING KEY:**

N/A

**DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:**

TDI has made significant progress towards modernizing IT infrastructure in recent years, but the pace of the modernization is not sufficient to ensure ongoing technical support for some agency systems. An investment in additional technology staff is needed in IT to accelerate the technology modernization efforts of the agency . These positions include: additional data analysts, information technology business analyst, project managers, systems administrators, systems analysts, and system support specialists.

Method of finance is TDI Operating Account Fund 36.

**IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?**

NEW

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**STATUS:**

Not started. TDI is increasing it's technology modernization efforts in the next biennium with several new projects. These projects include:

- Future legacy systems replacement projects - Replace COMPASS, insurance and agent network (ICAN), helpinsure, user developed applications, and eventual TXCOMP replacement.
- Hardware and software management- Upgrade operating systems and information security features on laptops and mobile devices.
- Public cloud solutions - Reduce number of servers in the Texas private cloud, remediate agency developed software for cloud deployment.
- Information security - Remediate code security vulnerabilities in agency developed and maintained software, various information security modernization efforts.
- Data management and reporting - Develop mature data management program, modernizing agency data reporting and analysis capabilities.

**OUTCOMES:**

Approval of this item will allow the agency to successfully accelerate its modernization efforts. The new employees will allow for implementation of the various projects that will better serve the agency's stakeholders. The result of these modernization efforts will also allow agency employees to provide an increased level of customer service to Texas citizens by using more current technologies.

**OUTPUTS:**

The output measures of this project are more modern and supportable systems for serving Texas citizens, better management of agency hardware and software, reduced maintenance and support of agency servers, increased information security of confidential data, and more modern data reporting and analysis capabilities for stakeholders.

**TYPE OF PROJECT**

Daily Operations

**ALTERNATIVE ANALYSIS**

The agency considered the use of contract services and contract employees for this project, but full time FTEs with ongoing business knowledge are the best choice for these positions. Full time employees are in the best position to ensure continuity of modernization efforts over the long term. Additionally, full time employees are in the best position to monitor the work of contract employees throughout the life cycle of these projects.

**ESTIMATED IT COST**

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$1,342,517	\$1,321,517	\$1,321,517	\$1,321,517	\$1,321,517	\$6,628,585

**FTE**

2024	2025	2026	2027	2028	2029	2030
0.0	0.0	14.0	14.0	14.0	14.0	14.0

**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Anticipated out-year costs include salaries and employee related costs.

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**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

2028	2029	2030
\$1,321,517	\$1,321,517	\$1,321,517

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**Item Name:** Schedule C for SFMO Investigators  
**Item Priority:** 4  
**IT Component:** No  
**Anticipated Out-year Costs:** No  
**Involve Contracts > \$50,000:** No  
**Includes Funding for the Following Strategy or Strategies:** 03-01-01 Investigate Arson, Conduct Safety Inspections, and Administer Lics

**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	831,926	831,926
1002	OTHER PERSONNEL COSTS	55,520	55,520
2009	OTHER OPERATING EXPENSE	8,320	8,320
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$895,766</b>	<b>\$895,766</b>

**METHOD OF FINANCING:**

36	Dept Ins Operating Acct	895,766	895,766
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$895,766</b>	<b>\$895,766</b>

**DESCRIPTION / JUSTIFICATION:**

Within the Texas Department of Insurance (TDI), there are two policing units – the State Fire Marshal’s Office (SFMO) and the Fraud Unit.

SFMO faces staffing challenges to recruit and retain law enforcement personnel within the current salary group. Investigators must be certified as peace officers by the Texas Commission on Law Enforcement; adhere to criminal investigation protocols; and enforce the Texas Penal Code, Texas Code of Criminal Procedure, and all other applicable statutes and regulations. Reclassifying these positions will align current job duties with those described for Schedule C employees.

The current salary classification makes it hard to recruit and retain qualified and talented staff. For fiscal year 2023, staff turnover for SFMO investigators was approximately 27%, significantly higher than the statewide average of 14%. This situation negatively impacts our investigative operations and ability to fulfill our mission. The requested classification is consistent with the law enforcement occupational category. Reclassifying these positions will align them with their duties as a sworn peace officer and will enhance our ability to recruit and retain skilled staff.

**EXTERNAL/INTERNAL FACTORS:**

Moving SFMO investigators to Salary Schedule C is necessary for proper classification and compensation. This would more closely align staff duties and salaries with those of other law enforcement agencies, including the TDI Fraud Unit.

**PCLS TRACKING KEY:**

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**Item Name:** DWC FTE Increases  
**Item Priority:** 5  
**IT Component:** Yes  
**Anticipated Out-year Costs:** Yes  
**Involve Contracts > \$50,000:** No  
**Includes Funding for the Following Strategy or Strategies:** 04-02-02 Provide Customer Assistance & Information Management

**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	530,956	530,956
1002	OTHER PERSONNEL COSTS	7,964	7,964
2009	OTHER OPERATING EXPENSE	14,100	5,100
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$553,020</b>	<b>\$544,020</b>

**METHOD OF FINANCING:**

36	Dept Ins Operating Acct	553,020	544,020
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$553,020</b>	<b>\$544,020</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

	6.00	6.00
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**DESCRIPTION / JUSTIFICATION:**

DWC requests six additional full-time employees (FTEs) for projects to replace DWC's legacy claims-management system, COMPASS, which was developed in the 1980's and has been in use since 1991. The agency's plan for replacing the system is broken into two phases.

Phase one is using current resources for projects to rewrite all non-dispute resolution processes to TXCOMP, DWC's web-based claim system.

Phase two involves building and maintaining a web-based dispute-resolution system. A system where injured employees, insurance carriers, attorneys, and health care providers will file disputes, schedule proceedings, exchange documents, and check the status of their dispute online. An investment in additional agency staff is needed to prepare for phase two of the COMPASS replacement plan and will be used for all future modernization projects. This request ensures that DWC can meet the accelerated modernization efforts and comply with Texas Government Code requirements and the Department of Information Resources 2024 – 2028 State Strategic Plan for Information Resources urging state agencies to accelerate modernization efforts, including replacement of legacy systems. Total costs for the biennium are \$1,061,921.

**EXTERNAL/INTERNAL FACTORS:**

Internal factors: By hiring additional FTEs dedicated to the dispute resolution project and allowing current resources to remain on phase one, DWC will have the resources needed to avoid unreasonable workload expectation on existing staff, avoid delays in modernization efforts, and ensures that DWC will have the resources with the expertise needed for future modernization projects.

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	<p>External factors: Beyond adhering to the Texas Government Code and DIR requirements, DWC's goal to provide a healthy Texas workers' compensation system for all participants is well-exemplified by this project. This modernization effort will allow DWC to fulfil statutory requirements in a more efficient cost-effective manner while providing real value to our customers.</p> <p><b>PCLS TRACKING KEY:</b> N/A</p> <p><b>DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:</b> The agency is increasing technology modernization efforts in the next biennium with several new projects. An investment in additional business process and technical staff is needed in DWC program areas to accelerate these efforts. DWC needs an additional data analyst, program specialists, a programmer, a systems analyst, and a technology business analyst to partner with IT to build systems that meet DWC's business needs.</p> <p><b>IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?</b> NEW</p> <p><b>STATUS:</b> Not started. The agency is increasing our technology modernization efforts in the next biennium with several new projects. These technology modernization projects include:</p> <ul style="list-style-type: none"><li>• Maintaining and upgrading statutorily-required data collection processes for workers' compensation claim and medical billing data with insurance carriers.</li><li>• Data management and reporting - Develop mature data management program, modernizing agency data reporting and analysis capabilities.</li><li>• Future legacy systems replacement projects - Replace COMPASS, user developed applications, and eventual TXCOMP replacement.</li><li>• Hardware and software management- Upgrade operating systems and information security features on laptops and mobile devices.</li></ul> <p><b>OUTCOMES:</b> Approval of this item will allow the agency to successfully accelerate its modernization efforts. The new employees will allow for implementation of the various projects that will better serve the agency's stakeholders. The result of these modernization efforts will also allow agency employees to provide an increased level of customer service to Texas citizens by using more current technologies.</p> <p><b>OUTPUTS:</b> The output measures of this project are more modern and supportable workers' compensation claim and medical data reporting systems, reliable and supportable systems for serving Texas workers' compensation system participants, more modern data reporting and analysis capabilities for the policymakers and external stakeholders, and better management of agency hardware and software.</p> <p><b>TYPE OF PROJECT</b> Daily Operations</p> <p><b>ALTERNATIVE ANALYSIS</b> The agency considered the use of contract services and contract employees for this project, but full time FTEs with ongoing business knowledge are the best choice for these positions. Full time employees are in the best position to ensure continuity of modernization efforts over the long term. Additionally, full time employees are in the best position to monitor the work of contract employees throughout the life cycle of these projects.</p>		

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<b>ESTIMATED IT COST</b>									
2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project		
\$0	\$0	\$553,020	\$544,020	\$544,020	\$544,020	\$544,020	\$2,729,100		
<b>SCALABILITY</b>									
2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project		
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
<b>FTE</b>									
2024	2025	2026	2027	2028	2029	2030			
0.0	0.0	6.0	6.0	6.0	6.0	6.0			

**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Anticipated out-year costs include salaries and employee related costs.

**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

2028	2029	2030
\$544,020	\$544,020	\$544,020

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CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> Vehicle Purchases - Ongoing Capital Budget <b>Item Priority:</b> 6 <b>IT Component:</b> No <b>Anticipated Out-year Costs:</b> No <b>Involve Contracts &gt; \$50,000:</b> No <b>Includes Funding for the Following Strategy or Strategies:</b> 02-03-02 Investigate Insurance Fraud and Refer Violations for Prosecution 03-01-01 Investigate Arson, Conduct Safety Inspections, and Administer Lics		

**OBJECTS OF EXPENSE:**

2002	FUELS AND LUBRICANTS	100,000	125,000
5000	CAPITAL EXPENDITURES	627,500	262,500
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$727,500</b>	<b>\$387,500</b>

**METHOD OF FINANCING:**

36	Dept Ins Operating Acct	727,500	387,500
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$727,500</b>	<b>\$387,500</b>

**DESCRIPTION / JUSTIFICATION:**

Within the Texas Department of Insurance (TDI), there are two policing units – the State Fire Marshal’s Office (SFMO) and the Fraud Unit.

The State of Texas Vehicle Fleet Management Plan recommends vehicles be replaced when they reach nine years of service or 100,000 miles, whichever comes first. Many of the vehicles are past the recommended replacement cycle in terms of age, mileage, or both. About 48% of the fleet has over 100,000 miles and 34% are nine years or older. Aging vehicles cost more for routine maintenance, and vehicles that exceed age and mileage recommendations can cost more to repair. This exceptional item would provide funding to replace five vehicles in each year of the biennium and ensure that the agency can continue to replace vehicles as they age and exceed mileage limitations.

TDI is also requesting 10 vehicles for the Fraud Unit as part of this exceptional item. Fraud Unit peace officers use rental vehicles to conduct their investigations. The current practice of renting vehicles results in lost productivity and delayed investigations because rental vehicles aren't always available. Reliance on rental vehicles also presents officer safety challenges and theft risks to agency issued property. Fraud Unit officers, recognized as experts in financial crime, are frequently asked to help in investigations with local, state, and federal entities. Reliance on rental cars limits their ability to respond quickly to investigation needs. Additionally, rental cars don't have secure storage for law enforcement equipment, such as weapons, ammunition, ballistic vests, and agency laptops.

**EXTERNAL/INTERNAL FACTORS:**

SFMO investigators are commissioned police officers that travel to all 254 Texas counties to investigate fire losses and violations of state, local, and federal laws and regulations. SFMO is also required by statute to investigate firefighter fatalities, and inspect state colleges, universities, and state-owned and state leased buildings for fire

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safety. SFMO staff are on the road daily, averaging 1,200 miles per month. A fleet of 50 vehicles has been critical to accomplish these functions. Replacing SFMO vehicles would ensure staff can safely travel and respond to mission critical activities. This also allows the agency to establish a schedule, identify vehicles, and replace them in accordance with the recommendations made in the Fleet Management Plan.

Most law enforcement agencies in Texas assign vehicles to their peace officers. This request would bring the Fraud Unit into alignment with other similar law enforcement entities. Additionally, Texas Insurance Code 701.004 requires the Fraud Unit to develop fraud prevention educational programs. The unit created a Catastrophe Response Team (CRT) to educate the public on fraud avoidance after major disasters. CRT officers use unmarked rental cars, sometimes with out-of-state plates, and are sometimes mistaken for looters or unscrupulous contractors.

During the last two vehicle procurements, TDI has experienced significant delays with vehicle purchases and delivery. TDI is currently researching a lease option for vehicle procurement. Other factors that influence this decision are the projected reduction in maintenance costs and fuel by having a fleet that is more efficient and reliable.

**PCLS TRACKING KEY:**

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**Item Name:** SFMO Operational Needs  
**Item Priority:** 7  
**IT Component:** No  
**Anticipated Out-year Costs:** No  
**Involve Contracts > \$50,000:** No  
**Includes Funding for the Following Strategy or Strategies:** 03-01-01 Investigate Arson, Conduct Safety Inspections, and Administer Lics

**OBJECTS OF EXPENSE:**

2003	CONSUMABLE SUPPLIES	54,000	54,000
2005	TRAVEL	132,000	132,000
2009	OTHER OPERATING EXPENSE	691,700	111,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$877,700</b>	<b>\$297,000</b>

**METHOD OF FINANCING:**

36	Dept Ins Operating Acct	877,700	297,000
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$877,700</b>	<b>\$297,000</b>

**DESCRIPTION / JUSTIFICATION:**

The State Fire Marshal's Office (SFMO) uses a variety of equipment to safely and effectively accomplish statutorily required duties. This includes radios, tasers, ballistic vests, drones, gas monitors, and cameras. The average life expectancy of this equipment is about 4 to 5 years. Regular use of this equipment has brought these to the end of their estimated life expectancy, and they will soon become unreliable and obsolete. Technology is also impacting equipment. Advances in technology and software in drones, cameras, and radios are rapidly evolving and require updates to remain operational. These items will not be supported to allow software updates in the next biennium.

This request will increase the amount of funding necessary to complete the statutory requirements of conducting SFMO's mission. Each investigator and inspector works in multiple counties consisting of 100s of miles of territory. Staff are often required to travel and stay multiple nights during fire/arson investigations or inspections. More travel is also required for training and adhering to best practices in fire investigations, licensing investigations, and fire inspections.

This exceptional item would fund a variety of operational and equipment needs, including radios and network subscription fees, travel expenses, and tasers. If this doesn't happen, the staff's ability to safely and effectively conduct their duties would be jeopardized.

**EXTERNAL/INTERNAL FACTORS:**

The age and continued use of essential equipment have brought these items to the end of their useful life.

The cost of lodging and meals for field staff has gone up over the years. SFMO is experiencing higher travel, food, and lodging costs because of the economic market.

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The National Fire Protection Association (NFPA) 1321, Standard for Fire Investigation Units, will be increasing the requirements for technical and administrative reviews and instituting a progressive training program. This will increase SFMO travel and training responsibilities.

**PCLS TRACKING KEY:**

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CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> Software Modernization <b>Item Priority:</b> 8 <b>IT Component:</b> Yes <b>Anticipated Out-year Costs:</b> Yes <b>Involve Contracts &gt; \$50,000:</b> Yes <b>Includes Funding for the Following Strategy or Strategies:</b> 05-01-02 Information Resources		

**OBJECTS OF EXPENSE:**

2001	PROFESSIONAL FEES AND SERVICES	800,000	0
2009	OTHER OPERATING EXPENSE	800,000	850,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,600,000</b>	<b>\$850,000</b>

**METHOD OF FINANCING:**

36	Dept Ins Operating Acct	1,600,000	850,000
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,600,000</b>	<b>\$850,000</b>

**DESCRIPTION / JUSTIFICATION:**

The Texas Department of Insurance (TDI) is requesting funding for the implementation of four software as a service (SaaS) products and ongoing costs for network adequacy software, as described below:

- Network adequacy software to allow staff to verify that health care networks meet statutory time and distance standards for travel between an enrollee and a provider’s office.
- Data management software for the agency’s statutorily required data management program.
- Data collection system for routine and required data calls from external entities.
- Enterprise-wide online learning management system for employees.
- Upgraded data analytics software for the Division of Workers’ Compensation (DWC).

Approval of this item will allow the agency to implement software products, including project planning, data migration services, configuration, and training.

Without more funding and successful implementation:

- TDI won’t be able to maintain the network adequacy software that allows agency staff to verify data from preferred provider benefit plans (PPBPs) to make sure they meet statute. This will negatively impact TDI’s ability to timely certify and recertify these health care networks and negatively impact PPBPs, health care providers, and network enrollees.
- The agency’s implementation of a mature data management program, as required by statute, won’t be possible.
- TDI won’t be able to offer industry an error-free and efficient process to submit information for statutorily required data calls. This will weaken the agency’s ability to regulate the insurance market in Texas.

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	<ul style="list-style-type: none"><li>•The agency won't be able to migrate course completion data and won't have a single repository for training and professional development training.</li><li>•DWC won't be able to modernize its data reporting and analysis techniques. This will result in diminished reporting and research services to system participants and the Legislature.</li></ul>		

**EXTERNAL/INTERNAL FACTORS:**

Network adequacy - the agency needs a software solution that allows PPBPs to upload network adequacy filing data and provide data analytics for each network adequacy filing demonstrating the plan network's compliance and deficiencies.

Data management software - the agency needs a data management software system to catalog, categorize, and perform other data management tasks on the hundreds of databases maintained by the agency. The use of a vendor in this project to configure the software, assist with connecting the software to agency databases, and document the configurations.

Data collection system - the agency is procuring a new software as a solution (SaaS) product that can be used by program areas to create and maintain external forms with data entry rules and edits for small to medium data calls. TDI prefers a professional services vendor to assist with configuring the system and offer training on the new software. The vendor will also document the technical changes made to implement the data call software.

Enterprise-wide online learning management system - the agency needs a software as a solution (SaaS) product to standardize training delivery. TDI prefers a professional services vendor to assist with configuring the system, provide training on the new software, migrate existing training modules, migrate course completion data, and assist staff with creating new training modules. The vendor will also document the technical changes made to implement the software.

Data analytics software - identify a Software as a Solution (SaaS) product that offers more advanced data analysis capabilities to analyze workers' compensation data and conduct business operations for DWC and OIEC. DWC and OIEC prefer a vendor to assist them with training on the new system, data migration, migration of applications that depend on the DWC and OIEC data warehouse housed on TDI servers and documenting the technical changes to TDI systems.

**PCLS TRACKING KEY:**

N/A

**DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:**

Network adequacy - the agency needs a software solution that allows them to upload network adequacy filing data and provide data analytics for each network adequacy filing demonstrating the plan network's compliance and deficiencies.

Data management software - the agency needs a data management software system to catalog, categorize, and perform other data management tasks on the hundreds of database maintained by the agency. The use of a vendor in this project to configure the software, assist with connecting the software to agency databases, and document the configurations.

Data collection system - the agency is procuring a new software as a solution (SaaS) product that can be used by program areas to create and maintain external forms with data entry rules and edits for small to medium data calls. TDI prefers a professional services vendor to assist with configuring the system and offer training on the new software. The vendor will also document the technical changes made to implement the data call software.

Enterprise-wide online learning management system - the agency needs a software as a solution (SaaS) product to standardize training delivery. TDI prefers a professional services vendor to assist with configuring the system, provide training on the new software, migrate existing training modules, migrate course completion data, and assist staff with creating new training modules. The vendor will also document the technical changes made to implement the software.

Data analytics software - identify a Software as a Solution (SaaS) product that offers more advanced data analysis capabilities to analyze workers' compensation data and conduct business operations for DWC and OIEC. DWC and OIEC prefer a vendor to assist them with training on the new system, data migration, migration of applications that depend on the DWC and OIEC data warehouse housed on TDI servers and documenting the technical changes to TDI systems.

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**IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?**

NEW

**STATUS:**

TDI is working to procure analysis software from a qualified vendor for network adequacy. All other projects have not started.

**OUTCOMES:**

Network adequacy - this project will allow agency life and health staff the ability to effectively regulate the adequacy of the network's services.

Data management software - the successful implementation of the new data management software. Properly configuring the software, making connectors to TDI data bases, implementing a reporting server, and training all users on effective use of the software will strengthen the agency's data management program.

Data collection system - the successful implementation of the data call software. Properly configuring the software and training users on effective use of the software will strengthen the agency's ability to perform data calls to regulated entities. Proper configuration and use of the software will allow agency staff to tailor data collection processes to the technological level of submitter. This will improve the quality of the data collected and reduce manual work by agency staff.

Enterprise-wide online learning management system - the successful implementation of the LMS. Properly configuring the software, training users on effective use of the software, and migrating data and will strengthen the agency's ability to offer high quality training to agency staff.

Data analytics software - the successful migration of DWC data to the new SaaS software and smooth transition of associated applications. This will allow TDI to decommission the servers at the state data center, which will decrease maintenance on these servers.

**OUTPUTS:**

Network adequacy - the project is the ability for life and health staff to efficiently analyze each health care network's adequacy information and issue timely network certification decisions.

Data management software - this project will allow the agency to catalog its data sets, create inventories of data base elements, and facilitate work between the agency data management officer and data owners. Successful implementation of the software will also allow the agency to automatically main data inventory over time through live connections to databases. These connections will automatically update the software with changes to data elements.

Data collection system - this project will be an increased number of data calls for the agency to conduct its regulatory duties. Successful implementation of the software also allows the agency to strengthen its overall data collection efforts and to get the maximum functionality out of the software.

Enterprise-wide online learning management system - this project will be an increased number of professional development opportunities for employees. Successful implementation of the software also allows the agency to strengthen its training efforts and to get the maximum functionality out of the software.

Data analytics software - this project will allow DWC and OIEC to continue with normal business operations at the same rate. The training staff will receive from a vendor will allow greater output of analysis and reporting products that serve DWC staff, the REG and workers' compensation system participants.

**TYPE OF PROJECT**

Data Management / Data Warehousing

**ALTERNATIVE ANALYSIS**

Network adequacy - TDI previously considered outsourcing the data collection and analysis of health care network information. The vendor selection process was not successful. Regulating and monitoring network adequacy is a legislative mandate.

Data management software - TDI considered the risks associated with implementing the new system without the professional services in this project. Opting for a professional services vendor rather than agency staff to deliver training materials and training sessions was the best alternative. The system will be used by many TDI employees with different levels of technical ability so highly specialized training is necessary for the success of the data management program and the project.

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Data collection system - TDI considered the risks associated with implementing the new system without the professional services in this project. Opting for a professional services vendor rather than agency staff to deliver training materials and training sessions was the best alternative.

Enterprise-wide online learning management system - TDI considered the risks associated with implementing the new system without the professional services in this project. Opting for a professional services vendor rather than agency staff to deliver training, migrate data and training modules and assist with developing new modules was the best alternative.

Data analytics software - DWC's decision to improve its data analytics program was an alternative to maintaining the current system. TDI considered the risks associated with implementing the new system without the professional services in this project. The agency decided the services were necessary to fill a gap in critical technical skills and information that TDI does not have.

**ESTIMATED IT COST**

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$250,000	\$1,600,000	\$850,000	\$875,500	\$875,500	\$875,500	\$5,076,500

**SCALABILITY**

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**FTE**

2024	2025	2026	2027	2028	2029	2030
0.0	0.0	0.0	0.0	0.0	0.0	0.0

**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Anticipated out-year costs include software as a service (cloud computing) or software licenses renewals.

**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

2028	2029	2030
\$875,500	\$875,500	\$875,500

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :** 100.00%

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**CONTRACT DESCRIPTION :**

Initial contracts would include IT services for configuration, data migration, and training for the new software along with software subscription or licenses. Ongoing contracts would include software services or software licenses renewals. TDI is working to procure software through the Data Center. However, some software may not be available to procure through the Data Center.

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CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> Texas Sure Modernization <b>Item Priority:</b> 9 <b>IT Component:</b> Yes <b>Anticipated Out-year Costs:</b> Yes <b>Involve Contracts &gt; \$50,000:</b> Yes <b>Includes Funding for the Following Strategy or Strategies:</b> 01-01-02 TexasSure Motor Vehicle Financial Responsibility Verification Program		

**OBJECTS OF EXPENSE:**

2001	PROFESSIONAL FEES AND SERVICES	1,000,000	1,000,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,000,000</b>	<b>\$1,000,000</b>

**METHOD OF FINANCING:**

161	TexasSure Fund	1,000,000	1,000,000
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,000,000</b>	<b>\$1,000,000</b>

**DESCRIPTION / JUSTIFICATION:**

The Texas Department of Insurance (TDI) is requesting additional funding to continue operations of the TexasSure system. TexasSure is the vehicle insurance verification system that allows law enforcement, justice and municipal courts, and county tax officials to confirm whether a vehicle in Texas has required personal automobile liability insurance coverage.

The Texas Transportation Code requires the agency to maintain the program and contract with a vendor for up to five years. The agency will issue a request for offers to move to a software as a service (SaaS) product for the program. TDI will need more funding to implement a SaaS. Approval of this item will allow TDI to pay for the transition to a new service and ongoing licensing costs.

Without more funding, TDI won't be able to update its system or provide the automobile liability insurance policy information to Texas Department of Public Safety, Texas Department of Motor Vehicles, local law enforcement, justice and municipal courts, and county tax officials. This will impact their ability to serve customers and enforce state laws.

**EXTERNAL/INTERNAL FACTORS:**

The TexasSure program is mandated by Texas Transportation Code 601, Subchapter N. State law requires TDI – in consultation with the Texas Department of Public Safety, Texas Department of Motor Vehicles, and Texas Department of Information Resources – to select a vendor to develop and maintain a program to reduce the number of uninsured motorists.

**PCLS TRACKING KEY:**

N/A

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**DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:**

The TexasSure program is mandated by Texas Transportation Code Chapter 601, Subchapter N, which requires TDI to select a vendor to develop and maintain a system that compares information about Texas registered vehicles and automobile liability insurance policy information to determine whether a particular vehicle has the required insurance coverage. The contract term may not exceed five years.

**IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?**

CURRENT

**STATUS:**

The program has been operational since 2008. Future legislative mandates and initiatives may require new development.

**OUTCOMES:**

The TexasSure program was fully implemented in October 2008. Since that time, the percent of vehicles not matched to a private passenger auto insurance policy has dropped from 24.28 percent on December 1, 2008, to 12.2 percent as of May 27, 2024.

**OUTPUTS:**

TexasSure helps Texans by reducing the number of uninsured vehicles. TDI estimates that law-abiding motorists pay almost \$1.9 billion in extra costs in insurance premiums every year to protect themselves against millions of drivers in Texas who do not have car insurance or who are underinsured.

**TYPE OF PROJECT**

Acquisition and Refresh of Hardware and Software

**ALTERNATIVE ANALYSIS**

TexasSure is a legislatively mandated project. The program must meet its statutory requirements.

**ESTIMATED IT COST**

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000

**SCALABILITY**

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**4.A. Exceptional Item Request Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME: 10:04:56AM

Agency code: 454 Agency name: Department of Insurance

CODE	DESCRIPTION						Excp 2026	Excp 2027
<b>FTE</b>								
		<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
		0.0	0.0	0.0	0.0	0.0	0.0	0.0

**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Anticipated out-year costs includes ongoing software licenses, maintenance, and support.

**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

	<b>2028</b>	<b>2029</b>	<b>2030</b>
	\$1,000,000	\$1,000,000	\$1,000,000

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :** 100.00%

**CONTRACT DESCRIPTION :**

TexasSure requires an ongoing contract to ensure system is available for end users.

**4.A. Exceptional Item Request Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME: 10:04:56AM

Agency code: 454 Agency name: Department of Insurance

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**Item Name:** Data Center  
**Item Priority:** 10  
**IT Component:** Yes  
**Anticipated Out-year Costs:** Yes  
**Involve Contracts > \$50,000:** Yes  
**Includes Funding for the Following Strategy or Strategies:** 05-01-02 Information Resources

**OBJECTS OF EXPENSE:**

2001	PROFESSIONAL FEES AND SERVICES	2,908,522	3,557,902
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,908,522</b>	<b>\$3,557,902</b>

**METHOD OF FINANCING:**

36	Dept Ins Operating Acct	2,908,522	3,557,902
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$2,908,522</b>	<b>\$3,557,902</b>

**DESCRIPTION / JUSTIFICATION:**

The Texas Department of Insurance (TDI) is requesting funding to support the agency’s information resources activities. Approval of this item will allow TDI to pay the ongoing license costs for software, replace equipment that is no longer supported, and maintain current contracted service levels with the data center.

TDI has worked with the Department of Information Resources (DIR) to estimate the additional needs above the current base appropriated level. Without additional funding, TDI will need to reduce the level of support and software as a service (SaaS) products the agency uses. This will negatively impact the agency’s ability to serve customers and regulate the insurance market and will impact productivity for agency staff. This could lead to delayed public response times and hinder the achievement of agency performance measures.

**EXTERNAL/INTERNAL FACTORS:**

The state’s Data Center Services (DCS) program allows state and local entities to outsource management of technology infrastructure services. While voluntary customers can partially participate, designated agencies like TDI are required to fully participate in the DCS program.

**PCLS TRACKING KEY:**

N/A

**DESCRIPTION OF IT COMPONENT INCLUDED IN EXCEPTIONAL ITEM:**

The Texas Department of Information Resources (DIR) provides Shared Technology Services to eligible customers with uninterrupted access to and security of data.

**IS THIS IT COMPONENT RELATED TO A NEW OR CURRENT PROJECT?**

CURRENT

**4.A. Exceptional Item Request Schedule**  
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DATE: 9/6/2024  
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Agency code: 454 Agency name: Department of Insurance

CODE	DESCRIPTION	Excp 2026	Excp 2027
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**STATUS:**

DIR contracts with multiple service component providers (SCPs) to deliver STS to customers, including:

1. Texas Private Cloud (TPC);
2. Public Cloud Manager (PCM);
3. Security Operations Services;
4. Mainframe;
5. Print, Mail, and Digitization;
6. Technology Solution Services (TSS);
7. Managed Security Services (MSS);
8. Texas.gov; and
9. Open Data Portal.

**OUTCOMES:**

DIR currently has three Outcome Measures associated with the STS program:

- Percent of monthly minimum service-level targets achieved for data center services (key performance measure.)
- Percent of customers Satisfied with Shared Technology Services (key performance measure.)
- Percentage of customers Satisfied with Shared Technology Services Contract Management (non-key performance measure.)

**OUTPUTS:**

DIR does not currently have enterprise-level Output Measures incorporated into the Agency Strategic Plan for the STS program. However, the Shared Technology Services contracts incorporate over 165 service levels. These service levels are tracked and reported monthly and form the basis for the key Outcome Measure noted above.

**TYPE OF PROJECT**

Data Center / Shared Technology Services

**ALTERNATIVE ANALYSIS**

Government Code Subchapter L. Statewide Technology Centers requires DIR to manage a statewide data center consolidation and statewide technology centers.

**ESTIMATED IT COST**

2024	2025	2026	2027	2028	2029	2030	Total Over Life of Project
\$0	\$0	\$3,085,328	\$3,381,186	\$3,381,186	\$3,381,186	\$3,381,186	\$16,609,982

**FTE**

2024	2025	2026	2027	2028	2029	2030
0.0	0.0	0.0	0.0	0.0	0.0	0.0

Agency code: 454

Agency name: Department of Insurance

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**DESCRIPTION OF ANTICIPATED OUT-YEAR COSTS :**

Data Center services are ongoing.

**ESTIMATED ANTICIPATED OUT-YEAR COSTS FOR ITEM:**

<u>2028</u>	<u>2029</u>	<u>2030</u>
\$3,381,186	\$3,381,186	\$3,381,186

**APPROXIMATE PERCENTAGE OF EXCEPTIONAL ITEM :** 100.00%

**CONTRACT DESCRIPTION :**

Ongoing data center services include multiple service component providers (SCPs) to deliver STS to customers, including:

1. Texas Private Cloud (TPC);
2. Public Cloud Manager (PCM);
3. Security Operations Services;
4. Mainframe;
5. Print, Mail, and Digitization;
6. Technology Solution Services (TSS);
7. Managed Security Services (MSS);
8. Texas.gov; and
9. Open Data Portal.

**4.A. Exceptional Item Request Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME: 10:04:56AM

Agency code: 454 Agency name: Department of Insurance

CODE	DESCRIPTION	Excp 2026	Excp 2027
	<b>Item Name:</b> Regulatory Response Rider <b>Item Priority:</b> 11 <b>IT Component:</b> No <b>Anticipated Out-year Costs:</b> No <b>Involve Contracts &gt; \$50,000:</b> No <b>Includes Funding for the Following Strategy or Strategies:</b> 06-01-01 Contingency Regulatory Response		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	2,000,000	2,000,000
2005	TRAVEL	200,000	200,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,200,000</b>	<b>\$2,200,000</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	2,200,000	2,200,000
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$2,200,000</b>	<b>\$2,200,000</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		40.00	40.00

**DESCRIPTION / JUSTIFICATION:**

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

TDI is requesting \$2,200,000 for FY 2024 from the TDI Operating Account Fund 36 and \$2,200,000 for FY 2025 from the TDI Operating Account Fund 36 and 40.0 Full-Time-Equivalents (FTEs). TDI is requesting the appropriations be restored to Strategy F.1.1, Contingency Regulatory Response.

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

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

**4.A. Exceptional Item Request Schedule**  
89th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
TIME: 10:04:56AM

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Agency code: 454                      Agency name: Department of Insurance

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CODE	DESCRIPTION	Excp 2026	Excp 2027
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**EXTERNAL/INTERNAL FACTORS:**

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

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

**PCLS TRACKING KEY:**

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b>		Targeted Salary Increases	
<b>Allocation to Strategy:</b>		2-2-1	Efficiently Regulate P&C Rates, Forms, And Programs
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	44,100	132,300
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$44,100</b>	<b>\$132,300</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	44,100	132,300
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$44,100</b>	<b>\$132,300</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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DATE: 9/6/2024  
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Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b>		Targeted Salary Increases	
<b>Allocation to Strategy:</b>		2-2-2 Efficiently Regulate L&H Rates, Forms, and Networks	
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	109,620	109,620
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$109,620</b>	<b>\$109,620</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	109,620	109,620
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$109,620</b>	<b>\$109,620</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Targeted Salary Increases			
<b>Allocation to Strategy:</b> 2-3-1 Review Compliance and Bring Enforcement Actions as Needed			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	642,600	1,319,400
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$642,600</b>	<b>\$1,319,400</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	642,600	1,319,400
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$642,600</b>	<b>\$1,319,400</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b>		Targeted Salary Increases	
<b>Allocation to Strategy:</b>		2-3-2 Investigate Insurance Fraud and Refer Violations for Prosecution	
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	94,500	170,100
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$94,500</b>	<b>\$170,100</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	94,500	170,100
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$94,500</b>	<b>\$170,100</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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DATE: 9/6/2024  
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Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> DWC Targeted Salary Increases			
<b>Allocation to Strategy:</b> 4-1-2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	795,113	795,113
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$795,113</b>	<b>\$795,113</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	795,113	795,113
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$795,113</b>	<b>\$795,113</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Insurance FTE Increases			
<b>Allocation to Strategy:</b> 1-1-1 Provide Information To Consumers, Resolve Complaints, & License Agei			
<b>EFFICIENCY MEASURES:</b>			
<u>1</u>	Average Response Time (in DAYS) to Complaints	7.47	7.47
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	903,552	903,552
1002	OTHER PERSONNEL COSTS	13,553	13,553
2009	OTHER OPERATING EXPENSE	37,601	13,601
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$954,706</b>	<b>\$930,706</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	954,706	930,706
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$954,706</b>	<b>\$930,706</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		16.0	16.0

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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DATE: 9/6/2024  
 TIME: 10:04:57AM

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b>			
	Insurance FTE Increases		
	<b>Allocation to Strategy:</b>		
	2-1-1      Analyze the Financial Condition of Insurers and Take Solvency Action		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	985,010	985,010
1002	OTHER PERSONNEL COSTS	14,775	14,775
2005	TRAVEL	13,000	13,000
2009	OTHER OPERATING EXPENSE	43,225	23,725
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,056,010</b>	<b>\$1,036,510</b>
<b>METHOD OF FINANCING:</b>			
	36 Dept Ins Operating Acct	1,056,010	1,036,510
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,056,010</b>	<b>\$1,036,510</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		13.0	13.0

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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DATE: 9/6/2024  
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Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b>			
	Insurance FTE Increases		
<b>Allocation to Strategy:</b>			
	2-2-1 Efficiently Regulate P&C Rates, Forms, And Programs		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	914,242	914,242
1002	OTHER PERSONNEL COSTS	13,714	13,714
2009	OTHER OPERATING EXPENSE	35,672	17,669
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$963,628</b>	<b>\$945,625</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	963,628	945,625
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$963,628</b>	<b>\$945,625</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		12.0	12.0

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Insurance FTE Increases			
<b>Allocation to Strategy:</b> 2-3-1 Review Compliance and Bring Enforcement Actions as Needed			
<b>STRATEGY IMPACT ON OUTCOME MEASURES:</b>			
	<u>1</u> Percent of Enforcement Cases Concluded with Action within 365 Days	0.00%	0.00%
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	959,905	959,905
1002	OTHER PERSONNEL COSTS	14,399	14,399
2009	OTHER OPERATING EXPENSE	29,779	16,279
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,004,083</b>	<b>\$990,583</b>
<b>METHOD OF FINANCING:</b>			
	36 Dept Ins Operating Acct	1,004,083	990,583
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,004,083</b>	<b>\$990,583</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		9.0	9.0

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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DATE: 9/6/2024  
 TIME: 10:04:57AM

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Insurance FTE Increases			
<b>Allocation to Strategy:</b> 2-3-2 Investigate Insurance Fraud and Refer Violations for Prosecution			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	856,790	856,790
1002	OTHER PERSONNEL COSTS	12,852	12,852
2009	OTHER OPERATING EXPENSE	21,150	7,650
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$890,792</b>	<b>\$877,292</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	890,792	877,292
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$890,792</b>	<b>\$877,292</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		9.0	9.0

**4.B. Exceptional Items Strategy Allocation Schedule**  
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DATE: 9/6/2024  
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Agency code: **454** Agency name: **Department of Insurance**

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b>		Insurance FTE Increases	
<b>Allocation to Strategy:</b>		5-1-2	Information Resources
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	1,290,262	1,290,262
1002	OTHER PERSONNEL COSTS	19,354	19,354
2009	OTHER OPERATING EXPENSE	32,901	11,901
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,342,517</b>	<b>\$1,321,517</b>
<b>METHOD OF FINANCING:</b>			
36 Dept Ins Operating Acct		1,342,517	1,321,517
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,342,517</b>	<b>\$1,321,517</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		14.0	14.0

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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DATE: 9/6/2024  
 TIME: 10:04:57AM

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Schedule C for SFMO Investigators			
<b>Allocation to Strategy:</b> 3-1-1 Investigate Arson, Conduct Safety Inspections, and Administer Lics			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	831,926	831,926
1002	OTHER PERSONNEL COSTS	55,520	55,520
2009	OTHER OPERATING EXPENSE	8,320	8,320
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$895,766</b>	<b>\$895,766</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	895,766	895,766
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$895,766</b>	<b>\$895,766</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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DATE: 9/6/2024  
 TIME: 10:04:57AM

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b>			
	DWC FTE Increases		
<b>Allocation to Strategy:</b>			
	4-2-2 Provide Customer Assistance & Information Management		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	530,956	530,956
1002	OTHER PERSONNEL COSTS	7,964	7,964
2009	OTHER OPERATING EXPENSE	14,100	5,100
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$553,020</b>	<b>\$544,020</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	553,020	544,020
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$553,020</b>	<b>\$544,020</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		6.0	6.0

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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DATE: 9/6/2024  
 TIME: 10:04:57AM

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Vehicle Purchases - Ongoing Capital Budget			
<b>Allocation to Strategy:</b> 2-3-2 Investigate Insurance Fraud and Refer Violations for Prosecution			
<b>OBJECTS OF EXPENSE:</b>			
2002	FUELS AND LUBRICANTS	100,000	125,000
5000	CAPITAL EXPENDITURES	365,000	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$465,000</b>	<b>\$125,000</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	465,000	125,000
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$465,000</b>	<b>\$125,000</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Vehicle Purchases - Ongoing Capital Budget			
<b>Allocation to Strategy:</b> 3-1-1 Investigate Arson, Conduct Safety Inspections, and Administer Lics			
<b>OBJECTS OF EXPENSE:</b>			
5000	CAPITAL EXPENDITURES	262,500	262,500
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$262,500</b>	<b>\$262,500</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	262,500	262,500
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$262,500</b>	<b>\$262,500</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME: 10:04:57AM

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> SFMO Operational Needs			
<b>Allocation to Strategy:</b> 3-1-1 Investigate Arson, Conduct Safety Inspections, and Administer Lics			
<b>OBJECTS OF EXPENSE:</b>			
2003	CONSUMABLE SUPPLIES	54,000	54,000
2005	TRAVEL	132,000	132,000
2009	OTHER OPERATING EXPENSE	691,700	111,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$877,700</b>	<b>\$297,000</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	877,700	297,000
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$877,700</b>	<b>\$297,000</b>

**4.B. Exceptional Items Strategy Allocation Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME: 10:04:57AM

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Software Modernization			
<b>Allocation to Strategy:</b> 5-1-2 Information Resources			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	800,000	0
2009	OTHER OPERATING EXPENSE	800,000	850,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,600,000</b>	<b>\$850,000</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	1,600,000	850,000
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,600,000</b>	<b>\$850,000</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Texas Sure Modernization			
<b>Allocation to Strategy:</b> 1-1-2 TexasSure Motor Vehicle Financial Responsibility Verification Program			
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	1,000,000	1,000,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,000,000</b>	<b>\$1,000,000</b>
<b>METHOD OF FINANCING:</b>			
161	TexasSure Fund	1,000,000	1,000,000
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,000,000</b>	<b>\$1,000,000</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b>	Data Center		
<b>Allocation to Strategy:</b>	5-1-2 Information Resources		
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	2,908,522	3,557,902
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,908,522</b>	<b>\$3,557,902</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	2,908,522	3,557,902
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$2,908,522</b>	<b>\$3,557,902</b>

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

Code	Description	Excp 2026	Excp 2027
<b>Item Name:</b> Regulatory Response Rider			
<b>Allocation to Strategy:</b> 6-1-1 Contingency Regulatory Response			
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	2,000,000	2,000,000
2005	TRAVEL	200,000	200,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$2,200,000</b>	<b>\$2,200,000</b>
<b>METHOD OF FINANCING:</b>			
36	Dept Ins Operating Acct	2,200,000	2,200,000
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$2,200,000</b>	<b>\$2,200,000</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		40.0	40.0

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 9/6/2024  
**TIME:** 10:04:57AM

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

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers

OBJECTIVE: 1 High-Quality Information and Services to stakeholders

Service Categories:

STRATEGY: 1 Provide Information To Consumers, Resolve Complaints, & License Agents

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

<b>CODE DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	903,552	903,552
1002 OTHER PERSONNEL COSTS	13,553	13,553
2009 OTHER OPERATING EXPENSE	37,601	13,601
<b>Total, Objects of Expense</b>	<b>\$954,706</b>	<b>\$930,706</b>

**METHOD OF FINANCING:**

36 Dept Ins Operating Acct	954,706	930,706
<b>Total, Method of Finance</b>	<b>\$954,706</b>	<b>\$930,706</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

16.0	16.0
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Insurance FTE Increases

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 9/6/2024  
**TIME:** 10:04:57AM

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

GOAL: 1 Protect and Ensure the Fair Treatment of Consumers

OBJECTIVE: 1 High-Quality Information and Services to stakeholders

Service Categories:

STRATEGY: 2 TexasSure Motor Vehicle Financial Responsibility Verification Program

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

<b>CODE DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	1,000,000	1,000,000
<b>Total, Objects of Expense</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>

**METHOD OF FINANCING:**

161 TexasSure Fund	1,000,000	1,000,000
<b>Total, Method of Finance</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Texas Sure Modernization

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 9/6/2024  
**TIME:** 10:04:57AM

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

GOAL: 2 A Competitive and Stable Insurance Market

OBJECTIVE: 1 Regulate Insurance Industry Solvency

Service Categories:

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

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

<b>CODE DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	985,010	985,010
1002 OTHER PERSONNEL COSTS	14,775	14,775
2005 TRAVEL	13,000	13,000
2009 OTHER OPERATING EXPENSE	43,225	23,725
<b>Total, Objects of Expense</b>	<b>\$1,056,010</b>	<b>\$1,036,510</b>

**METHOD OF FINANCING:**

36 Dept Ins Operating Acct	1,056,010	1,036,510
<b>Total, Method of Finance</b>	<b>\$1,056,010</b>	<b>\$1,036,510</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

13.0	13.0
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Insurance FTE Increases

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 9/6/2024  
**TIME:** 10:04:57AM

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

GOAL: 2 A Competitive and Stable Insurance Market

OBJECTIVE: 2 Efficiently Regulate P&C/L&H Rates, Forms, Programs, And Networks

Service Categories:

STRATEGY: 1 Efficiently Regulate P&C Rates, Forms, And Programs

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

<b>CODE DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	958,342	1,046,542
1002 OTHER PERSONNEL COSTS	13,714	13,714
2009 OTHER OPERATING EXPENSE	35,672	17,669
<b>Total, Objects of Expense</b>	<b>\$1,007,728</b>	<b>\$1,077,925</b>

**METHOD OF FINANCING:**

36 Dept Ins Operating Acct	1,007,728	1,077,925
<b>Total, Method of Finance</b>	<b>\$1,007,728</b>	<b>\$1,077,925</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

	12.0	12.0
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Targeted Salary Increases

Insurance FTE Increases

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 9/6/2024  
**TIME:** 10:04:57AM

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

GOAL: 2 A Competitive and Stable Insurance Market

OBJECTIVE: 2 Efficiently Regulate P&C/L&H Rates, Forms, Programs, And Networks

Service Categories:

STRATEGY: 2 Efficiently Regulate L&H Rates, Forms, and Networks

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	109,620	109,620
<b>Total, Objects of Expense</b>	<b>\$109,620</b>	<b>\$109,620</b>

**METHOD OF FINANCING:**

36 Dept Ins Operating Acct	109,620	109,620
<b>Total, Method of Finance</b>	<b>\$109,620</b>	<b>\$109,620</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Targeted Salary Increases

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 9/6/2024  
**TIME:** 10:04:57AM

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

GOAL: 2 A Competitive and Stable Insurance Market

OBJECTIVE: 3 Compliance with Statutes and Rules

STRATEGY: 1 Review Compliance and Bring Enforcement Actions as Needed

Service Categories:

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	1,602,505	2,279,305
1002 OTHER PERSONNEL COSTS	14,399	14,399
2009 OTHER OPERATING EXPENSE	29,779	16,279
<b>Total, Objects of Expense</b>	<b>\$1,646,683</b>	<b>\$2,309,983</b>

**METHOD OF FINANCING:**

36 Dept Ins Operating Acct	1,646,683	2,309,983
<b>Total, Method of Finance</b>	<b>\$1,646,683</b>	<b>\$2,309,983</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

9.0	9.0
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Targeted Salary Increases

Insurance FTE Increases

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 9/6/2024  
**TIME:** 10:04:57AM

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

GOAL: 2 A Competitive and Stable Insurance Market

OBJECTIVE: 3 Compliance with Statutes and Rules

STRATEGY: 2 Investigate Insurance Fraud and Refer Violations for Prosecution

Service Categories:

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
<b>OBJECTS OF EXPENSE:</b>		
1001 SALARIES AND WAGES	951,290	1,026,890
1002 OTHER PERSONNEL COSTS	12,852	12,852
2002 FUELS AND LUBRICANTS	100,000	125,000
2009 OTHER OPERATING EXPENSE	21,150	7,650
5000 CAPITAL EXPENDITURES	365,000	0
<b>Total, Objects of Expense</b>	<b>\$1,450,292</b>	<b>\$1,172,392</b>

**METHOD OF FINANCING:**

36 Dept Ins Operating Acct

1,450,292 1,172,392

**Total, Method of Finance**

**\$1,450,292 \$1,172,392**

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

9.0 9.0

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Targeted Salary Increases

Insurance FTE Increases

Vehicle Purchases - Ongoing Capital Budget

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 9/6/2024  
**TIME:** 10:04:57AM

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

GOAL: 3 Reduce Loss of Life & Property Due to Fire

OBJECTIVE: 1 Protect the Public from Loss of Life and Property due to fire

Service Categories:

STRATEGY: 1 Investigate Arson, Conduct Safety Inspections, and Administer Lies

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	831,926	831,926
1002 OTHER PERSONNEL COSTS	55,520	55,520
2003 CONSUMABLE SUPPLIES	54,000	54,000
2005 TRAVEL	132,000	132,000
2009 OTHER OPERATING EXPENSE	700,020	119,320
5000 CAPITAL EXPENDITURES	262,500	262,500
<b>Total, Objects of Expense</b>	<b>\$2,035,966</b>	<b>\$1,455,266</b>

**METHOD OF FINANCING:**

36 Dept Ins Operating Acct	2,035,966	1,455,266
<b>Total, Method of Finance</b>	<b>\$2,035,966</b>	<b>\$1,455,266</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Schedule C for SFMO Investigators

Vehicle Purchases - Ongoing Capital Budget

SFMO Operational Needs

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 9/6/2024  
**TIME:** 10:04:57AM

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

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System

OBJECTIVE: 1 Ensure Appropriate Delivery of Workers' Compensation Benefits

STRATEGY: 2 Resolve Indemnity, Medical Fee and Medical Necessity Disputes

Service Categories:

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

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	795,113	795,113
	<b>Total, Objects of Expense</b>	<b>\$795,113</b>	<b>\$795,113</b>

**METHOD OF FINANCING:**

36	Dept Ins Operating Acct	795,113	795,113
	<b>Total, Method of Finance</b>	<b>\$795,113</b>	<b>\$795,113</b>

**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

DWC Targeted Salary Increases

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 9/6/2024  
**TIME:** 10:04:57AM

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

GOAL: 4 Effectively Regulate the Texas Workers' Compensation System

OBJECTIVE: 2 Ensure Workers' Comp System Participants are Educated and Informed

STRATEGY: 2 Provide Customer Assistance & Information Management

Service Categories:

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	530,956	530,956
1002 OTHER PERSONNEL COSTS	7,964	7,964
2009 OTHER OPERATING EXPENSE	14,100	5,100
<b>Total, Objects of Expense</b>	<b>\$553,020</b>	<b>\$544,020</b>

**METHOD OF FINANCING:**

36 Dept Ins Operating Acct	553,020	544,020
<b>Total, Method of Finance</b>	<b>\$553,020</b>	<b>\$544,020</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

6.0	6.0
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

DWC FTE Increases

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 9/6/2024  
**TIME:** 10:04:57AM

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

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

Service Categories:

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

<b>CODE DESCRIPTION</b>	<b>Excp 2026</b>	<b>Excp 2027</b>
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**OBJECTS OF EXPENSE:**

1001 SALARIES AND WAGES	1,290,262	1,290,262
1002 OTHER PERSONNEL COSTS	19,354	19,354
2001 PROFESSIONAL FEES AND SERVICES	3,708,522	3,557,902
2009 OTHER OPERATING EXPENSE	832,901	861,901
<b>Total, Objects of Expense</b>	<b>\$5,851,039</b>	<b>\$5,729,419</b>

**METHOD OF FINANCING:**

36 Dept Ins Operating Acct	5,851,039	5,729,419
<b>Total, Method of Finance</b>	<b>\$5,851,039</b>	<b>\$5,729,419</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

14.0	14.0
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Insurance FTE Increases  
 Software Modernization  
 Data Center

**4.C. Exceptional Items Strategy Request**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 9/6/2024  
**TIME:** 10:04:57AM

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

GOAL: 6 Regulatory Response

OBJECTIVE: 1 Regulatory Response

STRATEGY: 1 Contingency Regulatory Response

Service Categories:

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

<b>CODE DESCRIPTION</b>	<b>Exp 2026</b>	<b>Exp 2027</b>
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**OBJECTS OF EXPENSE:**

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

**METHOD OF FINANCING:**

36 Dept Ins Operating Acct	2,200,000	2,200,000
<b>Total, Method of Finance</b>	<b>\$2,200,000</b>	<b>\$2,200,000</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

40.0	40.0
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**EXCEPTIONAL ITEM(S) INCLUDED IN STRATEGY:**

Regulatory Response Rider

## **5. CAPITAL BUDGET**

**5.A. Capital Budget Project Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/6/2024**  
 TIME : **10:04:58AM**

Agency code: **454**

Agency name: **Department of Insurance**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2024**

**Bud 2025**

**BL 2026**

**BL 2027**

**5005 Acquisition of Information Resource Technologies**

*2/2 Support for Document Management System*

**OBJECTS OF EXPENSE**

Capital

General	2009	OTHER OPERATING EXPENSE		\$328,402	\$338,253	\$348,254	\$358,855	
Capital Subtotal OOE, Project				2	\$328,402	\$338,253	\$348,254	\$358,855
Subtotal OOE, Project				2	<b>\$328,402</b>	<b>\$338,253</b>	<b>\$348,254</b>	<b>\$358,855</b>

**TYPE OF FINANCING**

Capital

General	CA	36	Dept Ins Operating Acct	\$328,402	\$338,253	\$348,254	\$358,855	
Capital Subtotal TOF, Project				2	\$328,402	\$338,253	\$348,254	\$358,855
Subtotal TOF, Project				2	<b>\$328,402</b>	<b>\$338,253</b>	<b>\$348,254</b>	<b>\$358,855</b>

*3/3 PC Replacement*

**OBJECTS OF EXPENSE**

Capital

General	2009	OTHER OPERATING EXPENSE		\$817,175	\$542,700	\$600,880	\$600,880	
Capital Subtotal OOE, Project				3	\$817,175	\$542,700	\$600,880	\$600,880
Subtotal OOE, Project				3	<b>\$817,175</b>	<b>\$542,700</b>	<b>\$600,880</b>	<b>\$600,880</b>

**TYPE OF FINANCING**

Capital

General	CA	36	Dept Ins Operating Acct	\$817,175	\$542,700	\$600,880	\$600,880	
Capital Subtotal TOF, Project				3	\$817,175	\$542,700	\$600,880	\$600,880

**5.A. Capital Budget Project Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME : 10:04:58AM

Agency code: **454**

Agency name: **Department of Insurance**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

<b>OOE / TOF / MOF CODE</b>		<b>Est 2024</b>	<b>Bud 2025</b>	<b>BL 2026</b>	<b>BL 2027</b>
Subtotal TOF, Project 3		<b>\$817,175</b>	<b>\$542,700</b>	<b>\$600,880</b>	<b>\$600,880</b>
<i>4/4 Texassure Vehicle Insurance Verification</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	2001 PROFESSIONAL FEES AND SERVICES	\$1,603,308	\$4,393,752	\$4,393,752	\$4,393,752
General	2004 UTILITIES	\$5,000	\$5,000	\$5,000	\$5,000
General	2007 RENT - MACHINE AND OTHER	\$395,222	\$0	\$0	\$0
General	2009 OTHER OPERATING EXPENSE	\$411,519	\$675,000	\$675,000	\$675,000
General	5000 CAPITAL EXPENDITURES	\$658,703	\$2,000,000	\$0	\$0
Capital Subtotal OOE, Project 4		\$3,073,752	\$7,073,752	\$5,073,752	\$5,073,752
Subtotal OOE, Project 4		<b>\$3,073,752</b>	<b>\$7,073,752</b>	<b>\$5,073,752</b>	<b>\$5,073,752</b>
<b>TYPE OF FINANCING</b>					
<u>Capital</u>					
General	CA 161 TexasSure Fund	\$3,073,752	\$7,073,752	\$5,073,752	\$5,073,752
Capital Subtotal TOF, Project 4		\$3,073,752	\$7,073,752	\$5,073,752	\$5,073,752
Subtotal TOF, Project 4		<b>\$3,073,752</b>	<b>\$7,073,752</b>	<b>\$5,073,752</b>	<b>\$5,073,752</b>
<i>5/5 Obsolescence Hardware and Software Replacement and Network Security</i>					
<b>OBJECTS OF EXPENSE</b>					
<u>Capital</u>					
General	2009 OTHER OPERATING EXPENSE	\$150,000	\$150,000	\$0	\$0
Capital Subtotal OOE, Project 5		\$150,000	\$150,000	\$0	\$0
Subtotal OOE, Project 5		<b>\$150,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>

**5.A. Capital Budget Project Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/6/2024**  
 TIME : **10:04:58AM**

Agency code: **454**

Agency name: **Department of Insurance**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2024**

**Bud 2025**

**BL 2026**

**BL 2027**

**TYPE OF FINANCING**

Capital

General	CA	36	Dept Ins Operating Acct		\$150,000	\$150,000	\$0	\$0
			Capital Subtotal TOF, Project	5	\$150,000	\$150,000	\$0	\$0
			Subtotal TOF, Project	5	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$0</b>	<b>\$0</b>
			Capital Subtotal, Category	5005	\$4,369,329	\$8,104,705	\$6,022,886	\$6,033,487
			Informational Subtotal, Category	5005				
			<b>Total, Category</b>	<b>5005</b>	<b>\$4,369,329</b>	<b>\$8,104,705</b>	<b>\$6,022,886</b>	<b>\$6,033,487</b>

**7000 Data Center/Shared Technology Services**

*1/1 Data Center Consolidation*

**OBJECTS OF EXPENSE**

Capital

General	2001		PROFESSIONAL FEES AND SERVICES		\$8,821,271	\$9,174,703	\$8,997,987	\$8,997,987
			Capital Subtotal OOE, Project	1	\$8,821,271	\$9,174,703	\$8,997,987	\$8,997,987
			Subtotal OOE, Project	1	<b>\$8,821,271</b>	<b>\$9,174,703</b>	<b>\$8,997,987</b>	<b>\$8,997,987</b>

**TYPE OF FINANCING**

Capital

General	CA	36	Dept Ins Operating Acct		\$8,821,271	\$9,174,703	\$8,997,987	\$8,997,987
			Capital Subtotal TOF, Project	1	\$8,821,271	\$9,174,703	\$8,997,987	\$8,997,987
			Subtotal TOF, Project	1	<b>\$8,821,271</b>	<b>\$9,174,703</b>	<b>\$8,997,987</b>	<b>\$8,997,987</b>

**5.A. Capital Budget Project Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **9/6/2024**  
 TIME : **10:04:58AM**

Agency code: **454**

Agency name: **Department of Insurance**

**Category Code / Category Name**

*Project Sequence/Project Id/ Name*

**OOE / TOF / MOF CODE**

**Est 2024**

**Bud 2025**

**BL 2026**

**BL 2027**

Capital Subtotal, Category 7000  
 Informational Subtotal, Category 7000

**Total, Category 7000**

\$8,821,271

\$9,174,703

\$8,997,987

\$8,997,987

**\$8,821,271**

**\$9,174,703**

**\$8,997,987**

**\$8,997,987**

**AGENCY TOTAL -CAPITAL**

**\$13,190,600**

**\$17,279,408**

**\$15,020,873**

**\$15,031,474**

**AGENCY TOTAL -INFORMATIONAL**

**AGENCY TOTAL**

**\$13,190,600**

**\$17,279,408**

**\$15,020,873**

**\$15,031,474**

**METHOD OF FINANCING:**

Capital

General 36 Dept Ins Operating Acct  
 General 161 TexasSure Fund

\$10,116,848

\$10,205,656

\$9,947,121

\$9,957,722

\$3,073,752

\$7,073,752

\$5,073,752

\$5,073,752

Total, Method of Financing-Capital

\$13,190,600

\$17,279,408

\$15,020,873

\$15,031,474

**Total, Method of Financing**

**\$13,190,600**

**\$17,279,408**

**\$15,020,873**

**\$15,031,474**

**TYPE OF FINANCING:**

Capital

General CA CURRENT APPROPRIATIONS

\$13,190,600

\$17,279,408

\$15,020,873

\$15,031,474

Total, Type of Financing-Capital

\$13,190,600

\$17,279,408

\$15,020,873

\$15,031,474

**Total, Type of Financing**

**\$13,190,600**

**\$17,279,408**

**\$15,020,873**

**\$15,031,474**

**5.B. Capital Budget Project Information**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME: 10:04:58AM

Agency Code:	<b>454</b>	Agency name:	<b>Department of Insurance</b>
Category Number:	<b>7000</b>	Category Name:	<b>Data Center/Shared Technology Svcs</b>
Project number:	<b>1</b>	Project Name:	<b>Data Center Consolidation</b>

**PROJECT DESCRIPTION**

**General Information**

In accordance with, HB 1516, 79th Leg. Regular Session; TDI, is one of the 89 state agencies, universities and local governments participating in the data center services.

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

**PLCS Tracking Key**

**Number of Units / Average Unit Cost** 0  
**Estimated Completion Date** Ongoing

**Additional Capital Expenditure Amounts Required**

	<b>2028</b>	<b>2029</b>
	0	0
<b>Type of Financing</b>	CA	CURRENT APPROPRIATIONS
<b>Projected Useful Life</b>	0	
<b>Estimated/Actual Project Cost</b>	\$0	
<b>Length of Financing/ Lease Period</b>	0	

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>Total over project life</b>
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

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

**Explanation:** The Data Center Services contract provides TDI, as a participating agency, data center (server operations), data management, cloud and shared services, disaster recovery, and bulk print and mail services.

**Project Location:** Austin & San Angelo Data Center, or the Texas State Data Center government cloud.

**Beneficiaries:** TDI & OIEC staff and stakeholders

**Frequency of Use and External Factors Affecting Use:**

Daily

**5.B. Capital Budget Project Information**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME: 10:04:58AM

Agency Code:	<b>454</b>	Agency name:	<b>Department of Insurance</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>2</b>	Project Name:	<b>Document Management System</b>

**PROJECT DESCRIPTION**

**General Information**

The document management project replaces an obsolete imaging and workflow application with an enterprise system. Moving to this solution will enhance the integrity of the information the agency is required to maintain. This solution also ensures that the changing business needs are met through business process workflows.

**PLCS Tracking Key**

**Number of Units / Average Unit Cost** 0  
**Estimated Completion Date** Ongoing

**Additional Capital Expenditure Amounts Required**

<b>2028</b>	<b>2029</b>
0	0

**Type of Financing** CA CURRENT APPROPRIATIONS  
**Projected Useful Life** 0  
**Estimated/Actual Project Cost** \$0  
**Length of Financing/ Lease Period** N/A

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>Total over project life</b>
	0	0	0	0	0

**REVENUE GENERATION / COST SAVINGS**

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

**Explanation:** TDI has a business need to secure an enterprise-wide document management solution which includes electronic imaging and workflow functionality. This less paper intensive environment will improve efficiencies, increase data integrity of stored documents, replace paper forms and improve customer service.

**Project Location:** Austin & San Angelo Data Center, or the Texas State Data Center government cloud.

**Beneficiaries:** TDI & OIEC staff and other Stakeholders

**Frequency of Use and External Factors Affecting Use:**

Daily

**5.B. Capital Budget Project Information**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME: 10:04:58AM

Agency Code:	<b>454</b>	Agency name:	<b>Department of Insurance</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>3</b>	Project Name:	<b>PC Replacement</b>

**PROJECT DESCRIPTION**

**General Information**

TDI will continue to follow the agency obsolescence plan to maintain desktop and laptop computers that are under warranty. To employ a more mobile staff, TDI shifted all new computer purchases to laptops during the 2020-21 biennium.

**PLCS Tracking Key**

**Number of Units / Average Unit Cost** 0  
**Estimated Completion Date** Ongoing

**Additional Capital Expenditure Amounts Required**

		<b>2028</b>	<b>2029</b>
		0	0
<b>Type of Financing</b>	CA	CURRENT APPROPRIATIONS	
<b>Projected Useful Life</b>	0		
<b>Estimated/Actual Project Cost</b>	\$0		
<b>Length of Financing/ Lease Period</b>	0		

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>Total over project life</b>
	0	0	0	0	0

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

**Explanation:** Information Technology Services monitors agency technology and resources for performance and evaluates the feasibility of improvements within resource constraints. Upgrading computers regularly, through a scheduled plan of obsolescence, enables staff to perform their increasingly automated jobs more efficiently.

The percentage of agency computers under warranty indicates the number of the replacements for obsolete personal computing equipment needed annually.

**Project Location:** TDI & OIEC headquarters and field offices.

**Beneficiaries:** TDI and OIEC staff and stakeholders.

**Frequency of Use and External Factors Affecting Use:**

Daily

**5.B. Capital Budget Project Information**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 9/6/2024  
 TIME: 10:04:58AM

Agency Code:	<b>454</b>	Agency name:	<b>Department of Insurance</b>
Category Number:	<b>5005</b>	Category Name:	<b>ACQUISITN INFO RES TECH.</b>
Project number:	<b>4</b>	Project Name:	<b>Texassure Vehicle Ins Verification</b>

**PROJECT DESCRIPTION**

**General Information**

TexasSure is the vehicle insurance verification system that allows law enforcement and county tax officials to confirm whether a vehicle in Texas has required personal auto liability insurance coverage

**PLCS Tracking Key**

**Number of Units / Average Unit Cost** 0  
**Estimated Completion Date** Ongoing

**Additional Capital Expenditure Amounts Required**

<b>2028</b>	<b>2029</b>
0	0

**Type of Financing** CA CURRENT APPROPRIATIONS  
**Projected Useful Life** 0  
**Estimated/Actual Project Cost** \$0  
**Length of Financing/ Lease Period** 0

**ESTIMATED/ACTUAL DEBT OBLIGATION PAYMENTS**

	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>Total over project life</b>
	0	0	0	0	0

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

**Explanation:** The TexasSure program is mandated by Texas Transportation Code Chapter 601, Subchapter N, which requires TDI, in consultation with the departments of Public Safety, Motor Vehicles, and Information Resources to select a vendor to develop and maintain a program to reduce the number of uninsured motorists. The contract term may not exceed five years.

**Project Location:** Austin & San Angelo Data Center, with eventual migration to Texas State Data Center government cloud.

**Beneficiaries:** TDI staff, Law Enforcement and other Stakeholders

**Frequency of Use and External Factors Affecting Use:**

Daily

## **6. SUPPORTING SCHEDULES**

**6.A. Historically Underutilized Business Supporting Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 9/6/2024  
 Time: 10:04:59AM

Agency Code: 454 Agency: Department of Insurance

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

**A. Fiscal Year - HUB Expenditure Information**

Statewide HUB Goals	Procurement Category	% Goal	HUB Expenditures FY 2022			Total Expenditures FY 2022		HUB Expenditures FY 2023			Total Expenditures FY 2023	
			% Actual	Diff	Actual \$	% Goal	% Actual	Diff	Actual \$	FY 2023		
11.2%	Heavy Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
21.1%	Building Construction	0.0 %	0.0%	0.0%	\$0	\$0	0.0 %	0.0%	0.0%	\$0	\$0	
32.9%	Special Trade	0.0 %	0.0%	0.0%	\$0	\$8,869	0.0 %	0.0%	0.0%	\$0	\$0	
23.7%	Professional Services	0.0 %	0.0%	0.0%	\$0	\$127,150	0.0 %	0.0%	0.0%	\$0	\$254,870	
26.0%	Other Services	0.0 %	28.6%	28.6%	\$2,610,795	\$9,113,269	0.0 %	31.1%	31.1%	\$2,301,996	\$7,394,931	
21.1%	Commodities	0.0 %	12.0%	12.0%	\$479,139	\$3,985,367	0.0 %	12.8%	12.8%	\$680,572	\$5,335,626	
	<b>Total Expenditures</b>		<b>23.3%</b>		<b>\$3,089,934</b>	<b>\$13,234,655</b>		<b>23.0%</b>		<b>\$2,982,568</b>	<b>\$12,985,427</b>	

**B. Assessment of Attainment of HUB Procurement Goals**

**Attainment:**

The agency increased HUB expenditures overall from 2022 to 2023 and exceeded its HUB procurement goal for Other Services and Commodities in FY 2023.

**Applicability:**

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

**Factors Affecting Attainment:**

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

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

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

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Agency Code: 454 Agency: Department of Insurance

### C. Good-Faith Efforts to Increase HUB Participation

#### Outreach Efforts and Mentor-Protégé Programs:

"TDI made the following good faith efforts in FY 2023 and FY 2024:

- participated in several HUB forums sponsored by organizations, businesses, and governmental entities to locate businesses that would provide goods and services for the agency;
- attended quarterly HUB Discussion Workgroup meetings;
- ensured that contract specifications, terms, and conditions reflected the agency's actual requirements, were clearly stated, and did not impose unreasonable or unnecessary contract requirements;
- prepared and distributed information on procurement procedures in a manner that encouraged participation in agency contracts by all businesses;
- in accordance with Section 2161.252 of the Texas Government Code, required respondents to solicitations with an expected value over \$100,000 to complete and submit a HUB subcontracting Plan when subcontracting opportunities were identified; and
- requested and encouraged respondents to solicitations with an expected value under \$100,000 to complete and submit a HUB Subcontracting Plan when subcontracting opportunities were identified."

#### HUB Program Staffing:

TDI has three FTEs dedicated to increasing the participation of HUBs:

- Procurement Director - Agency HUB Coordinator
- Contract Administration Manager – Assistant HUB Coordinator
- Contract Compliance Specialist – Assistant HUB Coordinator

These FTEs host and attend local and statewide events to encourage HUB participation in state procurement activities including:

- Attending three economic opportunity forums in 2022 and three in 2023
- Hosting a training/meet & greet event in 2022
- Attending two training/meet & greets in 2022 and two in 2023

#### Current and Future Good-Faith Efforts:

TDI made the following good faith efforts in FY 2023:

- participated in several HUB forums sponsored by organizations, businesses, and governmental entities to locate businesses that would provide goods and services for the agency;
- attended quarterly HUB Discussion Group meetings;
- ensured that contract specifications, terms, and conditions reflected the agency's actual requirements, were clearly stated, and did not impose unreasonable or unnecessary contract requirements;
- prepared and distributed information on procurement procedures in a manner that encouraged participation in agency contracts by all businesses;
- in accordance with Section 2161.252 of the Texas Government Code, required respondents to solicitations with an expected value over \$100,000 to complete and submit a HUB Subcontracting Plan when subcontracting opportunities were identified; and
- requested and encouraged respondents to solicitations with an expected value under \$100,000 to complete and submit a HUB Subcontracting Plan, when subcontracting opportunities were identified.

**6.B. Current Biennium Onetime Expenditure Schedule  
Summary of Onetime Expenditures**

<b>Agency Code:</b> 454	<b>Agency Name:</b> Texas Department of Insurance	<b>Prepared By:</b> Amy Maddox	<b>Date:</b> August 23, 2024
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<b>Projects</b>	<b>Estimated 2024</b>	<b>Budgeted 2025</b>	<b>Requested 2026</b>	<b>Requested 2027</b>
Network Adequacy	\$0	\$250,000	\$0	\$0
<b>Total, All Projects</b>	\$0	\$250,000	\$0	\$0

**6.B. Current Biennium Onetime Expenditure Schedule  
Strategy Allocation from 2024-25 Biennium to 2026-27 Biennium**

<b>Agency Code:</b> 454	<b>Agency Name:</b> Texas Department of Insurance	<b>Prepared By:</b> Amy Maddox	<b>Date:</b> August 23, 2024
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<b>2024-25</b> <b>PROJECT:</b> Network Adequacy <b>ALLOCATION TO STRATEGY:</b> E.1.2	<b>2026-27</b> <b>PROJECT:</b> Network Adequacy <b>ALLOCATION TO STRATEGY:</b> E.1.2
--	--

Strategy Code	OOE/MOF Code	Strategy Allocation	Estimated 2024	Budgeted 2025	Requested 2026	Requested 2027
<b>Object of Expense:</b>						
E.1.2.	2001	Professional Fees and Services		\$250,000	\$0	\$0
<b>Total, Object of Expense</b>			\$0	\$250,000	\$0	\$0
<b>Method of Financing:</b>						
E.1.2.	0036	Texas Department of Insurance Operating Fund		\$250,000	\$0	\$0
<b>Total, Method of Financing</b>			\$0	\$250,000	\$0	\$0

**Project Description for the 2024-25 Biennium:**  
Technology modernization efforts include one-time costs for Network Adequacy. Funding was requested in an RTE for 2024, permission for one-time funding in the RTE was received late in 2024, and there was insufficient time to complete the project. The project was moved to 2025.

**Project Description and Allocation Purpose for the 2026-27 Biennium:**  
TDI has submitted an exceptional item request for continued funding of ongoing expenses.

**6.C. Federal Funds Supporting Schedule**  
 89th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

9/6/2024 10:04:59AM

		<b>454 Department of Insurance</b>				
CFDA/ALN NUMBER/ STRATEGY		<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>BL 2026</b>	<b>BL 2027</b>
<b>17.005.001</b>	OSHA BUREAU OF LABOR STATISTICS					
4 - 2 - 1	HEALTH AND SAFETY SERVICES	225,335	231,011	231,011	258,021	258,021
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$225,335</b>	<b>\$231,011</b>	<b>\$231,011</b>	<b>\$258,021</b>	<b>\$258,021</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$225,335</b>	<b>\$231,011</b>	<b>\$231,011</b>	<b>\$258,021</b>	<b>\$258,021</b>
	<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>17.504.001</b>	OSHA Consultation Agreements					
4 - 2 - 1	HEALTH AND SAFETY SERVICES	2,030,458	2,080,419	2,080,419	2,098,307	2,098,307
	<b>TOTAL, ALL STRATEGIES</b>	<b>\$2,030,458</b>	<b>\$2,080,419</b>	<b>\$2,080,419</b>	<b>\$2,098,307</b>	<b>\$2,098,307</b>
	<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	0	0	0	0	0
	<b>TOTAL, FEDERAL FUNDS</b>	<b>\$2,030,458</b>	<b>\$2,080,419</b>	<b>\$2,080,419</b>	<b>\$2,098,307</b>	<b>\$2,098,307</b>
	<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

		<b>454 Department of Insurance</b>				
<b>CFDA/ALN NUMBER/ STRATEGY</b>		<b>Exp 2023</b>	<b>Est 2024</b>	<b>Bud 2025</b>	<b>BL 2026</b>	<b>BL 2027</b>
 <b><u>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</u></b>						
17.005.001	OSHA BUREAU OF LABOR STATISTICS	225,335	231,011	231,011	258,021	258,021
17.504.001	OSHA Consultation Agreements	2,030,458	2,080,419	2,080,419	2,098,307	2,098,307
<b>TOTAL, ALL STRATEGIES</b>		\$2,255,793	\$2,311,430	\$2,311,430	\$2,356,328	\$2,356,328
<b>TOTAL, ADDL FED FUNDS FOR EMPL BENEFITS</b>		0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>		<b>\$2,255,793</b>	<b>\$2,311,430</b>	<b>\$2,311,430</b>	<b>\$2,356,328</b>	<b>\$2,356,328</b>
<b>TOTAL, ADDL GR FOR EMPL BENEFITS</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**SUMMARY OF SPECIAL CONCERNS/ISSUES**

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**Assumptions and Methodology:**

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**Potential Loss:**

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**6.E. Estimated Revenue Collections Supporting Schedule**  
89th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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

<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
<b><u>1</u> General Revenue Fund</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3175 Professional Fees	60,740	65,639	60,500	60,500	60,500
3206 Insurance Companies Fees	85,385	81,194	82,005	82,824	83,652
3210 Insurance Agents Licenses	969,016	1,566,460	1,114,280	1,114,280	1,114,280
3221 Unauthorized Insurance Penalty	82,781,341	72,369,519	73,505,656	73,505,656	73,505,656
3222 Ins Penalty Lieu of Suspension	6,761,206	5,627,250	6,195,166	6,195,166	6,195,166
3557 Health Care Facilities Fees	64,930	34,304	34,647	34,993	35,343
3727 Fees - Administrative Services	266,179	250,000	261,966	261,966	261,966
3733 Workers Compensation Penalties	2,978,330	2,159,602	2,194,791	2,216,739	2,238,906
3750 Sale of Furniture & Equipment	136	0	0	0	0
3775 Returned Check Fees	60	270	0	0	0
3839 Sale of Motor Vehicle/Boat/Aircraft	14,967	0	0	0	0
3852 Interest on Local Deposits-St Agy	212	705	0	0	0
Subtotal: Actual/Estimated Revenue	93,982,502	82,154,943	83,449,011	83,472,124	83,495,469
<b>Total Available</b>	<b>\$93,982,502</b>	<b>\$82,154,943</b>	<b>\$83,449,011</b>	<b>\$83,472,124</b>	<b>\$83,495,469</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(3,100)	(3,100)	(3,100)	(3,100)	(3,100)
Other (balances swept by Agency 902)	(93,979,402)	(82,151,843)	(83,445,911)	(83,469,024)	(83,492,369)
<b>Total, Deductions</b>	<b>\$(93,982,502)</b>	<b>\$(82,154,943)</b>	<b>\$(83,449,011)</b>	<b>\$(83,472,124)</b>	<b>\$(83,495,469)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

The Department assumes fee rates will remain the same. COBJ 3221 & 3733 estimates based on 36 month average revenue collections. COBJ 3210 & 3222 based on a combination of program area estimates and 36 month average revenue collections.

**6.E. Estimated Revenue Collections Supporting Schedule**  
89th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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

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<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
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**CONTACT PERSON:**

Karen Urban

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**6.E. Estimated Revenue Collections Supporting Schedule**  
89th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

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

<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
<b>36 Dept Ins Operating Acct</b>					
Beginning Balance (Unencumbered):	\$189,681,142	\$207,505,729	\$193,297,193	\$170,391,530	\$179,628,884
Estimated Revenue:					
3149 Amusement Ride Inspection	255,622	204,046	206,087	208,148	210,229
3175 Professional Fees	3,459,775	2,946,000	2,981,500	2,937,000	2,982,500
3203 Insurance Comp Maintenance Tax	100,529,624	95,395,552	100,165,329	116,155,662	116,813,637
3206 Insurance Companies Fees	1,311,079	1,730,626	1,840,927	1,856,537	1,872,302
3210 Insurance Agents Licenses	34,967,502	38,551,514	38,513,163	38,513,163	38,513,163
3212 Tx Work Comp Self - Ins Reg Fees	422,101	427,545	453,000	434,215	438,253
3213 Catastrophe Prop Ins Pool Fees	385	904	585	591	597
3215 Insurance Dept Fees - Misc	682,290	694,324	679,219	685,962	692,770
3216 Insurance Dept Exam/Audit Fees	4,905,123	6,292,875	5,368,000	5,422,000	5,476,000
3219 Workers Comp Comm-Ins Co Maint Tax	57,082,225	60,615,663	60,899,220	61,498,261	61,770,732
3220 W/C Res & Oversight CNCL/Maint Tax	799,592	548,674	679,629	675,965	676,105
3727 Fees - Administrative Services	62,000	151,366	151,000	151,000	151,000
Subtotal: Actual/Estimated Revenue	204,477,318	207,559,089	211,937,659	228,538,504	229,597,288
<b>Total Available</b>	<b>\$394,158,460</b>	<b>\$415,064,818</b>	<b>\$405,234,852</b>	<b>\$398,930,034</b>	<b>\$409,226,172</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(92,740,351)	(137,714,634)	(147,328,360)	(114,935,795)	(114,980,663)
Employee and retiree benefits	(43,295,835)	(32,273,872)	(32,380,805)	(49,675,067)	(49,786,464)
Transfer- Attorney General (302)	(3,850,877)	(3,902,077)	(4,397,653)	(4,397,653)	(4,397,653)
Transfer- Texas Facilities Commission (303)	(1,030,083)	(1,030,083)	(1,030,083)	(1,030,083)	(1,030,083)
Transfer- Department of Public Safety (405)	(346,534)	(233,048)	(285,392)	(285,428)	(285,464)
Transfer- Office of Injured Employee Counsel (448)	(10,380,450)	(10,995,822)	(11,674,709)	(11,227,717)	(11,687,995)
Transfer- Department of State Health Services (537)	(5,657,327)	(6,170,327)	(6,794,368)	(6,797,455)	(6,800,573)
Transfer- Texas A&M Forest Service (576)	(27,783,900)	(27,783,900)	(29,288,090)	(29,288,090)	(29,288,090)
Transfer- Texas Department of Transportation (601)	(730,218)	(730,218)	(730,218)	(730,218)	(730,218)
Transfer- Comptroller - State Fiscal (902)	(837,156)	(933,644)	(933,644)	(933,644)	(933,644)
<b>Total, Deductions</b>	<b>\$(186,652,731)</b>	<b>\$(221,767,625)</b>	<b>\$(234,843,322)</b>	<b>\$(219,301,150)</b>	<b>\$(219,920,847)</b>

**6.E. Estimated Revenue Collections Supporting Schedule**  
 89th Regular Session, Agency Submission, Version 1  
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Agency Code: **454** Agency name: **Department of Insurance**

<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
<b>Ending Fund/Account Balance</b>	<b>\$207,505,729</b>	<b>\$193,297,193</b>	<b>\$170,391,530</b>	<b>\$179,628,884</b>	<b>\$189,305,325</b>

**REVENUE ASSUMPTIONS:**

The Department assumes the appropriated funding level for agencies 302, 303, 454, 576, and 601 plus fringe benefits for object 3203 (maintenance taxes) for future years. The Department also included other funding requirements such as reimbursement of statewide allocated costs and costs associated with the Comptroller tax function. The Department takes into consideration estimated fund balances and combined revenues and deductions in fund account 0036. The Commissioner sets maintenance tax rates annually. The Department did not include \$3.05 million deducted by the Comptroller as required by chapter 252 of the Texas Insurance Code. The Department assumes there will not be changes to the current fee rate structure. COBJ 3210 is expected to peak in 2024 and estimated to flatten through 2027. Estimates for COBJ 3219 include a projection of 1% growth for the tax base for 2025-2027.

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

<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
<b><u>161</u> TexasSure Fund</b>					
Beginning Balance (Unencumbered):	\$2,102,747	\$0	\$2,493,520	\$0	\$0
Estimated Revenue:					
3014 Mtr Vehicle Registration Fees	369,243	5,073,752	5,073,752	5,073,752	5,073,752
Subtotal: Actual/Estimated Revenue	369,243	5,073,752	5,073,752	5,073,752	5,073,752
<b>Total Available</b>	<b>\$2,471,990</b>	<b>\$5,073,752</b>	<b>\$7,567,272</b>	<b>\$5,073,752</b>	<b>\$5,073,752</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(2,471,990)	(2,580,232)	(7,567,272)	(5,073,752)	(5,073,752)
<b>Total, Deductions</b>	<b>\$(2,471,990)</b>	<b>\$(2,580,232)</b>	<b>\$(7,567,272)</b>	<b>\$(5,073,752)</b>	<b>\$(5,073,752)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$2,493,520</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

\$1 motor vehicle registration fee up to the amount appropriated to the TexasSure fund (Transportation Code 502.357)

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<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
<b><u>329</u> Healthy TX Sm Emp Prem Stabil. Fund</b>					
Beginning Balance (Unencumbered):	\$47,908,466	\$47,915,380	\$47,915,426	\$47,915,426	\$47,915,426
Estimated Revenue:					
3795 Other Misc Government Revenue	6,914	46	0	0	0
Subtotal: Actual/Estimated Revenue	6,914	46	0	0	0
<b>Total Available</b>	<b>\$47,915,380</b>	<b>\$47,915,426</b>	<b>\$47,915,426</b>	<b>\$47,915,426</b>	<b>\$47,915,426</b>
<b>Ending Fund/Account Balance</b>	<b>\$47,915,380</b>	<b>\$47,915,426</b>	<b>\$47,915,426</b>	<b>\$47,915,426</b>	<b>\$47,915,426</b>

**REVENUE ASSUMPTIONS:**

The department assumes no revenue.

**CONTACT PERSON:**

Karen Urban

**6.E. Estimated Revenue Collections Supporting Schedule**  
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Agency Code: **454** Agency name: **Department of Insurance**

<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
<b>666 Appropriated Receipts</b>					
Beginning Balance (Unencumbered):	\$4,905,936	\$4,978,030	\$5,159,649	\$0	\$0
Estimated Revenue:					
3221 Unauthorized Insurance Penalty	2,250,000	2,250,000	0	0	0
3719 Fees/Copies or Filing of Records	24,765	37,490	0	0	0
3722 Conf, Semin, & Train Regis Fees	60,051	86,872	0	0	0
3802 Reimbursements-Third Party	4,778,559	4,323,239	4,528,406	4,570,580	4,613,175
3839 Sale of Motor Vehicle/Boat/Aircraft	4,989	0	0	0	0
3879 Credit Card and Related Fees	6,967	7,657	0	0	0
Subtotal: Actual/Estimated Revenue	7,125,331	6,705,258	4,528,406	4,570,580	4,613,175
<b>Total Available</b>	<b>\$12,031,267</b>	<b>\$11,683,288</b>	<b>\$9,688,055</b>	<b>\$4,570,580</b>	<b>\$4,613,175</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(3,526,509)	(2,589,461)	(5,514,833)	(192,902)	(192,902)
Art IX, Sec. 8.02- Title Examination and Liquidation Oversight (GAA)	(2,830,760)	(3,206,661)	(3,435,112)	(3,621,115)	(3,644,796)
Art IX, Sec. 8.10- Appropriation of Credit Card Fees (GAA)	(6,969)	(7,410)	0	0	0
Transfer - Employee Benefits (OASI, ERS, Insurance)	(688,999)	(720,107)	(738,110)	(756,563)	(775,477)
<b>Total, Deductions</b>	<b>\$(7,053,237)</b>	<b>\$(6,523,639)</b>	<b>\$(9,688,055)</b>	<b>\$(4,570,580)</b>	<b>\$(4,613,175)</b>
<b>Ending Fund/Account Balance</b>	<b>\$4,978,030</b>	<b>\$5,159,649</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

Assumes revenues will be collected to sustain current appropriated receipt funding levels. Estimated Liquidation and Title Allocated accounts revenue equal estimated disbursements including matching benefits.

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<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
<b><u>777</u> Interagency Contracts</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3765 Supplies/Equipment/Services	38,000	38,000	38,000	38,000	38,000
Subtotal: Actual/Estimated Revenue	38,000	38,000	38,000	38,000	38,000
<b>Total Available</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$38,000</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)
<b>Total, Deductions</b>	<b>\$(38,000)</b>	<b>\$(38,000)</b>	<b>\$(38,000)</b>	<b>\$(38,000)</b>	<b>\$(38,000)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

Contract with OIEC (agency 448) for internal audit services.

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

<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
<b>888 Earned Federal Funds</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3702 Fed Receipts-Earned Federal Funds	389,678	328,269	273,056	273,056	273,056
Subtotal: Actual/Estimated Revenue	389,678	328,269	273,056	273,056	273,056
<b>Total Available</b>	<b>\$389,678</b>	<b>\$328,269</b>	<b>\$273,056</b>	<b>\$273,056</b>	<b>\$273,056</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(224,406)	(273,056)	(273,056)	(273,056)	(273,056)
Art. IX, Sec. 13.11(g)- Benefits Proportional	(165,272)	(55,213)	0	0	0
<b>Total, Deductions</b>	<b>\$(389,678)</b>	<b>\$(328,269)</b>	<b>\$(273,056)</b>	<b>\$(273,056)</b>	<b>\$(273,056)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

The Department assumes an increase of appropriation funding in the 26-27 biennium and assumes recoveries are sufficient to fund proportional fringe benefits.

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<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
<b><u>5101</u> Subsequent Injury Fund</b>					
Beginning Balance (Unencumbered):	\$97,744,505	\$104,658,814	\$115,195,866	\$107,313,174	\$116,184,571
Estimated Revenue:					
3869 Workers'CompDeathBenefits to State	16,383,924	19,412,744	993,000	17,747,089	12,263,223
Subtotal: Actual/Estimated Revenue	16,383,924	19,412,744	993,000	17,747,089	12,263,223
<b>Total Available</b>	<b>\$114,128,429</b>	<b>\$124,071,558</b>	<b>\$116,188,866</b>	<b>\$125,060,263</b>	<b>\$128,447,794</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(9,469,615)	(8,875,692)	(8,875,692)	(8,875,692)	(8,875,692)
<b>Total, Deductions</b>	<b>\$(9,469,615)</b>	<b>\$(8,875,692)</b>	<b>\$(8,875,692)</b>	<b>\$(8,875,692)</b>	<b>\$(8,875,692)</b>
<b>Ending Fund/Account Balance</b>	<b>\$104,658,814</b>	<b>\$115,195,866</b>	<b>\$107,313,174</b>	<b>\$116,184,571</b>	<b>\$119,572,102</b>

**REVENUE ASSUMPTIONS:**

COBJ 3869 estimates are expected to retreat from 2024 peak to the 3-year average and then flatten through 2027.

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**6.E. Estimated Revenue Collections Supporting Schedule**  
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Agency Code: **454** Agency name: **Department of Insurance**

<b>FUND/ACCOUNT</b>	<b>Act 2023</b>	<b>Exp 2024</b>	<b>Est 2025</b>	<b>Est 2026</b>	<b>Est 2027</b>
<b><u>5138</u> Fire Prevention And Public Safety</b>					
Beginning Balance (Unencumbered):	\$49,153	\$49,153	\$49,153	\$49,153	\$49,153
Estimated Revenue:					
<b>Ending Fund/Account Balance</b>	<b>\$49,153</b>	<b>\$49,153</b>	<b>\$49,153</b>	<b>\$49,153</b>	<b>\$49,153</b>

**REVENUE ASSUMPTIONS:**

The Department assumes no revenue or deductions.

**CONTACT PERSON:**

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

<b>ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2026-27 GAA BILL PATTERN</b>	<b>\$</b>	<b>536,936,870</b>
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**Catastrophe Reserve Trust Fund (3204)**

Estimated Beginning Balance in FY 2024	\$	275,978,667
Estimated Revenues FY 2024	\$	180,341,908
Estimated Revenues FY 2025	\$	(182,929,025)
<b>FY 2024-25 Total</b>	<b>\$</b>	<b>273,391,550</b>
Estimated Beginning Balance in FY 2026	\$	273,391,550
Estimated Revenues FY 2026	\$	121,502,056
Estimated Revenues FY 2027	\$	142,043,264
<b>FY 2026-27 Total</b>	<b>\$</b>	<b>536,936,870</b>

**Constitutional or Statutory Creation and Use of Funds:**

The Texas Legislature established the Catastrophe Reserve Trust Fund (CRTF) in 1993. The CRTF is part of the state's overall plan for funding catastrophic losses caused by windstorm and hail damage for designated areas on the Texas Gulf Coast (designated catastrophe areas). After a major storm on the coast, the Texas Windstorm Insurance Association (TWIA) would use the CRTF to pay certain losses. (Texas Insurance Code 2210)

**Method of Calculation and Revenue Assumptions:**

The estimated revenues for the CRTF include:

- Estimated annual deposits of TWIA's net gain from operations.
- Estimated monthly deposits of premium surcharges collected by TWIA under TIC 2210.259.
- Estimated withdrawals to pay for TWIA catastrophe losses; and (d) estimated interest earned on the CRTF fund balance.

These estimates don't include CRTF management fees, which are considered insignificant relative to other deposits and withdrawals.

Calculating these estimates involves predicting TWIA's future policy and exposure growth, rate changes, loss and loss adjustment expenses (LAE), operating expenses, reinsurance costs, and investment income. These amounts are unpredictable and depend on factors like future storms and hurricanes, economic conditions, coastal market conditions, reinsurance market conditions, inflation, the interest rate environment, and actions by TWIA. Due to these factors, future CRTF revenues are subject to substantial uncertainty.

The estimated revenues include early projections of loss and LAE for Hurricane Beryl, which made landfall in Texas on July 7, 2024. This event is expected to affect CRTF revenue in FY 2025.

These are important assumptions used to calculate the estimated revenues:

- TWIA's rates will remain unchanged through the end of FY 2027. (Effective September 2021, TWIA may only file a rate change if it's approved by a two-thirds vote of the TWIA board of directors.)
- TWIA's written premium will continue to grow due to an increase in policies and average premiums (related to factors other than rate changes). Written premium is estimated to increase 15.2% annually for residential policies and 26.5% annually for commercial policies.
- The non-hurricane loss and LAE ratio will be 13.9% for residential policies and 4.6% for commercial policies. These are the projected non-hurricane loss and LAE ratios used in TWIA's rate adequacy analysis for policy year 2025.
- Loss and LAE for Hurricane Beryl will amount to about \$290 million. This is based on early projections from TWIA. Actual losses for this event may be much different.
- No other hurricanes will make landfall in Texas for the remainder of 2024, 2025, 2026, and 2027.
- Operating expenses (including general expenses, other acquisition expenses, commission expenses, and taxes, licenses and fees) will amount to about 23% of written premium, similar to historical averages.
- Reinsurance costs will remain at their projected 2024 level. This is 46.8% of written premium for residential policies and 65.6% of written premium for commercial policies. Since it's assumed that no hurricanes will occur during the prospective period, reinsurance recoveries aren't included in the estimates.
- Average loss, LAE, and unearned premium reserves, on which investment income can be earned, will amount to 70.6% of calendar year earned premium, similar to historical averages.
- The investment yield on reserves and the CRTF balance will be 5.3% in calendar year 2024, 4.8% in calendar year 2025, 4.3% in calendar year 2026, and 3.8% in calendar year 2027. These yields assume that the federal funds rate will gradually return to long-term averages.
- Premium surcharge deposits will amount to 0.75% of written premium, reflecting a continual downward trend in the amount of these surcharges relative to total written premium.
- No CRTF withdrawals will be made for operating expenses.

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

<b>ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2026-27 GAA BILL PATTERN</b>	<b>\$</b>	<b>49,648,609</b>
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**Examination Self Directed Budget Account**

Estimated Beginning Balance in FY 2024	\$	15,478,557
Estimated Revenues FY 2024	\$	14,136,823
Estimated Revenues FY 2025	\$	15,187,927
		15,187,927
<b>FY 2024-25 Total</b>	<b>\$</b>	<b>44,803,307</b>
Estimated Beginning Balance in FY 2026	\$	17,127,418
Estimated Revenues FY 2026	\$	15,890,425
Estimated Revenues FY 2027	\$	16,630,766
		16,630,766
<b>FY 2026-27 Total</b>	<b>\$</b>	<b>49,648,609</b>

**Constitutional or Statutory Creation and Use of Funds:**

All employees of the Actuarial Office and Financial Examinations are funded by a self-directed budget. (Texas Insurance Code (TIC) 401 Subchapter F)  
 Examination costs by statute are defined as salary, travel, or other personnel expenses associated with the examination of insurers and other entities by staff of these two areas. (TIC 401.251(2)) Both areas are part of the Financial Regulation Division.

**Method of Calculation and Revenue Assumptions:**

- Assumes staffing levels will remain constant during the period.
- The average interest rate earn in FY 2024 was 5.28%. This is based on the Effective Federal Funds Rate, which is expected to be reduced as inflation stabilizes. We have assumed a 0.25% decrease in FY 2025 and FY 2026 and holding steady in FY 2027. Other than the investment revenue being projected, the revenue will be collected from direct billings and overhead assessments to domestic insurers and other entities being examined.
- An 8% growth rate for salary and benefits for FY 2025 and 5% growth rate for FY 2026-FY 2027 to fund merit raises, promotions, and certifications. The increase in FY 2025 is higher because of the statewide salary increase.

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

<b>ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2026-27 GAA BILL PATTERN</b>	<b>\$</b>	<b>12,613,113</b>
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<b><u>Abandoned Property / Liquidation Operating Fund (1999)</u></b>		
Estimated Beginning Balance in FY 2024	\$	9,338,087
Estimated Revenues FY 2024	\$	1,472,870
Estimated Revenues FY 2025	\$	1,499,882
<b>FY 2024-25 Total</b>	<b>\$</b>	<b>12,310,839</b>
Estimated Beginning Balance in FY 2026		9,573,079
Estimated Revenues FY 2026	\$	1,506,272
Estimated Revenues FY 2027	\$	1,533,762
<b>FY 2026-27 Total</b>	<b>\$</b>	<b>12,613,113</b>
<b>Constitutional or Statutory Creation and Use of Funds:</b>		
<p>The Texas Insurance Code (TIC) governs receiverships of insurance companies. When a court places an insurer in receivership, the commissioner is appointed as receiver and is vested with the insurer’s assets. The Abandoned Property/Liquidation Operating Fund has funds from insurers that have been placed into receivership under Texas Insurance Code 443 or its predecessor, Article 21.28.</p> <p>These are the sources and uses of these funds:</p> <ul style="list-style-type: none"> <li>• Funds of insurers that are in receivership (Receivership Funds). The costs of operating receiverships are paid with Receivership Funds under TIC 443.015(i). Expenses incurred in carrying out the commissioner’s duties as receiver (Receiver’s Expenses) include salaries of TDI staff assigned to work on receiverships.</li> <li>• Receivership Funds that the court declared as abandoned under former Article 21.28, 8 after the receivership closed (Abandoned Funds). Article 21.28, 8 allows TDI to use abandoned funds to operate receiverships that lack funds to pay operating costs (no asset receiverships) and pay the Receiver’s Expenses that can't be allocated to receiverships. Abandoned Funds are deposited in the Abandoned Property Fund (APF).</li> </ul>		

**Method of Calculation and Revenue Assumptions:**

Estimated Revenue includes:

- The APF and other accounts containing abandoned funds.
- Accounts containing Receivership Funds that are used to pay Receiver's Expenses.
- Interest earned on these funds.

Revenue estimated for FY2024 is based on interest received and projected interest through fiscal year-end. Revenue estimates for FY 2025, FY 2026, and FY 2027 are based on the following:

- Assume staffing levels will remain constant during period FY 2024 and 2025 and increase 5% in FY 2026 and FY 2027.
- The average interest rate earned in FY 2024 was 5.28%. This is based on the Effective Federal Funds Rate, which is expected to be reduced as inflation stabilizes. We have assumed a 0.25% decrease in FY 2025 and another in FY 2026 and hold steady in FY 2027.
- APF repayment of advanced funds to no-asset receivership is zero.
- Includes a 6.5% growth rate for FY 2025 salaries to reflect the state-wide 5% salary increase and merits and promotions. The growth rate for FY 2026-FY 2027 salaries is 2.5% to fund merits and promotions.

There are other factors that could impact the revenue of these funds. Revenues related to receiverships are dependent on the assets available in receiverships that are opened and closed during a fiscal year. Revenues related to the APF will depend on the amount of funds that remain unclaimed in a receivership and a declaration by a court that the funds have been abandoned. These factors are inherently unpredictable.

The Abandoned Property/Liquidation Operating Fund doesn't include other accounts containing Receivership Funds that aren't used for the payment of Receiver's Expenses. These other accounts are used to pay other receivership costs and to make distributions to guaranty associations, policyholders, and other creditors.

Reasons why funds aren't part of agency's bill pattern:

- These funds can't be included in the agency's bill pattern.
- The funds aren't appropriated or received from any governmental entity; they are funds of insurers placed in receivership by a court.
- Receivership Funds are held by the commissioner as the court appointed receiver of an insurer.
- The funds can only be used as permitted by the Texas Insurance Code, subject to court approval.
- The APF funds can only be used for the purposes permitted by the Texas Insurance Code, which include continuing the operation of receiverships and paying Receiver's Expenses that can't be allocated to receiverships.