

**LEGISLATIVE APPROPRIATIONS REQUEST  
FOR FISCAL YEARS 2010 AND 2011**

**SUBMITTED TO THE  
GOVERNOR'S OFFICE OF BUDGET AND PLANNING  
AND THE LEGISLATIVE BUDGET BOARD**

**BY**

***OFFICE OF PUBLIC INSURANCE COUNSEL***



**AUGUST 2008  
(WITH SEPTEMBER 2008 REVISIONS)**

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(WITH SEPTEMBER 2008 REVISIONS)**

Submitted by:



Deeia Beck, Public Counsel

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**ADMINISTRATOR'S STATEMENT**

81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/29/2008**  
TIME: **3:13:30PM**  
PAGE: **1 of 1**

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Agency code: **359**

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

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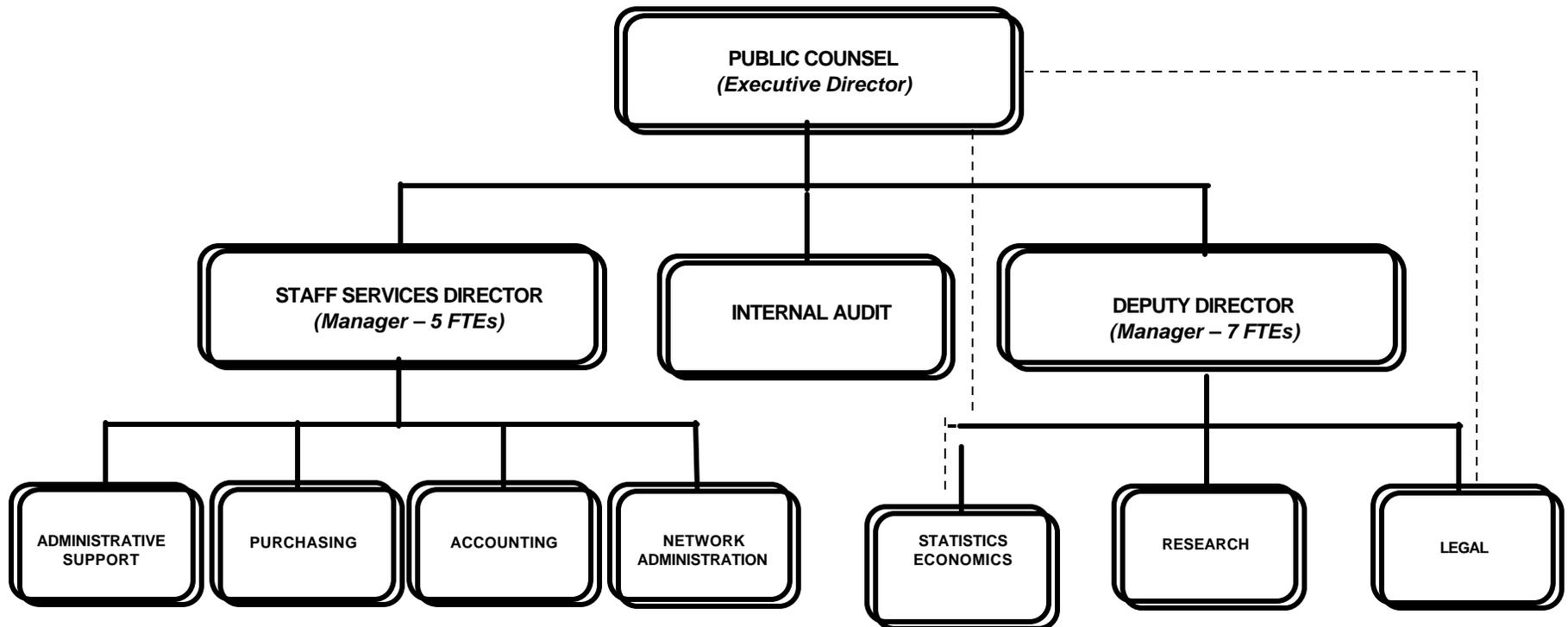
The Office of Public Insurance Counsel (OPIC) is a state agency created by the 72nd State Legislature in 1991. OPIC is authorized by statute to assess the impact of insurance rates, rules, and forms on insurance consumers and directed to act as an advocate of positions that are advantageous to a substantial number of consumers. The agency is funded by a statutorily set fee of 5.7 cents assessed on certain insurance policies. The agency's authority, structure, and method of funding are detailed in Chapter 501 of the Texas Insurance Code.

OPIC's primary mission is to advocate for the interests of consumers on insurance rates, rules, and forms. The agency intervenes as a party and presents actuarial and economic evidence in rate hearings and rate filings before the Commissioner of Insurance and the State Office of Administrative Hearings. OPIC provides proposals and analysis to the Commissioner of Insurance on rules and forms regulated by the Texas Department of Insurance (TDI).

Section 501.252 directs the agency to annually develop an HMO consumer report card. Section 501.156 directs the agency to submit to TDI for adoption a consumer bill of rights appropriate to personal lines of insurance regulated by TDI. Bills of rights are designed to advise consumers of their rights and are updated as new rules and regulations require.

Since the passage of SB 14, 78th Regular Legislative Session, the regulation of insurance rates, rating classification plans, and policy forms has changed significantly. Individual insurers are directed to file and use their own rates and rating classification plans. OPIC is authorized to review these rate filings to determine whether they are actuarially sound and meet the statutory rate standards. OPIC presents its findings to the Commissioner of Insurance and may object to a filing which fails to meet the standard. In many cases, filings are highly technical and complex and may be the subject of a contested evidentiary hearing requiring a high level of experience and qualification necessary to testify as an expert witness. In these cases, the agency finds it necessary to contract for the professional services of actuarial and testifying experts. The cost of these services is expected to continue to increase as the hearings become more contested. This is due to increased discovery from the filing insurers, additional data analyzed and a greater length of time before resolution. Additionally, fees have increased in line with or in excess of inflation generally. The agency's exceptional item would account for necessary anticipated increases.

**ORGANIZATION CHART**  
**Office of Public Insurance Counsel (359)**



2.A. SUMMARY OF BASE REQUEST BY STRATEGY  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/29/2008  
 TIME: 2:51:06PM

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

Goal / Objective / STRATEGY	Exp 2007	Est 2008	Bud 2009	Req 2010	Req 2011
<b>1</b> Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings					
<b>1</b> Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers					
<b>1</b> PARTICIPATE IN RATE/RULE HEARINGS	939,747	981,008	986,600	986,600	986,600
<b>TOTAL, GOAL 1</b>	<b>\$939,747</b>	<b>\$981,008</b>	<b>\$986,600</b>	<b>\$986,600</b>	<b>\$986,600</b>
<b>2</b> Increase Consumer Choice-Educate Texas Insurance Consumers					
<b>1</b> Contact Insurance Consumers Regarding Insurance Coverage/Markets					
<b>1</b> INSURANCE INFORMATION	118,717	78,324	87,677	87,677	87,677
<b>TOTAL, GOAL 2</b>	<b>\$118,717</b>	<b>\$78,324</b>	<b>\$87,677</b>	<b>\$87,677</b>	<b>\$87,677</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$1,058,464</b>	<b>\$1,059,332</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST*</b>				<b>\$0</b>	<b>\$0</b>
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$1,058,464</b>	<b>\$1,059,332</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>
<b>METHOD OF FINANCING:</b>					
<b>General Revenue Funds:</b>					
1 General Revenue Fund	1,010,464	1,011,332	1,026,277	1,026,277	1,026,277
<b>SUBTOTAL</b>	<b>\$1,010,464</b>	<b>\$1,011,332</b>	<b>\$1,026,277</b>	<b>\$1,026,277</b>	<b>\$1,026,277</b>
<b>Other Funds:</b>					
777 Interagency Contracts	48,000	48,000	48,000	48,000	48,000
<b>SUBTOTAL</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$1,058,464</b>	<b>\$1,059,332</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>

**2.A. SUMMARY OF BASE REQUEST BY STRATEGY**  
81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/29/2008**  
TIME: **2:51:06PM**

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

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<b>Goal / Objective / STRATEGY</b>	<b>Exp 2007</b>	<b>Est 2008</b>	<b>Bud 2009</b>	<b>Req 2010</b>	<b>Req 2011</b>
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\*Rider appropriations for the historical years are included in the strategy amounts.

**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**

81st Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/29/2008**  
TIME: **2:52:49PM**

Agency code: **359**

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

METHOD OF FINANCING	Exp 2007	Est 2008	Bud 2009	Req 2010	Req 2011
<b><u>GENERAL REVENUE</u></b>					
<b><u>1</u> General Revenue Fund</b>					
<i>REGULAR APPROPRIATIONS</i>					
Regular Appropriations	\$962,856	\$996,726	\$996,726	\$1,026,277	\$1,026,277
<i>TRANSFERS</i>					
Art IX, Sec 13.17(a), Salary Increase (2006-07 GAA)	\$48,084	\$0	\$0	\$0	\$0
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$0	\$14,606	\$14,606	\$0	\$0
Art IX, Sec 19.62(a), Salary Increase (2008-09 GAA)	\$0	\$0	\$14,945	\$0	\$0
Art IX, Sec 5.09, Reductions for Commercial Air Travel (2006-07 GAA)	\$(476)	\$0	\$0	\$0	\$0
<b>TOTAL, General Revenue Fund</b>	<b>\$1,010,464</b>	<b>\$1,011,332</b>	<b>\$1,026,277</b>	<b>\$1,026,277</b>	<b>\$1,026,277</b>
<b>TOTAL, ALL GENERAL REVENUE</b>	<b>\$1,010,464</b>	<b>\$1,011,332</b>	<b>\$1,026,277</b>	<b>\$1,026,277</b>	<b>\$1,026,277</b>

**OTHER FUNDS**

**777 Interagency Contracts**

*TRANSFERS*

**2.B. SUMMARY OF BASE REQUEST BY METHOD OF FINANCE**

81st Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/29/2008**

TIME: **2:52:49PM**

Agency code: <b>359</b>	Agency name: <b>Office of Public Insurance Counsel</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2007</b>	<b>Est 2008</b>	<b>Bud 2009</b>	<b>Req 2010</b>	<b>Req 2011</b>
<b><u>OTHER FUNDS</u></b>					
TDI Interagency Contract	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000
<b>TOTAL, Interagency Contracts</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>
<b>TOTAL, ALL OTHER FUNDS</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>
<b>GRAND TOTAL</b>	<b>\$1,058,464</b>	<b>\$1,059,332</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>
<b>FULL-TIME-EQUIVALENT POSITIONS</b>					
<b>REGULAR APPROPRIATIONS</b>					
Regular Appropriations	16.5	16.5	16.5	16.5	16.5
<b>UNAUTHORIZED NUMBER OVER (BELOW) CAP</b>					
Number Below Cap	(1.6)	(2.5)	0.0	0.0	0.0
<b>TOTAL, ADJUSTED FTES</b>	<b>14.9</b>	<b>14.0</b>	<b>16.5</b>	<b>16.5</b>	<b>16.5</b>
<b>NUMBER OF 100% FEDERALLY FUNDED FTES</b>					
	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**2.C. SUMMARY OF BASE REQUEST BY OBJECT OF EXPENSE**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/16/2008**  
 TIME: **10:09:03AM**

Agency code: <b>359</b>	Agency name: <b>Office of Public Insurance Counsel</b>				
<b>OBJECT OF EXPENSE</b>	<b>Exp 2007</b>	<b>Est 2008</b>	<b>Bud 2009</b>	<b>BL 2010</b>	<b>BL 2011</b>
1001 SALARIES AND WAGES	\$865,557	\$838,310	\$874,319	\$894,319	\$894,319
1002 OTHER PERSONNEL COSTS	\$38,122	\$32,375	\$39,733	\$39,733	\$39,733
2001 PROFESSIONAL FEES AND SERVICES	\$67,068	\$93,345	\$53,963	\$33,963	\$33,963
2003 CONSUMABLE SUPPLIES	\$11,134	\$13,299	\$16,441	\$16,441	\$16,441
2004 UTILITIES	\$3,192	\$1,573	\$2,238	\$2,238	\$2,238
2005 TRAVEL	\$3,912	\$4,750	\$9,500	\$9,500	\$9,500
2006 RENT - BUILDING	\$126	\$126	\$291	\$291	\$291
2007 RENT - MACHINE AND OTHER	\$9,410	\$7,567	\$8,169	\$8,169	\$8,169
2009 OTHER OPERATING EXPENSE	\$59,943	\$67,987	\$69,623	\$69,623	\$69,623
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>OOE Total (Excluding Riders)</b>	<b>\$1,058,464</b>	<b>\$1,059,332</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>
<b>OOE Total (Riders)</b>					
<b>Grand Total</b>	<b>\$1,058,464</b>	<b>\$1,059,332</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>

**2.D. SUMMARY OF BASE REQUEST OBJECTIVE OUTCOMES**

81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/29/2008

Time: 2:53:34PM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Goal/ Objective / Outcome	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings					
1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers					
1 Percentage of Rate Hearings in Which OPIC Participated	100.00%	100.00%	100.00%	80.00%	80.00%
<b>KEY</b> 2 % of Analyzed Rate and Rule Proceedings in Which OPIC Participated	72.94%	80.22%	75.00%	75.00%	75.00%
<b>KEY</b> 3 % of Rates and Rules Changed As a Result of OPIC Participation	83.87%	80.82%	90.00%	90.00%	90.00%
2 Increase Consumer Choice-Educate Texas Insurance Consumers					
1 Contact Insurance Consumers Regarding Insurance Coverage/Markets					
<b>KEY</b> 1 Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts	28.12%	33.04%	26.00%	26.00%	26.00%
2 % Bills of Rights Submitted for Adoption within Established Timelines	0.00%	200.00%	100.00%	100.00%	100.00%

**2.E. SUMMARY OF EXCEPTIONAL ITEMS REQUEST**

81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/16/2008

TIME : 10:10:21AM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Priority	Item	2010			2011			Biennium	
		GR and GR/GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds	FTEs	GR and GR Dedicated	All Funds
2	Expert Witness for Rate/Rulemaking	\$96,306	\$96,306		\$96,306	\$96,306		\$192,612	\$192,612
<b>Total, Exceptional Items Request</b>		<b>\$96,306</b>	<b>\$96,306</b>		<b>\$96,306</b>	<b>\$96,306</b>		<b>\$192,612</b>	<b>\$192,612</b>
<b>Method of Financing</b>									
	General Revenue	\$96,306	\$96,306		\$96,306	\$96,306		\$192,612	\$192,612
	General Revenue - Dedicated								
	Federal Funds								
	Other Funds								
		<b>\$96,306</b>	<b>\$96,306</b>		<b>\$96,306</b>	<b>\$96,306</b>		<b>\$192,612</b>	<b>\$192,612</b>

**Full Time Equivalent Positions**

Number of 100% Federally Funded FTEs

0.0

0.0

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/16/2008  
 TIME : 10:20:24AM

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

<b>Goal/Objective/STRATEGY</b>	<b>Base 2010</b>	<b>Base 2011</b>	<b>Exceptional 2010</b>	<b>Exceptional 2011</b>	<b>Total Request 2010</b>	<b>Total Request 2011</b>
<b>1</b> Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearing						
<b>1</b> <i>Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consu</i>						
<b>1</b> PARTICIPATE IN RATE/RULE HEARINGS	\$986,600	\$986,600	\$96,306	\$96,306	\$1,082,906	\$1,082,906
<b>TOTAL, GOAL 1</b>	<b>\$986,600</b>	<b>\$986,600</b>	<b>\$96,306</b>	<b>\$96,306</b>	<b>\$1,082,906</b>	<b>\$1,082,906</b>
<b>2</b> Increase Consumer Choice-Educate Texas Insurance Consumers						
<b>1</b> <i>Contact Insurance Consumers Regarding Insurance Coverage/Mark</i>						
<b>1</b> INSURANCE INFORMATION	87,677	87,677	0	0	87,677	87,677
<b>TOTAL, GOAL 2</b>	<b>\$87,677</b>	<b>\$87,677</b>	<b>\$0</b>	<b>\$0</b>	<b>\$87,677</b>	<b>\$87,677</b>
<b>TOTAL, AGENCY STRATEGY REQUEST</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>	<b>\$96,306</b>	<b>\$96,306</b>	<b>\$1,170,583</b>	<b>\$1,170,583</b>
<b>TOTAL, AGENCY RIDER APPROPRIATIONS REQUEST</b>						
<b>GRAND TOTAL, AGENCY REQUEST</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>	<b>\$96,306</b>	<b>\$96,306</b>	<b>\$1,170,583</b>	<b>\$1,170,583</b>

**2.F. SUMMARY OF TOTAL REQUEST BY STRATEGY**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 10/16/2008  
 TIME : 10:20:24AM

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

<b>Goal/Objective/STRATEGY</b>	<b>Base 2010</b>	<b>Base 2011</b>	<b>Exceptional 2010</b>	<b>Exceptional 2011</b>	<b>Total Request 2010</b>	<b>Total Request 2011</b>
<b>General Revenue Funds:</b>						
1 General Revenue Fund	\$1,026,277	\$1,026,277	\$96,306	\$96,306	\$1,122,583	\$1,122,583
	<b>\$1,026,277</b>	<b>\$1,026,277</b>	<b>\$96,306</b>	<b>\$96,306</b>	<b>\$1,122,583</b>	<b>\$1,122,583</b>
<b>Other Funds:</b>						
777 Interagency Contracts	48,000	48,000	0	0	\$48,000	\$48,000
	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$48,000</b>	<b>\$48,000</b>
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>	<b>\$96,306</b>	<b>\$96,306</b>	<b>\$1,170,583</b>	<b>\$1,170,583</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>16.5</b>	<b>16.5</b>	<b>0.0</b>	<b>0.0</b>	<b>16.5</b>	<b>16.5</b>

**2.G. SUMMARY OF TOTAL REQUEST OBJECTIVE OUTCOMES**

81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation system of Texas (ABEST)

Date : 8/29/2008  
Time: 3:06:19PM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Goal/ Objective / Outcome

		<b>BL 2010</b>	<b>BL 2011</b>	<b>Excp 2010</b>	<b>Excp 2011</b>	<b>Total Request 2010</b>	<b>Total Request 2011</b>
1	Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings						
1	<i>Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers</i>						
	<b>1 Percentage of Rate Hearings in Which OPIC Participated</b>						
		80.00%	80.00%	100.00%	100.00%	100.00%	100.00%
<b>KEY</b>	<b>2 % of Analyzed Rate and Rule Proceedings in Which OPIC Participated</b>						
		75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
<b>KEY</b>	<b>3 % of Rates and Rules Changed As a Result of OPIC Participation</b>						
		90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
2	Increase Consumer Choice-Educate Texas Insurance Consumers						
1	<i>Contact Insurance Consumers Regarding Insurance Coverage/Markets</i>						
<b>KEY</b>	<b>1 Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts</b>						
		26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
	<b>2 % Bills of Rights Submitted for Adoption within Established Timelines</b>						
		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

**3.A. STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/16/2008  
 TIME: 10:11:20AM

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

GOAL: 1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings Statewide Goal/Benchmark: 7 1  
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers Service Categories:  
 STRATEGY: 1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
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**Output Measures:**

KEY 1	Number of Rate Hearings in Which OPIC Participated	4.00	4.00	5.00	4.00	4.00
KEY 2	Number of Analyzed Rate Filings in Which OPIC Participated	22.00	23.00	32.00	32.00	32.00
KEY 3	Number of Rulemaking Proceedings in Which OPIC Participated	40.00	50.00	40.00	40.00	40.00
4	Number of Proposed New Rules Analyzed	13.00	58.00	60.00	60.00	60.00
5	Number of Rate Filings Analyzed	10.00	33.00	36.00	36.00	36.00

**Efficiency Measures:**

1	Average Cost per Rate Hearing in Which OPIC Participated	56,823.00	47,426.00	52,500.00	52,500.00	52,500.00
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**Objects of Expense:**

1001	SALARIES AND WAGES	\$750,471	\$762,632	\$795,630	\$815,630	\$815,630
1002	OTHER PERSONNEL COSTS	\$38,122	\$32,375	\$39,733	\$39,733	\$39,733
2001	PROFESSIONAL FEES AND SERVICES	\$67,068	\$93,345	\$53,963	\$33,963	\$33,963
2003	CONSUMABLE SUPPLIES	\$9,930	\$13,144	\$13,144	\$13,144	\$13,144
2004	UTILITIES	\$3,051	\$1,573	\$1,573	\$1,573	\$1,573
2005	TRAVEL	\$3,912	\$4,750	\$9,500	\$9,500	\$9,500
2006	RENT - BUILDING	\$126	\$126	\$0	\$0	\$0
2007	RENT - MACHINE AND OTHER	\$9,410	\$7,426	\$7,426	\$7,426	\$7,426
2009	OTHER OPERATING EXPENSE	\$57,657	\$65,637	\$65,631	\$65,631	\$65,631
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$939,747</b>	<b>\$981,008</b>	<b>\$986,600</b>	<b>\$986,600</b>	<b>\$986,600</b>

**Method of Financing:**

1	General Revenue Fund	\$939,747	\$981,008	\$986,600	\$986,600	\$986,600
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**3.A. STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/16/2008  
 TIME: 10:11:20AM

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

GOAL: 1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings Statewide Goal/Benchmark: 7 1  
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers Service Categories:  
 STRATEGY: 1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings Service: 01 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$939,747</b>	<b>\$981,008</b>	<b>\$986,600</b>	<b>\$986,600</b>	<b>\$986,600</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$986,600</b>	<b>\$986,600</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$939,747</b>	<b>\$981,008</b>	<b>\$986,600</b>	<b>\$986,600</b>	<b>\$986,600</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>12.5</b>	<b>12.5</b>	<b>14.5</b>	<b>14.5</b>	<b>14.5</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

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

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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

**3.A. STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/16/2008  
 TIME: 10:11:20AM

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

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers Statewide Goal/Benchmark: 8 8  
 OBJECTIVE: 1 Contact Insurance Consumers Regarding Insurance Coverage/Markets Service Categories:  
 STRATEGY: 1 Provide Consumers with Information to Make Informed Choices Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
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**Output Measures:**

1	Number of Bills of Rights or Revisions Proposed	0.00	2.00	1.00	1.00	1.00
KEY 2	Number of Report Cards and Publications Produced & Distributed	934,177.00	1,117,364.00	850,000.00	850,000.00	850,000.00
KEY 3	# Public Presentations or Communications	87.00	159.00	48.00	48.00	48.00

**Efficiency Measures:**

1	Average Cost/Consumer Reached through Agency Publications	0.01	0.01	0.02	0.02	0.02
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**Objects of Expense:**

1001	SALARIES AND WAGES	\$115,086	\$75,678	\$78,689	\$78,689	\$78,689
1002	OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0
2001	PROFESSIONAL FEES AND SERVICES	\$0	\$0	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$1,204	\$155	\$3,297	\$3,297	\$3,297
2004	UTILITIES	\$141	\$0	\$665	\$665	\$665
2005	TRAVEL	\$0	\$0	\$0	\$0	\$0
2006	RENT - BUILDING	\$0	\$0	\$291	\$291	\$291
2007	RENT - MACHINE AND OTHER	\$0	\$141	\$743	\$743	\$743
2009	OTHER OPERATING EXPENSE	\$2,286	\$2,350	\$3,992	\$3,992	\$3,992
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$118,717</b>	<b>\$78,324</b>	<b>\$87,677</b>	<b>\$87,677</b>	<b>\$87,677</b>

**Method of Financing:**

1	General Revenue Fund	\$70,717	\$30,324	\$39,677	\$39,677	\$39,677
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$70,717</b>	<b>\$30,324</b>	<b>\$39,677</b>	<b>\$39,677</b>	<b>\$39,677</b>

**Method of Financing:**

**3.A. STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/16/2008  
 TIME: 10:11:20AM

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

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers Statewide Goal/Benchmark: 8 8  
 OBJECTIVE: 1 Contact Insurance Consumers Regarding Insurance Coverage/Markets Service Categories:  
 STRATEGY: 1 Provide Consumers with Information to Make Informed Choices Service: 21 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
777	Interagency Contracts	\$48,000	\$48,000	\$48,000	\$48,000	\$48,000
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>	<b>\$48,000</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$87,677</b>	<b>\$87,677</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$118,717</b>	<b>\$78,324</b>	<b>\$87,677</b>	<b>\$87,677</b>	<b>\$87,677</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>2.4</b>	<b>1.5</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

**STRATEGY DESCRIPTION AND JUSTIFICATION:**

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

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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

**3.A. STRATEGY REQUEST**  
81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/16/2008  
TIME: 10:11:20AM

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**SUMMARY TOTALS:**

<b>OBJECTS OF EXPENSE:</b>	<b>\$1,058,464</b>	<b>\$1,059,332</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>
<b>METHODS OF FINANCE (INCLUDING RIDERS):</b>				<b>\$1,074,277</b>	<b>\$1,074,277</b>
<b>METHODS OF FINANCE (EXCLUDING RIDERS):</b>	<b>\$1,058,464</b>	<b>\$1,059,332</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>	<b>\$1,074,277</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>	<b>14.9</b>	<b>14.0</b>	<b>16.5</b>	<b>16.5</b>	<b>16.5</b>

**4.A. EXCEPTIONAL ITEM REQUEST SCHEDULE**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **10/16/2008**  
 TIME: **10:12:05AM**

Agency code: **359**

Agency name:

**Office of Public Insurance Counsel**

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2010</u>	<u>Excp 2011</u>
	<b>Item Name:</b> Expert Witness/Professional Fees for Rate and Rulemaking Hearings		
	<b>Item Priority:</b> 2		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-01-01 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings		
 <b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	96,306	96,306
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$96,306</b>	<b>\$96,306</b>
 <b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	96,306	96,306
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$96,306</b>	<b>\$96,306</b>

**DESCRIPTION / JUSTIFICATION:**

The agency is directed by statute, Texas Insurance Code, Chapter 501, to advocate for consumers in matters involving rates, rules, and forms for numerous lines of insurance. This exceptional item is necessary to allow the agency to adequately meet its goal of advocating positions advantageous to consumers in rate hearings and rulemaking proceedings. The agency reviews and analyzes, and may file objections to, rate filings when it is determined that the filings are not actuarially sound or fail to meet the statutory rate standards designed to protect policyholders. Most of this analysis is performed in house by the agency's actuarial and statistical staff. However, in many cases, filings are highly technical and complex and may be the subject of a contested evidentiary hearing requiring a high level of experience and qualification necessary to testify as an expert witness. In these cases, the agency finds it necessary to contract for the professional services of actuarial testifying experts. In the hearings in which the agency has used these experts, their credibility and expertise has never been successfully challenged. These efforts directly contribute to statewide goals such as fostering economic opportunity and capital investment by promoting a favorable business climate, support infrastructure development, and ensuring that Texas consumers are effectively and efficiently served by high quality professionals and businesses by setting clear standards, maintaining compliance, and seeking market based solutions. This exceptional item is in direct support of agency goal 01-01-01.

**EXTERNAL/INTERNAL FACTORS:**

The current system of ratemaking allows insurers to file and use their rates if they meet specific statutory standards. The agency's role in rate hearings and its participating in proceedings on rate filings will be decided largely by the reasonability and frequency with which insurers set their rates within this system and hearing schedules developed by the Texas Department of Insurance (TDI). Any additional changes within the regulatory structure of ratemaking may influence the duties, responsibilities, and fiscal needs of the agency.

4.B. EXCEPTIONAL ITEMS STRATEGY ALLOCATION SCHEDULE

81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 10/16/2008  
 TIME: 10:12:45AM

Agency code: 359 Agency name Office of Public Insurance Counsel

Code	Description	Excp 2010	Excp 2011
<b>Item Name:</b> Expert Witness/Professional Fees for Rate and Rulemaking Hearings			
<b>Allocation to Strategy:</b> 1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings			
<b>STRATEGY IMPACT ON OUTCOME MEASURES:</b>			
<u>1</u>	Percentage of Rate Hearings in Which OPIC Participated	100.00%	100.00%
<b>OUTPUT MEASURES:</b>			
<u>1</u>	Number of Rate Hearings in Which OPIC Participated	1.00	1.00
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	96,306	96,306
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$96,306</b>	<b>\$96,306</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	96,306	96,306
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$96,306</b>	<b>\$96,306</b>

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE:** 10/16/2008  
**TIME:** 2:56:07PM

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

GOAL: 1 Advocate for TX Consumers in Rate/Rule/Judicial/Legislative Hearings Statewide Goal/Benchmark: 7 - 1  
 OBJECTIVE: 1 Ensure Fair Rates/Adequate Rules to Protect Texas Insurance Consumers Service Categories:  
 STRATEGY: 1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings Service: 01 Income: A.2 Age: B.3

<b>CODE DESCRIPTION</b>	<b>Excp 2010</b>	<b>Excp 2011</b>
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**STRATEGY IMPACT ON OUTCOME MEASURES:**

<u>1</u> Percentage of Rate Hearings in Which OPIC Participated	100.00 %	100.00 %
<u>2</u> % of Analyzed Rate and Rule Proceedings in Which OPIC Participated	75.00 %	75.00 %
<u>3</u> % of Rates and Rules Changed As a Result of OPIC Participation	90.00 %	90.00 %

**OUTPUT MEASURES:**

<u>1</u> Number of Rate Hearings in Which OPIC Participated	5.00	5.00
<u>2</u> Number of Analyzed Rate Filings in Which OPIC Participated	32.00	32.00
<u>3</u> Number of Rulemaking Proceedings in Which OPIC Participated	40.00	40.00
<u>4</u> Number of Proposed New Rules Analyzed	60.00	60.00
<u>5</u> Number of Rate Filings Analyzed	36.00	36.00

**OBJECTS OF EXPENSE:**

2001 PROFESSIONAL FEES AND SERVICES	96,306	96,306
<b>Total, Objects of Expense</b>	<b>\$96,306</b>	<b>\$96,306</b>

**METHOD OF FINANCING:**

1 General Revenue Fund	96,306	96,306
<b>Total, Method of Finance</b>	<b>\$96,306</b>	<b>\$96,306</b>

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

Expert Witness/Professional Fees for Rate and Rulemaking Hearings

**4.C. EXCEPTIONAL ITEMS STRATEGY REQUEST**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

**DATE: 10/16/2008**  
**TIME: 2:56:07PM**

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

GOAL: 2 Increase Consumer Choice-Educate Texas Insurance Consumers Statewide Goal/Benchmark: 8 - 8  
 OBJECTIVE: 1 Contact Insurance Consumers Regarding Insurance Coverage/Markets Service Categories:  
 STRATEGY: 1 Provide Consumers with Information to Make Informed Choices Service: 21 Income: A.2 Age: B.3

<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2010</u>	<u>Excp 2011</u>
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**STRATEGY IMPACT ON OUTCOME MEASURES:**

<u>1</u> Percent of Texas Insurance Consumers Reached by OPIC Outreach Efforts	26.00 %	26.00 %
<u>2</u> % Bills of Rights Submitted for Adoption within Established Timelines	100.00 %	100.00 %

**OUTPUT MEASURES:**

<u>1</u> Number of Bills of Rights or Revisions Proposed	1.00	1.00
<u>2</u> Number of Report Cards and Publications Produced & Distributed	850,000.00	850,000.00
<u>3</u> # Public Presentations or Communications	48.00	48.00

**6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE**

81st Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas (ABEST)

Date: 8/29/2008

Time: 3:01:53PM

Agency Code: 359 Agency: Office of Public Insurance Counsel

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

**A. Fiscal Year 2006 - 2007 HUB Expenditure Information**

Statewide HUB Goals	Procurement Category	HUB Expenditures FY 2006			Total Expenditures FY 2006	HUB Expenditures FY 2007			Total Expenditures FY 2007
		% Goal	% Actual	Actual \$		% Goal	% Actual	Actual \$	
33.0%	Other Services	33.0 %	34.3%	\$7,866	\$22,963	33.0 %	34.4%	\$8,301	\$24,102
12.6%	Commodities	13.0 %	15.2%	\$2,555	\$16,770	13.0 %	22.9%	\$2,833	\$12,397
	<b>Total Expenditures</b>		<b>26.2%</b>	<b>\$10,421</b>	<b>\$39,733</b>		<b>30.5%</b>	<b>\$11,134</b>	<b>\$36,499</b>

**B. Assessment of Fiscal Year 2006 - 2007 Efforts to Meet HUB Procurement Goals**

**Attainment:**

The Office of Public Insurance Counsel (OPIC) made continued efforts to attain or exceed the applicable statewide HUB procurement goals in FY 2006 and FY 2007.

**Applicability:**

The "Professional Services," "Heavy Construction," "Building Construction," and "Special Trade Construction" categories are not applicable to agency operations in either FY 2006 or FY 2007.

**Factors Affecting Attainment:**

Agency expenditures in the "Other Services" and "Commodities" categories exceeded applicable statewide HUB procurement goals in FY 2006 and FY 2007.

**"Good-Faith" Efforts:**

In addition to implementing the good faith efforts procedures, OPIC continues to make the following efforts:

- a minimum of three bids/quotes are sought from HUBs for every purchasing requisition;
- if three bids/quotes are not received, an explanation is provided to the HUB Coordinator and Purchaser;
- explanation is given for selection of vendor; and
- new HUB vendors are contacted and assisted through the application process.

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 8/29/2008

81st Regular Session, Agency Submission, Version 1

TIME: 3:02:28PM

Automated Budget and Evaluation System of Texas (ABEST)

Agency Code: 359

Agency name: Office of Public Insurance Counsel

FUND/ACCOUNT	Act 2007	Exp 2008	Exp 2009	Bud 2010	Est 2011
<b><u>1</u> General Revenue Fund</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3205 Prop & Cas/Title/Other Assessment	2,166,450	2,045,000	2,235,000	2,235,000	2,235,000
Subtotal: Actual/Estimated Revenue	2,166,450	2,045,000	2,235,000	2,235,000	2,235,000
<b>Total Available</b>	<b>\$2,166,450</b>	<b>\$2,045,000</b>	<b>\$2,235,000</b>	<b>\$2,235,000</b>	<b>\$2,235,000</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(1,058,464)	(1,059,332)	(1,074,277)	(1,074,277)	(1,074,277)
State Retirement	(52,700)	(50,949)	(51,700)	(51,700)	(51,700)
OASI Match	(66,573)	(64,020)	(65,100)	(65,100)	(65,100)
Group Insurance	(79,774)	(79,766)	(81,500)	(81,500)	(81,500)
Benefit Replacement Pay	(6,161)	(6,161)	(6,161)	(6,161)	(6,161)
Salary Increase 4% (2006-07 GAA)	(25,716)	0	0	0	0
Salary Increase 3% (2006-07 GAA)	(22,368)	0	0	0	0
Salary Increase (2008-09 GAA)	0	(14,606)	(14,606)	0	0
Salary Increase (2008-09 GAA)	0	0	(14,945)	0	0
<b>Total, Deductions</b>	<b>\$(1,311,756)</b>	<b>\$(1,274,834)</b>	<b>\$(1,308,289)</b>	<b>\$(1,278,738)</b>	<b>\$(1,278,738)</b>
<b>Ending Fund/Account Balance</b>	<b>\$854,694</b>	<b>\$770,166</b>	<b>\$926,711</b>	<b>\$956,262</b>	<b>\$956,262</b>

**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

Juan Hernandez

## 6.I. 10 Percent Biennial Base Reduction Options Schedule

Approved Reduction Amount

**\$199,345**

"Approved Base" here refers to approved 2008-09 base AFTER policy letter exceptions have been excluded.

Agency Code: 359		Agency Name: Office of Public Insurance Counsel										
Rank	Reduction Item		Biennial Application of 10% Percent Reduction					FTE Reductions (FY 2010-11 Base Request Compared to Budgeted 2009)		Revenue Impact? Y/N	Cumulative GR-related reduction as a % of Approved Base	
			GR	GR-Dedicated	Federal	Other	All Funds	FY 08	FY 09			
1	3001	Rate Hrgs/rulemaking/Court Proceedings	199,345					\$ 199,345	1	1	N	10.0%
2								\$ -				10.0%
3								\$ -				10.0%
4								\$ -				10.0%
5								\$ -				10.0%
6								\$ -				10.0%
7								\$ -				10.0%
8								\$ -				10.0%
9								\$ -				10.0%
10								\$ -				10.0%
11								\$ -				10.0%
12								\$ -				10.0%
<b>Agency Biennial Total</b>			<b>\$ 199,345</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 199,345</b>	<b>1.0</b>	<b>1.0</b>			<b>10.0%</b>
<b>Agency Biennial Total (GR + GR-D)</b>				<b>\$ 199,345</b>								

**Rank / Name**  
**Explanation of Impact to Programs and Revenue Collections**

1      Rate Hrgs/rulemaking/Court Proceedings

The agency reviews and analyzes, and may file objections to, insurance rate filings if it is determined that the filings are not actuarially sound or fail to meet the statutory rate standards designed to protect policyholders. In many cases, filings are highly technical and complex and may be the subject of a contested evidentiary hearing requiring a high level of experience and qualification necessary to testify as an expert witness. In these cases, the agency finds it necessary to contract for the professional services of actuarial and testifying experts. The proposed reduction would reduce the agency's ability to effectively represent consumers in rate hearings where expert witnesses are needed by reducing the funds available to hire expert witnesses and would require the agency to reduce its staff by at least one employee.

2      0

3      0

4      0

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/29/2008**  
 TIME : **3:03:11PM**

Agency code: **359**

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

Strategy	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>1-1-1</b>	<b>Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 112,116	\$ 117,171	\$ 119,513	\$ 119,513	\$ 119,513
1002 OTHER PERSONNEL COSTS	8,974	7,260	7,620	7,620	7,620
2003 CONSUMABLE SUPPLIES	1,192	1,577	1,577	1,577	1,577
2004 UTILITIES	366	189	189	189	189
2009 OTHER OPERATING EXPENSE	6,919	7,966	7,966	7,966	7,966
<b>Total, Objects of Expense</b>	<b>\$ 129,567</b>	<b>\$ 134,163</b>	<b>\$ 136,865</b>	<b>\$ 136,865</b>	<b>\$ 136,865</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	129,567	134,163	136,865	136,865	136,865
<b>Total, Method of Financing</b>	<b>\$ 129,567</b>	<b>\$ 134,163</b>	<b>\$ 136,865</b>	<b>\$ 136,865</b>	<b>\$ 136,865</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>

**Method of Allocation**

In general, indirect administrative and support costs are allocated proportionately among all strategies on the basis of budget size for each fiscal year. The percentage range that applies to Strategy 1-1-1, Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings on Behalf of Texas Insurance Consumers, is 89%-91%. This method was selected because this agency is labor-intensive and the administrative demands are closely related to budget size.

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/29/2008**  
 TIME : **3:03:11PM**

Agency code: **359**

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

Strategy	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>2-1-1</b>	<b>Provide Consumers with Information to Make Informed Choices</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 13,857	\$ 11,588	\$ 11,820	\$ 11,820	\$ 11,820
1002 OTHER PERSONNEL COSTS	0	0	0	0	0
2003 CONSUMABLE SUPPLIES	144	145	63	63	63
2004 UTILITIES	0	0	0	0	0
2009 OTHER OPERATING EXPENSE	274	40	18	18	18
<b>Total, Objects of Expense</b>	<b>\$ 14,275</b>	<b>\$ 11,773</b>	<b>\$ 11,901</b>	<b>\$ 11,901</b>	<b>\$ 11,901</b>
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	14,275	11,773	11,901	11,901	11,901
<b>Total, Method of Financing</b>	<b>\$ 14,275</b>	<b>\$ 11,773</b>	<b>\$ 11,901</b>	<b>\$ 11,901</b>	<b>\$ 11,901</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>

**Method of Allocation**

In general, indirect administrative and support costs are allocated proportionately among all strategies on the basis of budget size for each fiscal year. The percentage range that applies to Strategy 2-1-1, Provide Consumers with Information to Make Informed Choices, is 9%-11%. This method was selected because this agency is labor-intensive and the administrative demands are closely related to budget size.

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/29/2008  
 TIME : 3:03:11PM

Agency code: 359

Agency name: Office of Public Insurance Counsel

	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$125,973	\$128,759	\$131,333	\$131,333	\$131,333
1002 OTHER PERSONNEL COSTS	\$8,974	\$7,260	\$7,620	\$7,620	\$7,620
2003 CONSUMABLE SUPPLIES	\$1,336	\$1,722	\$1,640	\$1,640	\$1,640
2004 UTILITIES	\$366	\$189	\$189	\$189	\$189
2009 OTHER OPERATING EXPENSE	\$7,193	\$8,006	\$7,984	\$7,984	\$7,984
<b>Total, Objects of Expense</b>	<b>\$143,842</b>	<b>\$145,936</b>	<b>\$148,766</b>	<b>\$148,766</b>	<b>\$148,766</b>
<b>Method of Financing</b>					
1 General Revenue Fund	\$143,842	\$145,936	\$148,766	\$148,766	\$148,766
<b>Total, Method of Financing</b>	<b>\$143,842</b>	<b>\$145,936</b>	<b>\$148,766</b>	<b>\$148,766</b>	<b>\$148,766</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/29/2008  
 TIME : 3:03:37PM

Agency code: 359

Agency name: Office of Public Insurance Counsel

Strategy	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>1-1-1 Participate in Rate, Rulemaking, Judicial, and Legislative Proceedings</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1002 OTHER PERSONNEL COSTS	0	0	0	0	0
2003 CONSUMABLE SUPPLIES	0	0	0	0	0
2004 UTILITIES	0	0	0	0	0
2009 OTHER OPERATING EXPENSE	0	0	0	0	0
5000 CAPITAL EXPENDITURES	0	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 0</b>				
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	0	0	0	0	0
<b>Total, Method of Financing</b>	<b>\$ 0</b>				
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 81st Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/29/2008**  
 TIME : **3:03:37PM**

Agency code: **359**

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

Strategy	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>2-1-1</b> <b>Provide Consumers with Information to Make Informed Choices</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
1002 OTHER PERSONNEL COSTS	0	0	0	0	0
2003 CONSUMABLE SUPPLIES	0	0	0	0	0
2004 UTILITIES	0	0	0	0	0
2009 OTHER OPERATING EXPENSE	0	0	0	0	0
5000 CAPITAL EXPENDITURES	0	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 0</b>				
<b>METHOD OF FINANCING:</b>					
1 General Revenue Fund	0	0	0	0	0
<b>Total, Method of Financing</b>	<b>\$ 0</b>				
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 81st Regular Session, Agency Submission, Version 1  
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DATE: **8/29/2008**  
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Agency name: **Office of Public Insurance Counsel**

	Exp 2007	Est 2008	Bud 2009	BL 2010	BL 2011
<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$0	\$0	\$0	\$0	\$0
1002 OTHER PERSONNEL COSTS	\$0	\$0	\$0	\$0	\$0
2003 CONSUMABLE SUPPLIES	\$0	\$0	\$0	\$0	\$0
2004 UTILITIES	\$0	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$0	\$0	\$0	\$0	\$0
5000 CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
<b>Total, Objects of Expense</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Method of Financing</b>					
1 General Revenue Fund	\$0	\$0	\$0	\$0	\$0
<b>Total, Method of Financing</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>