

***AGENCY STRATEGIC PLAN***  
***FOR THE FISCAL YEARS 2015-2019 PERIOD***

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

**BY**

***OFFICE OF PUBLIC INSURANCE COUNSEL***



***June 18, 2014***

**AGENCY STRATEGIC PLAN**  
**FOR THE FISCAL YEARS 2015-2019 PERIOD**

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

**BY**

**OFFICE OF PUBLIC INSURANCE COUNSEL**

**JUNE 18, 2014**

**SIGNED:**

  
\_\_\_\_\_  
**DEEIA BECK, PUBLIC COUNSEL**

## **Table of Contents**

---

---

<b><i>Vision of Texas State Government</i></b> .....	<b>1</b>
<b><i>Mission of Texas State Government</i></b> .....	<b>1</b>
<b><i>Philosophy of Texas State Government</i></b> .....	<b>1</b>
<b><i>Relevant Statewide Priority Goals and Benchmarks</i></b> .....	<b>2</b>
<b><i>Office of Public Insurance Counsel Mission</i></b> .....	<b>3</b>
<b><i>Office of Public Insurance Counsel Philosophy</i></b> .....	<b>3</b>
<b><i>External / Internal Assessment</i></b> .....	<b>3</b>
<b><i>Overview of Agency Scope and Functions</i></b> .....	<b>3</b>
<b><i>Organizational Aspects</i></b> .....	<b>4</b>
<b><i>Fiscal Aspects</i></b> .....	<b>5</b>
<b><i>Service Population Demographics</i></b> .....	<b>6</b>
<b><i>Technological Developments</i></b> .....	<b>6</b>
<b><i>Economic Variables</i></b> .....	<b>7</b>
<b><i>Federal and State Legal Issues</i></b> .....	<b>7</b>
<b><i>Self Evaluation and Opportunities for Improvement</i></b> .....	<b>7</b>
<b><i>Agency Goals, Objectives, Strategies, and Performance Measures</i></b> .....	<b>9</b>
<b><i>Technological Resources Planning</i></b> .....	<b>11</b>
<b><i>Technology Initiative Assessment and Alignment</i></b> .....	<b>11</b>
<b><i>Appendix A: Agency Planning Process</i></b> .....	<b>13</b>
<b><i>Appendix B: Organizational Chart</i></b> .....	<b>14</b>
<b><i>Appendix C: Projected Outcomes</i></b> .....	<b>15</b>
<b><i>Appendix D: Performance Measures Definitions</i></b> .....	<b>16</b>
<b><i>Appendix E: Agency Workforce Plan</i></b> .....	<b>26</b>
<b><i>Appendix F: Survey of Employee Engagement Results and Utilization Plans</i></b> .....	<b>30</b>

## ***Vision of Texas State Government***

---

---

Working together to create greater opportunity and prosperity for all Texans, making our state and its people truly competitive in the global marketplace, and to maintain our position as a national leader, we must remain focused on the following critical priorities of our citizens:

*Ensuring the economic competitiveness of our state by adhering to principles of fiscal discipline, setting clear budget priorities, living within our means, and limiting the growth of government;*

*Investing in critical water, energy, and transportation infrastructure needs to meet the demands of our rapidly growing state;*

*Ensuring excellence and accountability in public schools and institutions of higher education as we invest in the future of this state and ensure Texans are prepared to compete in the global marketplace;*

*Defending Texans by safeguarding our neighborhoods and protecting our international border; and*

*Increasing transparency and efficiency at all levels of government to guard against waste, fraud, and abuse, ensuring that Texas taxpayers keep more of their hard-earned money to keep our economy and our families strong.*

## ***Mission of Texas State Government***

---

---

Texas State Government must be limited, efficient, and completely accountable. It should foster opportunity and economic prosperity, focus on critical priorities, and support the creation of strong family environments for our children. The stewards of the public trust must be men and women who administer state government in a fair, just, and responsible manner. To honor the public trust, state officials must seek new and innovative ways to meet state government priorities in a fiscally responsible manner.

*AIM HIGH... WE ARE NOT HERE TO ACHIEVE INCONSEQUENTIAL THINGS!*

## ***Philosophy of Texas State Government***

---

---

The task before all state public servants is to govern in a manner worthy of this great state. We are a great enterprise, and as an enterprise, we will promote the following core principles:

- First and foremost, Texas matters most. This is the overarching, guiding principle by which we will make decisions. Our state, and its future, is more important than party, politics, or individual recognition.
- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.

- Decisions affecting individual Texans, in most instances, are best made by those individuals, their families, and the local government closest to their communities.
- Competition is the greatest incentive for achievement and excellence. It inspires ingenuity and requires individuals to set their sights high. Just as competition inspires excellence, a sense of personal responsibility drives individual citizens to do more for their future and the future of those they love.
- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.
- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse, and providing efficient and honest government.
- Finally, state government should be humble, recognizing that all its power and authority is granted to it by the people of Texas, and those who make decisions wielding the power of the state should exercise their authority cautiously and fairly.

---

### ***Relevant Statewide Priority Goals and Benchmarks***

---

#### ***Priority Goals:***

To support effective, efficient, and accountable state government operations and to provide citizens with greater access to government services while reducing service delivery costs.

To ensure Texans are effectively and efficiently served by high quality professionals and businesses through clear standards, compliance, and market-based solutions.

#### ***Benchmarks:***

- Total state spending per capita
- Percentage change in state spending, adjusted for population and inflation
- Number of state employees per 10,000 population
- Number of state services accessible by Internet
- Total savings realized in state spending by making reports/documents/processes available on the Internet and accepting information in electronic format
- Affordability of homes as measured by the Texas Housing Affordability Index
- Average annual homeowners and automobile insurance premiums as a percentage of the national average

## ***Office of Public Insurance Counsel Mission***

---

---

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

## ***Office of Public Insurance Counsel Philosophy***

---

---

The Office of Public Insurance Counsel is dedicated to diligently representing the interests of Texas consumers in a cost efficient manner. Each staff member must adhere to the highest ethical standards. This includes both thorough analysis of information, and fairness and sensitivity in working with consumers.

## ***External / Internal Assessment***

---

---

### ***Overview of Agency Scope and Functions***

The statutory authority for the Office of Public Insurance Counsel (OPIC) is found in the Texas Insurance Code Title 5, Subtitle A, Chapter 501. Authority for the collection of funds on behalf of OPIC is found in §§ 501.202-501.205. OPIC acts as an advocate for insurance consumers before the Texas Department of Insurance (TDI), the State Office of Administrative Hearings, and district and appellate courts.

OPIC represents consumers as a class on matters involving rates, rules, and forms affecting various personal lines such as property and casualty, title, and credit insurance, and on matters involving rules and forms for life, accident, and health insurance. OPIC is authorized by statute to assess the impact of insurance rates, rules and forms on insurance consumers and directed to act as a consumer advocate advancing positions that are advantageous to a substantial number of consumers.

OPIC annually reviews hundreds of rate filings and works diligently against unjustified rate increases. During fiscal years 2008-2014 (to date), OPIC advocated in 169 matters resulting in lower rates and/or other benefits for policyholders. These matters included homeowners, personal automobile, Texas Windstorm Insurance Association (TWIA), the Texas Automobile Insurance Plan Association (TAIPA), Fair Access to Insurance Requirements (FAIR) Plan, title and workers' compensation insurance. OPIC's participation in these cases resulted in rate decreases or reductions in proposed levels of rate increase estimated at \$695,310,235. It is the practice of the agency to negotiate rate reductions with insurers pre litigation when warranted. This avoids costly litigation while achieving appropriate savings for consumers.

The agency has also worked to prevent or limit the reduction of coverage available to insurance consumers. During fiscal years 2008-2014 (to date), OPIC participated in 319 rulemaking proceedings,

including policy form approvals, resulting in preservation and clarification of coverage or other benefits for consumers.

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

In February 2012, OPIC launched its improved website featuring a redesigned policy comparison tool for homeowners, auto, renters, and condo coverage. The policy comparison tool was the first of its kind launched in the United States and has received acclaim from consumers, agents and regulators alike. In addition, since September 2008, the agency has partnered with the Texas Department of Insurance (TDI) to produce a website (HelpInsure.com) combining consumer information produced by the agencies as well as adding new information as required by legislation passed by the 80<sup>th</sup> Legislature. OPIC also produced timely brochures to help educate consumers regarding windstorm, flood and wildfire issues. The agency is also required by statute to recommend to the Commissioner of Insurance public members to sit on the Texas Automobile Insurance Plan Association (TAIPA) Governing Board.

OPIC's efforts in public outreach and education have also increased substantially. The agency uses social media tools (Facebook and Twitter) to send educational messages to consumers. The agency also initiated a Spanish language outreach program utilizing radio spots and Spanish language educational tools to assist our Spanish speaking population in understanding their insurance policies. OPIC sends representatives to public events around the state to inform consumers about the resources available to them from the agency.

## ***Organizational Aspects***

OPIC has 15.0 full time equivalent positions consisting of the Public Counsel, attorneys, an economist/actuary, statisticians, researchers, and support staff. The Public Counsel is the only position in the agency that is exempt from the state classification plan. Appointed by the Governor and confirmed by the Senate to a two-year term, the Public Counsel serves as executive director of the office with authority over administrative and legal decisions, and day-to-day operations. The current Public Counsel is Deeia Beck, originally appointed by Governor Rick Perry in September 2008. The agency is located in Austin and has no regional offices.

The agency uses professional actuaries and economists as expert witnesses for ratemaking and rulemaking proceedings and for other specialized projects where their expertise is required. Because of the nature of many of these insurance issues, specialized knowledge and expertise is required as well as the experience and background necessary to be recognized as a qualified expert within the meaning of the Texas Rules of Evidence and recent court decisions.

OPIC fully recognizes the importance of maintaining a staff with diverse ethnic backgrounds and adheres to an Equal Employment Opportunity (EEO) policy requiring full compliance with non-discrimination guidelines as set out by state and federal laws and regulations. In fiscal year 2013, agency EEO related

personnel policies and procedural systems were reviewed by the Texas Workforce Commission Civil Rights Division and certified as being in compliance with the Texas Commission on Human Rights Act. OPIC reviews its personnel policies regularly to ensure they comply with current law. At the present time, approximately 27% of OPIC staff are minorities and 64% are women.

In addition, OPIC is committed to minority business enterprise participation in all acquisitions. However, not all expenditures are available for competitive bidding. Many required purchases are for books and on-line services that can only be purchased directly from a sole proprietor (such as West Publishing) thereby eliminating competition. OPIC makes every effort to award non-proprietary purchasing contracts, such as printing and miscellaneous computer supply orders, to price-competitive minority vendors whenever appropriate.

### ***Fiscal Aspects***

The assessment authority for the Office of Public Insurance Counsel is in the Texas Insurance Code, Title 5. Subtitle A. Chapter 501. §§ 501.201-501.205. Agency funds are specifically assessed “(t)o defray the costs of operating the office.” The annual assessments are 5.7 cents for each: property and casualty policy in force at the end of the year; owner and mortgage policy of title insurance written during the year for which the full basic premium is charged; and individual policy and certificate issued under a group health, accident or life policy issued during the year for which the initial premium is paid in full.

Since FY 2006 the agency has received additional funding in the amount of \$48,000 per fiscal year through an interagency contract with the Texas Department of Insurance (TDI), however, beginning in FY 2012, the contract was increased to \$191,670.

The collection of the agency’s assessment is handled by the Comptroller of Public Accounts. Since the agency’s inception, its assessment has exceeded the funds appropriated to the agency, and those excess funds have remained in general revenue. Below is a chart comparing the total assessment funds collected on behalf of the agency with the total funds appropriated to the agency for the past few fiscal years:

<b>Fiscal Year</b>	<b>Statutory Assessment Collected</b>	<b>Appropriation from General Revenue (Total, All)</b>	<b>TDI Interagency Contract</b>
<b>2010</b>	2,343,122	1,019,395	48,000
<b>2011</b>	2,284,056	988,406	48,000
<b>2012</b>	2,267,255	841,418	191,670
<b>2013</b>	2,417,111	841,418	191,670
<b>2014</b>	2,493,289	850,085	191,670
<b>2015</b>	2,381,000 (estimate)	855,528	191,670

In 2003, the legislature significantly changed the regulation of insurance rates, rating classification plans, and policy forms by bringing most licensed automobile and residential property insurers under rate regulation by TDI. Although it eliminated benchmark rate hearings for these lines of insurance, the legislation significantly increased the agency’s workload by raising the number of rate and policy form filings reviewed by the agency. The agency revised its budgetary priorities in order to absorb the increased workload as well as continue to meet requested spending reductions.

## ***Service Population Demographics***

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

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

A growing customer base will require OPIC to continually re-examine the primary interests of Texas consumers. Texas continues to grow faster than most other states, and there is no indication that this trend will slow down. Information from the Texas State Data Center indicates that within the next five years, the total number of Texans will increase by approximately 10%. The number of residents age 17 and under is expected to increase by 7%, while the number age 65 and older will increase by approximately 24%.<sup>1</sup> These changes will bring several challenges to the state's insurance system. For example, as our population ages, there will be an increasing need to examine such insurance options as Medicare supplement and long-term care insurance to ensure that these products are adequate for consumers and provide the coverage they need. Close attention may also need to be paid to various insurance products targeting senior citizens as they are especially vulnerable to fraud and abuse. As the workforce in Texas increases, it will be important to monitor the costs and structure of the workers' compensation insurance system.

The affordability and availability of insurance will continue to be an important issue to Texans. The ability of Texas residents to insure their businesses, property, and health are of vital importance to the economic health of communities, including inner city neighborhoods and rural areas, as well as the state as a whole.

## ***Technological Developments***

The agency's use of technology has improved the quality and efficiency of its services. Although the expenditure of funds is required periodically to maintain and upgrade computer systems, overall the agency has been able to do more with less expense.

The agency continues to use new technologies to increase its interaction with Texans. In September of 2013 the agency began using social media to reach more Texans. The agency uses Facebook and Twitter accounts to promote the agency website, inform people about upcoming events, and provide insurance related information. The agency website features a policy comparison tool that allows the public to compare insurance coverage between policies, articles on insurance issues, and insurance related news.

<sup>1</sup> *Texas State Data Center, Age, Sex and Race/Ethnicity (ASRE) Population by Migration Scenario by Age Group*

The public can access agency information and all agency publications, as well as comment on or ask questions about the agency or insurance issues through the website. The agency website is accessible from both computers and mobile devices.

The agency files all of its reports through electronic means unless otherwise instructed. Most of the required reporting for human resources, accounting, and information resources is performed over the internet. And most of the information shared with or provided by the Legislative Budget Board, the Comptroller of Public Accounts, and various other state entities with which the agency interacts is electronically based.

### ***Economic Variables***

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

### ***Federal and State Legal Issues***

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

At the state level, the most significant factor affecting the future role of OPIC is possible legislation that impacts rate regulation for residential property and automobile insurance. Also at the state level, there are several legislative interim and oversight committees considering insurance-related issues such as windstorm coverage and funding, federal health reform implementation, expediting rate case appeals, and policy disclosure requirements. OPIC will be requested to provide information or assistance on these and other issues.

### ***Self Evaluation and Opportunities for Improvement***

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

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

While we at OPIC are proud of our efforts on behalf of consumers, we know that there is always room for improvement. We focus our efforts to reach as many consumers as possible and will continue to do so. As mentioned previously, we have redesigned our website to make it more consumer friendly. We have also started a new consumer outreach initiative utilizing strategic media purchases and social media. Additionally, we have obtained a toll free number for consumer access. For Texas insurance consumers, knowledge is power. OPIC works to get consumers the resources they need to make educated insurance purchase decisions.

The agency's goals and strategies have been developed in response to statutory duties and are in line with the Governor's statewide planning elements. The agency acts as a consumer advocate in order to ensure fair rates and coverage. The agency's advocacy efforts are to ensure that these insurance rates are affordable to Texans and that insurance companies are serving their policyholders. As a result, it promotes the health and self-sufficiency of Texans, encourages economic growth, and supports new business creation.

## **Agency Goals, Objectives, Strategies, and Performance Measures**

---

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

**OBJECTIVE:** In each year, participate in all rate hearings, rate filings, and rulemaking proceedings, as well as any judicial proceedings, including appeals subsequent to administrative proceedings and amicus briefs, having a significant impact on Texas insurance consumers to ensure that insurance rates in Texas are fair and that rules are adequate to protect Texas insurance consumers; and act as a resource in legislative proceedings addressing issues affecting Texas insurance consumers through 2019.

Outcome Measures:

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

**STRATEGY:** Participate in rate hearings, rate filings, and rulemaking proceedings, as well as any judicial proceedings including appeals subsequent to administrative proceedings and amicus briefs, on behalf of Texas insurance consumers by using expert witnesses, providing staff and consumer testimony, and relying on staff research and staff attorneys; and provide information and research to the legislature and executive branch through 2019.

Output Measures

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

Efficiency Measure:

- Average Cost Per Rate Hearing in Which OPIC Participated

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

**OBJECTIVE:** To contact Texas insurance consumers by efficient means about insurance coverage and the insurance marketplace by reaching approximately 62% of those consumers each year and to participate in public forums to obtain information in order to formulate positions advantageous to insurance consumers through 2019.

Outcome Measures:

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

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

Output Measures:

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

Efficiency Measure:

- Average Cost Per Consumer Reached through Agency Publications

**GOAL:** **To establish and implement policies governing purchasing that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs).** (TEX. GOV'T CODE ANN. § 2161.123)

**OBJECTIVE:** To increase the use of HUBs in the total value of contracts and subcontracts awarded annually by the agency in each applicable procurement category:

23.6 Percent for Professional Services Contracts  
24.6 Percent for Other Services Contracts  
21.0 Percent for Commodities Contracts

Outcome Measure:

- Percentage of Total Dollar Value of Purchasing Contracts and Subcontracts Awarded to HUBs.

**STRATEGY:** Develop and implement a plan for increasing the use of historically underutilized businesses through purchasing contracts and subcontracts.

Output Measures:

- Number of Bid Proposals from HUB Contractors and Subcontractors
- Number of HUB Contracts and Subcontracts Awarded
- Dollar Value of HUB Contracts and Subcontracts Awarded

## ***Technological Resources Planning***

---

### ***Technology Initiative Assessment and Alignment***

<b>1. Initiative Name:</b> Name of the current or planned technology initiative.	
Social Media Plan	
<b>2. Initiative Description:</b> Brief description of the technology initiative.	
The agency began using social media to reach Texans and further the discussion of insurance issues. The agency will continue to expand its use of social media over the next biennium.	
<b>3. Associated Project(s):</b> Name and status of current or planned project(s), if any, that support the technology initiative and that will be included in agency's Information Technology Detail.	
<b>Name</b>	<b>Status</b>
Develop internal and external social media policies	Completed
Build social media network	Ongoing
<b>4. Agency Objective(s):</b> Identify the agency objective(s) that the technology initiative supports.	
This initiative supports the agency's primary objective of educating Texas consumers about insurance.	
<b>5. Statewide Technology Priority(ies):</b> Identify the statewide technology priority or priorities the technology initiative aligns with, if any.	
<ul style="list-style-type: none"> <li>• Security and Privacy</li> <li>• Cloud Services</li> <li>• Legacy Applications</li> <li>• Business Continuity</li> <li>• Enterprise Planning and Collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• IT Workforce</li> <li>• Virtualization</li> <li>• Data Management</li> <li>• Mobility</li> <li>• Network</li> </ul>
This initiative aligns with the following statewide technology priorities: Virtualization and Mobility.	
<b>6. Anticipated Benefit(s):</b> Identify the benefits that are expected to be gained through the technology initiative. Types of benefits include:	
<ul style="list-style-type: none"> <li>• Operational efficiencies (time, cost, productivity)</li> <li>• Citizen/customer satisfaction (service delivery quality, cycle time)</li> <li>• Security improvements</li> <li>• Foundation for future operational improvements</li> <li>• Compliance (required by State/Federal laws or regulations)</li> </ul>	
OPIC expects to increase customer satisfaction through this initiative. Social media allows the agency to reach and interact with more Texans. It is also a low cost alternative to traditional outreach methods (i.e. advertising, conferences, etc.).	

**7. Capabilities or Barriers:** Describe current agency capabilities or barriers that may advance or impede the agency's ability to successfully implement the technology initiative.

--

***APPENDICES***

## APPENDIX A

### ***Agency Planning Process***

---

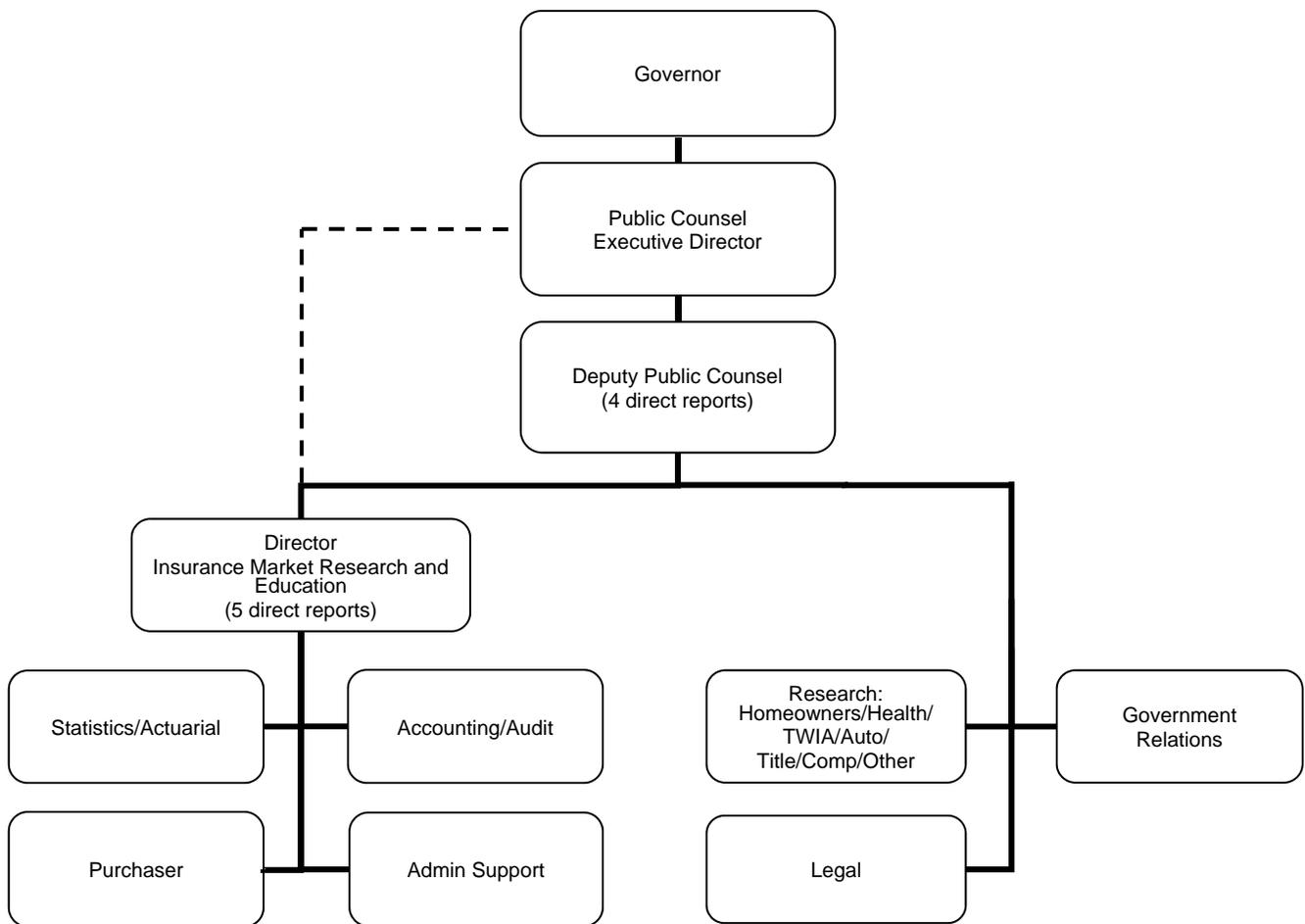
---

During each fiscal year, OPIC staff periodically meets with consumers and consumer groups, the Texas Department of Insurance staff, and with Legislators and their staff to discuss agency programs and services. In addition, the agency surveys consumers by mail and through its web site to obtain feedback on services provided. Throughout the process, positive and negative attributes of the agency are noted, discussed, and evaluated. OPIC key personnel meet periodically to discuss performance, performance measures, and agency strategy. At critical stages during the development of the strategic plan, copies are circulated to key OPIC staff for comments and discussion. Meetings are then held to finalize the plan.

## APPENDIX B

### *Organizational Chart*

---



## APPENDIX C

### *Projected Outcomes*

---

---

**Office of Public Insurance Counsel  
Projected Outcomes for Fiscal Years 2015-2019**

---

<b>Outcome</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Percentage of Rate Hearings in Which OPIC Participated	100%	100%	100%	100%	100%
Percentage of Rate and Rule Proceedings in Which OPIC Participated	75%	75%	75%	75%	75%
Percentage of Rates and Rules Changed as a Result of OPIC Participation	90%	90%	90%	90%	90%
Percentage of Texas Insurance Consumers Reached by OPIC Outreach Efforts	62%	62%	62%	62%	62%
Percentage of Bills of Rights Submitted for Adoption within Established Timelines	100%	100%	100%	100%	100%

---

## APPENDIX D

### ***Performance Measures Definitions***

---

---

#### **OUTCOME MEASURES**

- **Percentage of Rate Hearings in which OPIC Participated**

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

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

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

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

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

**Calculation Type:** *Non-cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than target*

- **Percentage of Rate and Rule Proceedings in which OPIC Participated**

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

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

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

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

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

**Calculation Type:** *Non-cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than Target*

- **Percentage of Rates and Rules Changed as a Result of OPIC Participation**

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

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

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

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

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

**Calculation Type:** *Non-cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than Target*

- **Percentage of Texas Insurance Consumers Reached by OPIC Outreach Efforts**

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

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

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

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

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

**Calculation Type:** *Non-cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than Target*

- **Percentage of Bills of Rights Submitted for Adoption within Established Timelines**

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

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

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

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

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

**Calculation Type:** *Non-cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than Target*

## **OUTPUT MEASURES**

- **Number of Rate Hearings in which OPIC Participated**

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

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

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

**Methodology:** *Rate hearings in which the agency participated as a party of record during the reporting period are totaled.*

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

**Calculation Type:** *Cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than Target*

- **Number of Rate Filings in which OPIC Participated**

**Definition:** *The number of individual insurance company rate filings which the agency participated in settlement negotiations or pre-hearing matters during the reporting period. This measure includes filings which the agency contested by filing a formal objection and request for disapproval, and/or a hearing. It*

also includes activities conducted in preparation for a hearing, such as conducting discovery, submitting requests for information and filing pre-hearing motions which may or may not result in a hearing.

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

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

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

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

**Calculation Type:** *Cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than Target*

- **Number of Rulemaking Proceedings in which OPIC Participated**

**Definition:** *The number of rulemaking proceedings on proposed rules, rule changes, or forms in which the agency participated by providing written and/or oral testimony during the reporting period. This measure includes discussions or negotiations prior to postings or hearings that may result in the agency's recommendation being incorporated into the proposal prior to publication, or which eliminates the need for a hearing. Rulemaking proceedings include administrative proceedings on proposals by the Texas Department of Insurance, insurance companies, insurance industry trade groups, consumer groups, individual consumers, the agency, or other entities which affect or have the potential to affect a class or a substantial number of consumers as well as judicial appeals subsequent to such administrative proceedings. This measure also includes the agency's involvement in judicial proceedings that affect or have the potential to affect a class or a substantial number of consumers.*

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

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

**Methodology:** *Rulemaking proceedings in which the agency participated during the reporting period are totaled.*

**Purpose:** *This measure addresses the agency's statutory duty to intervene on behalf of consumers in matters involving rules and forms affecting various lines of insurance. It is important to monitor the*

*number or type of rulemaking proceedings conducted in order to determine market trends and to aid the agency in its budget planning process.*

**Calculation Type:** *Cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than Target*

- **Number of Proposed Rules Analyzed**

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

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

**Data Source:** *An agency database is maintained and utilized to track projects, activities, and outcomes for the agency. Information regarding rulemaking proceedings and proposals is entered by agency staff on a regular basis. Data is collected from the Texas Register and the agency receiving the rule proposal.*

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

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

**Calculation Type:** *Cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than Target*

- **Number of Rate Filings Analyzed**

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

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

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

**Methodology:** *Rate filings which the agency analyzed but did not take action on during the reporting period are totaled.*

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

**Calculation Type:** *Cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than Target*

- **Number of Bills of Rights or Revisions Proposed**

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

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

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

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

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

**Calculation Type:** *Cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than Target*

- **Number of Report Cards and Publications Produced and Distributed**

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

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

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

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

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

**Calculation Type:** *Cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than Target*

- **Number of Public Presentations or Communications**

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

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

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

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

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

**Calculation Type:** *Cumulative*

**New Measure:** *No*

**Desired Performance:** *Higher than Target*

## **EFFICIENCY MEASURES**

- **Average Cost Per Rate Hearing in Which OPIC Participated**

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

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

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

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

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

**Calculation Type:** *Non-cumulative*

**New Measure:** *No*

**Desired Performance:** *Lower than Target*

- **Average Cost Per Consumer Reached through Agency Publications**

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

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

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

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

**Purpose:** *This measure is intended to show the cost of reaching consumers with agency publications and information. The publication of educational information addresses the agency's statutory duties to*

*educate and advocate on behalf of consumers, submit consumer bills of rights to be distributed to insurance policyholders, and provide consumers with a comparison and evaluation of HMOs in Texas. It is important to monitor these costs to aid the agency in its budget planning process.*

**Calculation Type:** *Non-cumulative*

**New Measure:** *No*

**Desired Performance:** *Lower than Target*

## APPENDIX E

### ***Agency Workforce Plan***

---

---

#### **Anticipated Changes to the Agency's Role**

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

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

As a result of budget reductions and greater efficiencies, OPIC's allowed FTEs decreased from 16.5 to 15.0 in the 2010 legislative session. The nature of the workforce is unlikely to change; however, the role of staff may need to be adapted to address any changes to the agency's mission that are ultimately determined by the legislature in 2015.

#### **Current Workforce Profile (*Supply Analysis*)**

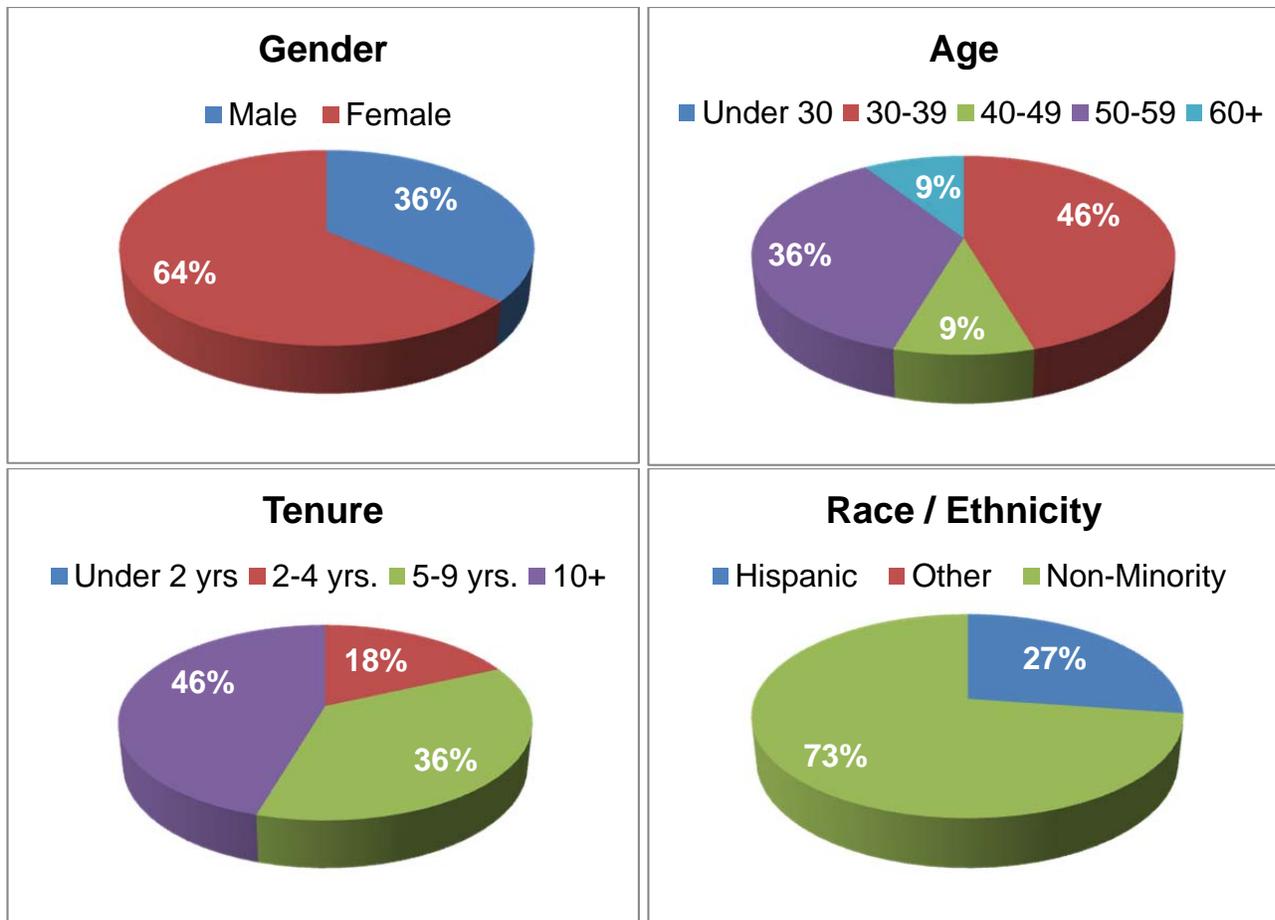
##### ***Critical Workforce Skills***

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

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

##### ***Workforce Demographics***

The following charts profile the agency's workforce as of June 1, 2014. The agency is authorized 15.0 positions consisting of attorneys, economists, statisticians, researchers, and support staff. Currently, this workforce is comprised of approximately thirty-six percent males and sixty-four percent females with 45% being under age 40 and 55% being between age 40 and 59. The agency strives towards maintaining a diverse workplace and has had no significant change in the race/ethnic breakdown of its workforce in the past several years. At present, 27% of the agency's employees are minorities. Tenure remains high with 45% of the agency workforce having over ten years of state service.



***Employee Turnover***

Historically, the agency experiences zero to two employee resignations or retirements per year. OPIC’s turnover rate has been low. The turnover rate as of June 1, 2014 for FY 2014 is 0%. An increase in that percentage between now and the end of the fiscal year is likely. There were no employee resignations in FY 2013. Future attrition is likely to remain in the range of zero to two persons per year.

***Retirement Eligibility***

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

## **Future Workforce Profile (*Demand Analysis*)**

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

### ***Critical Functions***

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

### ***Expected Workforce Changes***

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

### ***Anticipated Increase/Decrease in FTEs***

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

### ***Future Workforce Skills Needed***

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

## **Gap Analysis**

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

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

## Strategy Development

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

## APPENDIX F

### ***Survey of Employee Engagement Results and Utilization Plans***

---

For the second time in the history of the agency, OPIC employees were asked to participate in the survey measuring employee engagement. Executive management was very pleased with the results. The overall score for the agency was 437, well in excess of the average range of 325 to 375. Additionally, all scores on each of the constructs were in excess of the average for other agencies.

The agency's highest scores were for the constructs of Strategic (443), Employee Engagement (448), and Physical Environment (455). The Strategic construct reflects employees' thinking about how the agency responds to external influences that should play a role in defining the organization's mission, vision, services, and products. The Employee Engagement construct measures the degree to which employees feel they have some control over their jobs and the outcomes of their efforts. The Physical Environment construct measures the perceptions of the total work environment of the agency and the degree to which the agency is viewed as a safe place to work with adequate resources.

The areas with the lowest scores were Pay (403), Internal Communication (416) and Diversity (420). While none of the scores are low per se, they are still important to evaluate for the ongoing health of the agency. The Pay construct is somewhat outside the agency's control but the agency does evaluate employees' levels of compensation relative to other state agencies. The Internal Communication construct evaluates how employees view the flow of information throughout the agency. Since receiving this result, executive management has initiated a system for employees to evaluate (anonymously if they desire) the quality of communication with their supervisors. Concerning the Diversity construct, the agency works very hard to encourage minorities and women to apply for open positions. With a small staff and few turnovers, it has been difficult to change the ethnic make up of the agency's staff with employees who would have the required skill sets.

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