

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

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

**BY**



**OFFICE OF PUBLIC  
INSURANCE COUNSEL**

**JULY 2018**

## ***TABLE OF CONTENTS***

---

---

Administrator’s Statement .....	1
Organization Chart .....	3
Certificate of Dual Submissions .....	4
Budget Overview .....	5
2.A Summary of Base Request by Strategy .....	6
2.B Summary of Base Request by Method of Finance .....	8
2.C Summary of Base Request by Object of Expense .....	12
2.D Summary of Base Request Objective Outcomes .....	13
2.F Summary of Total Request by Strategy .....	14
2.G Summary of Total Request Objective Outcomes .....	16
3.A Strategy Request .....	17
3.A.1 Program-Level Request Schedule .....	24
6.A Historically Underutilized Business Supporting Schedule .....	25
6.E Estimated Revenue Collections Supporting Schedule .....	26
6.I Ten Percent Biennial Base Reduction Options.....	27

**Administrator's Statement**

7/27/2018 4:38:20PM

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

---

**359 Office of Public Insurance Counsel**

---

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

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

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

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

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

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

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

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

**Administrator's Statement**

7/27/2018 4:38:20PM

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

---

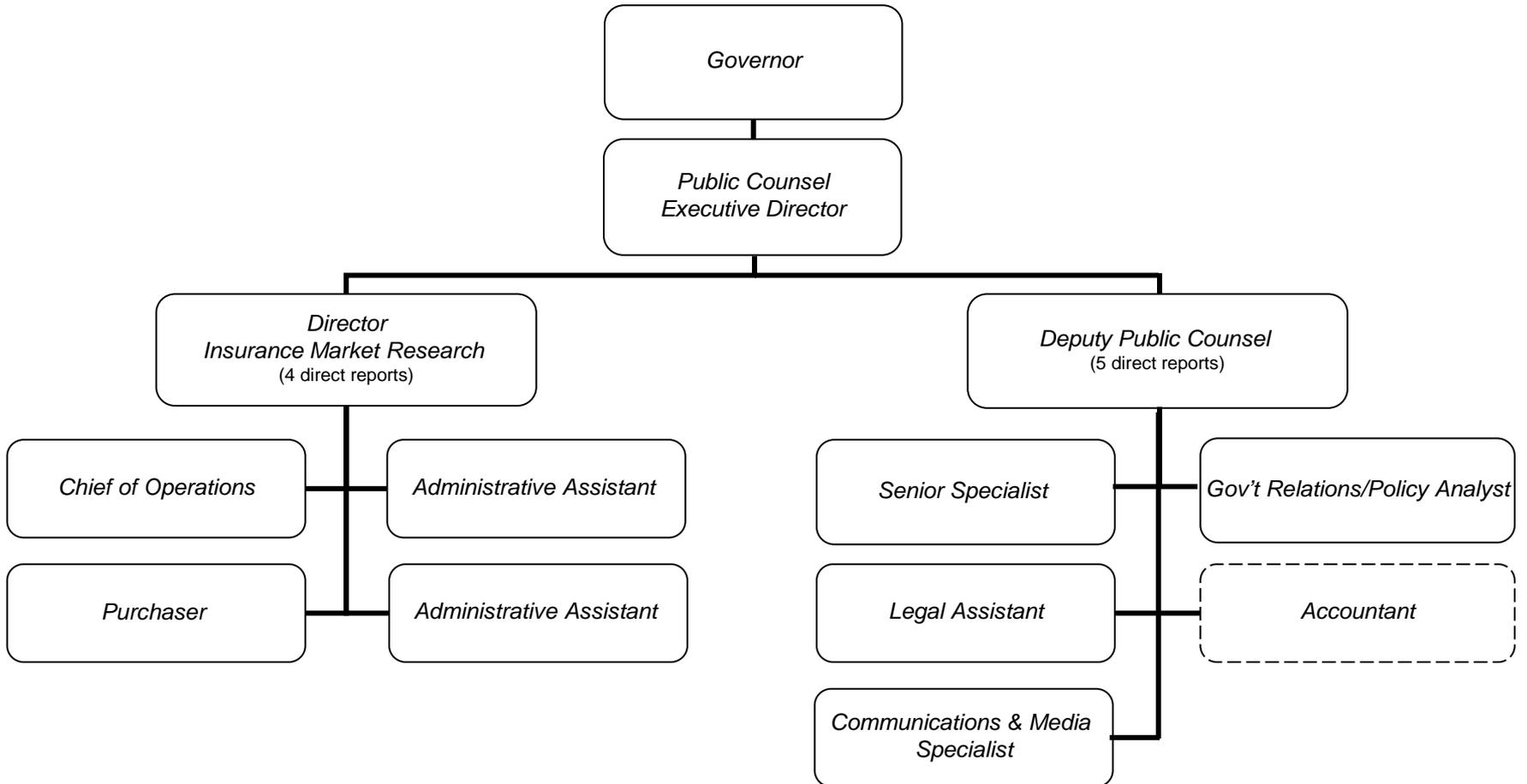
**359 Office of Public Insurance Counsel**

---

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



OFFICE OF PUBLIC  
INSURANCE COUNSEL





## CERTIFICATE

Agency Name Office of Public Insurance Counsel

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

Additionally, should it become likely at any time that unexpended balances will accrue for any account, the LBB and the Governor's Office will be notified in writing in accordance with Article IX, Section 7.01 (2018-19 GAA).

Chief Executive Officer or Presiding Judge

Melissa R. Hamilton  
Signature

Melissa R. Hamilton  
Printed Name

Public Counsel  
Title

July 27, 2018  
Date

Board or Commission Chair

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Chief Financial Officer

Mark T. Patterson  
Signature

Mark T. Patterson  
Printed Name

Accountant  
Title

July 27, 2018  
Date

**Budget Overview - Biennial Amounts**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

359 Office of Public Insurance Counsel  
 Appropriation Years: 2020-21

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

2.A. Summary of Base Request by Strategy

7/27/2018 4:38:20PM

86th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

359 Office of Public Insurance Counsel

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

2.A. Summary of Base Request by Strategy

7/27/2018 4:38:20PM

86th Regular Session, Agency Submission, Version 1

Automated Budget and Evaluation System of Texas (ABEST)

359 Office of Public Insurance Counsel

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

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

**2.B. Summary of Base Request by Method of Finance**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

7/27/2018 4:38:20PM

Agency code: <b>359</b>		Agency name: <b>Office of Public Insurance Counsel</b>				
<b>METHOD OF FINANCING</b>		<b>Exp 2017</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>Req 2020</b>	<b>Req 2021</b>
<b><u>GENERAL REVENUE</u></b>						
<b><u>1</u></b> General Revenue Fund						
<i>REGULAR APPROPRIATIONS</i>						
Regular Appropriations from MOF Table (2016-17 GAA)						
		\$870,368	\$0	\$0	\$0	\$0
Regular Appropriations from MOF Table (2018-19 GAA)						
		\$0	\$850,579	\$850,580	\$0	\$0
Regular Appropriations from MOF Table (2020-21 GAA)						
		\$0	\$0	\$0	\$850,579	\$850,580
<b>Comments:</b> 2020-21 BLRequest						
<i>RIDER APPROPRIATION</i>						
Art IX, Sec 8.02, Reimbursements and Payments (2016-17 GAA)						
		\$290	\$0	\$0	\$0	\$0
<i>TRANSFERS</i>						
Art IX, Sec 18.02, Salary Increase for General State Employees (2016-17)						
		\$14,098	\$0	\$0	\$0	\$0
<i>LAPSED APPROPRIATIONS</i>						

**2.B. Summary of Base Request by Method of Finance**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

7/27/2018 4:38:20PM

Agency code: <b>359</b>		Agency name: <b>Office of Public Insurance Counsel</b>				
<b>METHOD OF FINANCING</b>		<b>Exp 2017</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>Req 2020</b>	<b>Req 2021</b>
<b><u>GENERAL REVENUE</u></b>						
	Regular Appropriation from MOF Table (2016-17 GAA)	\$ (16,885)	\$ 0	\$ 0	\$ 0	\$ 0
	Savings due to Hiring Freeze	\$ (41,937)	\$ 0	\$ 0	\$ 0	\$ 0
<b>TOTAL,</b>	<b>General Revenue Fund</b>	<b>\$825,934</b>	<b>\$850,579</b>	<b>\$850,580</b>	<b>\$850,579</b>	<b>\$850,580</b>
<b>TOTAL, ALL</b>	<b>GENERAL REVENUE</b>	<b>\$825,934</b>	<b>\$850,579</b>	<b>\$850,580</b>	<b>\$850,579</b>	<b>\$850,580</b>

**OTHER FUNDS**

777 Interagency Contracts  
*TRANSFERS*

	Interagency Contract from MOF Table (2017-18 GAA)	\$191,670	\$ 0	\$ 0	\$ 0	\$ 0
	Interagency Contract from MOF Table (2018-19 GAA)	\$ 0	\$191,670	\$191,670	\$ 0	\$ 0

**2.B. Summary of Base Request by Method of Finance**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

7/27/2018 4:38:20PM

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

**2.B. Summary of Base Request by Method of Finance**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

7/27/2018 4:38:20PM

Agency code: <b>359</b>	Agency name: <b>Office of Public Insurance Counsel</b>				
<b>METHOD OF FINANCING</b>	<b>Exp 2017</b>	<b>Est 2018</b>	<b>Bud 2019</b>	<b>Req 2020</b>	<b>Req 2021</b>
<b>FULL-TIME-EQUIVALENT POSITIONS</b>					
REGULAR APPROPRIATIONS					
Regular Appropriations from MOF Table (2016-17 GAA)	15.0	0.0	0.0	0.0	0.0
Regular Appropriations from MOF Table (2018-19 GAA)	0.0	15.0	15.0	0.0	0.0
Regular Appropriation (2020-21) <b>Comments: 2020-21 BL Request</b>	0.0	0.0	0.0	15.0	15.0
LAPSED APPROPRIATIONS					
Savings due to Governor's Hiring Freeze	(0.6)	0.0	0.0	0.0	0.0
UNAUTHORIZED NUMBER OVER (BELOW) CAP					
Number Below Cap	(5.0)	(4.0)	0.0	0.0	0.0
<b>TOTAL, ADJUSTED FTES</b>	<b>9.4</b>	<b>11.0</b>	<b>15.0</b>	<b>15.0</b>	<b>15.0</b>

**NUMBER OF 100% FEDERALLY FUNDED  
 FTEs**

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

7/27/2018 4:38:21PM

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

**359 Office of Public Insurance Counsel**

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

**2.D. Summary of Base Request Objective Outcomes**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation system of Texas (ABEST)

7/27/2018 4:38:21PM

**359 Office of Public Insurance Counsel**

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

**2.F. Summary of Total Request by Strategy**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 7/27/2018  
 TIME : 4:38:21PM

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

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

**2.F. Summary of Total Request by Strategy**  
 86th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE : 7/27/2018  
 TIME : 4:38:21PM

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

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



**359 Office of Public Insurance Counsel**

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

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

**359 Office of Public Insurance Counsel**

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
2007	RENT - MACHINE AND OTHER	\$6,911	\$4,960	\$5,000	\$5,000	\$5,000
2009	OTHER OPERATING EXPENSE	\$88,302	\$80,699	\$71,251	\$71,300	\$71,301
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$825,934</b>	<b>\$850,579</b>	<b>\$850,580</b>	<b>\$850,579</b>	<b>\$850,580</b>
<b>Method of Financing:</b>						
1	General Revenue Fund	\$825,934	\$850,579	\$850,580	\$850,579	\$850,580
<b>SUBTOTAL, MOF (GENERAL REVENUE FUNDS)</b>		<b>\$825,934</b>	<b>\$850,579</b>	<b>\$850,580</b>	<b>\$850,579</b>	<b>\$850,580</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$850,579</b>	<b>\$850,580</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$825,934</b>	<b>\$850,579</b>	<b>\$850,580</b>	<b>\$850,579</b>	<b>\$850,580</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>7.4</b>	<b>9.0</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</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.

**359 Office of Public Insurance Counsel**

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
------	-------------	----------	----------	----------	---------	---------

**EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:**

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

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

<u>STRATEGY BIENNIAL TOTAL - ALL FUNDS</u>		<u>BIENNIAL</u>	<u>EXPLANATION OF BIENNIAL CHANGE</u>	
Base Spending (Est 2018 + Bud 2019)	Baseline Request (BL 2020 + BL 2021)	CHANGE	\$ Amount	Explanation(s) of Amount (must specify MOFs and FTEs)
\$1,701,159	\$1,701,159	\$0	\$0	<b>Total of Explanation of Biennial Change</b>

**359 Office of Public Insurance Counsel**

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

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

**359 Office of Public Insurance Counsel**

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
<b>SUBTOTAL, MOF (OTHER FUNDS)</b>		<b>\$191,670</b>	<b>\$191,670</b>	<b>\$191,670</b>	<b>\$191,670</b>	<b>\$191,670</b>
<b>TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)</b>					<b>\$191,670</b>	<b>\$191,670</b>
<b>TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)</b>		<b>\$191,670</b>	<b>\$191,670</b>	<b>\$191,670</b>	<b>\$191,670</b>	<b>\$191,670</b>
<b>FULL TIME EQUIVALENT POSITIONS:</b>		<b>2.0</b>	<b>2.0</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 State Health Services.

**359 Office of Public Insurance Counsel**

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

CODE	DESCRIPTION	Exp 2017	Est 2018	Bud 2019	BL 2020	BL 2021
------	-------------	----------	----------	----------	---------	---------

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

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

---

**SUMMARY TOTALS:**

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



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

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

Agency Code: 359 Agency: Office of Public Insurance Counsel

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

**A. Fiscal Year 2016 - 2017 HUB Expenditure Information**

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

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

**Attainment:**

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

**Applicability:**

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

**Factors Affecting Attainment:**

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

**"Good-Faith" Efforts:**

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

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

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

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

**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

Mark T Patterson

**6.I. Percent Biennial Base Reduction Options**

**10 % REDUCTION**

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

Date: 7/31/2018  
Time: 1:40:28PM

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

Item Priority and Name/ <u>Method of Financing</u>	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total

**1 Rate Hearing & Rule Making Participation**

**Category:** Programs - Service Reductions (Other)

**Item Comment:** The agency will reduce approximately \$42,529 in GR expenses by eliminating or significantly reducing the following: Computer Equipment; Furnishing/Equipment; Return to Work; Magazines/Reference Materials;

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

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$850,579	\$850,580	\$1,701,159
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,264</b>	<b>\$21,265</b>	<b>\$42,529</b>	<b>\$850,579</b>	<b>\$850,580</b>	<b>\$1,701,159</b>
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,264</b>	<b>\$21,265</b>	<b>\$42,529</b>	<b>\$850,579</b>	<b>\$850,580</b>	<b>\$1,701,159</b>

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

**2 Rate Hearing & Rule Making Participation**

**Category:** Programs - Service Reductions (Other)

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

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

General Revenue Funds

**6.I. Percent Biennial Base Reduction Options**

**10 % REDUCTION**

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

Date: 7/31/2018  
Time: 1:40:28PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total
1 General Revenue Fund	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$850,579	\$850,580	\$1,701,159
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,264</b>	<b>\$21,265</b>	<b>\$42,529</b>	<b>\$850,579</b>	<b>\$850,580</b>	<b>\$1,701,159</b>
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,264</b>	<b>\$21,265</b>	<b>\$42,529</b>	<b>\$850,579</b>	<b>\$850,580</b>	<b>\$1,701,159</b>

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

**3 Rate Hearing & Rule Making Participation**

**Category:** Programs - Service Reductions (Other)

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

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

General Revenue Funds

1 General Revenue Fund	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$850,579	\$850,580	\$1,701,159
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,264</b>	<b>\$21,265</b>	<b>\$42,529</b>	<b>\$850,579</b>	<b>\$850,580</b>	<b>\$1,701,159</b>
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,264</b>	<b>\$21,265</b>	<b>\$42,529</b>	<b>\$850,579</b>	<b>\$850,580</b>	<b>\$1,701,159</b>

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

**4 Rate Hearing & Rule Making Participation**

**Category:** Programs - Service Reductions (Other)

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

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

**6.I. Percent Biennial Base Reduction Options**

**10 % REDUCTION**

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

Date: 7/31/2018  
Time: 1:40:28PM

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

Item Priority and Name/ Method of Financing	REVENUE LOSS			REDUCTION AMOUNT			PROGRAM AMOUNT		TARGET	
	2020	2021	Biennial Total	2020	2021	Biennial Total	2020	2021	Biennial Total	
<u>General Revenue Funds</u>										
1 General Revenue Fund	\$0	\$0	\$0	\$21,264	\$21,265	\$42,529	\$850,579	\$850,579	\$1,701,158	
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,264</b>	<b>\$21,265</b>	<b>\$42,529</b>	<b>\$850,579</b>	<b>\$850,579</b>	<b>\$1,701,158</b>	
<b>Item Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,264</b>	<b>\$21,265</b>	<b>\$42,529</b>	<b>\$850,579</b>	<b>\$850,579</b>	<b>\$1,701,158</b>	
<b>FTE Reductions (From FY 2020 and FY 2021 Base Request)</b>										
<b>AGENCY TOTALS</b>										
<b>General Revenue Total</b>				<b>\$85,056</b>	<b>\$85,060</b>	<b>\$170,116</b>	<b>\$3,402,316</b>	<b>\$3,402,319</b>	<b>\$6,804,635</b>	<b>\$170,116</b>
<b>Agency Grand Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$85,056</b>	<b>\$85,060</b>	<b>\$170,116</b>	<b>\$3,402,316</b>	<b>\$3,402,319</b>	<b>\$6,804,635</b>	<b>\$170,116</b>
<b>Difference, Options Total Less Target</b>										
<b>Agency FTE Reductions (From FY 2020 and FY 2021 Base Request)</b>										
<b>Article Total</b>				<b>\$85,056</b>	<b>\$85,060</b>	<b>\$170,116</b>	<b>\$3,402,316</b>	<b>\$3,402,319</b>	<b>\$6,804,635</b>	
<b>Statewide Total</b>				<b>\$85,056</b>	<b>\$85,060</b>	<b>\$170,116</b>	<b>\$3,402,316</b>	<b>\$3,402,319</b>	<b>\$6,804,635</b>	