

AGENCY WORKFORCE PLAN
FOR THE FISCAL YEARS 2015-2019 PERIOD

SUBMITTED ELECTRONICALLY TO THE
STATE AUDITOR'S OFFICE

By

OFFICE OF PUBLIC INSURANCE COUNSEL



June 18, 2014

Table of Contents

Office of Public Insurance Counsel Mission 1

Office of Public Insurance Counsel Philosophy 1

Agency Goals, Objectives, Strategies, and Performance Measures 1

Agency Workforce Plan..... 4

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.

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

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*)

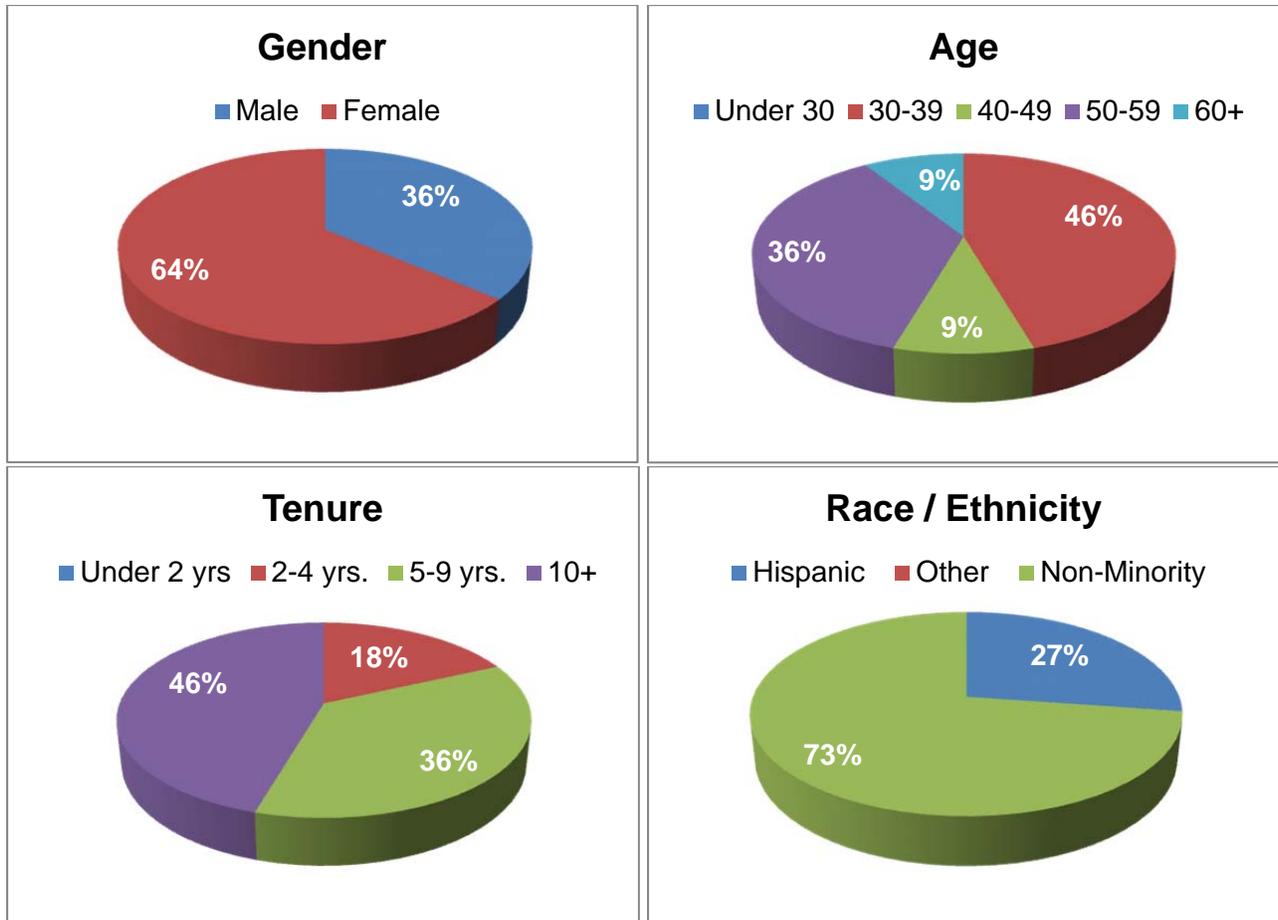
Critical Workforce Skills

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

<i>Gap</i>	Existing employees may not be adequately prepared for succession if there is turnover among key employees.
<i>Goal</i>	Further develop practices and procedures to maintain employee development and training for future succession and skill enhancement.
<i>Rationale</i>	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.
<i>Action Steps</i>	<ul style="list-style-type: none"> • Develop project management strategies to ensure pairing of experienced employees with newer employees of lesser experience. • Survey employees to determine which skills they feel require more development. • Examine alternatives for employee training that maximizes resources. Examples of avenues for research include internal training, internet training, cross-agency training, external training. • Develop internal cross-training procedures to allow for greater breadth of responsibility and knowledge. • Continue to include personnel turnover as an area for review in the internal audit risk assessment.