

AGENCY WORKFORCE PLAN
FOR THE FISCAL YEARS 2019-2023 PERIOD

**SUBMITTED ELECTRONICALLY TO THE
STATE AUDITOR'S OFFICE**

By

OFFICE OF PUBLIC INSURANCE COUNSEL



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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 Texas Legislature established the Office of Public Insurance Counsel (OPIC) as an independent agency in Chapter 501 of the Insurance Code, and charged the agency with representing the interests of Texas consumers in insurance matters. OPIC fulfills this statutory duty by representing the interests of consumers in the regulation of insurance rates, rules, and policy forms; recommending legislation to the Texas Legislature that would positively affect the interests of insurance consumers; and intervening in legal and other matters, as appropriate, for positions that are most advantageous to a substantial number of insurance consumers. OPIC also engages consumers directly through the Consumer Bill of Rights, which is distributed to each policyholder on issuance of homeowners' and personal automobile policies. OPIC's consumer outreach and education efforts make Texans more aware of insurance issues and help them better understand the insurance products they purchase.

Office of Public Insurance Counsel Philosophy

OPIC is dedicated to diligently representing the interests of Texas insurance consumers in a fair, ethical, and professional manner.

Agency Goals, Objectives, Strategies, and Performance Measures

GOAL: To effectively represent the interests of Texas insurance consumers in rate, rulemaking, judicial, and legislative proceedings, and other public forums involving insurance matters. (Texas Insurance Code, Chapter 501)

OBJECTIVE: Participate in all rate hearings, rate filings, and rulemaking proceedings, as well as any necessary and appropriate judicial proceedings, that have a significant impact on Texas insurance consumers. Act as a resource for the Texas Legislature in legislative hearings and other legislative proceedings that address issues affecting Texas insurance consumers.

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 necessary and appropriate judicial proceedings, on behalf of Texas insurance consumers by using expert witnesses, conducting research and legal analysis, and providing staff and consumer testimony. Provide information, analysis, and research to the Texas Legislature.

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
- Number of Responses to Legislative Requests for Research or Information (beginning 2020-2021 biennium)

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. (Texas Insurance Code, Chapter 501)

OBJECTIVE: Contact Texas insurance consumers through efficient outreach channels, including public forums, the OPIC website, and social media applications, to provide information on insurance coverage and the insurance marketplace. Provide consumers who purchase residential property and personal automobile coverage with an easy to read and up to date copy of the Consumer Bill of Rights, which lists their rights as consumers under Texas law.

Outcome Measures:

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

STRATEGY: Engage with Texas consumers to help them make informed choices about insurance policies and to educate them on their rights as insurance consumers. Achieve these goals by conducting research and providing the information gained from that research to consumers in a useful format via (i) presentations and presence at public forums, (ii) content on the OPIC website, and (iii) outreach on OPIC social media applications. Produce current and plain language Consumer Bills of Rights for Texans purchasing residential property and/or personal automobile insurance.

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). (Texas Government Code, Chapter 2161)

OBJECTIVE: Increase the use of HUBs in the total value of contracts and subcontracts awarded annually by OPIC in each applicable procurement category:

- 23.7 Percent for Professional Services Contracts
- 26.0 Percent for Other Services Contracts
- 21.1 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 HUBs 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

Anticipated Changes to the Agency's Role

Senate Bill 14 in 2003 changed insurance rate regulation in Texas. Many companies became regulated that were previously exempt. This increased the role of OPIC in rate and form filing review as the volume of filings rose. OPIC continues to actively monitor rate and form filings for personal automobile and homeowners' lines of insurance, intervening both formally and informally as needed.

OPIC has also taken on an increased role in public outreach and education. The agency believes that informed consumers make better decisions about which insurance products to purchase. This improves the overall efficiency of the insurance marketplace in Texas, making companies more competitive and thus more responsive to consumers. OPIC is committed to improving Texans' understanding of the insurance policies they typically purchase, and accordingly, OPIC now places a greater emphasis on this role and will continue to do so in the forthcoming years.

As a result of budget reductions and greater efficiencies, OPIC's allowed full time employee (FTE) count decreased from 16.5 to 15.0 in the 2011 Texas Legislative session. The nature of the workforce is unlikely to change; however, the role of staff may need to adapt to address any future changes made by the Texas Legislature to the agency's mission.

Current Workforce Profile (*Supply Analysis*)

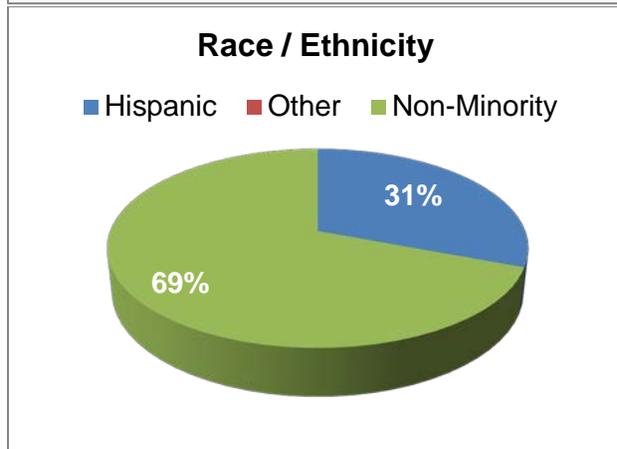
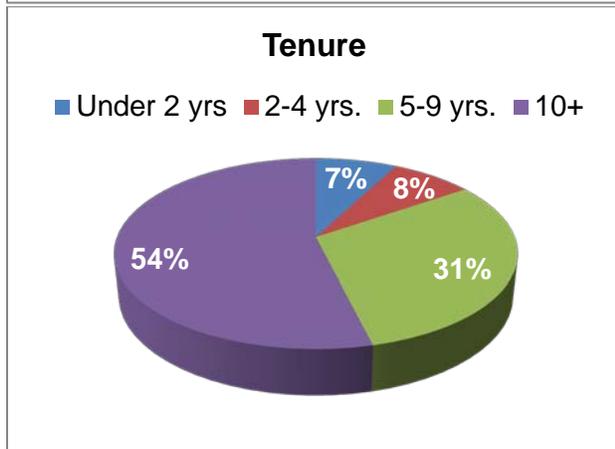
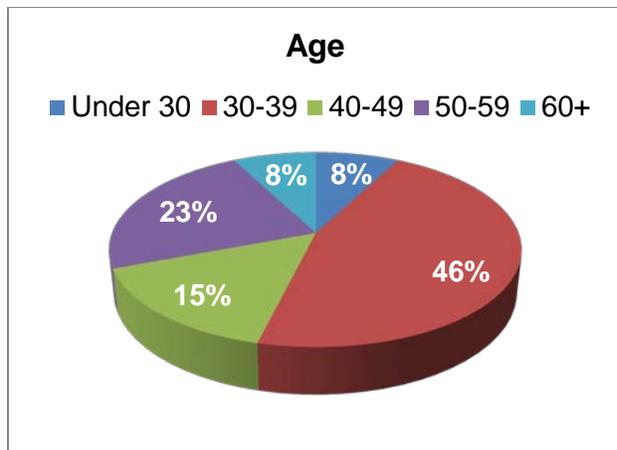
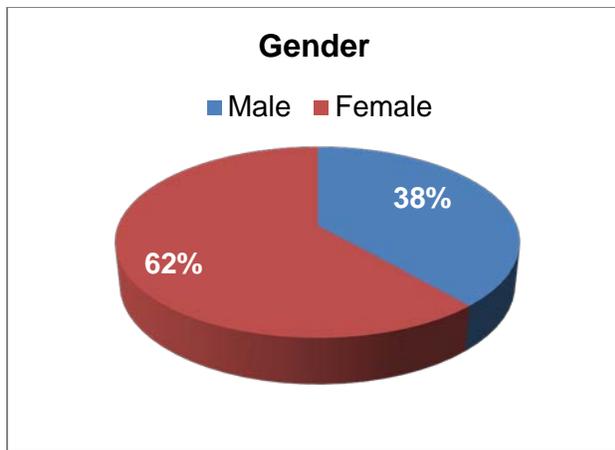
Critical Workforce Skills

OPIC retains 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, including website and social media applications
- Administration (budgeting, accounting, purchasing, payroll, human resources)

Workforce Demographics

The following charts profile OPIC's workforce as of June 1, 2018. The Texas Legislature authorized 15.0 positions for the agency, consisting of attorneys, economists, statisticians, researchers, and support staff. Currently, this workforce is comprised of approximately thirty-eight percent (38%) males and sixty-two percent (62%) females, with fifty-four percent (54%) under the age of 40 and forty-six percent (46%) between the ages of 40 and 65. The agency strives toward 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, thirty-one percent (31%) of the agency's employees are minorities. Tenure remains high with fifty-four percent (54%) of the agency workforce having over ten years of state service.



Employee Turnover

Historically, OPIC experiences less than one employee resignation or retirement per year. The turnover rate as of June 1, 2018, for fiscal year (FY) 2018 is 18.2 percent (18.2%). An increase in that percentage between now and the end of FY 2018 is unlikely. Future attrition is likely to remain in the range of zero to one person per year as employees eligible to retire do so.

Retirement Eligibility

At this time, the agency does not consider retirement eligibility to be a significant issue. OPIC has two employees eligible to retire immediately, and one additional employee eligible to retire within the next five years.

Future Workforce Profile (*Demand Analysis*)

Anticipating changes to the state insurance regulatory environment requires that the agency continually reevaluates the skill sets of its 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
- 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

OPIC currently has sufficient personnel with the appropriate skills to make the transition to a more technical quantitative environment. The agency recently hired an FTE with enhanced social media and marketing skills to help achieve its mission. There remains potential for a gap if there is ever significant turnover in key positions. Should this occur, OPIC 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. OPIC experiences some difficulty, however, finding individuals with both skill sets. This difficulty increases the importance of cross-training agency staff to enhance the quantity and quality of their skills. The agency must also continue to improve existing efforts to recruit new employees with the necessary skills.

Strategic Development

Gap	Existing employees may not be adequately prepared for succession if there is turnover among key employees.
Goal	Further develop practices and procedures to maintain employee development and training for future succession and skill enhancement.
Rationale	Small agencies are vulnerable to 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.
Action Steps	<ul style="list-style-type: none"> • Continue to employ project management strategies to ensure pairing of experienced employees with newer employees of lesser experience. • Routinely 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, and external training. • Maintain and further 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.

Survey of Employee Engagement Results and Utilization Plans

OPIC employees were asked to participate in a survey measuring employee engagement. Executive management was very pleased with the results. The overall score for the agency was 429, in excess of the noted desired score of greater than 350. Additionally, fifty percent (50%) of OPIC employees were rated as Highly Engaged and twenty-five percent (25%) were rated as Engaged.

The agency's highest scores were for the constructs of Workplace (454), Community (452), and Supervision (446). The Workplace construct measures the employees' perceptions of the overall work environment and the degree to which they feel safe and able to obtain the necessary resources to do their jobs. The Community construct measures the employee's perceptions of the relationships between employees in the workplace, including the level of trust with their colleagues, feeling respected, feeling cared for, and diversity among colleagues. The Supervision construct measures the employees' perceptions of the nature of supervisory relationships and the degree to which they view their supervisors as fair, helpful and critical to the flow of work.

The areas with the lowest scores were Pay (376), Employee Development (392) and Internal Communication (425). While none of the scores are low traditional measurements, OPIC considers them to be an important focus for evaluating and improving the agency. The Pay construct is somewhat outside of OPIC's control, but the agency does evaluate employees' levels of compensation relative to other state agencies. The Employee Development construct evaluates how employees feel about their needs for job growth and development. In response to this result, everyone recognizes the size of the agency may limit their options for promotion; however, management will seek opportunities to further develop employees. Concerning the Internal Communication construct, which measures employees' perceptions of whether communication in the organization is reasonable, candid and helpful, OPIC management continues to encourage timely, open, and frequent communication.

For future human resource planning, the survey results have shown that OPIC 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.