

2004

Annual Report
Document 1 of 2



Texas Department of Insurance



Texas Department of Insurance

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José Montemayor
Commissioner of Insurance

November 19, 2004

The Honorable Rick Perry, *Governor*
The Honorable David Dewhurst, *Lieutenant Governor*
The Honorable Tom Craddick, *Speaker of the House*

Dear Governors and Speaker:

I am pleased to submit the *129th Annual Report* of the Texas Department of Insurance for Fiscal Year 2004, in compliance with *Texas Insurance Code* Chapter 32, Section 32.021.

I will file copies of this report simultaneously with the State Auditor, Legislative Budget Board, Comptroller of Public Accounts, Legislative Reference Library and State Library. I will provide copies of this report to insurance commissioners in other states, as well as selected members of the Texas Legislature. This report is also available on the TDI's Web site at <http://www.tdi.state.tx.us/commish/reports/annual01.html>

As in 2003, TDI's *Annual Financial Report*—formerly published as Part V of the agency's Annual Report—is published under separate cover for Fiscal Year 2004.

If you have questions about the contents of this report or affairs of the Texas Department of Insurance, I will be happy to respond.



Jose Montemayor, *Commissioner of Insurance*

129th

Annual Report
to the Governor & Legislature



**For Fiscal Year 2004
ending August 31, 2004**

José Montemayor, Commissioner of Insurance

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Agency Vision

The Texas Department of Insurance envisions a financially stable and responsive insurance industry that provides insurance products at a reasonable cost to all consumers who need it.

Agency Mission

The Texas Department of Insurance regulates the Texas insurance industry firmly, fairly, effectively and efficiently.

- TDI supports a fair, efficient and productive industry dedicated to the long-term concept of insurance and its contributions to society.
- TDI works for the availability of quality insurance products for all Texans at reasonable prices and under reasonable terms and strives to protect consumers' insurance assets.
- TDI enforces solvency standards and promotes competition in the industry while protecting consumers from fraud, misrepresentation and unfair practices.
- TDI educates the public about insurance so that Texans can make informed choices, and TDI insists that the industry be responsive to its customers.
- TDI works to make Texas a place where the industry will want to do business.
- TDI works to protect the lives and property of the citizens of Texas from fire and fire-related hazards.

Agency Goals

- Ensure that Texans are effectively and efficiently served by high-quality professionals and businesses through clear standards, compliance and market-based solutions.
- Encourage fair competition in the insurance industry.
- Encourage the financial health of the insurance industry through monitoring and regulation.
- Decrease insurance industry loss costs.
- Reduce loss of life and property due to fire.

Agency Regulatory Philosophy

We believe that our primary responsibility is to the people and businesses that are served by insurance and pay taxes in the State of Texas. We recognize that we are here to serve them and consider that to be an honor.

- In meeting their needs as consumers, we pledge that we will make every effort to ensure that prices are fair and reasonable, that claims will be handled fairly, promptly and professionally and that, in dealings with us, consumers will be treated with respect and courtesy. We will continuously strive to improve consumer information and education on prices, services, safety and quality of insurance to help them shop wisely.
- In meeting their needs as taxpayers, we promise to maximize efficiency of TDI operations, to eliminate unnecessary functions and paperwork burdens and to minimize bureaucracy.
- In earning their trust, we pledge to maintain the highest ethical standards in words and actions.
- We believe that we have an equally important responsibility to each other as employees and to all of the people who work with us.
- We respect the dignity and recognize the contribution of each employee.
- We encourage and will be responsive to all suggestions and concerns.
- We are pledged to equal opportunity in employment, retention and advancement. We pledge to encourage and assist employees in developing to their full potential.
- We are committed to a diverse work force.
- We pledge to provide leadership that is fair, responsive and ethical.
- We believe that each employee is an integral part of our team effort to serve the people of the State of Texas. We pledge to share our knowledge and to assist each other in achieving the mission of the agency.

Agency Regulatory Philosophy

- We believe in decentralizing power and delegating authority to our employees. We pledge to do our best individually and recognize that each of us is responsible and accountable for our actions.
- We have a responsibility to the people working in the insurance industry.
- We pledge to make Texas a place where industry will want to do business.
- We pledge to support a fair, efficient and productive industry dedicated to the long-term concept of insurance, and its contributions to society.
- We pledge to communicate concerns, problems and issues to the industry. We encourage the industry to communicate its suggestions and concerns to TDI.
- We pledge to assist the industry in an efficient and responsive manner in meeting its obligations to the public and its policyholders.

Explanatory Note

References to statutes and insurance-related legislation: Unless otherwise noted, statutory references, including citations of articles, refer to the *Texas Insurance Code*. SB refers to a Senate bill and HB refers to a House bill. Bill references are to those enacted by the 78th Texas Legislature (2003) unless otherwise indicated.

Functional Agency Organization Chart
as of August 31, 2004

