

January 26, 1998

The Honorable George W. Bush, *Governor*
The Honorable Bob Bullock, *Lieutenant Governor*
The Honorable James E. "Pete" Laney, *Speaker of the House*

Dear Governors and Speaker:

I am pleased to submit the *122nd Annual Report* of the Texas Department of Insurance for the year ended August 31, 1997, in compliance with Section 12, Article 1.10, *Texas Insurance Code*, and Section b, Article 1.25, *Texas Insurance Code*.

Part V, the agency's annual financial report, was submitted under separate cover on November 29, 1997, in compliance with the General Appropriations Act, Article IX, and in accordance with Comptroller of Public Accounts requirements. Because the State Auditor will consider the financial report as part of the audit of the statewide annual financial report, an opinion has not been expressed on the financial statements and related information contained in this report.

I am filing copies of this report simultaneously with the State Auditor, State Treasurer, Legislative Budget Board, Comptroller of Public Accounts, Legislative Reference Library and State Library. I also am notifying members of the Legislature of the report's availability.

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

Elton Bomer, *Commissioner of Insurance*

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Agency Vision

TDI envisions a financially stable and responsive insurance industry that provides insurance 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 industry will want to do business.

Agency Goals

- Encourage fair competition in the insurance industry.
- Encourage the financial health of the insurance industry through monitoring and regulation.
- Decrease insurance industry loss costs.
- Purchase from historically underutilized businesses.
- Value the diversity of TDI's workforce and the contribution of each employee.

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 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.
- 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.

Finally, we believe 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 industry to communicate its suggestions and concerns to the Department.
- 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*.