

## **6. SUPPORTING SCHEDULES**

**6.A. HISTORICALLY UNDERUTILIZED BUSINESS SUPPORTING SCHEDULE**

80th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas(ABEST)

Date: 8/24/2006  
Time: 5:19:50PM

Agency Code: 454      Agency: Department of Insurance

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

**A. Fiscal Year 2004 - 2005 HUB Expenditure Information**

Procurement Category	Statewide Adjusted HUB Goals	Adjusted HUB Expenditures FY 2004		Total Expenditures FY 2004	Adjusted HUB Expenditures FY 2005		Total Expenditures FY 2005
		HUB %	HUB \$		HUB %	HUB \$	
Special Trade Construction	47.0%	0.0%	\$0	\$1,012	97.8%	\$2,461	\$2,516
Professional Services	18.1%	0.0%	\$0	\$165,855	0.0%	\$0	\$240,075
Other Services	33.0%	39.4%	\$1,521,913	\$3,860,542	39.8%	\$1,624,070	\$4,084,316
Commodities	11.5%	43.1%	\$350,452	\$813,959	72.6%	\$1,013,806	\$1,396,390
<b>Total Expenditures</b>		<b>38.7%</b>	<b>\$1,872,365</b>	<b>\$4,841,368</b>	<b>46.1%</b>	<b>\$2,640,337</b>	<b>\$5,723,297</b>

**B. Assessment of Fiscal Year 2004 - 2005 Efforts to Meet HUB Procurement Goals**

**Attainment:**

Attainment:

The agency attained or exceeded two of the three, or 66 percent, of the applicable statewide HUB procurement goals in FY2004.

The agency attained or exceeded two of the three, or 66 percent, of the applicable statewide HUB procurement goals in FY2005.

**Applicability:**

Applicability:

TDI's functions do not include construction, therefore, "Heavy Construction," "Building Construction," and "Special Trade Construction" categories are not applicable to the agency. However, TDI did incur incidental construction expenses associated with building maintenance through the special trade category

**Factors Affecting Attainment:**

**Professional Services:** The contracts established under the professional service category were for actuarial service contracts. TDI continues to competitively bid these services, but has found that there are few HUB actuarial firms certified in Texas that can provide the specialized actuarial services required by the agency

**Other Services:** Several of the contracts established under the "Other Services" category were specialized contracts with low HUB participation, such as proprietary maintenance contracts. The overall HUB participation in this category stayed nearly the same from FY04 and 05. This was accomplished by the agency's continued efforts of educating and involving HUBs in the agency's procurement process.

**"Good-Faith" Efforts:**

"Good Faith" Efforts:

TDI made the following good faith efforts in FY04/05. One HUB forum was sponsored in FY04 and 05, respectively. The forums primary objective was to fulfill TDIs procurement needs and to locate professional services needed to implement the Special Deputy Receiver Program. TDI participated in several forums sponsored by organizations and businesses and governmental entities to locate businesses that would provide necessary goods and services for the agency. In addition, TDI actively participated in the Texas Building and Procurement Commission (TBPC) quarterly and HUB Discussion Group meetings. TDI distributed brochures and other informational items regarding HUB and the procurement process and ensured that contract specifications, terms, and conditions did not impose unreasonable or unnecessary requirements for contractors. A statewide Mentor Protégé Program was promoted and

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resulted in maintaining active mentor protégé relationship with a HUB and non-HUB vendors.

### 6.B. Current Biennium One-time Expenditure Schedule

<b>Agency Code:</b> 454	<b>Agency Name:</b> Texas Department of Insurance	<b>Prepared By:</b> Jacqueline Canady		<b>Date:</b> 8/25/2006
Item	2006		2007	
	Amount	MOF	Amount	MOF
Business Process Improvement	\$1,473,889	GR-D Fund 036	\$2,086,111	GR-D Fund 036
SOAH Hearings			\$400,000	GR-D Fund 036
Mainframe Related Costs			\$750,000	GR-D Fund 036

Note: These one-time expenditures have been reduced from the 08/09 LAR baseline request.

**6.C. FEDERAL FUNDS SUPPORTING SCHEDULE**  
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Agency code: <b>454</b>		Agency name: Department of Insurance				
CFDA NUMBER/ STRATEGY	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009	
<b>17.005.001</b> OSHA BUREAU OF LABOR STATISTICS						
5 - 1 - 1 HEALTH AND SAFETY SERVICES	194,140	201,375	217,956	217,956	217,956	
<b>TOTAL, ALL STRATEGIES</b>	<b>\$194,140</b>	<b>\$201,375</b>	<b>\$217,956</b>	<b>\$217,956</b>	<b>\$217,956</b>	
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL, FEDERAL FUNDS</b>	<b>\$194,140</b>	<b>\$201,375</b>	<b>\$217,956</b>	<b>\$217,956</b>	<b>\$217,956</b>	
<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>17.504.001</b> OSHA Consultation Agreements						
5 - 1 - 1 HEALTH AND SAFETY SERVICES	1,955,412	1,995,075	1,961,268	1,961,268	1,961,268	
<b>TOTAL, ALL STRATEGIES</b>	<b>\$1,955,412</b>	<b>\$1,995,075</b>	<b>\$1,961,268</b>	<b>\$1,961,268</b>	<b>\$1,961,268</b>	
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL, FEDERAL FUNDS</b>	<b>\$1,955,412</b>	<b>\$1,995,075</b>	<b>\$1,961,268</b>	<b>\$1,961,268</b>	<b>\$1,961,268</b>	
<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>17.504.002</b> OSHA Consultation Agreements						
5 - 1 - 1 HEALTH AND SAFETY SERVICES	83,532	58,173	75,399	75,399	75,399	
<b>TOTAL, ALL STRATEGIES</b>	<b>\$83,532</b>	<b>\$58,173</b>	<b>\$75,399</b>	<b>\$75,399</b>	<b>\$75,399</b>	
<b>ADDL FED FNDS FOR EMPL BENEFITS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>TOTAL, FEDERAL FUNDS</b>	<b>\$83,532</b>	<b>\$58,173</b>	<b>\$75,399</b>	<b>\$75,399</b>	<b>\$75,399</b>	
<b>ADDL GR FOR EMPL BENEFITS</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>93.256.000</b> Planning Hlth Care Access-Uninsured						
1 - 1 - 1 CONSUMER ED. AND MKT. ANALYSES	79,170	344,643	0	0	0	

6.C. FEDERAL FUNDS SUPPORTING SCHEDULE  
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Agency code: 454		Agency name: Department of Insurance				
CFDA NUMBER/ STRATEGY	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009	
TOTAL, ALL STRATEGIES	\$79,170	\$344,643	\$0	\$0	\$0	
ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0	
TOTAL, FEDERAL FUNDS	\$79,170	\$344,643	\$0	\$0	\$0	
ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0	
97.044.000 Assistance to Firefighters Grant						
4 - 1 - 1 FIRE PROTECTION	34,023	0	0	0	0	
TOTAL, ALL STRATEGIES	\$34,023	\$0	\$0	\$0	\$0	
ADDL FED FNDS FOR EMPL BENEFITS	0	0	0	0	0	
TOTAL, FEDERAL FUNDS	\$34,023	\$0	\$0	\$0	\$0	
ADDL GR FOR EMPL BENEFITS	\$0	\$0	\$0	\$0	\$0	

6.C. FEDERAL FUNDS SUPPORTING SCHEDULE  
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Agency code: 454	Agency name: Department of Insurance					
CFDA NUMBER/ STRATEGY		Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>SUMMARY LISTING OF FEDERAL PROGRAM AMOUNTS</b>						
17.005.001	OSHA BUREAU OF LABOR STATISTICS	194,140	201,375	217,956	217,956	217,956
17.504.001	OSHA Consultation Agreements	1,955,412	1,995,075	1,961,268	1,961,268	1,961,268
17.504.002	OSHA Consultation Agreements	83,532	58,173	75,399	75,399	75,399
93.256.000	Planning Hlth Care Access-Uninsured	79,170	344,643	0	0	0
97.044.000	Assistance to Firefighters Grant	34,023	0	0	0	0
<b>TOTAL, ALL STRATEGIES</b>		\$2,346,277	\$2,599,266	\$2,254,623	\$2,254,623	\$2,254,623
<b>TOTAL , ADDL FED FUNDS FOR EMPL BENEFITS</b>		0	0	0	0	0
<b>TOTAL, FEDERAL FUNDS</b>		<b>\$2,346,277</b>	<b>\$2,599,266</b>	<b>\$2,254,623</b>	<b>\$2,254,623</b>	<b>\$2,254,623</b>
<b>TOTAL, ADDL GR FOR EMPL BENEFITS</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

SUMMARY OF SPECIAL CONCERNS/ISSUES

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Agency code: 454	Agency name: Department of Insurance					
<b>CFDA NUMBER/ STRATEGY</b>	<b>Exp 2005</b>	<b>Est 2006</b>	<b>Bud 2007</b>	<b>BL 2008</b>	<b>BL 2009</b>	

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**Assumptions and Methodology:**

HRSA State Planning Grant

HRSA State Planning Grant(CFDA 93-256) was originally awarded as a one (1) year grant (March 1, 2001 through February 28, 2002) to develop a plan to significantly reduce the number of uninsured Texas citizens. The original grant was extended on a year to year basis resulting into a five (5) year continual grant (March 1, 2001 through August 31, 2006) with additional funding. Currently, the grant has been extended to the middle of 2007 with no additional funding

Assistance to Firefighters:

US Department of Homeland Security(CFDA 097-044) awarded a grant for one and one-half (1.5) year (April 2, 2004 - August 31, 2005) for the Assistance to Firefighter- Fire Prevention and Safety Program. The goal of the grant is to provide fire safety programs for the elderly and school children

OSHA Federal Grant:

All of the OSHA federal grants for the programs are assumed constant Each of the grants are on-going and are renewed annually. Continued annual funding is expected through fiscal year 2009.

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**Potential Loss:**

HRSA State Planning Grant

Federal funding for HRSA State Planning Grant(CFDA 93-256) was a one (1) year grant with a start date of March 1, 2001. The grant was extended to the end of fiscal year 2006 with additional funding. (March 1, 2001 - August 31, 2006.) The grant has been extended to the middle of 2007 with no extra funding

Assistance to Firefighters:

Federal funding is for Assistance to Firefighters- Fire Prevention and Safety Program (CFDA 097-044) from the US Department of Homeland Security. The grant is for one and one-half (1.5) years. (April 2, 2004 - August 31, 2005.)

OSHA Federal Grants:

N/A for the OSHA grants.

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**6.D. FEDERAL FUNDS TRACKING SCHEDULE**  
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Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2003	Expended SFY 2004	Expended SFY 2005	Expended SFY 2006	Expended SFY 2007	Budgeted SFY 2008	Estimated SFY 2009	Total	Difference from Award
<b><u>17.005.001 OSHA BUREAU OF LABOR STATISTICS</u></b>										
2002 \$	184,682 \$	16,216 \$	0 \$	0 \$	0 \$	0 \$	0	0 \$	16,216 \$	168,466
2003	191,901	178,366	13,535	0	0	0	0	0	191,901	(
2004	203,545	0	190,174	13,371	0	0	0	0	203,545	(
2005	194,140	0	0	177,962	16,178	0	0	0	194,140	(
2006	201,375	0	0	0	184,594	16,781	0	0	201,375	(
2007	217,956	0	0	0	0	199,824	18,132	0	217,956	(
2008	217,956	0	0	0	0	0	199,824	18,132	217,956	(
2009	217,956	0	0	0	0	0	0	199,824	199,824	18,132
<b>Total \$</b>	<b>1,629,511 \$</b>	<b>194,582 \$</b>	<b>203,709 \$</b>	<b>191,333 \$</b>	<b>200,772 \$</b>	<b>216,605 \$</b>	<b>217,956</b>	<b>217,956 \$</b>	<b>1,442,913 \$</b>	<b>186,598</b>

<b>Empl. Benefit Payment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0
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**6.D. FEDERAL FUNDS TRACKING SCHEDULE**  
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DATE: 8/24/2006  
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Agency code: 454

Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2003	Expended SFY 2004	Expended SFY 2005	Expended SFY 2006	Expended SFY 2007	Budgeted SFY 2008	Estimated SFY 2009	Total	Difference from Award
<b>17.504.001 OSHA Consultation Agreements</b>										
2002	\$ 1,845,130	\$ 155,121	\$ 0	\$ 0	\$ 0	\$ 0	0	0	\$ 155,121	\$ 1,690,009
2003	1,863,297	1,706,338	156,959	0	0	0	0	0	1,863,297	0
2004	1,911,711	0	1,748,528	163,243	0	0	0	0	1,911,771	-60
2005	1,955,412	0	0	1,792,461	162,951	0	0	0	1,955,412	0
2006	1,995,075	0	0	0	1,835,101	159,974	0	0	1,995,075	0
2007	1,961,268	0	0	0	0	1,797,829	163,439	0	1,961,268	0
2008	1,961,268	0	0	0	0	0	1,797,829	163,439	1,961,268	0
2009	1,961,268	0	0	0	0	0	0	1,797,829	1,797,829	163,439
<b>Total</b>	<b>\$ 15,454,429</b>	<b>\$ 1,861,459</b>	<b>\$ 1,905,487</b>	<b>\$ 1,955,704</b>	<b>\$ 1,998,052</b>	<b>\$ 1,957,803</b>	<b>\$ 1,961,268</b>	<b>\$ 1,961,268</b>	<b>\$ 13,601,041</b>	<b>\$ 1,853,388</b>

<b>Empl. Benefit Payment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	
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Agency name: **Department of Insurance**

Federal FY	Award Amount	Expended SFY 2003	Expended SFY 2004	Expended SFY 2005	Expended SFY 2006	Expended SFY 2007	Budgeted SFY 2008	Estimated SFY 2009	Total	Difference from Award
<b>17.504.002 OSHA Consultation Agreements</b>										
2002	\$ 88,024	\$ 6,805	\$ 0	\$ 0	\$ 0	\$ 0	0	0	\$ 6,805	\$ 81,219
2003	88,899	74,857	14,042	0	0	0	0	0	88,899	0
2004	92,718	0	76,263	16,455	0	0	0	0	92,718	0
2005	83,532	0	0	76,571	6,961	0	0	0	83,532	0
2006	58,173	0	0	0	53,325	4,848	0	0	58,173	0
2007	75,399	0	0	0	0	69,116	6,283	0	75,399	0
2008	75,399	0	0	0	0	0	69,116	6,283	75,399	0
2009	75,399	0	0	0	0	0	0	69,116	69,116	6,283
<b>Total</b>	<b>\$ 637,543</b>	<b>\$ 81,662</b>	<b>\$ 90,305</b>	<b>\$ 93,026</b>	<b>\$ 60,286</b>	<b>\$ 73,964</b>	<b>75,399</b>	<b>\$ 75,399</b>	<b>\$ 550,041</b>	<b>\$ 87,502</b>

<b>Empl. Benefit Payment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	
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**6.D. FEDERAL FUNDS TRACKING SCHEDULE**  
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Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2003	Expended SFY 2004	Expended SFY 2005	Expended SFY 2006	Expended SFY 2007	Budgeted SFY 2008	Estimated SFY 2009	Total	Difference from Award
<b>93.256.000</b> <u>Planning Hlth Care Access-Uninsured</u>										
2002	\$ 711,793	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	0	\$ 0	711,793
2003	143,404	143,404	0	0	0	0	0	0	143,404	(
2004	171,832	0	171,832	0	0	0	0	0	171,832	(
2005	79,170	0	0	79,170	0	0	0	0	79,170	(
2006	344,643	0	0	0	344,643	0	0	0	344,643	(
2007	0	0	0	0	0	0	0	0	0	(
2008	0	0	0	0	0	0	0	0	0	(
<b>Total</b>	<b>\$ 1,450,842</b>	<b>\$ 143,404</b>	<b>\$ 171,832</b>	<b>\$ 79,170</b>	<b>\$ 344,643</b>	<b>\$ 0</b>	<b>0</b>	<b>0</b>	<b>\$ 739,049</b>	<b>\$ 711,793</b>

<b>Empl. Benefit Payment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	
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Agency name: Department of Insurance

Federal FY	Award Amount	Expended SFY 2003	Expended SFY 2004	Expended SFY 2005	Expended SFY 2006	Expended SFY 2007	Budgeted SFY 2008	Estimated SFY 2009	Total	Difference from Award
<u>97.044.000 Assistance to Firefighters Grant</u>										
2004	\$ 55,314	\$ 0	\$ 55,314	\$ 0	\$ 0	\$ 0	0	0	\$ 55,314	(
2005	65,523	0	0	34,023	0	0	0	0	34,023	31,500
2006	0	0	0	0	0	0	0	0	0	(
2007	0	0	0	0	0	0	0	0	0	(
2008	0	0	0	0	0	0	0	0	0	(
<b>Total</b>	<b>\$ 120,837</b>	<b>\$ 0</b>	<b>\$ 55,314</b>	<b>\$ 34,023</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>	<b>0</b>	<b>\$ 89,337</b>	<b>31,500</b>

<b>Empl. Benefit Payment</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	
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6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

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Agency Code: 454

Agency name: Department of Insurance

FUND/ACCOUNT	Act 2005	Exp 2006	Exp 2007	Bud 2008	Est 2009
<b>1 GENERAL REVENUE FUND</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3103 Limited Sales & Use Tax-State	2,092	1,359	1,100	1,000	1,000
3105 Discounts for Sales Tax-State	13	8	5	5	5
3175 Professional Fees	103,520	116,675	110,000	120,000	112,000
3206 Insurance Companies Fees	82,805	85,740	84,740	84,740	84,740
3210 Insurance Agents Licenses	182,079	183,700	185,800	180,000	180,000
3211 Tx Work Comp Self - Ins App Fees	3,000	0	0	0	0
3212 Tx Work Comp Self - Ins Reg Fees	707,573	0	0	0	0
3214 Insur Maint Tax/Fee Coll-Comptrollr	39,638,851	0	0	0	0
3215 Insurance Dept Fees - Misc	439	605	0	0	0
3219 Workers Comp Comm-Ins Co Maint Tax	1,324,028	0	0	0	0
3221 Unauthorized Insurance Penalty	0	250	0	0	0
3222 Ins Penalty Lieu of Suspension	4,512,101	5,787,200	5,490,000	5,400,000	5,400,000
3557 Health Care Facilities Fees	43,208	37,700	35,000	25,000	35,000
3714 Judgments	7,600	30,114	5,000	5,000	5,000
3726 Fed Receipts-Indir Cost Recovery	1,893	0	0	0	0
3727 Fees - Administrative Services	235,029	197,160	216,876	0	0
3733 Workers Compensation Penalties	4,573,450	0	0	0	0
3750 Sale of Furniture & Equipment	1,642	0	2,000	2,000	2,000
3773 Insurance and Damages	1,925	0	0	0	0
3775 Returned Check Fees	1,507	1,125	1,000	1,000	1,000
3779 Repayment of Imprest Advances	1,500	0	0	0	0
3780 Repayment of Travel Advances	20,000	0	0	0	0
3781 Prepmt of Petty Cash Advance	0	0	0	0	0
3795 Other Misc Government Revenue	1,567	1,707	2,000	2,000	2,000
3839 Sale of Motor Vehicle/Boat/Aircraft	2,666	14,722	7,000	7,000	7,000
3852 Interest on Local Deposits-St Agy	31	25	25	25	25
Subtotal: Actual/Estimated Revenue	51,448,519	6,458,090	6,140,546	5,827,770	5,829,770
<b>Total Available</b>	<b>\$51,448,519</b>	<b>\$6,458,090</b>	<b>\$6,140,546</b>	<b>\$5,827,770</b>	<b>\$5,829,770</b>

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

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Agency Code: **454**

Agency name: **Department of Insurance**

<b>FUND/ACCOUNT</b>	<b>Act 2005</b>	<b>Exp 2006</b>	<b>Exp 2007</b>	<b>Bud 2008</b>	<b>Est 2009</b>
<b>DEDUCTIONS:</b>					
Expended, Budgeted, Requested	(47,653,399)	0	0	0	0
Transfer Employee Benefits	(8,376,539)	0	0	0	0
Benefit Replacement Pay	(448,011)	0	0	0	0
Art. IX 10.20 Statewide Allocated	(872,105)	0	0	0	0
Trans. to Comptroller TIC 201.052	(62,407)	0	0	0	0
Art. VIII-88 Sec. 4 Sub Fees (2004-05 GAA)	(3,156)	(6,520)	0	0	0
Other (balances swept by Agcy 902)	(3,791,964)	(6,451,570)	(6,140,546)	(5,827,770)	(5,829,770)
<b>Total, Deductions</b>	<b>\$(61,207,581)</b>	<b>\$(6,458,090)</b>	<b>\$(6,140,546)</b>	<b>\$(5,827,770)</b>	<b>\$(5,829,770)</b>
<b>Ending Fund/Account Balance</b>	<b>\$(9,759,062)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

Assumes fee rates remain the same. Assumes loss of revenue for COBJ3727 in 2008/2009 due to 10% reduction. Due to House Bill 7, 79th legislature, revenue for COBJs 3211, 3212, 3214, 3219, and 3733 move to account 0036 starting 2006.

**CONTACT PERSON:**

Joe Meyer

6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

80th Regular Session, Agency Submission, Version 1  
Automated Budget and Evaluation System of Texas(ABEST)

DATE: 8/24/2006  
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Agency Code: 454

Agency name: Department of Insurance

FUND/ACCOUNT	Act 2005	Exp 2006	Exp 2007	Bud 2008	Est 2009
<b>36 DEPT INS OPERATING ACCT</b>					
Beginning Balance (Unencumbered):	\$16,893,496	\$25,407,354	\$61,297,698	\$52,806,402	\$46,191,526
Estimated Revenue:					
3149 Amusement Ride Inspection	66,090	65,000	65,000	65,000	65,000
3175 Professional Fees	1,996,547	2,114,000	2,032,000	2,191,000	2,129,000
3206 Insurance Companies Fees	289,798	412,598	329,860	332,980	331,180
3210 Insurance Agents Licenses	11,686,284	13,943,200	14,725,678	15,620,019	16,530,672
3211 Tx Work Comp Self - Ins App Fees	0	2,000	1,000	1,000	1,000
3212 Tx Work Comp Self - Ins Reg Fees	0	756,493	757,000	757,000	757,000
3213 Catastrophe Prop Ins Pool Fees	6,224	7,030	5,000	5,000	5,000
3214 Insur Maint Tax/Fee Coll-Comptrollr	0	48,561,854	52,353,523	45,272,079	46,358,917
3215 Insurance Dept Fees - Misc	1,617,482	1,528,208	1,333,765	1,074,332	1,015,545
3216 Insurance Dept Exam/Audit Fees	11,294,879	14,171,416	13,093,000	10,771,000	10,771,000
3219 Workers Comp Comm-Ins Co Maint Tax	0	1,089,016	1,154,000	1,154,000	1,154,000
3733 Workers Compensation Penalties	0	1,708,225	1,600,000	1,600,000	1,600,000
3777 Default Fund - Warrant Voided	4,763	14,718	10,000	10,000	10,000
3795 Other Misc Government Revenue	3	1,416	1,000	1,000	1,000
3799 Local Acct Balances into Treas	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
3802 Reimbursements-Third Party	0	1,205	0	0	0
3969 Op Tfers In/Out From GR Agy 902	0	39,867,338	0	0	0
3973 Tfers from Comm. on Fire Protection	0	268,000	0	0	0
Subtotal: Actual/Estimated Revenue	27,962,070	125,511,717	88,460,826	79,854,410	81,729,314
<b>Total Available</b>	<b>\$44,855,566</b>	<b>\$150,919,071</b>	<b>\$149,758,524</b>	<b>\$132,660,812</b>	<b>\$127,920,840</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(15,584,119)	(53,508,082)	(57,690,539)	(52,968,853)	(52,968,853)
Art. IX, 13.17(a) Salary Increase (2006-07 GAA)	0	(1,929,283)	(3,296,487)	0	0
Transfer Employee Benefits (OASI, ERS, INS.)	(3,699,775)	(15,514,387)	(16,143,228)	(15,127,976)	(15,545,843)
Benefit Replacement Pay	(164,318)	(651,540)	(618,963)	(588,015)	(558,614)
Art. IX 11.8/13.10 Statewide Allocated Costs	0	(2,297,408)	(2,297,408)	(2,297,408)	(2,297,408)
Art. VIII-24-Office of Injured Emp. Counsel	0	(4,914,340)	(5,993,876)	(5,420,301)	(5,420,301)
Art. I - 20 Cancer Counsel (GAA)	0	(3,391,035)	(3,400,172)	(3,063,356)	(3,063,760)
Art. II - 40 Dept. of Health Servs. (GAA)	0	(7,337,240)	(7,420,812)	(6,718,826)	(6,726,611)



**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 8/24/2006

80th Regular Session, Agency Submission, Version 1  
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Agency Code: **454**

Agency name: **Department of Insurance**

<b>FUND/ACCOUNT</b>	<b>Act 2005</b>	<b>Exp 2006</b>	<b>Exp 2007</b>	<b>Bud 2008</b>	<b>Est 2009</b>
Transfer to Comptroller (TIC 201.052)	0	(80,078)	(80,078)	(72,070)	(72,070)
	0	0	0	0	0
<b>Total, Deductions</b>	<b>\$(19,448,212)</b>	<b>\$(89,623,393)</b>	<b>\$(96,941,563)</b>	<b>\$(86,256,805)</b>	<b>\$(86,653,460)</b>
<b>Ending Fund/Account Balance</b>	<b>\$25,407,354</b>	<b>\$61,295,678</b>	<b>\$52,816,961</b>	<b>\$46,404,007</b>	<b>\$41,267,380</b>

**REVENUE ASSUMPTIONS:**

Revenue estimates for all funds are based assumes there will not be changes to the current fee rate structure Fund 0036-Revenues estimated for object 3216, assumes amounts needed for the reimbursement for examinations(TIC Art. 1.16) will be reduced by 18% in 2008/2009. The assessment rates are set annually by the Commissioner Amount for object code 3214 2008/2008 takes into account 10% reduction for agencies funded from this source

**CONTACT PERSON:**

Joe Meyer

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

DATE: 8/24/2006

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Agency Code: **454**

Agency name: **Department of Insurance**

<b>FUND/ACCOUNT</b>	<b>Act 2005</b>	<b>Exp 2006</b>	<b>Exp 2007</b>	<b>Bud 2008</b>	<b>Est 2009</b>
<b>666 APPROPRIATED RECEIPTS</b>					
Beginning Balance (Unencumbered):	\$42,291	\$1,743,174	\$1,601,776	\$387,578	\$387,578
Estimated Revenue:					
3719 Fees/Copies or Filing of Records	735,440	536,887	766,887	766,887	766,887
3722 Conf, Semin, & Train Regis Fees	211,379	160,463	160,463	160,463	160,463
3733 Workers Compensation Penalties	100,000	100,000	100,000	100,000	100,000
3740 Grants/Donations	1,757,854	6,000	0	0	0
3752 Sale of Publications/Advertising	48,210	27,510	27,510	27,510	27,510
3802 Reimbursements-Third Party	1,728,596	2,065,712	2,030,757	2,030,757	2,030,757
Subtotal: Actual/Estimated Revenue	4,581,479	2,896,572	3,085,617	3,085,617	3,085,617
<b>Total Available</b>	<b>\$4,623,770</b>	<b>\$4,639,746</b>	<b>\$4,687,393</b>	<b>\$3,473,195</b>	<b>\$3,473,195</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(1,197,712)	(1,182,537)	(1,489,701)	(1,489,700)	(1,489,700)
Art. IX 8.03, Reimb., Art VIII p.38(29), Rider 5 (2004-05,2006-07 GAA)	(1,439,228)	(1,549,433)	(1,595,916)	(1,595,916)	(1,595,916)
Labor Code 402.062, GAA 2006-07 Art. IX 8.01 (TMIC Grant)	(237,656)	(300,000)	(1,214,198)	0	0
<b>Total, Deductions</b>	<b>\$(2,874,596)</b>	<b>\$(3,031,970)</b>	<b>\$(4,299,815)</b>	<b>\$(3,085,616)</b>	<b>\$(3,085,616)</b>
<b>Ending Fund/Account Balance</b>	<b>\$1,749,174</b>	<b>\$1,607,776</b>	<b>\$387,578</b>	<b>\$387,579</b>	<b>\$387,579</b>

**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

Joe Meyer

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

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Agency name: **Department of Insurance**

<b>FUND/ACCOUNT</b>	<b>Act 2005</b>	<b>Exp 2006</b>	<b>Exp 2007</b>	<b>Bud 2008</b>	<b>Est 2009</b>
<b>777 INTERAGENCY CONTRACTS</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3971 ICF/MR Collections	83,541	86,623	57,600	57,600	57,600
Subtotal: Actual/Estimated Revenue	83,541	86,623	57,600	57,600	57,600
<b>Total Available</b>	<b>\$83,541</b>	<b>\$86,623</b>	<b>\$57,600</b>	<b>\$57,600</b>	<b>\$57,600</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(83,541)	(86,623)	(57,600)	(57,600)	(57,600)
<b>Total, Deductions</b>	<b>\$(83,541)</b>	<b>\$(86,623)</b>	<b>\$(57,600)</b>	<b>\$(57,600)</b>	<b>\$(57,600)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

Joe Meyer

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

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Agency name: **Department of Insurance**

<b>FUND/ACCOUNT</b>	<b>Act 2005</b>	<b>Exp 2006</b>	<b>Exp 2007</b>	<b>Bud 2008</b>	<b>Est 2009</b>
<b>888 EARNED FEDERAL FUNDS</b>					
Beginning Balance (Unencumbered):	\$0	\$0	\$0	\$0	\$0
Estimated Revenue:					
3702 Fed Receipts-Earned Federal Funds	273,118	282,511	283,753	285,024	286,366
Subtotal: Actual/Estimated Revenue	273,118	282,511	283,753	285,024	286,366
<b>Total Available</b>	<b>\$273,118</b>	<b>\$282,511</b>	<b>\$283,753</b>	<b>\$285,024</b>	<b>\$286,366</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(224,406)	(224,406)	(224,406)	(224,406)	(224,406)
Transfer Employee Benefits (OASI, ERS, Ins.)	(46,658)	(56,565)	(57,847)	(59,193)	(60,606)
Benefit Replacement Pay	(2,054)	(1,540)	(1,500)	(1,425)	(1,354)
<b>Total, Deductions</b>	<b>\$(273,118)</b>	<b>\$(282,511)</b>	<b>\$(283,753)</b>	<b>\$(285,024)</b>	<b>\$(286,366)</b>
<b>Ending Fund/Account Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**REVENUE ASSUMPTIONS:**

**CONTACT PERSON:**

Joe Meyer

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

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Agency Code: **454**

Agency name: **Department of Insurance**

<b>FUND/ACCOUNT</b>	<b>Act 2005</b>	<b>Exp 2006</b>	<b>Exp 2007</b>	<b>Bud 2008</b>	<b>Est 2009</b>
<b>5101 SUBSEQUENT INJURY FUND</b>					
Beginning Balance (Unencumbered):	\$43,051,913	\$53,085,779	\$55,595,945	\$56,650,805	\$57,871,805
Estimated Revenue:					
3777 Default Fund - Warrant Voided	25,467	0	0	0	0
3869 Workers'CompDeathBenefits to State	12,714,166	6,180,306	4,725,000	4,725,000	4,725,000
Subtotal: Actual/Estimated Revenue	12,739,633	6,180,306	4,725,000	4,725,000	4,725,000
<b>Total Available</b>	<b>\$55,791,546</b>	<b>\$59,266,085</b>	<b>\$60,320,945</b>	<b>\$61,375,805</b>	<b>\$62,596,805</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(2,705,767)	(3,670,140)	(3,670,140)	(3,670,140)	(3,670,140)
<b>Total, Deductions</b>	<b>\$(2,705,767)</b>	<b>\$(3,670,140)</b>	<b>\$(3,670,140)</b>	<b>\$(3,670,140)</b>	<b>\$(3,670,140)</b>
<b>Ending Fund/Account Balance</b>	<b>\$53,085,779</b>	<b>\$55,595,945</b>	<b>\$56,650,805</b>	<b>\$57,705,665</b>	<b>\$58,926,665</b>

**REVENUE ASSUMPTIONS:**

FY2006 projection based on actual amounts of death benefits paid into SIF through 06/30/06 and includes significant amounts derived from SIF review of older claims FY2007-FY2008 projections are based on actuary analysis.

**CONTACT PERSON:**

Joe Meyer

6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE

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Agency name: Department of Insurance

FUND/ACCOUNT	Act 2005	Exp 2006	Exp 2007	Bud 2008	Est 2009
<b>8042 INSURANCE MAINT TAX FEES</b>					
Beginning Balance (Unencumbered):	\$33,250,451	\$15,966,300	\$25,570,817	\$31,109,248	\$31,388,893
Estimated Revenue:					
3203 Insurance Comp Maintenance Tax	31,633,466	55,300,110	52,658,021	41,386,261	41,956,745
3215 Insurance Dept Fees - Misc	7,524,564	8,690,282	9,113,076	9,557,730	10,024,617
Subtotal: Actual/Estimated Revenue	39,158,030	63,990,392	61,771,097	50,943,991	51,981,362
<b>Total Available</b>	<b>\$72,408,481</b>	<b>\$79,956,692</b>	<b>\$87,341,914</b>	<b>\$82,053,239</b>	<b>\$83,370,255</b>
<b>DEDUCTIONS:</b>					
Expended/Budgeted/Requested	(30,121,285)	(31,490,276)	(32,201,707)	(30,528,448)	(30,528,448)
Art. IX, 13.17(a), Salary Increase (2006-07 GAA)	0	(1,070,199)	(1,886,562)	0	0
Transfer Employee Benefits (OASI, ERS, Ins.)	(7,282,045)	(3,449,805)	(3,591,846)	(3,409,333)	(3,509,232)
Benefit Replacement Pay	(323,417)	(152,262)	(144,649)	(137,417)	(130,546)
Art. IX 11.18/13.10-Statewide Allocated Costs	(1,176,922)	0	0	0	0
Unemployment Reimb. (GAA)	(19,717)	(18,907)	(18,907)	(18,907)	(18,907)
Art. I-18 & 1-15 Building Procurement Commission(GAA)	(1,030,083)	(1,030,083)	(1,030,083)	(1,030,083)	(1,030,083)
Art. I-9, 1-4 Attorney General (GAA)	(3,555,674)	(3,759,221)	(3,825,741)	(3,463,900)	(3,465,870)
Art. III-242 & III-229 Texas Forest Service (GAA)	(3,583,269)	(3,708,800)	(3,768,650)	(3,405,750)	(3,405,750)
Art. IV - 27 & 31 Comptroller Judiciary (GAA)	(827,771)	(1,178,936)	(1,178,936)	(1,061,042)	(1,061,042)
Art. V-46 & 42 Crash Records Info (DPS) (GAA)	(1,535,725)	(750,000)	(750,000)	(675,000)	(675,000)
Art. V-28 & 27 Commission on Fire Protection (GAA)	(3,248,524)	(3,432,887)	(3,481,105)	(3,168,725)	(3,177,978)
Art. VIII-86 & 98 Lease Payments (GAA)	(2,973,410)	(3,302,546)	(3,302,546)	(3,302,546)	(3,302,546)
Transfer to Comptroller (TIC Art. 201.052)	(764,339)	(1,045,932)	(1,045,932)	(941,339)	(941,339)
<b>Total, Deductions</b>	<b>\$(56,442,181)</b>	<b>\$(54,389,854)</b>	<b>\$(56,226,664)</b>	<b>\$(51,142,490)</b>	<b>\$(51,246,741)</b>
<b>Ending Fund/Account Balance</b>	<b>\$15,966,300</b>	<b>\$25,566,838</b>	<b>\$31,115,250</b>	<b>\$30,910,749</b>	<b>\$32,123,514</b>

REVENUE ASSUMPTIONS:

Revenues estimates for object 3203 (maintenance taxes) for FY 2008/2009 assumes 90% of FY 2007 funding levels for agencies 241, 302, 303, 405, 411, 576. 2008/2009 also assum agency 454 (TDI) is appropriated at the LAR requested level. Revenue estimates for object 3203 take into consideration estimated fund balances, and combined revenues and deductio in fund 8042 and account 0036. Maintenance tax rates are set annually by the Commissioner"

**6.E. ESTIMATED REVENUE COLLECTIONS SUPPORTING SCHEDULE**

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Agency Code: **454**

Agency name: **Department of Insurance**

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<b>FUND/ACCOUNT</b>	<b>Act 2005</b>	<b>Exp 2006</b>	<b>Exp 2007</b>	<b>Bud 2008</b>	<b>Est 2009</b>
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**CONTACT PERSON:**

Joe Meyer

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**6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern**  
**Texas Department of Insurance**

<b>ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2008-09 GAA BILL PATTERN</b>	<b>\$</b>	<b>402,905,052</b>
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**Summary**

Estimated Beginning Balance in FY 2006	\$	350,550,483
Estimated Revenues FY 2006	\$	12,873,805
Estimated Revenues FY 2007	\$	13,145,000
<b>FY 2006-07 Total</b>	<b>\$</b>	<b>376,569,288</b>
Estimated Beginning Balance in FY 2008	\$	375,207,352
Estimated Revenues FY 2008	\$	13,598,000
Estimated Revenues FY 2009	\$	14,099,700
<b>FY 2008-09 Total</b>	<b>\$</b>	<b>402,905,052</b>

**Constitutional or Statutory Creation and Use of Funds:**

See individual pages

**Method of Calculation and Revenue Assumptions:**

See individual pages



**6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern**  
**Texas Department of Insurance**

<b>ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2008-09 GAA BILL PATTERN</b>	<b>\$</b>	<b>393,224,982</b>
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**Catropstrophe Reserve Trust Fund**

Estimated Beginning Balance in FY 2006	\$	342,624,982
Estimated Revenues FY 2006	\$	11,900,000
Estimated Revenues FY 2007	\$	12,400,000
<b>FY 2006-07 Total</b>	<b>\$</b>	<b>366,924,982</b>
Estimated Beginning Balance in FY 2008	\$	366,924,982
Estimated Revenues FY 2008	\$	12,900,000
Estimated Revenues FY 2009	\$	13,400,000
<b>FY 2008-09 Total</b>	<b>\$</b>	<b>393,224,982</b>

**Constitutional or Statutory Creation and Use of Funds:**

The Catastrophe Reserve Trust Fund (CRTF) was established by the Texas Legislature in 1993 as part of the state's overall plan and funding for catastrophic losses caused by windstorm and hail damage for designated areas on the Texas Gulf Coast and for controlling its potential liability for losses in the event of a catastrophic storm. As explained below, the CRTF serves to protect the state's general revenue in the event of a large hurricane because losses in excess of certain catastrophic levels are ultimately funded by tax credits that negatively impact the insurance premium tax revenues. The CRTF receives funding from property and casualty insurers who write insurance in the state. In the event of a major storm affecting the Texas coast, the CRTF would be used to pay certain losses. See Tex. Ins. Code Art. 21.49.

Article 21.49 of the Insurance Code requires that the TDI adopt rules to keep and maintain the CRTF and that the Comptroller administer the fund in accordance with the statute and the rules adopted by the Commissioner of Insurance. The rules regarding the procedures for payments to, disbursements from and the maintenance of the CRTF became effective on August 21, 2000.

Under Texas law, in the event of a catastrophic storm, losses on policies issued through TWIA are paid by a sequential combination of the TWIA's available assets, assessments against TWIA member companies, the CRTF, any reinsurance, and finally public funds in the form of premium tax credits available to insurance companies that are TWIA members. Thus the TWIA, the CRTF and premium tax credits are integral parts of the Texas statutory method of funding catastrophic windstorm losses. In the event of a change to the Insurance Code that would permit disbursements from the CRTF for reasons other than losses caused by a catastrophic storm, the State's general revenue fund and policyholders along the Texas Gulf Coast may not have adequate protection from potential losses. A major coastal storm like Hurricane Andrew or Hurricane Katrina could create insurance industry-wide property losses of many billions of dollars. The availability of the CRTF's assets for catastrophic losses is critical to TDI, the State of Texas, Texas taxpayers and policyholders, the TWIA and its members.

Further, in October 1998, the IRS issued a Technical Advice Memorandum (TAM) adverse to the CRTF. The IRS found that the CRTF was subject to federal taxes because the CRTF was not an integral part of the State in that the State did not provide seed money for the CRTF and did not contribute financially to its current operations. In 1999, the Texas legislature enacted House Bill 2253, which amended Article 21.49 of the Insurance Code. House Bill 2253 clarified the legislature's original intent that the CRTF was a state fund and not subject to federal taxation. The bill specifically stated that all money, including investment income, is state money with legal title in TDI. The Texas legislature also included TDI Rider 10 in the General Appropriations Act. In Rider 10, the legislature appropriated to the Texas Department of Insurance \$2 million in 2000 and \$2 million in 2001 out of the Texas Department of Insurance Operating Fund Account to be transferred each year to the CRTF for the purpose of maintaining the CRTF. The legislature expressly stated that the amount appropriated constituted the state's contribution to the funding of the CRTF. To the extent that any monies are removed from the CRTF for purposes other than losses due to a catastrophic storm, there may be federal tax implications to the CRTF.

**6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern**  
**Texas Department of Insurance**

<b>ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2008-09 GAA BILL PATTERN</b>	<b>\$</b>	<b>393,224,982</b>
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**Catrosrophe Reserve Trust Fund**

**Method of Calculation and Revenue Assumptions:**

The revenue estimate is composed of interest earned, deduction of monthly management fees, deduction of annual loss mitigation fees and contributions/deductions from Texas Windstorm Insurance Association (TWIA). The interest rate used for the estimate was an average rate of .003308 per month applied to the previous month's ending fund balance. The rate used for the monthly management fees was .000016 per month applied to the previous month's ending fund balance. The annual loss mitigation fees are \$1M. No contributions or deductions from TWIA were used in the revenue calculation.

Development of a methodology to project expenditures for inclusion in the GAA would be dependent on predicting catastrophic events.

**6.H. Estimated Total of All Agency Funds Outside the GAA Bill Pattern**  
**Texas Department of Insurance**

<b>ESTIMATED GRAND TOTAL OF AGENCY FUNDS OUTSIDE THE 2008-09 GAA BILL PATTERN</b>	<b>\$</b>	<b>9,680,070</b>
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**Abandoned Property / Liquidation Operating Fund (1999)**

Estimated Beginning Balance in FY 2006		7,925,501	
Estimated Revenues FY 2006	\$	973,805	
Estimated Revenues FY 2007	\$	745,000	
<b>FY 2006-07 Total</b>	<b>\$</b>	<b>9,644,306</b>	
Estimated Beginning Balance in FY 2008	\$	8,282,370	
Estimated Revenues FY 2008	\$	698,000	
Estimated Revenues FY 2009	\$	699,700	
<b>FY 2008-09 Total</b>	<b>\$</b>	<b>9,680,070</b>	

**Constitutional or Statutory Creation and Use of Funds:**

TIC Chapter 21A / Article 21.28 - These are non-appropriated funds representing unclaimed amounts from financially troubled insurers that have been placed in receivership under a court sanctioned process. The court may declare such funds abandoned if no claim is made on the amounts. Pursuant to statute, these funds can be used to: (1) operate insurance company receivership liquidations where the insolvent estate's funds are inadequate to pay for the costs of administration, and (2) pay for expenses related to insurance receiverships that cannot be allocated to any receivership estate.

**Method of Calculation and Revenue Assumptions:**

2007 estimated revenues include a projected 1% decrease of interest income  
 2008 estimated revenues include a projected 1% increase in interest income; does not include anticipated expenses  
 2009 estimated revenues include a projected .5% increase in interest income; does not include anticipated expenses  
 Development of a methodology to project expenditures for inclusion in the GAA would be dependent on predicting the cash needs of newly created estates. Development of a methodology to project revenues for inclusion in the GAA would be dependent on predicting the amount of unclaimed property that will become abandoned.

**6.I. Allocation of the Biennial Ten Percent Reduction to Strategies Schedule**

Agency Code: 454		Agency Name: Texas Department of Insurance										
Strategies		Biennial Application of 10 Percent Reduction					FTE Reductions (FY 2008-09 Base Request Compared to Budgeted 2007)		Revenue Impact? Y/N	Requesting Restoration? Y/N	TDI's 08-09 Requested Restoration	Exceptional Item(s)
Code	Name	GR	GR-Dedicated	Federal	Other	All Funds	FY 08	FY 09				
1.1.1	Consumer Ed and Mkt Analysis		\$ 95,445				2.4	2.4	Y	Y	\$ 190,890	9
1.1.2	Rates, Forms, and Licenses		\$ 1,182,346				32.6	32.6	Y	Y	\$ 2,364,692	4,5
1.2.1	Resolve Complaints		\$ 266,652				6.2	6.2	Y	Y	\$ 533,304	6
2.1.1	Insurers' Financial Condition		\$ 2,049,272				38.2	38.2	Y	Y	\$ 4,098,544	3
3.1.1	Loss Control Programs		\$ 1,053,114				23.5	23.5	Y	Y	\$ 2,106,228	11
4.1.1	Fire Protection		\$ 268,000				7.0	7.0	Y	Y	\$ 536,000	10
5.1.1	Safe and Health Workplace		\$ 280,923				6.0	6.0	Y	N		
5.1.1	Safe and Health Workplace-Safety Off		\$ 190,565				5.0	5.0	Y	Y	\$ 381,130	1
6.1.1	Medical Cost Containment		\$ 48,231						Y	N		
6.2.1	Monitoring and Enforcement		\$ 174,270				3.0	3.0	Y	N		
6.3.1	Develop and Implement Processes		\$ 370,131				12.0	12.0	Y	N		
6.4.1	Self Insurance		\$ 19,926						Y	N		
6.5.1	Dispute Resolution		\$ 1,741,768				28.0	28.0	Y	N		
6.6.1	Subsequent Injury		\$ 1,814						Y	N		
7.1.1	Central Administration		\$ 187,332				2.0	2.0	Y	N		
7.1.1	Central Administration		\$ 64,529				2.0	2.0	Y	Y	\$ 129,058	3,4,5,6,9,10,11
7.1.2	Information Resources		\$ 3,156,232				0.0	0.0	Y	N		
7.1.2	Information Resources		\$ 314,076				2.0	2.0	Y	Y	\$ 628,152	3,4,5,6,9,10,11
7.1.3	Other Support Services		\$ 41,387				0.0	0.0	Y	N		
7.1.3	Other Support Services		\$ 71,983				2.0	2.0	Y	Y	\$ 143,966	3,4,5,6,9,10,11
	Remaining 10% Reduction (FY 06)		\$ 6,690,625									
<b>Agency Biennial Total</b>		\$ -	\$ 18,268,621	\$ -	\$ -	\$ -	171.8	171.8			\$ 11,111,964	
<b>Agency Biennial Total (GR + GR-D)</b>			\$ 18,268,621									

**Strategy Code / Name**

**Explanation of Impact to Programs and Revenue Collections**

**10% Reduction Methodology**

The Texas Department of Insurance determined the necessary reduction from the 2007 operating budget to comply with the 2008-2009 GR/GR-Dedicated amounts. Using 2007 as the model year for the upcoming biennium, TDI considered a variety of approaches. Instead of a ten percent reduction across the board, the Commissioner determined that the agency would have to rethink how it performed functions and delivered services. To this end, the programs prioritized their functions for Commissioner review. The Commissioner concluded that a shift towards more of an enforcement based regulatory approach would allow TDI to provide consumer protection while minimizing labor-intensive front end regulatory review processes. As a result, the reduction amounts reflect those strategies and dollars as they were taken from the 2007 operating budget with an additional amount of \$6,690,625 from the 2006 estimated expended amounts. TDI's 2008-2009 GR/GR-Dedicated base request has been reduced, as required, by \$18,268,261 to meet the base GR/GR Dedicated amount of \$174,783,692.

## Strategy Code / Name

### Explanation of Impact to Programs and Revenue Collections

#### 1.1.1 Consumer Ed and Mkt Analysis

The GR reduction (\$95,445) for this strategy affects positions and support for collecting title insurance rate data and quarterly market premium and loss data. Elimination of the collection of title data would require a statutory change from promulgating premium rates to a file and use system of ratemaking. A file and use system for title rates could cause smaller, independent agencies to have difficulty competing on price when many of their costs are fixed. Elimination of the collection of quarterly market premium and loss data, which includes most lines of property and casualty insurance including workers' compensation deductible plan data, would limit the amount of timely data available to monitor market conditions and would increase the lag time between the period covered by the data and the availability of the data. 111 OP 5: Number of TDI calls to the insurance industry for data will be reduced by 2.

#### 1.1.2 Rates, Forms, and Licenses

The GR reduction (\$1,182,346) for this strategy affects TDI's ability to regulate the statutorily mandated continuing education requirement for licensed insurance agents and adjusters. Positions for this strategy register continuing education providers and evaluate courses developed by those providers to determine if they can be certified for use in Texas. In addition, these positions are used to audit licensees' compliance with statutorily required continuing education requirements. The proposed budget reduction would eliminate registration, certification, and consistent evaluation of courses for continuing education providers and would require statutory change.

The GR reduction also affects positions and support for life/health (LH) and property and casualty (P&C) rate and form reviews, and P&C discount premiums and workers' compensation experience modifier reviews. LH positions review form and rate filings to ensure compliance with statute, prepare filings for permanent storage, and answer general information phone lines. At the reduced funding level, TDI would review 12,200 fewer filings within the statutory review timeframes. The estimated percentage of LH forms reviewed in 90 days (112 OC 3) would decrease from 87% to 54% and phone lines would decrease from three to one.

P&C positions review all filings for compliance with statute and rate filings for fairness and actuarial justification. The proposed budget would require statutory change from some commercial lines from prior approval to file and use, less regulation of rates for those lines, eliminating public hearings for statutorily created entities that serve harder-to-insure markets (TWIA, FAIR, etc.) and eliminating workers' compensation experience modifier review. The reduced budget would impede TDI's ability to ensure that rates are not excessive or unfairly discriminatory and that forms comply with statutory requirements. Elimination of review of the workers' compensation experience modifier calculations may result in some policyholders paying incorrect premiums. 112 OP 3: Number of property and casualty rate and form filings completed will be reduced by 340. 112 OC 3: Percent of statutory rate and form filings completed within 90 days will decrease by 24%.

#### 1.2.1 Resolve Complaints

The GR reduction (\$266,652) for this strategy affects positions and support for reviewing insurance carrier and agent advertisements. Companies are required by statute or rule to submit ads for Medicare supplements, long-term care insurance, and viatical and life settlement contracts to TDI for review because these products typically are marketed to vulnerable populations, including senior and chronically ill Texans. Additionally, agents and companies submit ads for TDI review. TDI staff review ads and website advertisements for compliance with statutes and rules, unfair trade practices, and proper licensing. 121 OP 2: Number of insurance advertising filings reviewed will decrease by 6,100.

#### 2.1.1 Insurers' Financial Condition

The GR reduction (\$2,049,272) for this strategy affects positions and support for solvency regulation of the insurance industry. Restoration of the funding will allow TDI to maintain its current level of protection against insurer insolvencies and related unpaid insurance claims. At the reduced funding level, TDI would conduct fewer on-site financial and actuarial examinations to verify financial condition of insurers and other entities. 211 OC 5: Percent of insurers meeting statutory or risk-based capital and surplus requirements will reduce by 3%. 211 OC 6: Percent of companies rehabilitated after TDI solvency-related intervention will increase by 9%. 211 OP 2: Number of entities receiving TDI solvency-related intervention will decrease by 4. 211 OP 5: Number of actuarial examinations completed will decrease by 20. 211 OP 6: Number of on-site examinations conducted will decrease by 60. 211 EF 1: Average state cost per examination by \$10,788. 211 EX 1: Dollar amount (in millions) of insurance company insolvencies will increase by \$60 million. 211 EX 2: Number of estates placed in receivership will increase by 4.

## Strategy Code / Name

### Explanation of Impact to Programs and Revenue Collections

#### 3.1.1 Loss Control Programs

The GR reduction (\$1,053,114) for this strategy affects positions and support for decreasing potential insurance losses through the windstorm inspection program and inspections of loss control programs. In order to meet the reduction, TDI would need to transfer windstorm inspection and certification responsibilities to the Texas Windstorm Insurance Association (TWIA). TWIA's assumption of the inspection and certification functions for the same structures on which TWIA issues windstorm policies, however, could be viewed as a conflict of interest. By law, insurance companies must provide loss control information/services based on the risk, exposure, loss experience, and other considerations of a business. TDI reviews insurers' actions to ensure adequate loss control services. Biennial evaluations are designed to reduce costs and property losses and can assist in reducing injuries and loss of life. At the reduced funding level, insurance companies would still be required to provide loss control and accident prevention services but without TDI evaluation. 311 OC 3: Percent of windstorm inspections that result in an "approved" status code will decrease by 35%.

311 OP 1: Number of windstorm inspections completed will decrease by 11,500. 311 OP 2: Number of inspections of insurer loss control programs completed will decrease by 200. 311 EF 1: Average cost per windstorm inspection will increase by \$50. 311 OC 1: Percent of insurers providing adequate loss control programs will decrease by 93%.

#### 4.1.1 Fire Protection

The GR reduction (\$268,000) for this strategy affects positions and support for the enforcement of laws relating to loss of life and property due to fire. At the reduced funding, the State Fire Marshal Office (SFMO) would eliminate positions that perform fire safety services and that are directly involved in enforcement of codes and standards impacting Texans. Services involve conducting inspections of state-owned and licensed facilities; investigating complaints against licensed fire alarm, fire extinguisher, fire sprinkler, and fireworks firms and individuals; conducting fire and arson investigations and promoting fire safety and prevention through outreach initiatives. In many instances SFMO expert service is the only service of its type available to the rural and underserved communities. Failure to conduct inspections creates a missed opportunity to identify fire safety violations, which could result in increased loss of life and property. 411 OC 2: Percent of registrations, licenses, and permits issued after receipt of a completed application within 20 days to fire alarm, fire extinguisher, fire sprinkler, and fireworks firms, individuals and other regulated entities will decrease by 4%. 411 OP 1: Number of individuals attending presentations coordinated by the SFMO will decrease by 1575. 411 OP 2: Number of fire investigations completed will decrease by 35. 411 OP 4: Number of SFMO criminal referrals to prosecution will decrease by 8. 411 OP 5: Number of registrations, licenses, and permits issued to fire alarm, fire extinguisher, fire sprinkler and fireworks firms, individuals and other regulated entities will decrease by 787. 411 OP 6: Number of licensing investigations or inspections conducted will decrease by 77. 411 OP 7: Number of buildings inspected or reinspected for safety hazards will decrease by 350.

#### 5.1.1 Safe and Health Workplace

The GR reduction (\$280,923) for this portion of the 5.1.1 strategy affects staff with responsibilities for the Safety Resource Library, Safety Hotline, and Inspecting Rejected Risk. The handling of the resource library will be reduced by two-thirds. The remaining staff (not affected by the reduction) will continue to administer the safety video loan service for employers. The research and maintenance of health and safety functions will be picked up by the new Education and Outreach section. The responsibilities for monitoring and managing the safety hotline that is required by statute will be handled by other staff in the Workplace and Medical Services area. Responsibilities for inspections of employers identified by Texas Mutual Insurance Co. as rejected risks will be performed by other safety officers in the Workplace and Medical Services area.

#### 5.1.1 Safe and Health Workplace-Safety Off

The GR reduction (\$190,565) for this portion of the 5.1.1 strategy affects positions and support for monitoring the provision of accident prevention services (APS) by workers' compensation insurance companies to their policyholders. At the reduced funding, DWC would eliminate the accident prevention services inspector positions. These positions conduct inspections to determine the adequacy of insurance companies' accident prevention services, which must include: surveys, recommendations, training programs, consultations, analyses of accident causes, industrial hygiene, and industrial health services relative to the nature of the policyholders' operations. The reduced funding would (511 OP 1) impact inspections of approximately 60 insurance groups, representing 140 insurance companies, and 275 employers per year.

#### 6.1.1 Medical Cost Containment

The minimal GR reduction (\$48,231) for this strategy consists of budget savings coordination between DWC and TDI. The reduction is without a negative impact.

#### 6.2.1 Monitoring and Enforcement

The GR reduction (\$174,270) for this strategy consists of the reconfiguration of compliance efforts for workers' compensation and the coordination with TDI areas performing similar functions. This will allow for this reduction without a negative impact.

**Strategy Code / Name**

**Explanation of Impact to Programs and Revenue Collections**

**6.3.1 Develop and Implement Processes**

The GR reduction (\$370,131) for this strategy affects positions in the Records Archiving and Processing section of the agency. Most of the positions will be realized as a result of efficiencies from TXCOMP and the document management system (scanning and use of electronic files). Remaining positions eliminated from the records archiving function may result in delays in scanning the backlog of claim files that are currently microfiched for records retention purposes and preparing claim file information in response to requests from the field or external parties. No external performance measures will be affected by this reduction.

**6.4.1 Self Insurance**

The minimal GR reduction (\$19,926) for this strategy consists of budget savings coordination between DWC and TDI. The reduction is without a negative impact and will not affect any performance measures.

**6.5.1 Dispute Resolution**

The GR reduction (\$1,741,768) for this strategy will consists of shifting the workload for processing official action (e.g., designated doctor appts, requests to change doctors, etc.) between field offices to cover the need. The reduction also reflects dispute resolution officer functions transferring to Office of Injured Employee Counsel (OIEC).

**6.6.1 Subsequent Injury**

The minimal GR reduction (\$1,814) for this strategy consists of budget savings coordination between DWC and TDI. The reduction is without a negative impact and will not affect any performance measure.

**7.1.1 Central Administration**

The GR reduction (\$187,332) for this strategy consists of eliminating positions and related costs in the administrative areas of DWC. With the use of several of the automated systems associated with TDI processes that allow for user-generated reports and query capabilities, some of the demands on the Research and Statistical Services staff to produce statistical reports will be reduced. No performance measure is impacted.

**7.1.1 Central Administration**

The GR reduction (\$64,529) for this strategy consists of eliminating positions and related costs in the administrative areas of TDI. No performance measure is impacted.

**7.1.2 Information Resources**

The GR reduction (\$3,156,232) for this strategy consists mainly of completion of the DWC's Business Process Improvement (BPI) project and mainframe outsourcing savings. No performance measure is impacted.

**7.1.2 Information Resources**

The GR reduction (\$314,076) for this strategy effects Information Resources positions and related costs of TDI. No performance measure is impacted.

**7.1.3 Other Support Services**

The GR reduction (\$41,387) for this strategy affects positions and related positions in the support area of DWC. No performance measure is impacted.

**7.1.3 Other Support Services**

The GR reduction (\$71,983) for this strategy affects positions and related costs in the support area TDI. No performance measure is impacted.

**Revenue**

At the 90% funding level, revenue to Account 36 would be reduced. Account 36 is the GR dedicated account from which TDI is funded. The Texas Insurance Code requires that the insurance maintenance taxes be set with the intention of collecting the revenue needed to fund appropriations. If the Legislature appropriates fewer dollars, the revenue would be adjusted downward. Additionally, revenue related to rate and form filings, insurance examinations, and agents continuing education fees will be impacted (reduced) if appropriations are reduced.

**7. ADMINISTRATIVE  
AND  
SUPPORT COSTS**



**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 80th Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas(ABEST)

DATE: 8/24/2006  
 TIME : 5:21:25PM

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>1-1-1 Analyze Market Data and Provide Information</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 612,264	\$ 676,194	\$ 766,196	\$ 570,115	\$ 570,115
1002 OTHER PERSONNEL COSTS	26,686	21,289	25,179	19,004	19,004
2001 PROFESSIONAL FEES AND SERVICES	5,876	11,687	15,231	11,496	11,496
2002 FUELS AND LUBRICANTS	62	133	142	107	107
2003 CONSUMABLE SUPPLIES	5,889	9,139	8,018	6,052	6,052
2004 UTILITIES	6,928	8,684	9,286	7,008	7,008
2005 TRAVEL	2,375	3,269	3,498	2,640	2,640
2006 RENT - BUILDING	3,756	4,334	4,564	3,445	3,445
2007 RENT - MACHINE AND OTHER	6,661	7,521	7,795	5,884	5,884
2009 OTHER OPERATING EXPENSE	116,291	152,690	162,859	112,404	112,404
5000 CAPITAL EXPENDITURES	1,207	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 787,995</b>	<b>\$ 894,940</b>	<b>\$ 1,002,768</b>	<b>\$ 738,155</b>	<b>\$ 738,155</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	268,583	305,264	338,247	248,242	248,242
8042 INSURANCE MAINT TAX FEES	519,412	589,676	664,521	489,913	489,913
<b>Total, Method of Financing</b>	<b>\$ 787,995</b>	<b>\$ 894,940</b>	<b>\$ 1,002,768</b>	<b>\$ 738,155</b>	<b>\$ 738,155</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>13.1</b>	<b>13.1</b>	<b>15.2</b>	<b>11.2</b>	<b>11.2</b>
<b>Method of Allocation</b>					

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
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Agency code: 454

Agency name: **Department of Insurance**

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
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**1-1-1 Analyze Market Data and Provide Information**

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%), Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%), Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%), Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 80th Regular Session, Agency Submission, Version 1  
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Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
1-1-2 Process Rates, Forms and Licenses					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 1,794,443	\$ 1,910,020	\$ 2,058,849	\$ 2,296,428	2,296,428
1002 OTHER PERSONNEL COSTS	78,213	60,136	67,658	76,548	76,548
2001 PROFESSIONAL FEES AND SERVICES	17,221	33,013	40,928	46,306	46,306
2002 FUELS AND LUBRICANTS	181	375	381	431	431
2003 CONSUMABLE SUPPLIES	17,260	25,814	21,546	24,377	24,377
2004 UTILITIES	20,306	24,529	24,952	28,230	28,230
2005 TRAVEL	6,961	9,233	9,399	10,634	10,634
2006 RENT - BUILDING	11,009	12,243	12,265	13,877	13,877
2007 RENT - MACHINE AND OTHER	19,522	21,244	20,947	23,699	23,699
2009 OTHER OPERATING EXPENSE	340,829	431,298	437,620	452,765	452,765
5000 CAPITAL EXPENDITURES	3,537	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 2,309,482</b>	<b>\$ 2,527,905</b>	<b>\$ 2,694,545</b>	<b>\$ 2,973,295</b>	<b>2,973,295</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	787,171	862,268	908,906	999,919	999,919
8042 INSURANCE MAINT TAX FEES	1,522,311	1,665,637	1,785,639	1,973,376	1,973,376
<b>Total, Method of Financing</b>	<b>\$ 2,309,482</b>	<b>\$ 2,527,905</b>	<b>\$ 2,694,545</b>	<b>\$ 2,973,295</b>	<b>2,973,295</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>38.5</b>	<b>37.1</b>	<b>40.8</b>	<b>45.0</b>	<b>45.0</b>

Method of Allocation

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
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Agency name: **Department of Insurance**

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>1-1-2</b>					
<b>Process Rates, Forms and Licenses</b>					

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%), Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%), Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%), Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
 80th Regular Session, Agency Submission, Version 1  
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DATE: 8/24/2006  
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Agency code: 454

Agency name: **Department of Insurance**

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>1-1-3 Create Incentives and Requirements for Coverage in Underserved Markets</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 43,067	\$ 33,657	\$ 34,017	\$ 38,327	\$ 38,327
1002 OTHER PERSONNEL COSTS	1,877	1,060	1,118	1,278	1,278
2001 PROFESSIONAL FEES AND SERVICES	413	582	676	773	773
2002 FUELS AND LUBRICANTS	4	7	6	7	7
2003 CONSUMABLE SUPPLIES	414	455	356	407	407
2004 UTILITIES	487	432	412	471	471
2005 TRAVEL	167	163	155	177	177
2006 RENT - BUILDING	264	216	203	232	232
2007 RENT - MACHINE AND OTHER	469	374	346	396	396
2009 OTHER OPERATING EXPENSE	8,180	7,600	7,231	7,557	7,557
5000 CAPITAL EXPENDITURES	85	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 55,427</b>	<b>\$ 44,546</b>	<b>\$ 44,520</b>	<b>\$ 49,625</b>	<b>\$ 49,625</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	18,892	15,195	15,017	16,689	16,689
8042 INSURANCE MAINT TAX FEES	36,535	29,351	29,503	32,936	32,936
<b>Total, Method of Financing</b>	<b>\$ 55,427</b>	<b>\$ 44,546</b>	<b>\$ 44,520</b>	<b>\$ 49,625</b>	<b>\$ 49,625</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>0.9</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
<b>Method of Allocation</b>					

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
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Agency code: 454

Agency name: **Department of Insurance**

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
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**1-1-3 Create Incentives and Requirements for Coverage in Underserved Markets**

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-4.8%), Resolve Complaints (7.24%-7.55%), Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%), Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%), Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

**7.A. INDIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
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Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>1-2-1 Respond Promptly and Act on Complaints</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 519,671	\$ 548,452	\$ 590,441	\$ 602,852	\$ 602,852
1002 OTHER PERSONNEL COSTS	22,650	17,268	19,403	20,095	20,095
2001 PROFESSIONAL FEES AND SERVICES	4,987	9,479	11,737	12,156	12,156
2002 FUELS AND LUBRICANTS	52	108	109	113	113
2003 CONSUMABLE SUPPLIES	4,998	7,412	6,179	6,399	6,399
2004 UTILITIES	5,881	7,043	7,156	7,411	7,411
2005 TRAVEL	2,016	2,651	2,695	2,792	2,792
2006 RENT - BUILDING	3,188	3,515	3,517	3,643	3,643
2007 RENT - MACHINE AND OTHER	5,653	6,100	6,007	6,222	6,222
2009 OTHER OPERATING EXPENSE	98,704	123,845	125,502	118,859	118,859
5000 CAPITAL EXPENDITURES	1,024	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 668,824</b>	<b>\$ 725,873</b>	<b>\$ 772,746</b>	<b>\$ 780,542</b>	<b>\$ 780,542</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	227,964	247,595	260,657	262,496	262,496
8042 INSURANCE MAINT TAX FEES	440,860	478,278	512,089	518,046	518,046
<b>Total, Method of Financing</b>	<b>\$ 668,824</b>	<b>\$ 725,873</b>	<b>\$ 772,746</b>	<b>\$ 780,542</b>	<b>\$ 780,542</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>11.1</b>	<b>10.6</b>	<b>11.7</b>	<b>11.8</b>	<b>11.8</b>
<b>Method of Allocation</b>					

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Agency name: **Department of Insurance**

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
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**1-2-1 Respond Promptly and Act on Complaints**

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis (8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-4.8%), Resolve Complaints (7.24%-7.55%), Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%), Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%), Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).



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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>1-2-2</b> <b>Investigate Trade Practices and Enforcement as Needed</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 607,957	\$ 664,721	\$ 606,640	\$ 657,149	\$ 657,149
1002 OTHER PERSONNEL COSTS	26,498	20,928	19,935	21,905	21,905
2001 PROFESSIONAL FEES AND SERVICES	5,835	11,489	12,059	13,251	13,251
2002 FUELS AND LUBRICANTS	61	130	112	123	123
2003 CONSUMABLE SUPPLIES	5,848	8,984	6,349	6,976	6,976
2004 UTILITIES	6,880	8,536	7,352	8,078	8,078
2005 TRAVEL	2,358	3,213	2,769	3,043	3,043
2006 RENT - BUILDING	3,730	4,261	3,614	3,971	3,971
2007 RENT - MACHINE AND OTHER	6,614	7,393	6,172	6,782	6,782
2009 OTHER OPERATING EXPENSE	115,473	150,099	128,945	129,564	129,564
5000 CAPITAL EXPENDITURES	1,198	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 782,452</b>	<b>\$ 879,754</b>	<b>\$ 793,947</b>	<b>\$ 850,842</b>	<b>\$ 850,842</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	266,693	300,084	267,809	286,138	286,138
8042 INSURANCE MAINT TAX FEES	515,759	579,670	526,138	564,704	564,704
<b>Total, Method of Financing</b>	<b>\$ 782,452</b>	<b>\$ 879,754</b>	<b>\$ 793,947</b>	<b>\$ 850,842</b>	<b>\$ 850,842</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>13.0</b>	<b>12.9</b>	<b>12.0</b>	<b>12.9</b>	<b>12.9</b>

Method of Allocation

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
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<b>1-2-2</b>	<b>Investigate Trade Practices and Enforcement as Needed</b>				
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Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%), Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%), Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%), Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

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Strategy		Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>1-2-3</b>	<b>Investigate Potential Insurer Fraud and Initiate Legal Action</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$ 216,051	\$ 244,011	\$ 258,369	\$ 224,369	\$ 224,369
1002	OTHER PERSONNEL COSTS	9,417	7,683	8,491	7,479	7,479
2001	PROFESSIONAL FEES AND SERVICES	2,073	4,217	5,136	4,524	4,524
2002	FUELS AND LUBRICANTS	22	48	48	42	42
2003	CONSUMABLE SUPPLIES	2,078	3,298	2,704	2,382	2,382
2004	UTILITIES	2,445	3,134	3,131	2,758	2,758
2005	TRAVEL	838	1,180	1,180	1,039	1,039
2006	RENT - BUILDING	1,326	1,564	1,539	1,356	1,356
2007	RENT - MACHINE AND OTHER	2,350	2,714	2,629	2,316	2,316
2009	OTHER OPERATING EXPENSE	41,036	55,100	54,918	44,237	44,237
5000	CAPITAL EXPENDITURES	426	0	0	0	0
<b>Total, Objects of Expense</b>		<b>\$ 278,062</b>	<b>\$ 322,949</b>	<b>\$ 338,145</b>	<b>\$ 290,502</b>	<b>\$ 290,502</b>
<b>METHOD OF FINANCING:</b>						
36	DEPT INS OPERATING ACCT	94,776	110,158	114,061	97,696	97,696
8042	INSURANCE MAINT TAX FEES	183,286	212,791	224,084	192,806	192,806
<b>Total, Method of Financing</b>		<b>\$ 278,062</b>	<b>\$ 322,949</b>	<b>\$ 338,145</b>	<b>\$ 290,502</b>	<b>\$ 290,502</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>		<b>4.6</b>	<b>4.7</b>	<b>5.1</b>	<b>4.4</b>	<b>4.4</b>
<b>Method of Allocation</b>						

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>1-2-3</b>					
<b>Investigate Potential Insurer Fraud and Initiate Legal Action</b>					

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%- .48%), Resolve Complaints (7.24%-7.55%) Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%) Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 2,117,442	\$ 2,193,808	\$ 2,312,357	\$ 2,228,558	2,228,558
1002 OTHER PERSONNEL COSTS	92,291	69,071	75,988	74,284	74,284
2001 PROFESSIONAL FEES AND SERVICES	20,321	37,919	45,967	44,937	44,937
2002 FUELS AND LUBRICANTS	215	429	429	418	418
2003 CONSUMABLE SUPPLIES	20,366	29,649	24,199	23,658	23,658
2004 UTILITIES	23,960	28,172	28,023	27,396	27,396
2005 TRAVEL	8,214	10,605	10,557	10,319	10,319
2006 RENT - BUILDING	12,992	14,062	13,775	13,467	13,467
2007 RENT - MACHINE AND OTHER	23,035	24,400	23,525	23,000	23,000
2009 OTHER OPERATING EXPENSE	402,178	495,379	491,506	439,385	439,385
5000 CAPITAL EXPENDITURES	4,174	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 2,725,188</b>	<b>\$ 2,903,494</b>	<b>\$ 3,026,326</b>	<b>\$ 2,885,422</b>	<b>2,885,422</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	928,861	990,380	1,020,822	970,366	970,366
8042 INSURANCE MAINT TAX FEES	1,796,327	1,913,114	2,005,504	1,915,056	1,915,056
<b>Total, Method of Financing</b>	<b>\$ 2,725,188</b>	<b>\$ 2,903,494</b>	<b>\$ 3,026,326</b>	<b>\$ 2,885,422</b>	<b>2,885,422</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>45.3</b>	<b>42.5</b>	<b>45.9</b>	<b>43.8</b>	<b>43.8</b>
<b>Method of Allocation</b>					

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**2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action**

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%) Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%),Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%) Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>3-1-1</b>	<b>Inspect Loss Control Programs and Assure Code and Schedule Compliance</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 432,102	\$ 475,784	\$ 511,068	\$ 356,921	\$ 356,921
1002 OTHER PERSONNEL COSTS	18,834	14,980	16,795	11,897	11,897
2001 PROFESSIONAL FEES AND SERVICES	4,148	8,223	10,160	7,197	7,197
2002 FUELS AND LUBRICANTS	44	93	95	67	67
2003 CONSUMABLE SUPPLIES	4,156	6,430	5,348	3,789	3,789
2004 UTILITIES	4,890	6,110	6,194	4,388	4,388
2005 TRAVEL	1,676	2,300	2,333	1,653	1,653
2006 RENT - BUILDING	2,651	3,050	3,045	2,157	2,157
2007 RENT - MACHINE AND OTHER	4,701	5,292	5,200	3,683	3,683
2009 OTHER OPERATING EXPENSE	82,069	107,436	108,630	70,371	70,371
5000 CAPITAL EXPENDITURES	852	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 556,123</b>	<b>\$ 629,698</b>	<b>\$ 668,868</b>	<b>\$ 462,123</b>	<b>\$ 462,123</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	189,551	214,790	225,618	155,412	155,412
8042 INSURANCE MAINT TAX FEES	366,572	414,908	443,250	306,711	306,711
<b>Total, Method of Financing</b>	<b>\$ 556,123</b>	<b>\$ 629,698</b>	<b>\$ 668,868</b>	<b>\$ 462,123</b>	<b>\$ 462,123</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>9.2</b>	<b>9.2</b>	<b>10.1</b>	<b>7.0</b>	<b>7.0</b>
<b>Method of Allocation</b>					

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
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**3-1-1                      Inspect Loss Control Programs and Assure Code and Schedule Compliance**

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows: Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%), Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%), Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).



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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>3-1-2 Investigate Provider/Consumer Fraud &amp; Refer Violations for Prosecution</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 197,389	\$ 240,187	\$ 261,608	\$ 291,445	\$ 291,445
1002 OTHER PERSONNEL COSTS	8,603	7,562	8,597	9,715	9,715
2001 PROFESSIONAL FEES AND SERVICES	1,894	4,151	5,201	5,877	5,877
2002 FUELS AND LUBRICANTS	20	47	48	55	55
2003 CONSUMABLE SUPPLIES	1,899	3,246	2,738	3,094	3,094
2004 UTILITIES	2,234	3,085	3,170	3,583	3,583
2005 TRAVEL	766	1,161	1,194	1,350	1,350
2006 RENT - BUILDING	1,211	1,540	1,558	1,761	1,761
2007 RENT - MACHINE AND OTHER	2,147	2,671	2,662	3,008	3,008
2009 OTHER OPERATING EXPENSE	37,491	54,236	55,606	57,461	57,461
5000 CAPITAL EXPENDITURES	389	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 254,043</b>	<b>\$ 317,886</b>	<b>\$ 342,382</b>	<b>\$ 377,349</b>	<b>\$ 377,349</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	86,589	108,431	115,490	126,902	126,902
8042 INSURANCE MAINT TAX FEES	167,454	209,455	226,892	250,447	250,447
<b>Total, Method of Financing</b>	<b>\$ 254,043</b>	<b>\$ 317,886</b>	<b>\$ 342,382</b>	<b>\$ 377,349</b>	<b>\$ 377,349</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>4.2</b>	<b>4.7</b>	<b>5.2</b>	<b>5.7</b>	<b>5.7</b>
<b>Method of Allocation</b>					

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>3-1-2</b>					
<b>Investigate Provider/Consumer Fraud &amp; Refer Violations for Prosecution</b>					

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%) Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%) Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>3-1-3</b> <b>Investigate Workers' Compensation Insurance Fraud</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 52,206	\$ 46,025	\$ 55,117	\$ 47,622	\$ 47,622
1002 OTHER PERSONNEL COSTS	3,239	1,742	2,474	1,843	1,843
2001 PROFESSIONAL FEES AND SERVICES	36,964	31,757	38,421	11,463	11,463
2002 FUELS AND LUBRICANTS	79	85	131	116	116
2003 CONSUMABLE SUPPLIES	1,109	952	668	595	595
2004 UTILITIES	4,627	5,018	4,211	3,743	3,743
2005 TRAVEL	550	126	504	448	448
2006 RENT - BUILDING	3,678	4,400	4,149	3,688	3,688
2007 RENT - MACHINE AND OTHER	483	522	788	700	700
2009 OTHER OPERATING EXPENSE	16,686	18,916	19,769	13,398	13,398
5000 CAPITAL EXPENDITURES	2,467	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 122,088</b>	<b>\$ 109,543</b>	<b>\$ 126,232</b>	<b>\$ 83,616</b>	<b>\$ 83,616</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	122,088	109,543	126,232	83,616	83,616
<b>Total, Method of Financing</b>	<b>\$ 122,088</b>	<b>\$ 109,543</b>	<b>\$ 126,232</b>	<b>\$ 83,616</b>	<b>\$ 83,616</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>1.3</b>	<b>1.1</b>	<b>1.2</b>	<b>1.1</b>	<b>1.1</b>
<b>Method of Allocation</b>					

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Agency name: **Department of Insurance**

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
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<b>3-1-3</b>	<b>Investigate Workers' Compensation Insurance Fraud</b>				
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Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%) Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%) Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>4-1-1</b>	<b>Provide Fire Prevention through Education &amp; Enforcement of Regulations</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 637,386	\$ 662,425	\$ 699,782	\$ 718,636	718,636
1002 OTHER PERSONNEL COSTS	27,782	20,854	22,996	23,955	23,955
2001 PROFESSIONAL FEES AND SERVICES	6,117	11,450	13,912	14,490	14,490
2002 FUELS AND LUBRICANTS	64	130	130	137	137
2003 CONSUMABLE SUPPLIES	6,130	8,954	7,323	7,626	7,626
2004 UTILITIES	7,213	8,507	8,481	8,834	8,834
2005 TRAVEL	2,472	3,200	3,195	3,328	3,328
2006 RENT - BUILDING	3,910	4,245	4,170	4,341	4,341
2007 RENT - MACHINE AND OTHER	6,935	7,369	7,121	7,414	7,414
2009 OTHER OPERATING EXPENSE	121,063	149,580	148,740	141,684	141,684
5000 CAPITAL EXPENDITURES	1,256	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 820,328</b>	<b>\$ 876,714</b>	<b>\$ 915,850</b>	<b>\$ 930,445</b>	<b>930,445</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	279,603	299,049	308,926	312,910	312,910
8042 INSURANCE MAINT TAX FEES	540,725	577,665	606,924	617,535	617,535
<b>Total, Method of Financing</b>	<b>\$ 820,328</b>	<b>\$ 876,714</b>	<b>\$ 915,850</b>	<b>\$ 930,445</b>	<b>930,445</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>13.6</b>	<b>12.9</b>	<b>13.9</b>	<b>14.1</b>	<b>14.1</b>
<b>Method of Allocation</b>					

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<b>4-1-1</b>					
<b>Provide Fire Prevention through Education &amp; Enforcement of Regulations</b>					

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%) Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%) Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications(1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>5-1-1</b>	<b>Provide Health and Safety Services in Texas Workplaces</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 773,183	\$ 620,129	\$ 742,245	\$ 675,642	\$ 675,642
1002 OTHER PERSONNEL COSTS	47,963	23,466	33,318	26,146	26,146
2001 PROFESSIONAL FEES AND SERVICES	547,443	427,886	517,405	162,635	162,635
2002 FUELS AND LUBRICANTS	1,163	1,143	1,763	1,651	1,651
2003 CONSUMABLE SUPPLIES	16,429	12,828	8,995	8,439	8,439
2004 UTILITIES	68,528	67,611	56,707	53,104	53,104
2005 TRAVEL	8,145	1,702	6,790	6,359	6,359
2006 RENT - BUILDING	54,466	59,288	55,876	52,326	52,326
2007 RENT - MACHINE AND OTHER	7,159	7,038	10,607	9,934	9,934
2009 OTHER OPERATING EXPENSE	247,120	254,870	266,222	190,089	190,089
5000 CAPITAL EXPENDITURES	36,530	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 1,808,129</b>	<b>\$ 1,475,961</b>	<b>\$ 1,699,928</b>	<b>\$ 1,186,325</b>	<b>\$ 1,186,325</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	1,808,129	1,475,961	1,699,928	1,186,325	1,186,325
<b>Total, Method of Financing</b>	<b>\$ 1,808,129</b>	<b>\$ 1,475,961</b>	<b>\$ 1,699,928</b>	<b>\$ 1,186,325</b>	<b>\$ 1,186,325</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>19.2</b>	<b>14.6</b>	<b>16.8</b>	<b>15.3</b>	<b>15.3</b>
<b>Method of Allocation</b>					

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
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**5-1-1 Provide Health and Safety Services in Texas Workplaces**

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows: Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%), Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%), Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).



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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>5-2-1</b>	<b>Provide Education on Disability Management and Return-to-work Programs</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 40,972	\$ 28,100	\$ 48,381	\$ 51,194	\$ 51,194
1002 OTHER PERSONNEL COSTS	2,542	1,063	2,172	1,981	1,981
2001 PROFESSIONAL FEES AND SERVICES	29,010	19,389	33,725	12,323	12,323
2002 FUELS AND LUBRICANTS	62	52	115	125	125
2003 CONSUMABLE SUPPLIES	871	581	586	639	639
2004 UTILITIES	3,631	3,064	3,696	4,024	4,024
2005 TRAVEL	432	77	443	482	482
2006 RENT - BUILDING	2,886	2,686	3,642	3,965	3,965
2007 RENT - MACHINE AND OTHER	379	319	691	753	753
2009 OTHER OPERATING EXPENSE	13,095	11,549	17,353	14,403	14,403
5000 CAPITAL EXPENDITURES	1,936	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 95,816</b>	<b>\$ 66,880</b>	<b>\$ 110,804</b>	<b>\$ 89,889</b>	<b>\$ 89,889</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	95,816	66,880	110,804	89,889	89,889
<b>Total, Method of Financing</b>	<b>\$ 95,816</b>	<b>\$ 66,880</b>	<b>\$ 110,804</b>	<b>\$ 89,889</b>	<b>\$ 89,889</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>1.0</b>	<b>0.7</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>
<b>Method of Allocation</b>					

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**5-2-1 Provide Education on Disability Management and Return-to-work Programs**

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%) Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%) Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>6-1-1</b>	<b>Ensure Appropriate Utilization of Medical Services</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 305,969	\$ 251,443	\$ 341,114	\$ 353,001	\$ 353,001
1002 OTHER PERSONNEL COSTS	18,980	9,515	15,312	13,660	13,660
2001 PROFESSIONAL FEES AND SERVICES	216,638	173,494	237,784	84,971	84,971
2002 FUELS AND LUBRICANTS	460	464	810	863	863
2003 CONSUMABLE SUPPLIES	6,501	5,201	4,134	4,409	4,409
2004 UTILITIES	27,118	27,414	26,061	27,745	27,745
2005 TRAVEL	3,223	690	3,121	3,322	3,322
2006 RENT - BUILDING	21,554	24,039	25,679	27,339	27,339
2007 RENT - MACHINE AND OTHER	2,833	2,854	4,875	5,190	5,190
2009 OTHER OPERATING EXPENSE	97,792	103,342	122,348	99,315	99,315
5000 CAPITAL EXPENDITURES	14,456	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 715,524</b>	<b>\$ 598,456</b>	<b>\$ 781,238</b>	<b>\$ 619,815</b>	<b>\$ 619,815</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	715,524	598,456	781,238	619,815	619,815
<b>Total, Method of Financing</b>	<b>\$ 715,524</b>	<b>\$ 598,456</b>	<b>\$ 781,238</b>	<b>\$ 619,815</b>	<b>\$ 619,815</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>7.6</b>	<b>5.9</b>	<b>7.7</b>	<b>8.0</b>	<b>8.0</b>
<b>Method of Allocation</b>					

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<b>6-1-1</b>					
<b>Ensure Appropriate Utilization of Medical Services</b>					

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%) Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%) Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>6-2-1 Monitor Stakeholder Activity and Take Enforcement Action</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 524,707	\$ 430,214	\$ 582,405	\$ 532,775	\$ 532,775
1002 OTHER PERSONNEL COSTS	32,550	16,280	26,143	20,617	20,617
2001 PROFESSIONAL FEES AND SERVICES	371,513	296,846	405,984	128,245	128,245
2002 FUELS AND LUBRICANTS	789	793	1,384	1,302	1,302
2003 CONSUMABLE SUPPLIES	11,149	8,899	7,058	6,654	6,654
2004 UTILITIES	46,505	46,905	44,495	41,875	41,875
2005 TRAVEL	5,527	1,181	5,328	5,014	5,014
2006 RENT - BUILDING	36,962	41,131	43,843	41,261	41,261
2007 RENT - MACHINE AND OTHER	4,858	4,883	8,323	7,833	7,833
2009 OTHER OPERATING EXPENSE	167,705	176,817	208,892	149,894	149,894
5000 CAPITAL EXPENDITURES	24,791	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 1,227,056</b>	<b>\$ 1,023,949</b>	<b>\$ 1,333,855</b>	<b>\$ 935,470</b>	<b>\$ 935,470</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	1,227,056	1,023,949	1,333,855	935,470	935,470
<b>Total, Method of Financing</b>	<b>\$ 1,227,056</b>	<b>\$ 1,023,949</b>	<b>\$ 1,333,855</b>	<b>\$ 935,470</b>	<b>\$ 935,470</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>13.0</b>	<b>10.1</b>	<b>13.2</b>	<b>12.1</b>	<b>12.1</b>
<b>Method of Allocation</b>					

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<b>6-2-1</b>	<b>Monitor Stakeholder Activity and Take Enforcement Action</b>				
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Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%) Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%) Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>6-3-1 Develop and Implement Processes</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 1,170,348	\$ 922,442	\$ 1,225,439	\$ 1,214,370	\$ 1,214,370
1002 OTHER PERSONNEL COSTS	72,601	34,906	55,007	46,993	46,993
2001 PROFESSIONAL FEES AND SERVICES	828,650	636,480	854,231	292,313	292,313
2002 FUELS AND LUBRICANTS	1,760	1,700	2,911	2,968	2,968
2003 CONSUMABLE SUPPLIES	24,869	19,082	14,851	15,168	15,168
2004 UTILITIES	103,730	100,572	93,622	95,447	95,447
2005 TRAVEL	12,330	2,532	11,211	11,429	11,429
2006 RENT - BUILDING	82,444	88,191	92,250	94,048	94,048
2007 RENT - MACHINE AND OTHER	10,836	10,470	17,513	17,854	17,854
2009 OTHER OPERATING EXPENSE	374,063	379,121	439,530	341,658	341,658
5000 CAPITAL EXPENDITURES	55,295	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 2,736,926</b>	<b>\$ 2,195,496</b>	<b>\$ 2,806,565</b>	<b>\$ 2,132,248</b>	<b>\$ 2,132,248</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	2,736,926	2,195,496	2,806,565	2,132,248	2,132,248
<b>Total, Method of Financing</b>	<b>\$ 2,736,926</b>	<b>\$ 2,195,496</b>	<b>\$ 2,806,565</b>	<b>\$ 2,132,248</b>	<b>\$ 2,132,248</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>29.0</b>	<b>21.7</b>	<b>27.7</b>	<b>27.5</b>	<b>27.5</b>
<b>Method of Allocation</b>					

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**6-3-1                      Develop and Implement Processes**

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows: Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%), Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%), Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).



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<b>6-4-1</b>	<b>Certify and Regulate Private Employers that Qualify to Self-Insure</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 118,290	\$ 101,255	\$ 132,894	\$ 136,319	\$ 136,319
1002 OTHER PERSONNEL COSTS	7,338	3,832	5,965	5,275	5,275
2001 PROFESSIONAL FEES AND SERVICES	83,754	69,866	92,638	32,814	32,814
2002 FUELS AND LUBRICANTS	178	187	316	333	333
2003 CONSUMABLE SUPPLIES	2,513	2,095	1,611	1,703	1,703
2004 UTILITIES	10,484	11,040	10,153	10,714	10,714
2005 TRAVEL	1,246	278	1,216	1,283	1,283
2006 RENT - BUILDING	8,333	9,681	10,004	10,557	10,557
2007 RENT - MACHINE AND OTHER	1,095	1,149	1,899	2,004	2,004
2009 OTHER OPERATING EXPENSE	37,807	41,616	47,665	38,353	38,353
5000 CAPITAL EXPENDITURES	5,589	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 276,627</b>	<b>\$ 240,999</b>	<b>\$ 304,361</b>	<b>\$ 239,355</b>	<b>\$ 239,355</b>

**METHOD OF FINANCING:**

36 DEPT INS OPERATING ACCT	276,627	240,999	304,361	239,355	239,355
<b>Total, Method of Financing</b>	<b>\$ 276,627</b>	<b>\$ 240,999</b>	<b>\$ 304,361</b>	<b>\$ 239,355</b>	<b>\$ 239,355</b>

<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>2.9</b>	<b>2.4</b>	<b>3.0</b>	<b>3.1</b>	<b>3.1</b>
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Method of Allocation

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**6-4-1 Certify and Regulate Private Employers that Qualify to Self-Insure**

Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%) Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%) Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

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Strategy		Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>6-5-1</b>	<b>Minimize and Resolve Indemnity and Medical Disputes</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$ 3,605,542	\$ 2,434,490	\$ 2,982,454	\$ 2,926,990	\$ 2,926,990
1002	OTHER PERSONNEL COSTS	223,665	92,122	133,876	113,268	113,268
2001	PROFESSIONAL FEES AND SERVICES	2,552,864	1,679,785	2,079,012	704,561	704,561
2002	FUELS AND LUBRICANTS	5,423	4,490	7,085	7,154	7,154
2003	CONSUMABLE SUPPLIES	76,612	50,362	36,145	36,558	36,558
2004	UTILITIES	319,562	265,428	227,857	230,055	230,055
2005	TRAVEL	37,982	6,681	27,282	27,547	27,547
2006	RENT - BUILDING	253,987	232,751	224,517	226,684	226,684
2007	RENT - MACHINE AND OTHER	33,383	27,631	42,623	43,034	43,034
2009	OTHER OPERATING EXPENSE	1,152,388	1,000,567	1,069,721	823,497	823,497
5000	CAPITAL EXPENDITURES	170,350	0	0	0	0
<b>Total, Objects of Expense</b>		<b>\$ 8,431,758</b>	<b>\$ 5,794,307</b>	<b>\$ 6,830,572</b>	<b>\$ 5,139,348</b>	<b>\$ 5,139,348</b>

**METHOD OF FINANCING:**

36	DEPT INS OPERATING ACCT	8,431,758	5,794,307	6,830,572	5,139,348	5,139,348
<b>Total, Method of Financing</b>		<b>\$ 8,431,758</b>	<b>\$ 5,794,307</b>	<b>\$ 6,830,572</b>	<b>\$ 5,139,348</b>	<b>\$ 5,139,348</b>

**FULL TIME EQUIVALENT POSITIONS**

<b>89.5</b>	<b>57.2</b>	<b>67.3</b>	<b>66.3</b>	<b>66.3</b>
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**Method of Allocation**

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
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<b>6-5-1</b>	<b>Minimize and Resolve Indemnity and Medical Disputes</b>				
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Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%) Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%) Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
6-6-1 Subsequent Injury Fund Administration					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 17,181	\$ 10,658	\$ 14,084	\$ 14,883	14,883
1002 OTHER PERSONNEL COSTS	1,066	404	631	577	577
2001 PROFESSIONAL FEES AND SERVICES	12,167	7,355	9,819	3,583	3,583
2002 FUELS AND LUBRICANTS	25	17	34	38	38
2003 CONSUMABLE SUPPLIES	364	219	171	186	186
2004 UTILITIES	1,522	1,162	1,075	1,169	1,169
2005 TRAVEL	180	31	130	141	141
2006 RENT - BUILDING	1,210	1,019	1,062	1,153	1,153
2007 RENT - MACHINE AND OTHER	160	121	200	218	218
2009 OTHER OPERATING EXPENSE	5,493	4,382	5,051	4,188	4,188
5000 CAPITAL EXPENDITURES	811	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 40,179</b>	<b>\$ 25,368</b>	<b>\$ 32,257</b>	<b>\$ 26,136</b>	<b>26,136</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	40,179	25,368	32,257	26,136	26,136
<b>Total, Method of Financing</b>	<b>\$ 40,179</b>	<b>\$ 25,368</b>	<b>\$ 32,257</b>	<b>\$ 26,136</b>	<b>26,136</b>
<b>FULL TIME EQUIVALENT POSITIONS</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
<b>Method of Allocation</b>					

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Indirect administrative and support costs are allocated proportionately among all direct strategies based on the amount of salaries devoted towards each direct strategy. The FY05 to FY09 percentage allocation of support cost to each direct strategy is as follows Consumer Education and Market Analysis(8.53%-7.14%), Rates, Forms, and Licenses (25.00%-28.76%), Promote Underserved (.60%-.48%), Resolve Complaints (7.24%-7.55%) Investigation/Enforcement (8.47%-8.23%), Insurer Fraud (3.01%-2.81%), Insurers Financial Condition (29.50%-27.91%), Loss Control (6.02%-4.47%), Provider/Consumer Fraud (2.75%-3.65%), and Reduce Loss of Life & Property due to Fire (8.88%-9.00%). Investigate Workers' Compensation Fraud, (0.79%-0.80%), Health and Safety Services (11.70%-11.35%), Return to Work Education (0.62%-0.86%), Medical Cost Containment (4.63%-5.93%) Promote Compliance (7.94%-8.95%), Develop and Implement Processes (17.71%-20.40%), Certified Self Insurance Applications (1.79%-2.29%), Dispute Resolution (54.56%-49.17%), Subsequent Injury Fund Administration(0.26%-0.25%).

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	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES	\$13,786,170	\$12,494,015	\$14,223,460	\$13,937,596	\$13,937,596
1002 OTHER PERSONNEL COSTS	\$722,795	\$424,161	\$541,058	\$496,520	\$496,520
2001 PROFESSIONAL FEES AND SERVICES	\$4,747,888	\$3,475,068	\$4,430,026	\$1,593,915	\$1,593,915
2002 FUELS AND LUBRICANTS	\$10,664	\$10,431	\$16,049	\$16,050	\$16,050
2003 CONSUMABLE SUPPLIES	\$209,455	\$203,600	\$158,979	\$159,111	\$159,111
2004 UTILITIES	\$666,931	\$626,446	\$566,034	\$566,033	\$566,033
2005 TRAVEL	\$97,458	\$50,273	\$93,000	\$93,000	\$93,000
2006 RENT - BUILDING	\$509,557	\$512,216	\$509,272	\$509,271	\$509,271
2007 RENT - MACHINE AND OTHER	\$139,273	\$140,065	\$169,923	\$169,924	\$169,924
2009 OTHER OPERATING EXPENSE	\$3,475,463	\$3,718,443	\$3,918,108	\$3,249,082	\$3,249,082
5000 CAPITAL EXPENDITURES	\$326,373	\$0	\$0	\$0	\$0
<b>Total, Objects of Expense</b>	<b>\$24,692,027</b>	<b>\$21,654,718</b>	<b>\$24,625,909</b>	<b>\$20,790,502</b>	<b>\$20,790,502</b>
<b>Method of Financing</b>					
36 DEPT INS OPERATING ACCT	\$18,602,786	\$14,984,173	\$17,601,365	\$13,928,972	\$13,928,972
8042 INSURANCE MAINT TAX FEES	\$6,089,241	\$6,670,545	\$7,024,544	\$6,861,530	\$6,861,530
<b>Total, Method of Financing</b>	<b>\$24,692,027</b>	<b>\$21,654,718</b>	<b>\$24,625,909</b>	<b>\$20,790,502</b>	<b>\$20,790,502</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>317.4</b>	<b>262.4</b>	<b>298.9</b>	<b>291.5</b>	<b>291.5</b>

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>1-1-1 Analyze Market Data and Provide Information</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 93,197	\$ 97,801	\$ 99,843	\$ 99,843	\$ 99,843
1002 OTHER PERSONNEL COSTS	4,042	583	2,628	2,628	2,628
2003 CONSUMABLE SUPPLIES	555	660	998	946	946
2004 UTILITIES	1,585	3,835	3,835	3,835	3,835
2005 TRAVEL	15,372	41,898	2,452	2,451	2,451
2006 RENT - BUILDING	0	4,500	4,500	4,500	4,500
2007 RENT - MACHINE AND OTHER	4,430	4,431	4,543	4,495	4,495
2009 OTHER OPERATING EXPENSE	15,316	15,763	19,359	17,677	17,677
5000 CAPITAL EXPENDITURES	0	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 134,497</b>	<b>\$ 169,471</b>	<b>\$ 138,158</b>	<b>\$ 136,375</b>	<b>\$ 136,375</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	45,864	57,010	46,463	45,890	45,890
666 APPROPRIATED RECEIPTS	0	0	0	0	0
5101 SUBSEQUENT INJURY FUND	0	0	0	0	0
8042 INSURANCE MAINT TAX FEES	88,633	112,461	91,695	90,485	90,485
<b>Total, Method of Financing</b>	<b>\$ 134,497</b>	<b>\$ 169,471</b>	<b>\$ 138,158</b>	<b>\$ 136,375</b>	<b>\$ 136,375</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>



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Strategy		Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>1-1-2</b>	<b>Process Rates, Forms and Licenses</b>					
<b>OBJECTS OF EXPENSE:</b>						
1001	SALARIES AND WAGES	\$ 667,783	\$ 612,659	\$ 709,339	\$ 651,266	\$ 651,266
1002	OTHER PERSONNEL COSTS	81,594	17,376	26,544	26,544	26,544
2003	CONSUMABLE SUPPLIES	4,257	8,765	7,938	4,265	4,265
2004	UTILITIES	397	477	722	722	722
2005	TRAVEL	10,225	10,889	14,257	14,258	14,258
2007	RENT - MACHINE AND OTHER	4,002	1,956	2,068	2,020	2,020
2009	OTHER OPERATING EXPENSE	11,608	19,450	27,461	24,325	24,325
	<b>Total, Objects of Expense</b>	<b>\$ 779,866</b>	<b>\$ 671,572</b>	<b>\$ 788,329</b>	<b>\$ 723,400</b>	<b>\$ 723,400</b>
<b>METHOD OF FINANCING:</b>						
36	DEPT INS OPERATING ACCT	265,934	225,917	265,115	243,424	243,424
8042	INSURANCE MAINT TAX FEES	513,932	445,655	523,214	479,976	479,976
	<b>Total, Method of Financing</b>	<b>\$ 779,866</b>	<b>\$ 671,572</b>	<b>\$ 788,329</b>	<b>\$ 723,400</b>	<b>\$ 723,400</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>		<b>11.0</b>	<b>9.9</b>	<b>11.1</b>	<b>10.3</b>	<b>10.3</b>

**7.B. DIRECT ADMINISTRATIVE AND SUPPORT COSTS**  
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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>1-1-3 Create Incentives and Requirements for Coverage in Underserved Markets</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 87,009	\$ 94,687	\$ 98,243	\$ 98,243	\$ 98,243
1002 OTHER PERSONNEL COSTS	0	6,994	0	0	0
2003 CONSUMABLE SUPPLIES	530	731	563	563	563
2005 TRAVEL	0	412	412	412	412
2007 RENT - MACHINE AND OTHER	615	615	615	615	615
2009 OTHER OPERATING EXPENSE	1,215	2,149	2,063	2,063	2,063
<b>Total, Objects of Expense</b>	<b>\$ 89,369</b>	<b>\$ 105,588</b>	<b>\$ 101,896</b>	<b>\$ 101,896</b>	<b>\$ 101,896</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	30,475	35,520	34,268	34,288	34,288
8042 INSURANCE MAINT TAX FEES	58,894	70,068	67,628	67,608	67,608
<b>Total, Method of Financing</b>	<b>\$ 89,369</b>	<b>\$ 105,588</b>	<b>\$ 101,896</b>	<b>\$ 101,896</b>	<b>\$ 101,896</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>1.5</b>	<b>1.4</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>

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<b>1-2-1 Respond Promptly and Act on Complaints</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 179,540	\$ 171,613	\$ 192,781	\$ 180,441	\$ 180,441
1002 OTHER PERSONNEL COSTS	7,692	3,894	2,052	2,052	2,052
2003 CONSUMABLE SUPPLIES	1,013	1,916	1,598	829	829
2004 UTILITIES	1,669	3,936	3,988	3,988	3,988
2005 TRAVEL	17,545	43,865	4,469	4,469	4,469
2006 RENT - BUILDING	0	4,500	4,500	4,500	4,500
2007 RENT - MACHINE AND OTHER	4,762	4,328	4,328	4,328	4,328
2009 OTHER OPERATING EXPENSE	16,832	18,088	18,990	18,681	18,681
<b>Total, Objects of Expense</b>	<b>\$ 229,053</b>	<b>\$ 252,140</b>	<b>\$ 232,706</b>	<b>\$ 219,288</b>	<b>\$ 219,288</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	78,107	84,820	78,259	73,790	73,790
8042 INSURANCE MAINT TAX FEES	150,946	167,320	154,447	145,498	145,498
<b>Total, Method of Financing</b>	<b>\$ 229,053</b>	<b>\$ 252,140</b>	<b>\$ 232,706</b>	<b>\$ 219,288</b>	<b>\$ 219,288</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>2.7</b>	<b>2.4</b>	<b>2.8</b>	<b>2.6</b>	<b>2.6</b>

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<b>1-2-2</b> <b>Investigate Trade Practices and Enforcement as Needed</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 347,751	\$ 313,582	\$ 411,441	\$ 414,087	\$ 414,087
1002 OTHER PERSONNEL COSTS	5,479	5,878	10,541	10,541	10,541
2003 CONSUMABLE SUPPLIES	2,019	3,329	2,302	2,086	2,086
2004 UTILITIES	90	126	101	101	101
2005 TRAVEL	16,164	7,151	5,506	5,506	5,506
2006 RENT - BUILDING	10	15	0	0	0
2007 RENT - MACHINE AND OTHER	954	722	1,456	762	762
2009 OTHER OPERATING EXPENSE	12,406	10,304	11,918	6,599	6,599
<b>Total, Objects of Expense</b>	<b>\$ 384,873</b>	<b>\$ 341,107</b>	<b>\$ 443,265</b>	<b>\$ 439,682</b>	<b>\$ 439,682</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	131,242	114,748	149,070	147,953	147,953
8042 INSURANCE MAINT TAX FEES	253,631	226,359	294,195	291,729	291,729
<b>Total, Method of Financing</b>	<b>\$ 384,873</b>	<b>\$ 341,107</b>	<b>\$ 443,265</b>	<b>\$ 439,682</b>	<b>\$ 439,682</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>5.8</b>	<b>5.1</b>	<b>6.1</b>	<b>6.1</b>	<b>6.1</b>

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>1-2-3</b>	<b>Investigate Potential Insurer Fraud and Initiate Legal Action</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 106,671	\$ 127,231	\$ 126,712	\$ 124,252	\$ 124,252
1002 OTHER PERSONNEL COSTS	779	1,334	228	228	228
2003 CONSUMABLE SUPPLIES	636	1,331	975	975	975
2004 UTILITIES	642	1,332	1,332	1,332	1,332
2005 TRAVEL	4,296	7,322	2,892	2,878	2,878
2006 RENT - BUILDING	88	639	500	500	500
2007 RENT - MACHINE AND OTHER	646	687	1,931	684	684
2009 OTHER OPERATING EXPENSE	3,653	5,540	5,285	5,285	5,285
<b>Total, Objects of Expense</b>	<b>\$ 117,411</b>	<b>\$ 145,416</b>	<b>\$ 139,855</b>	<b>\$ 136,134</b>	<b>\$ 136,134</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	40,037	48,918	47,033	45,809	45,809
8042 INSURANCE MAINT TAX FEES	77,374	96,498	92,822	90,325	90,325
<b>Total, Method of Financing</b>	<b>\$ 117,411</b>	<b>\$ 145,416</b>	<b>\$ 139,855</b>	<b>\$ 136,134</b>	<b>\$ 136,134</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>1.9</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>	<b>2.4</b>

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>2-1-1 Analyze the Financial Condition of Insurers and Take Solvency Action</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 405,737	\$ 460,924	\$ 478,843	\$ 479,125	\$ 479,125
1002 OTHER PERSONNEL COSTS	27,805	9,098	10,560	10,560	10,560
2003 CONSUMABLE SUPPLIES	1,450	3,257	3,001	2,813	2,813
2004 UTILITIES	3,081	4,248	4,290	4,290	4,290
2005 TRAVEL	5,969	15,521	16,175	16,175	16,175
2007 RENT - MACHINE AND OTHER	2,075	1,999	2,111	2,063	2,063
2009 OTHER OPERATING EXPENSE	4,215	8,490	11,968	9,961	9,961
<b>Total, Objects of Expense</b>	<b>\$ 450,332</b>	<b>\$ 503,537</b>	<b>\$ 526,948</b>	<b>\$ 524,987</b>	<b>\$ 524,987</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	153,563	169,390	177,213	176,658	176,658
8042 INSURANCE MAINT TAX FEES	296,769	334,147	349,735	348,329	348,329
<b>Total, Method of Financing</b>	<b>\$ 450,332</b>	<b>\$ 503,537</b>	<b>\$ 526,948</b>	<b>\$ 524,987</b>	<b>\$ 524,987</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>6.1</b>	<b>6.9</b>	<b>6.9</b>	<b>6.9</b>	<b>6.9</b>

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Agency name: **Department of Insurance**

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>3-1-1</b>	<b>Inspect Loss Control Programs and Assure Code and Schedule Compliance</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 86,733	\$ 93,185	\$ 97,215	\$ 97,215	\$ 97,215
2003 CONSUMABLE SUPPLIES	0	0	0	0	0
2009 OTHER OPERATING EXPENSE	0	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 86,733</b>	<b>\$ 93,185</b>	<b>\$ 97,215</b>	<b>\$ 97,215</b>	<b>\$ 97,215</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	29,576	31,347	32,693	32,713	32,713
8042 INSURANCE MAINT TAX FEES	57,157	61,838	64,522	64,502	64,502
<b>Total, Method of Financing</b>	<b>\$ 86,733</b>	<b>\$ 93,185</b>	<b>\$ 97,215</b>	<b>\$ 97,215</b>	<b>\$ 97,215</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>

Agency code: 454

Agency name: Department of Insurance

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>3-1-2 Investigate Provider/Consumer Fraud &amp; Refer Violations for Prosecution</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 115,095	\$ 133,218	\$ 137,114	\$ 137,114	\$ 137,114
1002 OTHER PERSONNEL COSTS	1,946	3,270	6,444	6,444	6,444
2003 CONSUMABLE SUPPLIES	581	1,504	1,079	1,079	1,079
2004 UTILITIES	574	1,432	1,432	1,432	1,432
2005 TRAVEL	4,582	7,619	3,175	3,175	3,175
2006 RENT - BUILDING	76	654	500	500	500
2007 RENT - MACHINE AND OTHER	622	710	2,093	707	707
2009 OTHER OPERATING EXPENSE	3,869	6,152	5,683	5,683	5,683
<b>Total, Objects of Expense</b>	<b>\$ 127,345</b>	<b>\$ 154,559</b>	<b>\$ 157,520</b>	<b>\$ 156,134</b>	<b>\$ 156,134</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	43,425	51,994	52,974	52,539	52,539
8042 INSURANCE MAINT TAX FEES	83,920	102,565	104,546	103,595	103,595
<b>Total, Method of Financing</b>	<b>\$ 127,345</b>	<b>\$ 154,559</b>	<b>\$ 157,520</b>	<b>\$ 156,134</b>	<b>\$ 156,134</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>2.1</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>	<b>2.6</b>



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Agency name: **Department of Insurance**

Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>4-1-1 Provide Fire Prevention through Education &amp; Enforcement of Regulations</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 409,801	\$ 424,692	\$ 373,606	\$ 373,606	\$ 373,606
1002 OTHER PERSONNEL COSTS	8,560	9,360	10,632	10,326	10,326
2003 CONSUMABLE SUPPLIES	3,090	1,962	4,522	4,522	4,522
2004 UTILITIES	5,146	3,925	4,529	4,529	4,529
2005 TRAVEL	2,232	2,766	4,119	4,119	4,119
2007 RENT - MACHINE AND OTHER	6,668	8,060	534	534	534
2009 OTHER OPERATING EXPENSE	24,427	15,920	22,539	22,539	22,539
<b>Total, Objects of Expense</b>	<b>\$ 459,924</b>	<b>\$ 466,685</b>	<b>\$ 420,481</b>	<b>\$ 420,175</b>	<b>\$ 420,175</b>
<b>METHOD OF FINANCING:</b>					
36 DEPT INS OPERATING ACCT	156,834	156,993	141,408	141,389	141,389
8042 INSURANCE MAINT TAX FEES	303,090	309,692	279,073	278,786	278,786
<b>Total, Method of Financing</b>	<b>\$ 459,924</b>	<b>\$ 466,685</b>	<b>\$ 420,481</b>	<b>\$ 420,175</b>	<b>\$ 420,175</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>8.0</b>	<b>8.0</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>5-1-1</b> <b>Provide Health and Safety Services in Texas Workplaces</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 174,549	\$ 173,748	\$ 187,651	\$ 187,650	\$ 187,650
1002 OTHER PERSONNEL COSTS	5,724	5,097	10,071	8,722	8,722
2003 CONSUMABLE SUPPLIES	505	1,431	2,009	1,579	1,579
2004 UTILITIES	1,281	950	2,061	1,080	1,080
2005 TRAVEL	10,974	2,947	14,047	14,047	14,047
2007 RENT - MACHINE AND OTHER	217	172	178	178	178
2009 OTHER OPERATING EXPENSE	5,317	5,406	5,587	3,546	3,546
5000 CAPITAL EXPENDITURES	796	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 199,363</b>	<b>\$ 189,751</b>	<b>\$ 221,604</b>	<b>\$ 216,802</b>	<b>\$ 216,802</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	157,313	0	0	0	0
36 DEPT INS OPERATING ACCT	0	152,483	150,005	148,462	148,462
555 FEDERAL FUNDS					
17.504.001 OSHA Consultation Agreements	42,050	37,268	71,599	68,340	68,340
<b>Total, Method of Financing</b>	<b>\$ 199,363</b>	<b>\$ 189,751</b>	<b>\$ 221,604</b>	<b>\$ 216,802</b>	<b>\$ 216,802</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>	<b>3.4</b>

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>5-2-1</b>	<b>Provide Education on Disability Management and Return-to-work Programs</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 153,987	\$ 153,987	\$ 158,606	\$ 158,606	\$ 158,606
1002 OTHER PERSONNEL COSTS	184	172	196	196	196
2003 CONSUMABLE SUPPLIES	129	160	165	150	150
2004 UTILITIES	0	125	104	104	104
2005 TRAVEL	189	622	395	395	395
2009 OTHER OPERATING EXPENSE	121	165	187	187	187
<b>Total, Objects of Expense</b>	<b>\$ 154,610</b>	<b>\$ 155,231</b>	<b>\$ 159,653</b>	<b>\$ 159,638</b>	<b>\$ 159,638</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	154,610	0	0	0	0
36 DEPT INS OPERATING ACCT	0	155,231	159,653	159,638	159,638
<b>Total, Method of Financing</b>	<b>\$ 154,610</b>	<b>\$ 155,231</b>	<b>\$ 159,653</b>	<b>\$ 159,638</b>	<b>\$ 159,638</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>6-1-1</b>	<b>Ensure Appropriate Utilization of Medical Services</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 148,733	\$ 150,113	\$ 144,445	\$ 144,445	\$ 144,445
1002 OTHER PERSONNEL COSTS	1,745	741	200	1,550	1,550
2003 CONSUMABLE SUPPLIES	472	1,182	155	135	135
2004 UTILITIES	125	164	125	115	115
2005 TRAVEL	181	1,484	-151	130	130
2009 OTHER OPERATING EXPENSE	587	4,877	650	681	681
<b>Total, Objects of Expense</b>	<b>\$ 151,843</b>	<b>\$ 158,561</b>	<b>\$ 145,726</b>	<b>\$ 147,056</b>	<b>\$ 147,056</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	151,843	0	0	0	0
36 DEPT INS OPERATING ACCT	0	158,561	145,726	147,056	147,056
<b>Total, Method of Financing</b>	<b>\$ 151,843</b>	<b>\$ 158,561</b>	<b>\$ 145,726</b>	<b>\$ 147,056</b>	<b>\$ 147,056</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>	<b>2.7</b>

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>6-2-1 Monitor Stakeholder Activity and Take Enforcement Action</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 66,207	\$ 66,207	\$ 68,201	\$ 68,201	\$ 68,201
1002 OTHER PERSONNEL COSTS	7,110	2,007	2,400	2,400	2,400
2003 CONSUMABLE SUPPLIES	443	567	1,000	900	900
2005 TRAVEL	1,418	1,311	1,900	1,800	1,800
2009 OTHER OPERATING EXPENSE	711	395	1,000	1,000	1,000
5000 CAPITAL EXPENDITURES	425	0	0	0	0
<b>Total, Objects of Expense</b>	<b>\$ 76,314</b>	<b>\$ 70,487</b>	<b>\$ 74,501</b>	<b>\$ 74,301</b>	<b>\$ 74,301</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	76,314	0	0	0	0
36 DEPT INS OPERATING ACCT	0	70,487	74,501	74,301	74,301
<b>Total, Method of Financing</b>	<b>\$ 76,314</b>	<b>\$ 70,487</b>	<b>\$ 74,501</b>	<b>\$ 74,301</b>	<b>\$ 74,301</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>6-3-1            Develop and Implement Processes</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 80,409	\$ 36,504	\$ 37,599	\$ 37,599	\$ 37,599
1002 OTHER PERSONNEL COSTS	3,090	572	1,120	1,120	1,120
2003 CONSUMABLE SUPPLIES	561	575	490	490	490
2004 UTILITIES	121	103	103	103	103
2005 TRAVEL	495	335	102	102	102
2006 RENT - BUILDING	0	0	0	0	0
2007 RENT - MACHINE AND OTHER	0	0	0	0	0
2009 OTHER OPERATING EXPENSE	1,335	806	270	270	270
<b>Total, Objects of Expense</b>	<b>\$ 86,011</b>	<b>\$ 38,895</b>	<b>\$ 39,684</b>	<b>\$ 39,684</b>	<b>\$ 39,684</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	62,648	0	0	0	0
36 DEPT INS OPERATING ACCT	0	14,727	15,621	15,621	15,621
666 APPROPRIATED RECEIPTS	23,363	24,168	24,063	24,063	24,063
<b>Total, Method of Financing</b>	<b>\$ 86,011</b>	<b>\$ 38,895</b>	<b>\$ 39,684</b>	<b>\$ 39,684</b>	<b>\$ 39,684</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>2.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>6-4-1</b>	<b>Certify and Regulate Private Employers that Qualify to Self-Insure</b>				
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 106,404	\$ 106,404	\$ 109,597	\$ 109,597	\$ 109,597
1002 OTHER PERSONNEL COSTS	353	153	317	317	317
2003 CONSUMABLE SUPPLIES	114	134	144	144	144
2004 UTILITIES	102	102	101	163	163
2005 TRAVEL	119	204	1,420	1,420	1,420
2009 OTHER OPERATING EXPENSE	684	579	122	122	122
<b>Total, Objects of Expense</b>	<b>\$ 107,776</b>	<b>\$ 107,576</b>	<b>\$ 111,701</b>	<b>\$ 111,763</b>	<b>\$ 111,763</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	107,776	0	0	0	0
36 DEPT INS OPERATING ACCT	0	107,576	111,701	111,763	111,763
<b>Total, Method of Financing</b>	<b>\$ 107,776</b>	<b>\$ 107,576</b>	<b>\$ 111,701</b>	<b>\$ 111,763</b>	<b>\$ 111,763</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
<b>6-5-1 Minimize and Resolve Indemnity and Medical Disputes</b>					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 443,159	\$ 487,064	\$ 500,019	\$ 500,019	\$ 500,019
1002 OTHER PERSONNEL COSTS	7,994	3,996	8,076	5,990	5,990
2003 CONSUMABLE SUPPLIES	593	1,240	1,232	1,147	1,147
2004 UTILITIES	152	110	101	101	101
2005 TRAVEL	7,380	4,859	5,729	5,829	5,829
2007 RENT - MACHINE AND OTHER	0	0	0	0	0
2009 OTHER OPERATING EXPENSE	1,629	2,081	3,690	3,689	3,689
<b>Total, Objects of Expense</b>	<b>\$ 460,907</b>	<b>\$ 499,350</b>	<b>\$ 518,847</b>	<b>\$ 516,775</b>	<b>\$ 516,775</b>
<b>METHOD OF FINANCING:</b>					
1 GENERAL REVENUE FUND	460,907	0	0	0	0
36 DEPT INS OPERATING ACCT	0	499,350	518,847	516,775	516,775
<b>Total, Method of Financing</b>	<b>\$ 460,907</b>	<b>\$ 499,350</b>	<b>\$ 518,847</b>	<b>\$ 516,775</b>	<b>\$ 516,775</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>8.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>	<b>9.0</b>



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Strategy	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
6-6-1 Subsequent Injury Fund Administration					
<b>OBJECTS OF EXPENSE:</b>					
1001 SALARIES AND WAGES	\$ 48,916	\$ 48,916	\$ 50,769	\$ 50,769	\$ 50,769
1002 OTHER PERSONNEL COSTS	260	260	150	260	260
2003 CONSUMABLE SUPPLIES	150	108	124	124	124
2004 UTILITIES	75	75	85	85	85
2005 TRAVEL	120	129	147	147	147
2009 OTHER OPERATING EXPENSE	3,523	1,733	1,548	1,548	1,548
<b>Total, Objects of Expense</b>	<b>\$ 53,044</b>	<b>\$ 51,221</b>	<b>\$ 52,823</b>	<b>\$ 52,933</b>	<b>\$ 52,933</b>
<b>METHOD OF FINANCING:</b>					
5101 SUBSEQUENT INJURY FUND	53,044	51,221	52,823	52,933	52,933
<b>Total, Method of Financing</b>	<b>\$ 53,044</b>	<b>\$ 51,221</b>	<b>\$ 52,823</b>	<b>\$ 52,933</b>	<b>\$ 52,933</b>
<b>FULL-TIME-EQUIVALENT POSITIONS (FTE):</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>

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<b>GRAND TOTALS</b>					
<b>Objects of Expense</b>					
1001 SALARIES AND WAGES					
1002 OTHER PERSONNEL COSTS	\$3,721,681	\$3,752,535	\$3,982,024	\$3,912,078	\$3,912,078
2003 CONSUMABLE SUPPLIES	\$164,357	\$70,785	\$92,159	\$89,878	\$89,878
2004 UTILITIES	\$17,098	\$28,852	\$28,295	\$22,747	\$22,747
2005 TRAVEL	\$15,040	\$20,940	\$22,909	\$21,980	\$21,980
2006 RENT - BUILDING	\$97,261	\$149,334	\$77,348	\$77,313	\$77,313
2007 RENT - MACHINE AND OTHER	\$174	\$10,308	\$10,000	\$10,000	\$10,000
2009 OTHER OPERATING EXPENSE	\$24,991	\$23,680	\$19,857	\$16,386	\$16,386
5000 CAPITAL EXPENDITURES	\$107,448	\$117,898	\$138,320	\$123,856	\$123,856
<b>Total, Objects of Expense</b>	\$1,221	\$0	\$0	\$0	\$0
<b>Method of Financing</b>	<b>\$4,149,271</b>	<b>\$4,174,332</b>	<b>\$4,370,912</b>	<b>\$4,274,238</b>	<b>\$4,274,238</b>
1 GENERAL REVENUE FUND					
36 DEPT INS OPERATING ACCT	\$1,171,411	\$0	\$0	\$0	\$0
555 FEDERAL FUNDS	\$975,057	\$2,135,072	\$2,200,550	\$2,168,069	\$2,168,069
666 APPROPRIATED RECEIPTS	\$42,050	\$37,268	\$71,599	\$68,340	\$68,340
5101 SUBSEQUENT INJURY FUND	\$23,363	\$24,168	\$24,063	\$24,063	\$24,063
8042 INSURANCE MAINT TAX FEES	\$53,044	\$51,221	\$52,823	\$52,933	\$52,933
<b>Total, Method of Financing</b>	<b>\$1,884,346</b>	<b>\$1,926,603</b>	<b>\$2,021,877</b>	<b>\$1,960,833</b>	<b>\$1,960,833</b>
<b>Full-Time-Equivalent Positions (FTE)</b>	<b>\$4,149,271</b>	<b>\$4,174,332</b>	<b>\$4,370,912</b>	<b>\$4,274,238</b>	<b>\$4,274,238</b>
	66.3	66.0	67.7	66.7	66.7