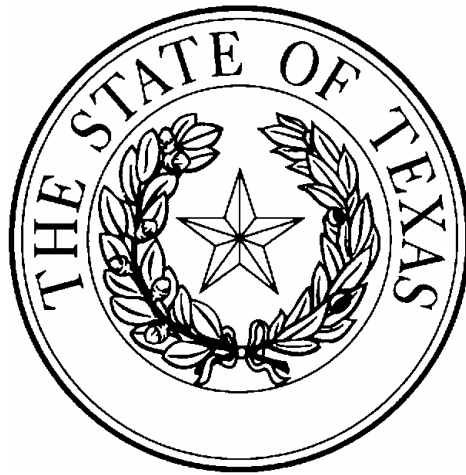


TEXAS DEPARTMENT OF INSURANCE

FISCAL YEAR (FY) 2008 CUSTOMER SERVICE REPORT



Submitted to
Legislative Budget Board and Governor's Office of Budget, Planning and Policy
by Texas Department of Insurance
June 2, 2008

Mike Geeslin, Commissioner of Insurance

**Texas Department of Insurance
2008 Customer Service Report**

Table of Contents

Executive Summary	1
Inventory of External Customers	3
Information-Gathering Methods	5
Analysis of Findings.....	17
Performance Measure Information.....	33
Conclusions	35
Attachment A: Services to External Customers.....	37
Attachment B: Customers Inventoried by Strategy.....	41
Attachment C: Customer Populations by Group.....	49
Attachment D: Customer Service Initiatives.....	53

TEXAS DEPARTMENT OF INSURANCE FY 2008 CUSTOMER SERVICE REPORT

Executive Summary

Background TDI pledges to provide high quality service to all its customers. As part of the agency's commitment to customers, TDI has developed customer service standards and implemented customer satisfaction assessment plans.

Pursuant to Chapter 2114 of the Texas Government Code this *Fiscal Year (FY) 2008 Customer Service Report* provides information on TDI's assessment of customer satisfaction, including identification of customers, descriptions of assessment methods, and assessment results. The report also includes values for TDI customer service performance measures. TDI's customer service standards are outlined in TDI's Compact with Texans, which is available on the agency's Web site, www.tdi.state.tx.us.

Report Contents As specified in the March 2008 Governor's Office of Budget, Planning and Policy and Legislative Budget Board *Agency Strategic Plan Instructions*, this *FY 2008 Customer Service Report* contains the required components and is organized as follows:

- Executive Summary
 - Inventory of External Customers
 - Information Gathering Methods
 - Analysis of Findings
 - Performance Measure Information
 - Conclusion, and
 - Attachments.
-

Key Findings The comprehensive survey gathered detailed information from diverse customer populations on a variety of TDI services. Results from the survey were compiled by a third-party administrator and are reported in aggregate numbers by customer type. For purposes of this assessment, TDI customers were grouped into four categories: consumers, insurance industry representatives, workers' compensation customers, and customers of the State Fire Marshal's Office.

Continued on next page

Executive Summary, continued

Key Findings, continued

Customers rated TDI's performance on the seven service quality elements and its regulatory service using a 1 to 5 scale, with 5 being the highest. Key findings of the 2008 assessment include:

- Overall Satisfaction: Sixty-seven percent of all respondents reported that they were either very satisfied (28.9%) or satisfied (37.9%) with TDI.
- Staff: The ratings for the seven questions ranged from 4.10 to 3.68, with "treats customers with dignity and respect" scoring the highest.
- Complaint handling: Sixty percent of respondents were satisfied with TDI's resolution to a customer service problem for a rating of 3.68.
- Timeliness: Respondents rated "provides service and processes submissions in a timely manner" as 3.82 and "responds to customers in a timely manner" as 3.80.
- Communication: The ratings for the eight questions ranged from 4.35 to 3.43, with "supports communities in their efforts to protect citizens from loss of life and property due to fire" scoring the highest.
- Printed material: Respondents rated "easy access to information" as 3.68 and "useful printed material" as 3.68.
- Internet site: Respondents rated "usefulness of information and services on the Web site(s)" as 4.03 and "ease of use and organization" as 3.82.
- Facilities: The ratings for the four questions ranged from 3.82 to 3.45, with "provides facilities that are clean, orderly and easy to get around" scoring the highest.
- Regulation: The ratings for the questions ranged from 4.07 to 3.42, with "investigates cases of arson in a thorough manner" scoring the highest.

TDI also administered several service-specific surveys to provide supplemental information on various service quality elements. The findings of these surveys are detailed in the *Analysis of Findings* section.

Inventory of External Customers

Identification of Customers

Texas Department of Insurance (TDI) serves a large number of customers representing diverse populations and provides a wide array of services. TDI identified its customer populations and services provided to external customers. This information is included as Attachment A of this report.

TDI defined “customer” as someone who *directly* receives a product or service of value from TDI. TDI classified these customer populations into the following four main groups:

- consumers
 - industry representatives
 - State Fire Marshal’s Office customers, and
 - workers’ compensation system participants.
-

Services Offered

TDI’s services are described in its Compact with Texans and include:

- assisting and educating consumers and the public
 - resolving insurance-related complaints
 - conducting windstorm inspections
 - licensing insurance agents/agencies and adjusters
 - licensing insurance companies and HMOs
 - certifying utilization review agents, independent review organizations (IRO) and workers’ compensation networks and assigning requests to IROs
 - registering viatical and life settlement entities
 - financial monitoring and intervention
 - assuring fair and efficient regulation
 - enforcing insurance laws
 - combating insurance fraud
 - fire prevention, fire safety and fire industry regulation, and
 - regulating and administering the Texas workers’ compensation system.
-

Inventory of Customers by Strategic Plan Strategy

Chapter 2114 of the Government Code directs state agencies to create an inventory of customers for each strategy listed in the *FY 2008-2009 General Appropriations Act*. TDI reviewed the existing customer inventory and then sorted the groups according to strategy. Because of the nature of the services TDI provides, and the substance of its strategies, many customer groups fall under multiple strategies.

Continued on next page

Inventory of External Customers, Continued

Inventory of Customers by Strategic Plan Strategy, continued

TDI's FY 2008-2009 strategies include:

- 1.1.1 Consumer education and market analysis
- 1.1.2 Rates, forms and licenses
- 1.1.3 Underserved markets
- 1.2.1 Resolve complaints
- 1.2.2 Investigation and enforcement
- 1.2.3 Insurer fraud
- 1.2.4 TexasOnline
- 2.1.1 Insurers financial condition
- 3.1.1 Loss control programs
- 3.1.2 Provider and consumer fraud
- 3.1.3 Workers' compensation fraud
- 4.1.1 Fire protection
- 5.1.1 Health and safety services
- 5.2.1 Return-to-work education
- 6.1.1 Medical cost containment
- 6.2.1 Monitoring and enforcement
- 6.3.1 Develop and implement processes
- 6.4.1 Certify self-insurance
- 6.5.1 Dispute resolution
- 6.6.1 Subsequent injury fund administration
- 7.1.1 Central administration
- 7.1.2 Information resources
- 7.1.3 Other support divisions
- 8.1.1 Contingency long-term care
- 9.1.1 Contingency three-share assistance programs

The customer inventory by strategy is provided as Attachment B of this report.

Information-Gathering Methods

**Method
Selected**

Texas Department of Insurance (TDI) recognizes the importance of measuring customers' levels of satisfaction in order to meet its objective of providing excellent customer service and to identify ways to improve service. TDI uses survey instruments to gather detailed information about its customers' satisfaction.

In FY 1998, TDI served as a pilot agency to perform an assessment of customer satisfaction pursuant to Article IX, Section 68 of the 1998-99 General Appropriations Act. To collect complete and accurate information, TDI contracted with an outside party, the Survey Research Center at the University of North Texas, with expertise in survey design and data analysis. Their role was to design and administer a customer survey to gather information for TDI programs to use in improving services.

In 1999, Senate Bill 1563 added Chapter 2113 to the Texas Government Code, which was recodified to Chapter 2114 in 2001. Chapter 2114 directs each agency to gather customer input on the quality of service delivered and specifically on the following elements:

- staff
- communication
- Internet site
- timeliness
- printed information
- complaint handling processes, and
- facilities.

Last biennium, TDI revised its comprehensive survey to address organizational changes resulting from House Bill 7, 79th Regular Legislative Session, which transferred Texas Workers' Compensation Commission functions to TDI. Accordingly, TDI planned for the FY 2006 survey results to serve as a baseline for comparing responses over time in subsequent years. Therefore, as the primary tool for performing the FY 2008 assessment, TDI chose to use an updated version of the FY 2006 comprehensive survey.

Continued on next page

Information-Gathering Methods, Continued

List of Surveys TDI's comprehensive survey provides customer input on most of the seven required customer service quality elements. To fully assess customer service, TDI conducted targeted surveys on the agency's facilities, Internet site, company licensing process, customer assistance, dispute resolution proceedings and open records request process. TDI also collected additional information about Web site features from a focus group.

Descriptions of these surveys and the focus group meetings follow.

Comprehensive Survey TDI modeled the FY 2008 comprehensive survey after the FY 2006 comprehensive survey and employed many of the same methodologies for survey design and data collection. These methods are described below.

- **Third-party administrator**

TDI entered into an interagency agreement with the University of North Texas (UNT) to administer the collection and analysis of data for the FY 2008 comprehensive survey. UNT has worked with TDI since 1998, bringing expertise to this project. UNT's formal survey techniques ensured that the survey methodology and data analysis were statistically sound and minimized bias.

- **Survey description**

TDI developed four versions of the comprehensive survey, tailoring specific questions to each group's experience with TDI. The comprehensive survey measures TDI performance on the service quality elements and other regulatory service areas.

- **Number of customers surveyed**

TDI compiled a customer database from existing mailing lists and databases throughout the agency. TDI generated statistically valid sample groups that are representative of its customer populations. After eliminating duplicate entries, TDI drew stratified random samples of 3,728 individuals to survey. The sampling distribution for each major customer group was as follows:

Customer Type	Sample Size
Consumers	1,049
Industry	1,285
State Fire Marshal's Office	550
Workers' Compensation	844
Total	3,728

Continued on next page

Information-Gathering Methods, continued

Comprehensive
Survey,
continued

- **Description of customers**

Consumers largely contact TDI for assistance with complaint resolution or to obtain publications. Customers from industry groups include agents, insurance companies, fraud investigators, windstorm inspection engineers and workers' compensation insurance carriers. The workers' compensation category includes health care providers, injured employees and employers. Principal customers of the State Fire Marshal's Office include licensed alarm and extinguisher companies, fire chiefs/marshals, sheriffs, local fire departments, and recipients of fire safety inspections.

- **Sampling methods**

Sampling methods sought to maximize the survey response rate and provide a fair representation of TDI's customer groups. TDI determined the sample size for each customer group based on the level of contact with TDI, where primary customer groups and customers with high levels of interaction received a greater percentage of the customer surveys. This approach of using stratified samples allowed TDI to gather information from a variety of customer types and focus its resources on primary customers.

Data collection time frames

TDI collected the customer satisfaction data through a three-wave mailing. The first mailing, sent on January 14, 2008, included the comprehensive survey and a cover letter signed by the TDI Commissioner. A reminder postcard was mailed to all potential respondents on January 25, 2008. A tracking code identified those respondents who had not yet completed a survey, and a final mailing was sent to non-respondents on February 15, 2008 with a mailing cut-off date of April 8, 2008.

For the workers' compensation group, injured employees were also interviewed by phone. Phone interviews were conducted in both English and Spanish from January 30, 2008 through March 16, 2008.

Continued on next page

Information-Gathering Methods, continued

Comprehensive Survey, continued

- **Response rates**

Customers returned 1,142 surveys by mail and completed 124 telephone surveys for an overall response rate of 34 percent. This figure is based on a sample size of 3,525, the total survey population after adjusting for undeliverable mail. The table below shows the FY 2008 mail response rates by customer group.

Customer Group	Sample Size	Returned Questionnaires	Response Rate
Consumers	1,005	302	30%
Industry	1,230	447	36%
State Fire Marshal's Office	503	167	33%
Workers' Compensation	787	226	29%
Total	3,525	1,142	32%

Additionally, TDI provided UNT phone numbers of injured employees in order to conduct phone interviews for that workers' compensation subgroup. Of the 400 phone numbers TDI provided, 185 were not usable leaving 215 phone numbers to call. UNT conducted a total of 124 phone interviews.

- **Confidence intervals**

Of the 1,142 returned mail surveys, 1,102 were completed (in part or in full) and 40 were returned blank. In a purely random sample, 1,102 interviews would yield a margin of error of +/- 2.9 percent at the 95% confidence level. While margin of error calculations do not apply to stratified samples as used in this study, the margin of error calculation provides some reference point to address the sufficiency of sample size. It would not have been advisable for the comprehensive survey to be sent to a purely random sample of customers, given the diverse customer groups. Therefore, TDI used stratified samples of the customer groups. This total sample size of 1,102 was appropriate for TDI's analysis, and sufficient to generate results about which TDI can be reasonably confident. The overall margin of error calculations and confidence intervals cannot be directly applied from the full sample to each of the customer group samples because TDI generated stratified sets of randomly sampled customers in order to receive quality information from all four customer groups.

Continued on next page

Information-Gathering Methods, Continued

Comprehensive
Survey,
continued

- **Data limitations**

TDI has identified specific data limitations. These limitations related to definition of populations, stratified estimates, and response rate.

Definition of populations

In order to get comprehensive and accurate responses, TDI sent the survey to customers who had recent direct contact with the agency and would be likely to remember that contact well enough to evaluate it on a detailed survey. TDI sent surveys to customers who received service in the last six months of the biennium. Given the agency's limited resources, TDI chose not to survey customers who received service during the previous 18 months of the biennium. Surveying only customers from the most recent six months decreases the validity of generalizations about customer satisfaction levels over the entire biennium.

Stratified estimates

TDI's sampled population was divided into 32 strata, from which TDI drew independent random samples and then grouped them into four categories. (See Attachment C of this report.) The sample size for each stratum varied based on the population's level of contact with TDI and on the size of the database TDI maintains on that population. In some cases, TDI over sampled (i.e., the samples represented a greater percentage of the entire strata), which allows the agency to generalize with greater reliability about the population. In other cases, TDI under sampled (i.e., the sample represented only a small percent of the entire database) and thus generalizations made about that population are less reliable. This methodology may produce some statistical bias. An alternative methodology would have been to pool all names together before drawing samples. However, TDI chose the selected methodology to target certain populations most familiar with TDI services and ensure they had the opportunity to provide input on agency services.

Response rate

The comprehensive survey response rate for FY 2008 was 34 percent. A higher response rate increases the accuracy of interpretation and would allow TDI to generalize about its customers with greater certainty.

Continued on next page

Information-Gathering Methods, continued

Comprehensive Survey, continued

- **Customer groups excluded from survey**

TDI's sampling methodology targeted customers who had *direct* contact with TDI. Through regulation and enforcement actions, TDI serves all insurance consumers, whether they contact the agency or not. Lacking direct contact with TDI, this group would not have a basis from which to judge the agency's customer service; therefore, TDI did not attempt to survey them.

For assessment purposes, surveying customers known to have had contact with the agency is an effective and efficient use of resources. TDI used existing mailing lists and databases to identify the populations to receive the comprehensive survey. One customer group who has had known contact with TDI, but did not receive the comprehensive survey were TDI's Consumer Help Line customers, approximately 220,801 customers in FY 2007. TDI could not send a mail survey to this population because it does not enter these customers' names and addresses into a tracking database. In order to gather customer satisfaction input from this population, TDI's Consumer Protection program administered a targeted survey on TDI's Web site.

TDI also elected to exclude customer groups that duplicated other survey populations. For example, TDI did not survey the trade organizations because their members were already included in the sample population for insurance industry representatives. Assessing such populations would not provide TDI with new information and thus would be an inefficient allocation of resources.

Other Customer Surveys

In addition to the FY 2008 comprehensive survey, TDI administered several shorter targeted surveys and a focus group study that provide supplemental information on the various customer service quality elements. These assessment techniques and corresponding methods for data collection and analysis are described below.

- **Web site survey**

TDI posted a Web survey on TDI Internet site(s) from January 9, 2008 through February 29, 2008. This survey gathered detailed information on the content and format of the agency Web site(s). Customers completed the survey online and the data was compiled in an Access database. TDI received 240 completed surveys.

Continued on next page

Information-Gathering Methods, continued

Other Customer Surveys, continued

- **Facilities survey**

TDI administered a concise facilities survey to TDI Hobby Building and DWC Metro Center and field office visitors from January 14, 2008 through February 29, 2008. The Information Desk at each facility offered customers an opportunity to provide feedback on TDI facilities and services following their visit. TDI manually compiled the results of the 1,213 completed surveys from the 26 TDI facilities.

The Hobby Building houses over 20 state agencies, and TDI provides the lobby receptionist for the entire complex. Of the 41 total visitors responding, 28 indicated that they visited a state agency other than TDI. To calculate the responses to the facilities-related questions, TDI included responses from all visitors. For calculations of TDI staff services, TDI only included those customers that had received service from TDI staff.

Similarly, DWC facilities house Office of Injured Employee Council (OIEC) staff who provide ombudsman services to workers' compensation system participants. For the purposes of this survey, TDI calculated all responses to the facilities questions, and excluded OIEC visitor responses from the calculations for the questions related to staff.

- **Financial Program survey**

TDI surveys insurance companies and HMOs to determine customer satisfaction with the helpfulness of TDI staff and the timeliness of staff's review of certain company filings. TDI's Financial program sends the survey with the "close-out letter" that accompanies the Commissioner's Order acting on requests for new licenses or amendments to existing licenses. Financial has been gathering this information since 1995 and uses it to assess customer service and improve processes. For purposes of this report, TDI used the overall satisfaction ratings of the 64 completed surveys received from September 2007 through April 2008.

Continued on next page

Information-Gathering Methods, Continued

Other Customer Surveys, continued

- **Consumer Protection Program survey**

TDI's Consumer Protection program surveys insurance consumers and industry to assess customer satisfaction with Consumer Protection staff and the services they provide. The Consumer Protection program maintains the survey on TDI's Web site. Consumer Protection promoted the survey by directing customers to the survey through random card inserts in mail correspondence, a tagline in email correspondence, and informing customers during phone calls. Consumer Protection received 274 completed surveys from June 2006 through April 2008.
- **Legal Services Program survey**

TDI surveyed customers who request agency information under the Texas Public Information Act, which are referred to as "open records requests." In August 2006, TDI's Legal Services program mailed a survey for assessing the quality of the agency's open records process to customers who submitted a request from September 2004 through August 2005. Legal Services received 349 completed surveys from August 2006 through October 2006.
- **Division of Workers' Compensation surveys**

The Division of Worker's Compensation Hearings section mailed surveys to proceedings participants in order to gather customer feedback on staff effectiveness during the benefit review conference and contested case hearings processes. For purposes of this report, TDI used the overall satisfaction ratings of the 355 surveys received from December 2006 through February 2008.
- **Senate Bill 611 Focus Group**

The Texas Department of Insurance and the Office of Public Insurance Counsel have been charged with establishing and maintaining a single Web site with information that enables consumers to make informed decisions relating to the purchase of residential property insurance and personal automobile insurance. To implement this law, TDI convened a focus group to learn more about customers' expectations regarding the dissemination of information on a Web site. The focus group met in October 2007 to review different Web sites and respond to open-ended questions regarding Web site features.

Continued on next page

Information-Gathering Methods, Continued

Improvements from the FY 2006 Survey Process

In FY 2006, TDI's *Customer Service Report* identified changes to improve its survey process. TDI reviewed the suggested improvements prior to conducting the FY 2008 surveys and identified specific changes to the survey design and data collection methodologies. The implemented changes are listed below.

- **Improvements to the sampling methodology**

As done in previous years, TDI worked with the programs to review mailing lists and databases to verify that the lists and databases accurately reflect the agency's customer base. TDI also worked with the programs to determine which documented customers would have enough knowledge to complete a detailed survey. Specifically, TDI improved sampling of the industry group by working with the Life, Health and Licensing program to identify key contacts for newly licensed workers' compensation health care networks.

TDI continued to use subgroups within each customer group so that TDI could do detailed analysis to better understand the customer responses and to help draw more meaningful conclusions.

In FY 2007, the agency began a feasibility study to explore consolidating agency databases. The primary benefit of consolidating agency databases is a more efficient and integrated computing environment, which would eliminate duplicate entry and duplicate systems for improved data integrity. Having more accurate and consistent data will allow TDI to better categorize customers.

- **Improvements to the survey methodology**

TDI considered changing its survey approach to use continuous data collection rather than cyclical. For this survey period, TDI determined that it was not feasible to conduct continuous data collection due to monetary and staffing constraints.

TDI continued to implement online program surveys. The agency uses a survey development tool called Active Server Page (ASP). This tool allows programs to create and post surveys in just a few hours, making it easier for programs to develop and conduct targeted Internet surveys.

Continued on next page

Information-Gathering Methods, Continued

Improvements from the FY 2006 Survey Process, continued

- **Improvements to the survey methodology**, continued
TDI also used a telephone survey to gather input from the workers' compensation injured employee subgroup. Conducting phone surveys for the injured workers in Spanish and English was recommended because of varying literacy levels and Spanish-speaking workers.

Like last biennium, TDI expanded its distribution of facilities surveys by including all DWC field offices. As a result, TDI is able to report customers' satisfaction with facilities and service delivery for each field office. The facilities surveys were available in Spanish and English.

- **Improvements to the survey instruments**
In 2006, TDI modified the comprehensive, facilities, and Web surveys to incorporate the Texas Workers' Compensation Commission, which was merged with TDI as a result of House Bill 7, 79th Legislature. Accordingly, for 2008, TDI made few changes to the survey instruments in order to compare this biennium's survey results to the 2006 results.

TDI modified questions on each of the surveys. TDI made slight modifications to the language of some questions, added a few questions and deleted a few to ensure that useful and meaningful feedback was elicited.

Additionally, TDI used the Commissioners' digital signatures to electronically sign the cover letters that accompany the comprehensive survey. An electronic signature allows personalization of each letter with the customer's name and address through the Microsoft Mail Merge feature.

To supplement existing survey instruments, several programs conducted surveys to gather more detailed information about their customers. Specifically, the surveys target consumers, companies seeking new licenses or amendments to existing licenses, open records requestors, and workers' compensation benefit review conference and contested case hearing participants.

Continued on next page

Information-Gathering Methods, continued

Improvements from the FY 2006 Survey Process, continued

- **Improvements to the response rate**

To improve response rate, TDI refined methods from previous years that had been successful. For the comprehensive survey, TDI continued a three-wave mailing while being conscientious of the distribution dates, and included injured employees in the sample receiving written surveys. To make the Web survey more visible to users, TDI's Webmaster considered the placement and presentation of the links. Additionally, the Webmaster posted the link on all of the Web sites maintained by TDI and sent notice of the survey to subscribers of TDI's eNews service. Similarly, TDI focused on visibility of the facilities survey by posting signs around the building and instructing reception staff to ask visitors to fill out a survey.

- **Improvements to the data analysis**

TDI continued to use survey constructs to improve analysis of performance on customer service quality elements. TDI grouped related questions to better group them in order to make observations about the general categories of service rather than just analyzing questions individually.

Additionally, TDI reviewed its subgroups and asked UNT to analyze the data by subgroups and programs. By refining the subgroups, TDI is better able to understand the responses based on customers types within a larger customer group.

TDI asked UNT to code open-ended comments by the same service quality element questions as in the quantitative result reports. TDI then grouped the comments by code to identify common themes. By coding the comments TDI was able to associate qualitative input with quantitative survey results, making the data more meaningful.

This Page Intentionally Left Blank

Analysis of Findings

Introduction

This section presents analysis findings from the various surveys conducted in FY 2008. In general, Texas Department of Insurance (TDI) presents the results from the comprehensive survey first followed by program or specific service surveys when available. Additionally, where available TDI has included open-ended comments from the comprehensive survey. The three sections address:

- overall satisfaction
- program satisfaction, and
- customer service quality elements satisfaction.

TDI asked customers to rate their satisfaction with TDI services using a 1 to 5 rating scale, with 5 being the highest rating. In TDI's analysis of the survey data, TDI often presents the findings according to "satisfaction rating" and "average rating." A satisfaction rating shows percent of survey respondents who marked "strongly agree" (5) or "agree" (4) to positive statements about TDI services. The satisfaction rating assesses affirmative responses, and does not include responses marked neutral (3). Satisfaction rating may also be referred to as "percent satisfied," "favorably rated," or "percent agreed."

The average rating measures the mean score of respondents' ratings on a scale of 1 to 5, where 5 is the highest. Average rating may also be referred to as "average score."

Overall Satisfaction

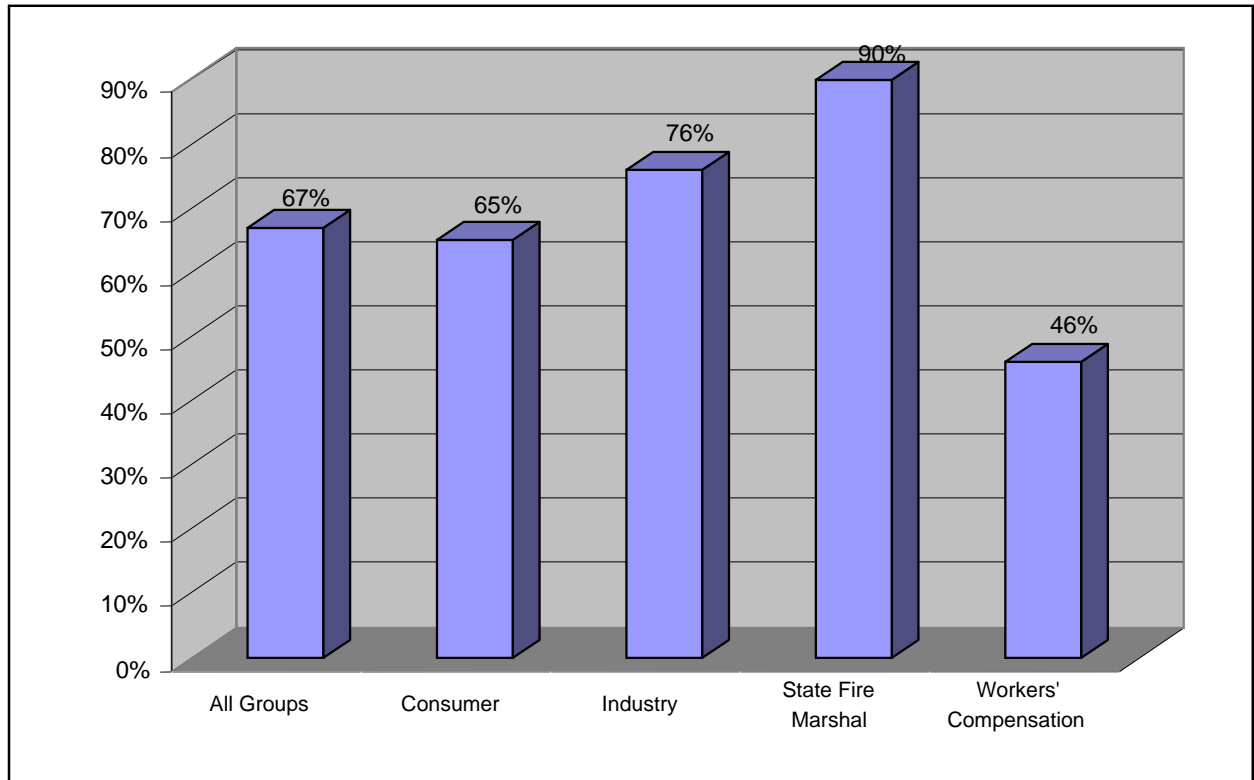
When asked how satisfied they are with TDI overall, 67 percent of the respondents reported that they were either very satisfied or satisfied. As shown on the chart on the following page, satisfaction levels among customer groups varied. The variation among customer groups may result from the different nature of their contacts with TDI and differences in their expectations of TDI services. The overall satisfaction ratings by customer group were: SFMO (90%), industry (76%), consumer (65%), and workers' compensation (46%). The chart shows FY 2008 overall satisfaction levels for all groups combined and for each customer group.

Additionally, TDI gathered information on customers' overall satisfaction with TDI on the facilities and Web surveys. Eighty-eight percent of facilities survey respondents indicated they were very satisfied or satisfied with TDI, while only 41 percent of Web respondents expressed satisfaction with TDI's Web site.

Continued on next page

Analysis of Findings, continued

FY 2008 Overall Satisfaction Levels



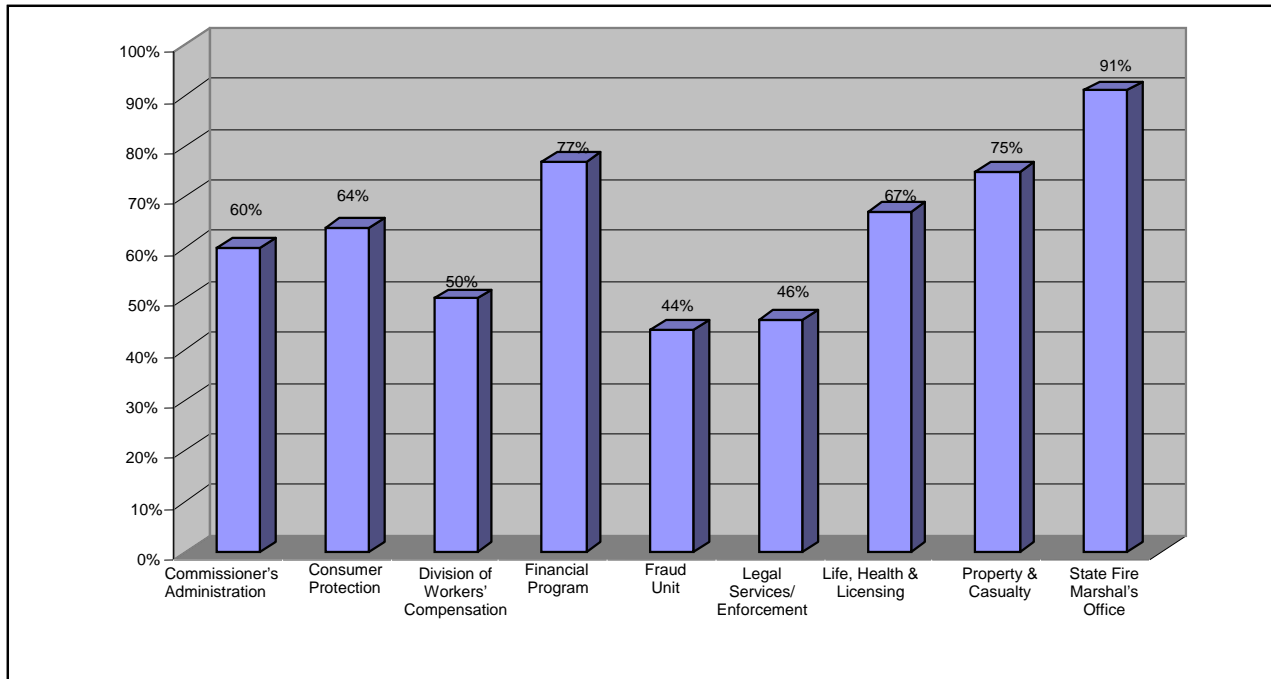
Program Satisfaction

The comprehensive survey also asked respondents to rate individual programs. The analysis is limited to those who have had contact with the program in the past two years. The satisfaction with TDI program areas ranged from 91 percent of SFMO customers reporting they were either very satisfied or satisfied to 44 percent of respondents reporting satisfaction with Fraud Unit services. Satisfaction levels for TDI programs are listed in the chart on the following page.

Continued on next page

Analysis of Findings, continued

FY 2008 Program Satisfaction Levels



Program Satisfaction, continued

In addition to the comprehensive survey, four TDI programs administered targeted surveys about their services. TDI analyzed the results of the Financial, Consumer Protection, Legal Services and Division of Workers' Compensation program surveys to assess the performance on TDI processes for company licensing filings, consumer assistance, open records requests and indemnity dispute hearings processes. The following analysis presents findings for each of these program surveys.

- **Financial Program**

To evaluate its internal functions, TDI's Financial program administers an ongoing targeted survey that assesses companies' satisfaction with the company licensing process. The survey gathers information about the timeliness of the filing process and about staff's customer service. Survey results for FY 2008 show that companies applying for new licenses or amending existing licenses rate services favorably, with an average overall satisfaction rating of 8.82 out of 10 for September 2007 through January 2008 and 4.52 out of 5 for February through April 2008. The Financial program revised the survey scoring mechanism to achieve clearer results.

Continued on next page

Analysis of Findings, Continued

Program Satisfaction, continued

- **Consumer Protection Program**

The Consumer Protection program conducts an ongoing survey of its customers to assess satisfaction with staff and services received. From June 2006 through April 2008, Consumer Protection received favorable ratings in the following areas: timely response (80%) and information or documentation being easy to understand (77%). Fifty-eight percent of respondents were satisfied with the resolution to their complaint/request, and of those that were disappointed with the resolution, 34 percent were satisfied with the customer service provided by Consumer Protection.

- **Legal Services Program**

Legal Services administered a survey to evaluate the quality of the agency's open records process and to assess overall satisfaction with the service provided. Agency staff processing open records requests received favorable ratings in most areas, including: service handled in a professional manner (88%), identify themselves by name and give contact number (86%), and staff knowledgeable about the Public Information Act (82%). Overall satisfaction was favorable, as 92 percent of respondents rated TDI's open records process as very good (66%) or good (26%).

- **Division of Workers' Compensation**

To monitor service quality, the Division of Workers' Compensation Hearings section mailed surveys to indemnity dispute resolution participants' to assess satisfaction with staff services. From December 2006 through September 2007, the benefit review conference mediators received a favorable rating with an average of 4.68 out of 5; while the contested case hearings officers received a slightly less favorable rating of 4.36 out of 5 from February 2007 through February 2008.

Customer Service Quality Elements Satisfaction

TDI analyzed results of all FY 2008 surveys to assess its performance on the seven customer service quality elements identified in Chapter 2114 of the Government Code. Additionally, TDI assessed satisfaction with its regulatory service, which is not a required service quality element in Chapter 2114 but is a core function of TDI.

An analysis and chart showing customers' average ratings and satisfaction percentages on customer service quality elements and regulatory service follow.

Continued on next page

Analysis of Findings, continued

Customer Service Quality Elements Satisfaction, continued

- **Staff**

TDI asked customers to rate various aspects of TDI staff members' service quality. Respondents to the comprehensive survey were most impressed by TDI staff treating customers with dignity and respect, with an average rating of 4.10. TDI received a similarly high rating for providing service in a professional manner (4.06) and adhering to ethical standards (4.02). Still favorable were their opinions of staff routing calls, emails and letters to the proper person, providing answers to questions, and being responsive to the customer's needs, with average customer ratings of 3.90, 3.84 and 3.79 respectively.

TDI also surveyed visitors to TDI facilities using a targeted survey. Visitors reported a high level of satisfaction with staff's professionalism and information provided. The average score for each criterion was 4.75 and 4.70, respectively.

Many of the respondents to the comprehensive survey were complimentary of staff providing service in a professional manner, while others commented that TDI should be more thorough in their review of complaints.

- **Printed Information**

Customers were asked to rate the ease of access to information and the usefulness of printed materials on the comprehensive survey. Sixty-one percent agreed that TDI provides easy access to information. Respondents rated the usefulness of printed material (59%) slightly lower than access to information (61%). The average rating for access to information was 3.68, and was highest among SFMO customers (4.16) and lowest among Workers' Compensation customers (3.28). Similarly, the average rating for useful information was highest among SFMO customers (4.15) and lowest among Workers' Compensation customers (3.34) with the average rating for all customers groups of 3.68.

Continued on next page

Analysis of Findings, continued

**Customer
Service Quality
Elements
Satisfaction,
continued**

• **Communication**

All customer groups were asked to rate TDI's performance on five aspects of communication. Of those, "protects confidentiality" received the highest average rating of 4.08 and provides the information needed received the second highest rating of 3.73. The other three aspects of communication received similar ratings: provides clear and understandable information (3.70), clearly explains available services (3.67), and informs customers on the progress of submissions (3.58).

A few respondents commented on these aspects of communication, observing that TDI needed to better inform customers of the progress on their case or complaint and provide clearer information on rules and form requirements.

TDI also asked three additional questions that were targeted to specific customer groups. The consumer and industry group were asked to rate how well TDI "educates the public about insurance so that people can make informed decisions," while workers' compensation customers were asked to rate TDI's education of workers' compensation participants on their rights, roles and responsibilities. Fifty-four percent of consumers and industry rated TDI favorably, with an average score of 3.60. Workers' compensation customers rated education less favorably, with 49 percent strongly agreeing or agreeing and giving an average rating of 3.43.

Eighty-three percent of SFMO customers either strongly agreed or agreed that TDI "supports communities in their efforts to protect citizens from loss of life and property due to fire."

Also related to communication is the way that consumers learn about TDI. Over half of the respondents either learned about TDI through the Internet (37%), from an insurance company (15%) or from a referral from a governmental agency (14%).

Continued on next page

Analysis of Findings, continued

**Customer
Service Quality
Elements
Satisfaction,
continued**

• **Internet site**

TDI surveyed customers about its Internet site(s) in both the comprehensive survey and an online survey. In addition, TDI organized focus groups to gather information about customer-preferred Web site features.

Respondents to the comprehensive survey were asked to rate the usefulness of information and services on its Web site(s) and the ease and organization. Almost 77 percent of respondents favorably rated the usefulness of information and services and 67 percent strongly agreed or agreed that TDI's Web site(s) is easy to use and is well organized. A few respondents commented that TDI should make the status of complaints, filings, licenses, and patient claims available online.

Customers who responded to the online survey were also asked about the usefulness of information and services on TDI's Web site(s) and the ease and organization of the Web site(s). Additionally, respondents to the online survey were asked to rate the effectiveness of the search engine and their overall satisfaction with TDI's Web site(s). While 62 percent of the respondents rated the usefulness of information and services favorably, the other areas received significantly lower favorable ratings: easy to use and well organized (36%), effective search engine (33%) and overall satisfaction (41%). Many survey respondents provided comments recommending improvements to TDI's Web site navigation and organization.

While results from both surveys showed favorable ratings for the usefulness of information and services, customers responding to the comprehensive survey rated ease of use and organization much more favorably than those responding to the online survey. This variance may reflect a sampling bias, as customers may have been more inclined to complete the online survey if they had difficulty using the site or locating information.

Additionally, the focus group meetings yielded a list of features and suggestions regarding the type of information customers expect on a Web site. Some recommendations included using bullets as links, limiting "clutter" on a page, and ensuring easy navigation, which is consistent with the results of both surveys. Moreover, focus group participants agreed Web sites that are fun and easy to use are preferred over less-interactive types of Web sites.

Continued on next page

Analysis of Findings, continued

**Customer
Service Quality
Elements
Satisfaction,
continued**

- **Timeliness**

Customers were asked to rate two areas of timeliness “provides service and processes submissions in a timely manner” and “responds to customers in a timely manner.” Both questions received a 67 percent satisfaction rating. SFMO customers reported the highest satisfaction levels, and workers’ compensation customers had the lowest. Comments seemed to focus on improving response time/turnaround time. Individual customers commented on the timeliness and processes for handling complaints, dispute resolutions, filing reviews and questions in general.

- **Complaint handling process**

This service quality element pertains to how well TDI provides customer service and how well TDI responds to complaints about its services. Sixty percent of respondents agreed that TDI “handles complaints about its customer service in a reasonable manner,” with an average rating of 3.68. Average ratings were highest among SFMO customers (4.30) and lowest among workers’ compensation customers (3.49). There were no comments directly related to customer service complaint handling.

TDI also handles insurance-related complaints. Findings about this service are discussed under regulation.

- **Facilities**

TDI headquarters is located in the Hobby Building in downtown Austin. TDI also has facilities for its Division of Workers’ Compensation. The main DWC facility is located in southeast Austin and there are 24 DWC field offices located throughout the state. Because workers’ compensation customers frequently visit DWC field offices, only this group was asked to rate facilities on the comprehensive survey. TDI also gathered input on facilities through a targeted facilities survey at each office location.

Workers’ compensation customers were asked to rate four aspects of the Division of Workers’ Compensation (DWC) facilities on the comprehensive survey. Respondents rated “provides facilities that are clean, orderly, and easy to get around” the highest (3.82) and “provides office locations that are well marked with signs and easy to find” the lowest (3.45). “Adequate parking” and “convenience to public transportation” received average ratings of 3.76 and 3.47 respectively.

Continued on next page

Analysis of Findings, Continued

Customer Service Quality Elements Satisfaction, continued
(continued)

- **Facilities, continued**

The 26 facilities survey showed that 89 percent of customers surveyed rated cleanliness of the facilities favorably, with an average rating of 4.66. Slightly lower were the favorable ratings for adequate parking (82%), office locations being well marked and easy to find (77%) and proximity to public transportation (69%), with average ratings of 4.50, 4.31, and 4.11, respectively.

Respondents to the facilities survey suggested that TDI could improve by providing additional parking and provide larger facilities that are more comfortable.

- **Regulation**

Although regulation is not a required service element listed in Chapter 2114 of the Texas Government Code, TDI chose to ask customers to rate various aspects of regulation since it is a core function of the Texas Department of Insurance. Many of the questions were targeted to specific customer groups based on the services they receive from TDI.

The aspects rated by all customer groups received the following ratings: “protects consumers from insurance fraud” (3.50), “ensures that the industry is responsive to customers” (3.48), and “enforces statutes and rules fairly and effectively” (3.48). For all these aspects, SFMO had the highest ratings and workers’ compensation had the lowest.

SFMO customers were asked to rate how well TDI “supports the prompt and fair resolution of regulatory complaints,” while the other three customer groups were asked how well TDI “supports the prompt and fair resolution of insurance-related complaints.” The average rating for prompt and fair resolution of regulatory complaints is 3.97 and prompt and fair resolution of insurance-related complaints is lower at 3.15. Respondents who commented on complaint resolution were mostly consumers, whose remarks seem to focus on TDI working harder on behalf of the consumer when resolving complaints.

Customers, except consumers, were asked to rate whether TDI “investigates cases of fraud or arson in a thorough manner” and “regulates industry in the least restrictive manner while protecting the public.” Industry and workers’ compensation customers rated “investigates cases of fraud in a thorough manner” as a 3.34, and SFMO customers rated arson investigation significantly higher as a 4.07. Respondents gave an average rating of 3.42 to regulating the industry in the least restrictive manner while protecting the public.

Continued on next page

Analysis of Findings, continued

Customer Service Quality Elements Satisfaction, continued

• **Regulation, continued**

A sizable percent of respondents rated fraud investigation and regulatory environment neutrally, 42 percent and 33 percent respectively.

Comments focused on conducting more thorough investigations and hiring more investigators.

Customers also rated fairness and reasonableness of fees and rates. SFMO, industry and workers' compensation customers rated fair and reasonable fees as 3.91, 3.75 and 3.21 respectively. Consumers, industry and workers' compensation customers rated fair and reasonable rates as 3.26, 3.63 and 3.07 respectively.

Workers' compensation customers were asked about the employee's return-to-work facilitation, access to dispute resolution, and access to prompt, high quality medical care. Respondents rated access to dispute resolution highest (3.26), followed by facilitation of employee's return-to-work (3.15), and access to prompt, high quality medical care (2.81).

The chart is organized by the service quality elements.

FY 2008 Customer Service Quality Elements Satisfaction			
Service Quality Element	Relevant Survey Question	Average Rating	Satisfaction Percentage
Staff	Treats me with dignity and respect	4.10	77%
	Provides service in a professional manner	4.06	77%
	Is responsive to my needs	3.79	67%
	Provides staff who are able to answer my question	3.84	68%
	Routes my call, email or letter to the proper person	3.90	69%
	Adheres to ethical standards	4.02	73%
Complaint Handling	Handles complaints about its customer service in a reasonable manner	3.68	60%
Timeliness	Provides service and processes submissions in a timely manner	3.82	68%
	Responds to customers in a timely manner	3.80	67%

Continued on next page

Analysis of Findings, continued

FY 2008 Customer Service Quality Elements Satisfaction, continued			
Service Quality Element	Relevant Survey Question	Average Rating	Satisfaction Percentage
Communication	Educates the public about insurance so people can make informed decisions	3.60	54%
	Educates participants of their rights, roles and responsibilities within the workers' compensation system	3.43	49%
	Provides information that is clear and understandable	3.70	62%
	Informs me on the progress of my submission	3.58	58%
	Provides the information I need	3.73	65%
	Protects confidentiality	4.08	73%
	Clearly explains its available services	3.67	59%
	Supports communities in their efforts to protect citizens from loss of life and property due to fire	4.35	83%
Printed Information	Provides easy access to information	3.68	61%
	Provides useful printed materials (i.e., rate guides, brochures, etc.)	3.68	59%
Internet Site	Provides useful information and services on its Web site(s)	4.03	77%
	Maintains a Web site(s) that is easy to use and well organized	3.82	67%
Facilities	Provides adequate parking at the service location	3.76	64%
	Provides services at locations convenient to public transportation	3.47	49%
	Provides office locations that are well marked with signs and easy to find	3.45	53%
	Provides facilities that are clean, orderly, and easy to get around	3.82	67%

Continued on next page

Analysis of Findings, Continued

FY 2008 Customer Service Quality Elements Satisfaction, continued			
Service Quality Element	Relevant Survey Question	Average Rating	Satisfaction Percentage
Regulation	Supports the prompt and fair resolution of consumers' insurance-related complaints	3.36	51%
	Supports the prompt and fair resolution of regulatory complaints	3.97	64%
	Protects consumers from insurance fraud	3.50	52%
	Ensures that the industry is responsive to customers	3.48	54%
	Strives to keep insurance rates fair and reasonable	3.32	43%
	Charges fees that are fair and reasonable	3.59	51%
	Enforces statutes and rules fairly and effectively	3.48	53%
	Regulates the industry in the least restrictive manner while adequately protecting the public	3.42	50%
	Investigates cases of fraud in a thorough manner	3.34	42%
	Investigates cases of arson in a thorough manner	4.07	67%
	Facilitates the employee's return to work	3.15	42%
	Ensures access to dispute resolution	3.26	50%
	Ensures access to prompt, high quality medical care	2.81	35%

Continued on next page

Analysis of Findings, Continued

Improvements Resulting from the Customer Satisfaction Assessment

Survey results will assist several ongoing customer service initiatives and process improvement projects. Customer input on the TDI Web site(s) will be shared with TDI's Web team so that they may continually improve the content, usefulness, and ease of viewing the Web site(s).

TDI believes that improving customer service is a process, involving a cycle of assessment, planning and action. In previous years, TDI's Agency Planning Group (APG) conducted the comprehensive customer satisfaction assessment, distributed survey results to individual TDI programs, identified improvements and included them in the program business plans.

In developing business plan initiatives, APG instructed program management to determine how each program will approach improving customer service for the next biennium and involve staff in the process. To improve customer service, programs identified initiatives such as soliciting customer input, changing processes, or implementing technology solutions to improve service or access to information.

Additionally, in FY 2006, customers receiving TDI's comprehensive survey provided open-ended comments and suggestions for improving the agency's services. Multiple respondents suggested training staff and providing more outreach opportunities. Accordingly, agency programs incorporated employee development initiatives as well as new education and outreach efforts in their business plans this biennium. Specific customer service initiatives for FY 2008 – 2009 are listed in Attachment D. APG monitors these initiatives to ensure successful implementation throughout the biennium.

APG will again analyze the survey results and open-ended comments to identify areas for improvement. APG's analysis will consider satisfaction and average ratings to determine where TDI is successful in customer service and where TDI can take action to improve. APG will work with the TDI programs to develop initiatives for inclusion in the program business plans. APG will serve as a resource to gather additional input from customers and identify relevant internal policies or processes that could be modified for better customer service. If any service areas could be improved with statutory changes, TDI will provide information to the Texas Legislature.

Continued on next page

Analysis of Findings, continued

Changes to Improve Survey Process

TDI's experience with customer satisfaction assessments in recent years includes administering comprehensive surveys, conducting targeted surveys to evaluate specific processes, and performing various surveys to measure satisfaction with the customer service elements not otherwise covered. Prior to each cycle of surveys, TDI reviews the survey process and the survey instruments and identifies potential improvements.

TDI concluded that administering different types of surveys has been of value. The comprehensive survey gathered detailed information from a variety of customer groups. The less formal, more targeted surveys provided supplemental information on specific TDI services. In all cases, the survey methods were selected to provide TDI with meaningful and reliable data on customer satisfaction levels at a reasonable cost to the agency.

In FY 2006, TDI used a comprehensive survey to assess satisfaction from both a detailed level and an overall perspective. With the 2006 data as a baseline, TDI chose to use the same type of comprehensive survey for FY 2008 to compare responses over time and determine possible trends. Should TDI choose to maintain similar survey methods, possible improvements include the following items.

- **Improvements to the sampling methodology**

Ideally, target populations should have a biennial span and should be comprehensive. Therefore, TDI will reconsider conducting multiple comprehensive surveys within the biennium or using point-of-service surveys, and then statistically combining them into one set of biennial estimates.

Since it is important that sources for sampling adequately reflect TDI customers, the agency will continue to review program mailing lists and databases to see if they need to be revised or updated. Similarly, TDI will review program business processes to ensure that TDI staff are entering codes and fields necessary to properly categorize customers. Finally, TDI will consider methods of surveying customers who are not documented by agency databases, such as customers with verbal requests for information.

Another consideration to improve sampling is to weight each sample population based on the universe to help statistically determine the number of customers to survey from that group. This will help increase the validity of the conclusions drawn about a particular customer group.

Continued on next page

Analysis of Findings, continued

Changes to Improve Survey Process, continued

- **Improvements to the survey methodology**

As indicated above, TDI will consider alternate approaches to allow continuous data collection rather than cyclical. The ASP software allows for continual surveying at an affordable cost to the agency. TDI will also consider using additional information-gathering methods, such as telephone surveys, focus groups, and/or online surveys. TDI programs have already begun using these survey methods to gather more information about specific customers groups or service.

- **Improvements to the survey instrument**

TDI will consider expanding its use of bilingual mail survey instruments. Bilingual surveys will help TDI receive input from a population that TDI is currently not able to reach with the current instrument.

TDI will also continue to expand its use of additional surveys to gather comprehensive information and information about specific customer groups or services. To target specific customer groups or services, TDI asks programs to administer their own surveys.

In 2008, a few customers sought clarification on the timeframe for responding to the first survey question, which asks customers to select the number of times they contacted TDI for the listed purpose. All respondents are not aware that the agency administers a customer service survey each biennium; therefore, TDI will reword this question to include a timeframe as a frame of reference for the number of contacts with the agency.

- **Improvements to the response rate**

TDI will continue researching other survey methods to help achieve a higher response rate. TDI may choose to add a fourth mailing to the comprehensive survey to bolster response or TDI may allow alternate ways for customers to complete the comprehensive survey. Some alternatives may include allowing customers to complete the comprehensive survey online and/or faxing or emailing the completed hard copy.

TDI will also consider soliciting customers' input immediately upon completion of service delivery. In 2008, TDI received 40 blank surveys from customers who did not feel they had enough information to respond. Surveying immediately following service delivery should reduce the frequency of non-responses.

Continued on next page

Analysis of Findings, continued

Changes to Improve Survey Process, continued

- **Improvements to the response rate**, continued

TDI will continue to analyze response rates by database/customer type to determine which customers should get the comprehensive survey and which should receive targeted surveys.

- **Improvements to the data analysis**

TDI will research the use of stratified sampling formulas that would statistically weigh each sampled case by an inverse function of its probability to create equal probability and reduce statistical bias.

TDI will continue to evaluate how to better analyze the results of related questions to provide better insight into general categories of service rather than analyzing questions individually. TDI will discuss alternatives for analyzing the survey constructs to better measure performance on customer service quality elements.

TDI will also continue to seek ways to best address the information provided in open-ended comments. TDI will consider having the comments analyzed by subgroups to better draw conclusions.

Performance Measure Information

Introduction

This section provides performance measure information related to customer service standards and customer satisfaction. These numbers reflect estimated performance for fiscal year 2008 for the standard customer service measures, as specified in the Governor's Office of Budget, Planning and Policy and Legislative Budget Board *Agency Strategic Plan Instructions*, as well as targeted FY 2008 performance for agency-specific measures.

Customer Service Performance Measures

Measure Name		FY 2008 Estimated Performance
Outcome	1. Percentage of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received	67%
	2. Percentage of Surveyed Customer Respondents Identifying Ways to Improve Service Delivery	49%
Output	1. Number of Customers Surveyed	12,432
	2. Number of Customers Served	75,165,505
Efficiency	1. Cost Per Customers Surveyed	\$2.22
Explanatory	1. Number of Customer Groups Inventoried	21
	2. Number of Customers Identified	84,688,348

Continued on next page

Performance Measures, Continued

Agency Specific
Measures that
Relate to
Customer
Service

Measure Name	FY 2008 Target
Percent of company, third party administrator, and premium finance licenses completed within 60 days	98%
Percent of agent license filings completed within 15 days	96%
Percent of statutory rate and form filings completed within 90 days	87%
Percent of personal auto and residential property form filings completed in 60 days	95%
Average response time (days) to complaints	30
Average time (days) for HMO complaint resolution	10
Percent of contested cases finalized within 180 days	75%
Average number of days per insurer fraud enforcement case referred	300
Average number of days per consumer or provider fraud case referred	265
Average number of days from company "at risk" identification to the date of solvency-related regulatory action	31
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	99%
Number of consultations and inspections provided to employers	3,360
Number of persons receiving return-to-work training	10,417
Average number of days to complete a complaint involving a workers' compensation system participant	120
Average number of days to resolve indemnity disputes through dispute resolution proceedings	116
Average number of days to create injury records	2
Number of Texas employers receiving safety educational products/services	10,000
Number of Texas employees receiving safety educational products/services	154,000

Conclusions

Conclusions

Texas Department of Insurance (TDI) used both comprehensive and targeted surveys to gather input from its customers. TDI identified and surveyed four customer groups: consumers, industry representatives, customers of the State Fire Marshal's Office and workers' compensation customers. TDI will use the results from this survey period to assess current satisfaction and compare customer satisfaction with TDI services over time.

Customers rated TDI favorably in FY 2008, with 67 percent responding that overall they were either very satisfied or satisfied. Overall satisfaction ratings by customer group were SFMO (90%), industry (76%), consumer (65%), and workers' compensation (46%). Customers also rated their overall satisfaction with individual TDI programs favorably. Respondents were most satisfied with SFMO and least satisfied with the Fraud Unit.

TDI assessed performance on the seven service quality elements, which include staff, complaint handling process, communication, timeliness, Internet site, printed information, and facilities. In general, SFMO customers rated TDI services more favorably and workers' compensation customers rated services less favorably than the other customer groups. On average, staff received the highest ratings followed by questions relating to TDI's Internet site. Questions related to communication received somewhat lower ratings than other service areas.

TDI also assessed its customers' satisfaction with regulatory services. Respondents were most impressed with TDI "investigat[ing] cases of arson in a thorough manner," and were least satisfied with TDI "ensur[ing] access to prompt, high quality medical care."

TDI will focus performance improvements on areas where customers' ratings were the lowest. Considering average ratings for all service areas, the three lowest ratings were related to the workers' compensation system: "ensures access to prompt, high quality medical care," "facilitates the employee's return to work," and "ensures access to dispute resolution."

TDI has already begun to address customer service needs and workers' compensation system improvements through its legislative implementation, business and strategic planning processes. DWC key activities aimed at workers' compensation system improvements are described on the following page.

Continued on next page

Conclusions, continued

Conclusions,
continued

Key activities include:

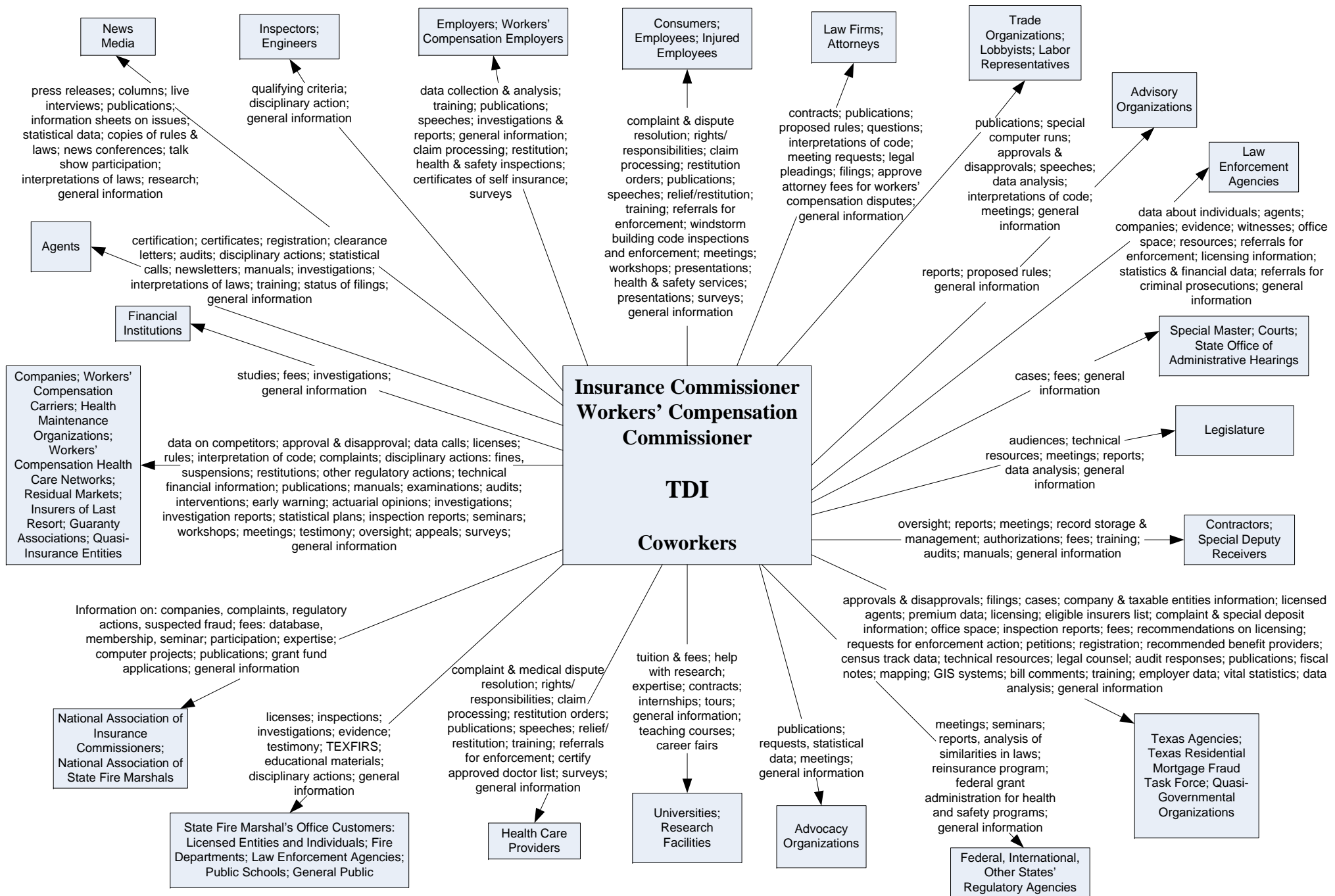
- Medical quality reviews, conducted by the Medical Quality Review Panel ensure that employees receive reasonable and medically necessary health care in a timely and cost-effective manner that facilitates recovery and appropriate return to work.
- Implementation of Treatment Guidelines to provide doctors with up-to-date evidence-based medicine standards of care.
- Health Care Provider Outreach - DWC uses a number of outreach efforts to keep health care providers informed about the delivery of medical benefits and the medical fee dispute process for the workers' compensation system.
- Adoption of disability duration return-to-work guidelines to assist insurance carriers and healthcare providers to use in evaluating expected or average return-to-work time frames.
- Creation of strategic return-to-work partnerships with the Texas Workforce Commission, Department of Assistive and Rehabilitative Services to enhance injured employees ability to return to work.
- Implementation of a process to reduce the average number days to resolve medical fee disputes.
- Emphasis of enforcement of timely payment of medical bills and appropriate preauthorization decisions.
- Assessment survey of health care provider willingness to treat injured employees.
- Implementation of new medical fee guidelines to encourage health care provider participation in the workers' compensation system and to increase certainty of payment and significantly reduce likelihood of dispute.

TDI will also strive to improve service to the areas rated lowest by each customer group. Consumers rated "strives to keep insurance rates fair and reasonable" lowest, while workers' compensation customers rated "ensures access to prompt, high quality medical care" lowest. Industry rated "investigates cases of fraud in a thorough manner" and "regulates industry in the least restrictive manner while adequately protecting the public" lowest. SFMO customers rated "charges fees that are fair and reasonable" lowest.

TDI believes it is important to continuously explore opportunities to improve both its operations and its customers' satisfaction with agency services. Gathering customer input and analyzing survey findings have provided ways to focus attention on customer service. TDI has identified actions to make further improvements, and TDI will continue to measure its progress through its business planning process.

Attachment A: Services to External Customers

This Page Intentionally Left Blank



This Page Intentionally Left Blank

Attachment B: Customers Inventoried by Strategy

This Page Intentionally Left Blank

Customers Inventoried by Strategy

Strategy	Description	Agents	Inspectors/ Engineers	Companies, WC carriers & networks, insurers, HMOs, insurers of last resort, residual markets, guaranty associations, quasi insurance entities	Consumers, employees, injured employees	News media	Advocacy organizations	Universities, research facilities	NAIC and NASFM (National associations for regulators)	Law enforcement agencies	Employers, WC employers
1.1.1	Consumer education and market analysis	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
1.1.2	Rates, forms and licenses	YES	YES	YES	YES	YES	YES	YES	YES	NO	YES
1.1.3	Underserved markets	YES	NO	YES	YES	YES	YES	YES	YES	YES	YES
1.2.1	Resolve complaints	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
1.2.2	Investigation and enforcement	YES	NO	YES	YES	YES	YES	YES	YES	YES	YES
1.2.3	Insurer fraud	YES	NO	YES	YES	NO	NO	NO	YES	YES	YES
1.2.4	TexasOnline	YES	NO	NO	NO	NO	NO	NO	YES	NO	NO
2.1.1	Insurers financial condition	YES	NO	YES	YES	YES	YES	NO	YES	YES	YES

Customers Inventoried by Strategy, continued

Strategy	Description	Agents	Inspectors/ Engineers	Companies, WC carriers & networks, insurers, HMOs, insurers of last resort, residual markets, quasi insurance entities	Consumers, employees, injured employees	News media	Advocacy organizations	Universities, research facilities	NAIC and NASFM (National associations for regulators)	Law enforcement agencies	Employers, WC employers
3.1.1	Loss control programs	NO	YES	YES	YES	YES	YES	NO	NO	YES	YES
3.1.2	Provider and consumer fraud	YES	NO	YES	YES	NO	NO	NO	YES	YES	YES
3.1.3	Workers' compensation Fraud	YES	NO	YES	YES	NO	NO	NO	YES	YES	YES
4.1.1	Fire protection	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
5.1.1	Health and safety services	NO	YES	YES	YES	YES	NO	YES	YES	NO	YES
5.2.1	Return-to-work education	NO	NO	YES	YES	YES	YES	YES	YES	NO	YES
6.1.1	Medical cost containment	NO	NO	YES	NO	YES	NO	YES	YES	NO	YES
6.2.1	Monitoring and enforcement	NO	NO	YES	YES	YES	YES	NO	YES	NO	YES

Customers Inventoried by Strategy, continued

Strategy	Description	Agents	Inspectors/ Engineers	Companies, WC carriers & networks, insurers, HMOs, insurers of last resort, residual markets, quasi insurance entities	Consumers, employees, injured employees	News media	Advocacy organizations	Universities, research facilities	NAIC and NASFM (National associations for regulators)	Law enforcement agencies	Employers, WC employers
6.3.1	Develop and implement processes	NO	NO	YES	YES	YES	YES	NO	YES	NO	YES
6.4.1	Certify self- insurance	NO	NO	NO	YES	NO	YES	NO	YES	NO	YES
6.5.1	Dispute resolution	NO	NO	YES	YES	YES	YES	YES	NO	NO	YES
6.6.1	Subsequent injury fund administration	NO	NO	YES	YES	NO	NO	NO	NO	NO	YES
7.1.1	Central administration	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
7.1.2	Information resources	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
7.1.3	Other support divisions	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO
8.1.1	Contingency long-term care	YES	NO	NO	NO	NO	NO	NO	YES	NO	NO
9.1.1	Contingency three-share assistance programs	NO	NO	YES	YES	NO	NO	NO	NO	NO	YES

Customers Inventoried by Strategy, continued

Strategy	Description	Legislature	Texas agencies, quasi-governmental organizations	Federal, International, and other states' regulatory agencies	SFMO customers	Financial institutions	Law firms/attorneys	Trade organizations /Lobbyists	Special Mater courts and SOAH	Contractors and SDRs	Health care providers	Advisory organizations
1.1.1	Consumer education and market analysis	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
1.1.2	Rates, forms and licenses	YES	YES	YES	NO	YES	YES	YES	YES	YES	YES	YES
1.1.3	Underserved markets	YES	YES	NO	NO	YES	YES	YES	NO	NO	NO	YES
1.2.1	Resolve complaints	YES	YES	YES	NO	YES	YES	YES	YES	YES	YES	YES
1.2.2	Investigation and enforcement	YES	YES	YES	NO	YES	YES	YES	NO	NO	YES	YES
1.2.3	Insurer fraud	YES	YES	YES	NO	YES	YES	NO	YES	NO	YES	NO
1.2.4	TexasOnline	YES	NO	YES	NO	NO	NO	YES	NO	NO	NO	NO
2.1.1	Insurers financial condition	YES	YES	YES	NO	YES	YES	YES	YES	YES	YES	YES
3.1.1	Loss control programs	YES	YES	YES	NO	YES	YES	YES	NO	NO	NO	YES

Customers Inventoried by Strategy, continued

Strategy	Description	Legislature	Texas agencies	Federal, International, and other states' regulatory agencies	SFMO customers	Financial institutions	Law firms	Trade organizations /Lobbyists	Special Mater courts and SOAH	Contractors and SDRs	Health care providers	Advisory organizations
3.1.2	Provider and consumer fraud	YES	YES	YES	YES	YES	YES	NO	YES	NO	YES	YES
3.1.3	Workers' Compensation Fraud	YES	YES	YES	NO	YES	NO	NO	NO	NO	YES	NO
4.1.1	Fire protection	YES	YES	YES	NO	NO	NO	YES	YES	NO	NO	NO
5.1.1	Health and safety services	YES	YES	YES	YES	YES	YES	YES	YES	NO	YES	NO
5.2.1	Return-to-work education	YES	YES	YES	YES	YES	YES	YES	NO	NO	YES	NO
6.1.1	Medical cost containment	YES	YES	YES	YES	NO	YES	YES	YES	NO	YES	NO
6.2.1	Monitoring and enforcement	YES	YES	YES	NO	NO	YES	YES	YES	NO	YES	NO
6.3.1	Develop and implement processes	YES	YES	YES	NO	NO	YES	YES	NO	NO	YES	NO
6.4.1	Certify self-insurance	YES	NO	YES	YES	YES	YES	YES	NO	NO	NO	NO

Customers Inventoried by Strategy, continued

Strategy	Description	Legislature	Texas agencies	Federal, International, and other states' regulatory agencies	SFMO customers	Financial institutions	Law firms	Trade organizations /Lobbyists	Special Mater courts and SOAH	Contractors and SDRs	Health care providers	Advisory organizations
6.5.1	Dispute resolution	YES	YES	YES	YES	NO	YES	YES	YES	YES	YES	NO
6.6.1	Subsequent injury fund administration	YES	YES	YES	YES	NO	YES	YES	NO	YES	NO	NO
7.1.1	Central administration	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
7.1.2	Information resources	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO
7.1.3	Other support divisions	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO
8.1.1	Contingency long-term care	YES	YES	YES	NO	NO	NO	YES	NO	NO	NO	NO
9.1.1	Contingency three-share assistance programs	YES	YES	NO	NO	NO	NO	NO	NO	NO	YES	NO

Attachment C: Customer Populations by Group

This Page Intentionally Left Blank

Customer Populations by Group

Customer Group	Sub Group	Population		
Consumers	Consumers	Consumer Complaints		
	Providers	Provider & Physician Complaints		
	Public Assistance	Orders for Publications		
		Speakers Bureau Events		
		District Attorneys, Police Departments		
		Open Records Requestors		
Industry	Licensing	Continuing Education Providers		
		Newly Licensed Agents		
		Newly Licensed Agencies		
		Licensed Title Agents		
		Third Party Administrators/ Premium Finance		
	Regulation	Workers' Compensation Carriers Paying WC Claims		
		Special Investigative Units / Fraud Conference Participants		
		Insurance Companies with Fraud Complaints		
		Life/Health Filings		
		HMO, IRO, URA, WC Network Companies		
		Property & Casualty Data Calls		
		Appointed Engineers		
		Title Underwriters		
		Company Licensing & Registration		
		Company Examinations		
		Financial Analysis & Holding Company Transactions		
		State Fire Marshal's Office	Licensing	Licensing
			Other SFMO Customers	Prevention
				Lab Investigation
Field Investigation				
Fire Safety Inspections				
Workers' Compensation	Health Care Providers	WC Health Care Providers		
		WC Network Health Care Providers		
	Injured Employees	WC Injured Employees		
	Employers	Employers with WC Claims		
		Employers Subscribing to WC Networks		

This Page Intentionally Left Blank

Attachment D: Customer Service Initiatives

This Page Intentionally Left Blank

Customer Service Initiatives

Program/ Division	Business Plan Project Title	FY 2008-2009 Business Plan Project Description	Status
Consumer Protection	Customer Satisfaction Survey	Consumer Protection implemented a customer service web-based survey in 2004 to monitor customer satisfaction on an ongoing basis. The program will continue to review weekly survey reports and complete follow-up actions.	Surveys are harvested and sent weekly to managers; managers do follow ups as needed with CP staff.
Consumer Protection	Catastrophe Outreach Response	TDI is a member of the state Emergency Management Council and is tasked with assisting Texas policyholders affected by disasters. Consumer Protection will continue to coordinate TDI disaster response efforts, including deploying staff to assist consumers in the field, ordering and maintaining equipment and supplies, and training staff.	TDI hosted Texas State Disaster Coalition meetings in October 2007 and January 2008; the next meeting is set for April 2008, and annual disaster season training for industry is scheduled in May 2008.
Consumer Protection	Consumer Outreach	Consumer Protection plans to target publications and outreach efforts to seniors and Medicare beneficiaries, Texans in the military, the uninsured and underinsured, rural Texans, Spanish-speaking and Asian populations, students, and baby boomers. Additionally, Consumer Protection's project proposal to develop K-12 insurance curriculum was selected as a TDI Summer Intern project.	Publication revisions are ongoing. In FY 08, special outreach was provided to seniors about Medicare Advantage and Medicare Part D, the uninsured, minority audiences, and the military.
Consumer Protection	Complaint Form Redesign	Redesign the complaint form on TDI's website to be more user-friendly. Work with ITS, Webmaster, and TDI Complaints Workgroup, which comprises managers and senior staff who handle complaints. The TDI Complaints Workgroup has developed the content for a single TDI complaint form.	The TDI Complaints Workgroup met in April 2008 and determined that the single complaint form will need to be interactive which means rewriting the complaint form in JSP. Consumer Protection will prepare the PAM in third quarter 2008.
Consumer Protection	Web-enabled Complaints Workflow Application	Convert complaints workflow system to the web-enabled version. Create the ability for consumers to view and track their complaints online. Create the ability for carriers to electronically attach their responses to complaint files.	The project is pending completion of an agency-wide project. Implementation of this project is dependent upon the results of the agency-wide project and may be delayed until fiscal year 2009.

Customer Service Initiatives, continued

Program/ Division	Business Plan Project Title	FY 2008-2009 Business Plan Project Description	Status
Division of Workers' Compensation	Medical Outreach Initiative	While issues affecting health care providers and their interaction with the workers' compensation system vary from community to community, there are common issues across the state that are cited as reasons health care providers do not participate in the system. Expand the pilot project medical outreach effort initiated in Corpus Christi to all jurisdictions, tailoring materials and protocols to meet community needs.	A draft project plan was developed with the DWC Policy & Research group on 4/23/08; Medical Fee Guidelines training for field staff was delivered in April 2008; 22 Medical Fee Guidelines Brown Bags were delivered between April 10 and May 31, 2008.
Division of Workers' Compensation	Customer Satisfaction Survey	The agency's comprehensive survey collects customer satisfaction data from workers' compensation customers. However, the Field Operations Division may explore web surveys as solution for collecting supplemental customer service data.	This initiative is pending a solution in connection with installation of the new telephone system [8/31/09].
Division of Workers' Compensation	Improve Customer Service Call Monitoring	Purchase call monitoring equipment to allow managers in the field to monitor and record customer service calls for quality and to provide feedback and training to employees.	This initiative is pending a solution in connection with installation of the new telephone system [8/31/09].
Division of Workers' Compensation	Streamline Processes for Telephonic BRC	Modify automated docketing system to accommodate telephonic benefit review conferences and update the corresponding form to include a disclosure agreement for requesting a telephonic benefit review conference.	IT project expected to be completed by 7/01/08. The process is part of the revision of the DWC 045 form.
Division of Workers' Compensation	Revisit Single Point of Contact Model	Conduct a feasibility study and workload analysis for creating a new single point of contact model. Consider using technology or a virtual call center.	The Single Point of Contact Procedure was revised on 03/18/08.
Division of Workers' Compensation	Standardizing Complaint Process	Prepare and distribute information packets for stakeholders, such as MQRP, employers, insurers, employees, etc. that details how to properly register a complaint against a doctor, carrier, URA, IRO, etc. Evaluate online or electronic solutions for communicating process changes.	This project is currently pending. The Office of the Medical Advisor is still working on this project and will have it completed before the end of the 2008 fiscal year.
Division of Workers' Compensation	Telephone System Implementation Plan	Ensure capabilities of new telephone system meet current and future needs of program areas including Customer Service Call Center staff. Share expectations of functions with ITS and work in conjunction to achieve goals.	System functions are being assessed by ITS as they would apply to each program area prior to installation. Call center solutions are being reassessed and shifted to another program area along with staffing.

Customer Service Initiatives, continued

Program/ Division	Business Plan Project Title	FY 2008-2009 Business Plan Project Description	Status
Division of Workers' Compensation	Centralization of Processes	Analyze, plan and prepare for the centralization of the receipt and processing of mail, customer calls and contacts, data entry and scanning. Analyze the requirements for centralization of each process. Determine a timeline for implementation, create procedures, conduct training and communicate expectations. Conduct quality review for revisions as necessary	Analysis continues as we redefine the meaning of "centralization" in regards to mail, customer calls and contacts, and data entry. Centralization of scanning continues with an image review exceeding 99% accuracy. Programming solutions are forthcoming to further streamline the scanning processes.
Division of Workers' Compensation	OSHCON Safety and Health Achievement Recognition Program (SHARP) Promotional DVD	Develop informational/promotional DVD to show prospective employers about the benefits of the SHARP program. Contract with an outside vendor or establish an MOU with a university to produce the DVD.	Workplace Safety plans to begin development in fourth quarter 2008.
Division of Workers' Compensation	Safety Training Webinars	As part of the new safety training delivery model for Workplace Safety, webinars will be used to provide information and training online instead of onsite.	Workplace Safety has been researching existing internal and external development and hosting options. Development of initial webinars is expected to take place in late 2008 and into 2009.
Division of Workers' Compensation	Computer Based Safety Training	As part of the new safety training delivery model for Workplace Safety, self-paced computer based training (CBT) will be used to provide information and training online instead of onsite.	Workplace Safety has been researching existing internal and external development and hosting options. Development of initial CBT modules is expected to take place in late 2008 and into 2009.
Division of Workers' Compensation	Safety Training Video/DVD Library Replenishment	Routinely evaluate the selections in the library and replace or replenish videos and DVDs as budget will allow.	This is an ongoing customer service initiative. Additional purchases will be made at year end with available other operating funds.
Division of Workers' Compensation	"Just-in-time" information for filing timely appeals	Customers are provided written information regarding the appeal timeframes at the same time they receive the reports or decisions. This is a paper-intensive, manual process and can have a direct impact on a party's time to file an appeal. Provide customers notification of the timeframes required to appeal prior to the receipt of the reports or decisions.	Accomplished. Written information regarding appeal time frames is now provided before the hearing with the contested case hearing set notice.

Customer Service Initiatives, continued

Program/ Division	Business Plan Project Title	FY 2008-2009 Business Plan Project Description	Status
Division of Workers' Compensation	Modification of Set Notices within the Mainframe	Modify the benefit review conference set notice to include a short description of the disputed issues that are scheduled for a proceeding. This will allow the participants to be more prepared and exchange pertinent information prior to the proceeding.	This project should be completed by the first part of June 2008.
Enforcement	Customer Services Survey	Conduct a customer service survey to obtain feedback regarding the enforcement process. Potential survey respondents include the public, agents, insurance companies, governmental entities, and other TDI regulated entities. Enforcement may consider contacting internal as well as external customers since other TDI programs often refer cases for enforcement actions.	The program has started working on potential survey questions and plans to administer the survey by the end of fiscal year 2008.
Enforcement	Information Sharing among other agencies	Enforcement wants to keep other licensing agencies aware of enforcement actions that may be against an individual or entity that may also hold a license with them. Coordinate with PIO to make sure specified agencies are given a copy of enforcement actions.	As of March 2008, the program is coordinating with other agencies to email enforcement actions.
Financial	Company Licensing Survey	Since 1995, the Financial Program has administered a survey to companies applying for a new license or amending an existing one. The survey is mailed to companies with the official letter notifying the company of the final application status. Financial continues to administer this survey and collect feedback on the company licensing process.	In February 2008, the scoring methodology for the survey was changed from a 10 point scale to a five point scale. For FY 2008 (to date), Financial has received 64 completed surveys.
Fraud	Host Annual Fraud Conference	Sponsor 10th Annual Fraud Conference to train insurance industry special investigation units, law enforcement, and other state agency staff to aid in the investigation of insurance fraud.	The Fraud Unit sponsored the 10 th Annual Fraud Conference in February 2008 and is currently planning the 2009 conference.

Customer Service Initiatives, continued

Program/ Division	Business Plan Project Title	FY 2008-2009 Business Plan Project Description	Status
Fraud	Outreach and Education	Continue to provide outreach and education, such as regularly updating the Fraud Unit website and PIO tips pertaining to insurance fraud trends and continuing law enforcement investigation liaison initiative.	For FY 08, the Fraud Unit has conducted 11 presentations, issued a bulletin on Reporting Insurance Fraud, and hosted a Texas Committee on Insurance Fraud meeting. Staff and management continue to regularly meet with law enforcement, prosecutors and other state agency enforcement divisions for cooperative anti-fraud efforts.
Life, Health and Licensing	Improve Communication	LHL identified a goal to improve communication. Improve communication by communicating state and federal statutory and rule changes, expanding the use of technology to share information, revising all statutory citations, and expanding outreach and education efforts.	<p>LHL provided outreach and education on workers' compensation healthcare networks by conducting four (4) WC Healthcare Network Provider and Employer workshops in Dallas, August 24-25, 2007 and Houston, October 5-6, 2007.</p> <p>LHL Senior Associate Commissioner serves as the TDI Ombudsman and led several working group meetings during 2007 to communicate and discuss issues related to SB418 Prompt Pay.</p> <p>LHL staffed several WC Network working group meetings to foster education and communication regarding workers' compensation insurance and the new WC networks.</p>
State Fire Marshal's Office	"Have an Exit Strategy" Campaign	This ongoing initiative educates Texans and Texas businesses of simple fire safety rules and aims to ensure that all properties have clearly marked and accessible exits. The SFMO emphasizes the importance of always identifying two ways out of any location.	SFMO recently applied for a grant to extend this campaign and purchase additional materials for distribution to college students and other customers.

Customer Service Initiatives, continued

Program/ Division	Business Plan Project Title	FY 2008-2009 Business Plan Project Description	Status
State Fire Marshal's Office	Fire Safety House Program	The Fire Safety House is a mobile travel trailer that teaches children to locate potential fire hazards in a kitchen, living room, and bedroom and practice simple methods of eliminating potentially dangerous situations.	As of April 2008, the Fire Safety House has provided fire safety demonstrations to 20,066 customers throughout Texas.
Government Relations	Agency Legislative Training	Legislative training will emphasize established process for responding to legislative and constituent inquiries, distributing requested information to legislators, committees and other governmental entities, and will include procedures for tracking and commenting on bills and resource testimony.	Management and staff are planning and preparing for agency wide training by the end of the year or first of 2009.
Internal Audit	Peer Review Team	Perform peer reviews at other state agencies.	The Internal Audit Director led a peer review at TX Guaranteed Student Loan Corp in March 2008.
Public Information Office	Formal Review of TDI Website Customer Satisfaction	Work with BPR and Web team as needed to: 1. Develop and administer customer satisfaction surveys for internal and external customers. 2. Web survey questions. Redesign website – obtain customer feedback on new design.	The 2008 Web survey was conducted in January and February 2008. Other PIO surveys are still pending. June 1, 2008 is the goal for implementing the new Web site design. PIO plans to promote a survey to obtain feedback on the new design after it has been operational for a few months.
Public Information Office	Update Consumer Columns to TDI's Web site	Work with technical staff to update outdated Commissioner's consumer columns and post to Website.	PIO has contacted TDI programs to begin making updates. This process will be ongoing.
Staff Services	Customer Survey	Mail Services plans to implement a customer survey card to ask customers "How are we doing/How can we improve/How is our service?"	Staff Services is developing survey questions and plans to administer the survey in late June of July 2008.
Staff Services	Customer Service Training	To ensure employees are providing excellent customer service, Staff Services plans to schedule training.	Staff Services plans to work with the agency Ombudsman and Ethical Advisor to schedule staff training.