Texas is the 2nd largest insurance market in the nation and the 7th largest in the world, with $160 billion of total premiums, including over $50 billion in property and casualty premiums, serving a population of over 28 million people, and is the second largest economy in the country.

Insurance carriers and related activities contributed $564.5 billion or 2.8%, to the nation’s gross domestic product in 2018, according to the U.S. Bureau of Economic Analysis.

Where we are TODAY

The Insurance Council of Texas is honored to represent our member insurance companies, who are such a vital piece of the Texas economy, and present this State of the Texas Property & Casualty Insurance Market report in order to provide a brief overview of the current state of the industry.

Texas offers a robust and vibrant marketplace for property and casualty insurance insurers with hundreds of companies writing a variety of personal and commercial coverages. As of December 31, 2019, Texas has 200 domestic property and casualty companies and over 1,100 companies total writing business in the state.

Given the large number of insurers doing business here, consumers and businesses can choose from a variety of coverages and rates to suit their insurance needs. Companies are continually reviewing their products and rates to meet the needs of Texans and to remain competitive. As a result, Texas homeowners, drivers, businesses, and other property owners enjoy one of the best and most competitive insurance markets in the country and the world.

The Texas insurance industry impacts the state’s economy well beyond collecting premiums and paying losses, we provide 305,232 jobs, pay taxes totaling the sixth largest revenue source for the state, invest in Texas bonds and securities, donate to charity and educational efforts, and serve Texans in their times of greatest need especially after severe weather events.

We hope you find this report useful and informative.
The property and casualty industry is on the forefront of catastrophic situations.

In March 2020, it faced an unprecedented catastrophe with the COVID-19 pandemic.

Federal, state, and local governments had to work quickly to provide guidance and information about the industry’s role in managing COVID-19.

Insurance companies responded to pandemic shutdowns by moving to remote work systems to help protect the health and safety of their employees while remaining ready to handle claims, continue to provide excellent customer service, and respond to severe weather events.

$1.4 billion
in refunds and discounts related to the COVID-19 pandemic offered by Texas auto insurers, including many of our members.

$280 million
Insurance industry contributions and pledges to charitable organizations to assist in national and local organizations fighting the pandemic on the frontlines.

$380 billion per month
The potential cost to insurers of mandating business interruption payouts to small and medium sized businesses that incurred no direct physical property damage.

Business Interruption
Auto Insurance Rates and Reductions
Risks & Exclusions
Cybersecurity
Workers Compensation

As of September 2020, according to the COVID Coverage Litigation Tracker database, more than 1,200 COVID-19 lawsuits have been filed, with hundreds of millions at stake nationally, including over 70 in Texas.

A National Association of Insurance Commissioners data call, in which TDI participated, reported 289 businessowner claims and 1,401 commercial multi-peril claims made in Texas as of July 8, 2020. Incurred losses for the Texas claims exceed $2.3 million.

TDI has received 38 business interruption complaints related to COVID-19.

National issues under consideration

The National Association of Insurance Commissioners reports that over 1,000 state bulletins and action alerts went out regarding COVID-19.*

Issues included and addressed by states:

- Business Interruption
- Auto Insurance Rates and Reductions
- Risks & Exclusions
- Cybersecurity
- Workers Compensation

*NAIC COVID-19 Report on Regulatory Responses

Regulatory responses


TDI provided guidance to the industry through a series of bulletins:

- extended claim handling deadlines.
- adjusted deadlines for certain financial filing requirements.
- encouraged insurers to accept verbal requests for exceptions to use of credit score in lieu of written requests as stated in Insurance Code Section 559.103.
- for certain commercial policies, encouraged insurers to conduct midterm premium audits if requested by policyholders, allow self-audits, and consider any reduced risk for businesses that change operations or elect to continue paying employees when they are not working.
- moving in-person hearings and meetings online.
- suspending and altering license requirements and guidelines due to fingerprint facilities being closed or limited and in-classroom training being suspended.
- encouraging the use of grace periods for premium payment and other premium relief.
- expediting approvals for P&C filings that provided additional coverage or relief to policyholders during the COVID-19 outbreak, including auto insurers who filed to remove delivery exclusions from policies in response to policyholders using their vehicles to deliver food, medicine, or other goods.

DWC also responded with operational and system changes, online hearings, suspension of labor code requirements, suspension of certain in-person doctor exams, and an emergency rule expanding telemedicine.

These regulatory actions are fluid and news develops quickly. The most recent news and information can be found on ICT’s COVID-19 page, ictCOVID19.org.
ICT monitors and reports on all regulatory activity and legislation impacting the property and casualty industry and legislative activity important to our members.

**REGULATORY**

**Commissioner Sullivan Announced Resignation**

In August 2020, Commissioner Kent Sullivan announced his resignation effective September 2020. Sullivan had been commissioner since October 2017. As of the date this report was being prepared, Governor Abbott had not announced an appointment.

**TDI’s plain language initiative and efforts to simplify insurance policy forms**

Commissioner Sullivan emphasized the need for plain language in insurance policies early in his tenure. TDI adopted a rule requiring insurance companies to provide a plain language notice to policyholders and agents when reducing or making certain changes when renewing a policy. This rule implements SB 417 from the 85th Legislature (2017), which allowed insurers to give the policyholder a new offer by providing them and agents with a notice of material change describing the reduction in coverage, rather than having to cancel or nonrenew the policy. The rule took effect on February 12, 2020.

**OPIC’s role in rate filings**

As the COVID-19 pandemic continued to impact the economy, OPIC has been very active in objecting to insurers’ rate filings as well as the sufficiency of insurers’ voluntary auto rate reductions, discounts, and rebates. Expect OPIC to continue to be active as consumers deal with the economic fallout of COVID-19.

**Consistency in rate and policy form approval to provide insurers certainty in planning for the Texas market**

Texas P&C writers want to ensure consistency in TDI’s review of forms and rates. Insurers have continued to experience changes in TDI’s interpretation of previously approved policy language and required rate information.

**Wind insurance on the Texas coast, including TWIA’s funding and rate decisions, insurers’ financial commitment to pay losses for TWIA, and the private market’s wind writings on the coast**

TDI has oversight authority over TWIA and is responsible for reviewing all TWIA rate decisions, liability limit recommendations, member assessments, and TWIA rules. Currently, TDI is in the formal comment period for proposed amendments to TWIA’s loss funding rules, which are necessary for implementation of HB 1900, 86th Legislature. The proposed rule changes include provisions relating to member assessments and 1:100 PML determination.

**LEGISLATIVE**

The 87th Texas Legislature will convene on January 12, 2021. Among the challenges for the upcoming session will be the selection of a new Speaker of the House, potential changes in the House after the November elections, dealing with a state budget deficit, redistricting, and multiple issues related to COVID-19.

Potential P&C issues for the 87th Texas Legislative Session include:

- **COVID-19 and insurance**
  The COVID-19 pandemic presents numerous legislative challenges with questions about workers’ compensation coverage, coverage for business interruption and policy language, business liability, and more.

- **Rate Appropriateness and Fairness**
  Expect legislators to discuss insurance costs during the COVID-19 pandemic with an emphasis on personal auto rates but likely leading into other personal and some commercial lines.

- **Litigation**
  COVID-19 has resulted in an explosion of lawsuits not only for insurers but also for employers and other businesses. There will likely be efforts to provide litigation protections and conversely, efforts to expand the ability to sue insurers, employers, and businesses. Further, we will likely see a repeat of 2019 legislation to expand the ability to recover attorney’s fees in UM/UIM claims.

- **TWIA, questions about the funding structure for the insurer of last resort and the role of the private market.**
  There are two boards charged with looking into various aspects of TWIA during the 86th Interim: TWIA Legislative Oversight Board and TWIA Legislative Funding & Funding Structure Oversight Board. The former is charged with conducting a study evaluating the possible merger of TWIA and FAIR Plan; the latter with reviewing TWIA’s funding structure and making legislative recommendations. During session, we expect TWIA rate regulation and other TWIA-related issues to be discussed. Due to COVID-19, these boards and other interim committees have not held interim hearings.

- **Contractual appraisal process in property damage claims**
  During the 2019 legislative session, there were bills which would have curtailed the use of contractual appraisal process in contracts. We expect the 2021 session will include similar proposals.

- **Auto body repair shops and consumer choice**
  During the last two legislative sessions there have been bills which would have limited an insurer’s ability to provide a list of recommended repair shops as well as mandating the use of certain parts in auto repairs. We expect some version of this legislation to be introduced in 2021.

- **Consumer Protection legislation**
  The legislature considered various bills addressing issues such as water damage claims, regulation of re-roofers, limited releases in auto claims settlements, and others which will continue to be of interest.

- **Consideration of NAIC Model Laws**
  This will likely include the NAIC Data Security Model Act and Model Credit for Reinsurance.
There were 1,166 companies writing property and casualty in Texas in 2019.

**Top five direct premiums written, by line**

- Private Passenger Auto: $23 billion
- Homeowners Multi Peril: $10 billion
- Commercial Auto: $4.2 billion
- General Liability: $3.1 billion
- Commercial Multi Peril: $2.5 billion

Private passenger auto (with 184 companies, 167 companies writing) is the largest by premiums written, while other lines, with larger number of companies writing, have significantly smaller premium volume.

**Total policies written**

- Private passenger auto: 26.5 million
- Inland Marine: 8.1 million
- Homeowners Multi Peril: 6.8 million
- General Liability: 2.6 million
- Residential Fire and Allied: 1.2 million

Homeowners Multi-Peril decreased in policy count from 2018, the only line to do so.

**Auto represents nearly 45% of Direct Premiums Written in 2019, but has less than half the number of companies writing as compared to General Liability.**

**Domestic Companies**

Texas ranks: 1st

*Texas leads the nation with 200 domestic property and casualty companies.*

**Premium Taxes**

Texas ranks: 2nd

*Texas trails only California in the amount of premium taxes paid, totalling $2,445,005,000.*

**Industry OVERVIEW**

- Total premiums written: $51,564,592,747
- Total policies written: 47,005,177
- Domestic companies: 1st in Texas
- Premium taxes: 2nd in Texas
- Auto represents 45% of premiums written
- Homeowners Multi Peril decreased in policy count from 2018, the only line to do so.
TOP 10 TEXAS LOSS EVENTS

<table>
<thead>
<tr>
<th>Storm</th>
<th>Date</th>
<th>Losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hurricane Harvey</td>
<td>8/25/2017</td>
<td>$20 billion</td>
</tr>
<tr>
<td>Hurricane Ike</td>
<td>9/13/2008</td>
<td>$12 billion</td>
</tr>
<tr>
<td>Tropical Storm Allison</td>
<td>6/8/2001</td>
<td>$3.5 billion</td>
</tr>
<tr>
<td>Hurricane Rita</td>
<td>9/24/2005</td>
<td>$2.8 billion</td>
</tr>
<tr>
<td>DFW Tornado Outbreak</td>
<td>10/20-22/2019</td>
<td>$1.5 billion</td>
</tr>
<tr>
<td>San Antonio Hailstorm</td>
<td>4/12/2016</td>
<td>$1.4 billion</td>
</tr>
<tr>
<td>Garland/Rowlett Tornadoes</td>
<td>12/26/2015</td>
<td>$1.2 billion</td>
</tr>
<tr>
<td>North Texas hailstorm</td>
<td>5/5/1995</td>
<td>$1.1 billion</td>
</tr>
<tr>
<td>Dallas/Ft. Worth hailstorm</td>
<td>6/13/2012</td>
<td>$890 million</td>
</tr>
<tr>
<td>North Texas Hailstorm</td>
<td>4/5/2003</td>
<td>$885 million</td>
</tr>
</tbody>
</table>

- Severe weather in Texas brings hail, wind, hurricanes, wildfire, flooding, tornadoes, and more.
- Texas has over a trillion dollars of coastal property at risk to hurricanes.
- Texas ranks at or near the top nationally in hail events, number of wildfires, number of tornadoes, flood and storm surge risk and more.
- Seven of the top ten costliest storm events have occurred in the last 15 years.
- As highlighted below, North Texas takes the brunt of non-hurricane severe weather.

OCTOBER 2019
DFW TORNADO OUTBREAK

On October 20, 2019 a series of nine tornadoes swept across North Texas, causing $1.5 billion in insured losses, making them the costliest severe weather event in North Texas’ history. Excluding hurricanes and tropical storms, it would be the costliest weather event in the state’s history.

COMPLAINTS

Insurers in Texas wrote over 47 million auto, home, and commercial policies in 2019. In a state that is subject to numerous severe weather events, hurricanes, tornadoes, hail, floods, and so much more, the number of complaints against insurers was just 1,526.

Private Passenger Auto and Homeowners saw the number of complaints drop nearly 50% from 2018 to 2019.

Private Passenger Auto
Total Number of Policies Written

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Policies Written</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>25.1 million</td>
</tr>
<tr>
<td>2017</td>
<td>24.8 million</td>
</tr>
<tr>
<td>2018</td>
<td>25 million</td>
</tr>
<tr>
<td>2019</td>
<td>26.5 million</td>
</tr>
</tbody>
</table>

Private Passenger Auto leads all lines, by a wide margin, in direct losses paid of $14.2 billion, direct premiums written of $23 billion and number of policies written, at 26.5 million.

Private Passenger Auto has seen a 5.6% increase in the number of policies written since 2016.

TOP 10 PRIVATE PASSENGER AUTO GROUPS
BY PREMIUMS WRITTEN, 2019

<table>
<thead>
<tr>
<th>Group</th>
<th>Premiums Written (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Farm Group</td>
<td>$3.256 billion</td>
</tr>
<tr>
<td>Berkshire Hathaway Group</td>
<td>$3.082 billion</td>
</tr>
<tr>
<td>Progressive Group</td>
<td>$3.052 billion</td>
</tr>
<tr>
<td>Allstate Insurance Group</td>
<td>$2.824 billion</td>
</tr>
<tr>
<td>United Services Auto Assn. Group</td>
<td>$1.974 billion</td>
</tr>
<tr>
<td>Farmers Insurance Group</td>
<td>$1.694 billion</td>
</tr>
<tr>
<td>Liberty Mutual Group</td>
<td>$1.057 billion</td>
</tr>
<tr>
<td>Texas Farm Bureau Mutual Group</td>
<td>$767 million</td>
</tr>
<tr>
<td>Consumers County Mutual Insurance Co.</td>
<td>$530 million</td>
</tr>
<tr>
<td>Auto Club Enterprises Ins. Group</td>
<td>$388 million</td>
</tr>
</tbody>
</table>

Average auto insurance expenditure
Texas ranks: 2nd

For liability and comprehensive/collision combined.

Michigan is the most expensive, Maine is the least.
(Full coverage. Source: carinsurance.com)

The top 10 writers of Private Passenger Auto represent 80.9% of the market.

Texas Collision Coverage
Severity and Frequency of Claims, Annual Change, 2015-2018

Persistent claim severity pressure remains a concern in collision and most other private passenger auto coverages.
2019 Loss Ratio: 58.72%
Up from 44.75% in 2018

Average homeowners premium
Texas ranks: 3rd
Louisiana leads the nation.

TOP 10 HOMEOWNERS MULTI PERIL GROUPS
BY PREMIUMS WRITTEN, 2019

- State Farm Group: $1.755 billion
- Allstate Insurance Group: $1.347 billion
- United Services Auto Assn. Group: $1.017 billion
- Farmers Insurance Group: $1.005 billion
- Liberty Mutual Group: $646 million
- Travelers Group: $466 million
- Texas Farm Bureau Mutual Group: $252 million
- Nationwide Corp. Group: $234 million
- Progressive Group: $229 million
- Ace Limited Group: $208 million

Top 5 groups are 51.75% of the overall market, up from 37.7% in 2018, and represent 62.5% of the total written premium.

TOP 10 RESIDENTIAL FIRE AND ALLIED LINES GROUPS
BY PREMIUMS WRITTEN, 2019

- Texas Windstorm Insurance Association
- Farmers Insurance Group
- Assurant Inc. Group
- United Services Auto. Assn. Group
- Liberty Mutual Group
- Munich Re Group
- Progressive Group
- Texas Farm Bureau Mutual Group
- NLASCO Group
- United Insurance Holdings Group

TWIA's market share declined 5 percentage points from 2018.
The top 10 writers of Residential Fire and Allied Lines represent 81.96% of the market.

WATER DAMAGE
ISO data shows water damage and freezing as the second most common cause of homeowners' losses from 2013 to 2017, and the third most expensive. August is the month when most water leaks occur, according to a Chubb poll.

In 2017, 19.5% of losses incurred for homeowners insurance was due to water damage and freezing.
### TOP 10 COMMERCIAL FIRE AND ALLIED LINES GROUPS BY PREMIUMS WRITTEN, 2019

<table>
<thead>
<tr>
<th>Group</th>
<th>Premiums Written (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FM Global Group</td>
<td>$188.1 million</td>
</tr>
<tr>
<td>Zurich Insurance Group</td>
<td>$143.1 million</td>
</tr>
<tr>
<td>Travelers Group</td>
<td>$140.6 million</td>
</tr>
<tr>
<td>Allianz Insurance Group</td>
<td>$140.6 million</td>
</tr>
<tr>
<td>Texas Windstorm Ins Asso</td>
<td>$133.1 million</td>
</tr>
<tr>
<td>Liberty Mutual Group</td>
<td>$133.1 million</td>
</tr>
<tr>
<td>AXA Insurance Group</td>
<td>$130.7 million</td>
</tr>
<tr>
<td>CNA Insurance Group</td>
<td>$130.7 million</td>
</tr>
<tr>
<td>Swiss Re Group</td>
<td>$130.7 million</td>
</tr>
<tr>
<td>Hannover Group</td>
<td>$130.7 million</td>
</tr>
</tbody>
</table>

**commercial Fire and Allied Lines saw a 17.8% premium increase over 2018.**

### TOP 10 COMMERCIAL AUTO GROUPS BY PREMIUMS WRITTEN, 2019 (ALL COVERAGES)

<table>
<thead>
<tr>
<th>Group</th>
<th>Premiums Written (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progressive Group</td>
<td>$245.4 million</td>
</tr>
<tr>
<td>Travelers Group</td>
<td>$185 million</td>
</tr>
<tr>
<td>Berkshire Hathaway Group</td>
<td>$170.5 million</td>
</tr>
<tr>
<td>Liberty Mutual Group</td>
<td>$158.2 million</td>
</tr>
<tr>
<td>Old Republic Group</td>
<td>$158.1 million</td>
</tr>
<tr>
<td>State Farm Group</td>
<td>$139.2 million</td>
</tr>
<tr>
<td>Zurich Insurance Group</td>
<td>$125.3 million</td>
</tr>
<tr>
<td>Hallmark Financial Service Group</td>
<td>$116.6 million</td>
</tr>
<tr>
<td>Nationwide Corp. Group</td>
<td>$114.2 million</td>
</tr>
<tr>
<td>Ace Limited Group</td>
<td>$72.9 million</td>
</tr>
</tbody>
</table>

**The top 10 writers of Commercial Auto represent 50.97% of the market.**

### TOP 10 COMMERCIAL MULTI PERIL GROUPS BY PREMIUMS WRITTEN, 2019

<table>
<thead>
<tr>
<th>Group</th>
<th>Premiums Written (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travelers Group</td>
<td>$255.9 million</td>
</tr>
<tr>
<td>Hartford Fire/Casualty Group</td>
<td>$226.6 million</td>
</tr>
<tr>
<td>Ace Limited Group</td>
<td>$170.5 million</td>
</tr>
<tr>
<td>Nationwide Corp. Group</td>
<td>$147.3 million</td>
</tr>
<tr>
<td>Liberty Mutual Group</td>
<td>$133.1 million</td>
</tr>
<tr>
<td>Farmers Insurance Group</td>
<td>$125.7 million</td>
</tr>
<tr>
<td>CNA Insurance Group</td>
<td>$121.3 million</td>
</tr>
<tr>
<td>Tokio Marine Holdings Inc. Group</td>
<td>$106.5 million</td>
</tr>
<tr>
<td>State Farm Group</td>
<td>$99 million</td>
</tr>
</tbody>
</table>

**The top 10 writers of Commercial Multi Peril represent 60.5% of the market.**
The top 10 writers of General Liability represent 51.17% of the market.

Product Liability saw a 15.99% premium increase over 2018.

FLOOD INSURANCE

An increase in private flood carriers increases competition.

According to the National Association of Insurance Commissioners, there were 120 private companies writing flood insurance in 2018, compared with about 90 in 2017 and 50 in 2016.

In early 2019 federal regulators allowed mortgage lenders to accept private homeowners flood insurance if the policies abide by regulatory definitions.

Also allowed are private insurance policies that do not meet regulations if insurers provide adequate protection according to general safety and soundness requirements.

The effect is likely to impact homeowners in states where most of the nation’s flood insurance policies are held.
Total 2019 direct written premiums of $372 million reflects a decrease of $23.5 million (6.0%) from the prior year total of $395.6 million. The decrease resulted from policy and exposure declines and the depopulation of 1,600 policies on June 1, 2018 and 2,080 policies on June 1, 2019.

Direct premiums earned totaled $381.6 million compared to $410 million in 2018 (a decline of $28.4 million, or 6.9%).

Reinsurance costs for 2019 (ceded earned premium) totaled $92.4 million (reflecting 100% of the ceded written premium from the June 1 reinsurance and cat bond renewal).

TWIA continues its trend of declining premiums and policies. TWIA ceded $1.7 million in premium through depopulation efforts in 2019. As of April 30, 2020, carriers have reported a total of 7,042 depopulated policies.

Texas Windstorm Insurance Association (TWIA)

Texas Windstorm Insurance Association (TWIA) is an insurer of last resort for windstorm and hail or fire and explosion. TWIA ceded $1.7 million in premium through depopulation efforts in 2019. As of April 30, 2020, carriers have reported a total of 7,042 depopulated policies.

TWIA's current Hurricane Season funding stack:

How does TWIA compare?

Texas is 1st in premiums written when compared to other coastal programs.

Policy count

<table>
<thead>
<tr>
<th></th>
<th>485,056</th>
<th>202,710</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total policy count for beach plans nationally, 2018</td>
<td>202,710</td>
<td></td>
</tr>
<tr>
<td>Texas is 1st in habitational policies for Beach Plans with 202,710.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 2018 Beach Plans average premium cost per policy in Texas was $1,768, which was 2nd in comparison to the other Beach plans (South Carolina was first).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Texas has the highest commission ratio to written premium at 16% (North Carolina 13%, Mississippi and South Carolina 10%, Alabama 8%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Texas FAIR Plan Operational Highlights

- Total direct written premiums for 2019 of $85.3 million reflect an 11% decrease from the reported $95.9 million in 2018 due to continued policy counts declines, partially offset by rate increases implemented in 2018.
- Policies in force at December 31, 2019 totaled 80,923 (a reduction of 14,714 policies from the prior year’s end).
- Total direct premiums earned in 2019 totaled $90.4 million compared to $104.5 million in 2018.
- The loss in direct written premium brings the surplus for 2019 down to approximately $12 million (from $15.1 million at December 31, 2018).

Texas FAIR Plan Rates

The FAIR Plan approved a 10% increase in rates.

Due to the COVID-19 pandemic, the rate change was set to take effect August 1, 2020 rather than the originally scheduled date of May 1, 2020.

How does the Texas FAIR Plan compare?

Nationwide, the number of FAIR Plans fell 49.7% between 2011 and 2018, while exposure dropped by 54.6%.

In 2018, out of 1,339,004 total habitational number of policies, Texas ranked 5th with 104,165.

2018 FAIR Plan average premium cost per policy in Texas was $846, which was 12th in comparison to other FAIR Plan states. (#1 - Florida)

Key TWIA Issues to Watch:

- **TWIA’s expenses**
  - Reinsurance, agent commissions, operating costs, and debt service expenses represent approximately 70% of premium revenue.

- **TWIA’s policy count**
  - Through increased competition and depopulation efforts, TWIA’s policy count is decreasing.

- **TWIA’s hurricane season funding model**
  - Is dependent upon potentially $1 billion in debt.

- **TWIA Board pressures**
  - Extreme political and local pressure on the board exists during the rate decision-making process.

Member Assessments After Hurricane Harvey

In December 2019, TWIA assessed member insurance companies another $90 million.

The additional assessment on the private market brought the total assessed to $372 million.

TWIA’s ultimate loss estimate for Hurricane Harvey is $1.7 billion.

Coastal Market Share

33% TWIA’s 2019 written premiums were $372 million.

67% For the private market, 2019 written premiums for homeowners and dwelling policies in tier 1 counties were over $762 million.

Texas property and casualty insurers also write well over $500 million in commercial, residential, and auto coverage in tier 1 counties, making their total premiums written along the coast over ONE BILLION DOLLARS.

TWIA Rates:

In 4 out of the last 5 years, TWIA has adopted no rate change despite their own actuaries finding their rates were inadequate.

TWIA’s 2019 actuarial analysis found the Association’s rates to be inadequate by 41.7% for residential policies and 50% for commercial policies.

The TWIA Board of Directors voted not to increase rates for residential and commercial policies for 2020 at their December 2019 meeting.
The Insurance Council of Texas was created when the Texas Insurance Advisory Association and Texas Automobile Insurance Services Office merged, effective September 1, 1996. For over 80 years, these two Texas-based associations had been the principal property and automobile insurance associations for companies operating in Texas.

The merger of these two organizations created a stronger and more efficient trade association through which insurers can collectively represent their interests in the regulatory process and stay abreast of those events that affect the business of insurance in Texas.

Sources used through this report:
2019 TDI "Annual Legislative Report on Market Conditions"
2020 Triple I Factbook
2020 TWIA Annual Report Card
Future of American Insurance and Reinsurance - fairinsure.org