

Texas Homeowners Insurance Update and Perspective



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Rate Regulation

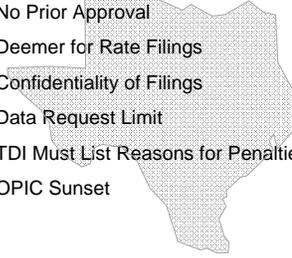
- Pre-1993 State Set Rates
- 1993: Benchmark System (Inadequate)
- Exemptions for Lloyd's and County Mutuels
- 2003: File-and-Use (File-and-Fight)
- Disapprovals, Refunds, Prior Approval Designation
- Auto Contrast with Property

Sunset Process

- Texas Legislative Session in 2011
- Insurance Department (TDI) and its Code Sunset
- OPIC and its Code Sunset
- Other Agencies Set for Sunset Review (PUC, Cap Metro, Division of Workers Compensation, etc.)
- Hearings in May, July 2010
- Regulation of Rates, Prior Approval

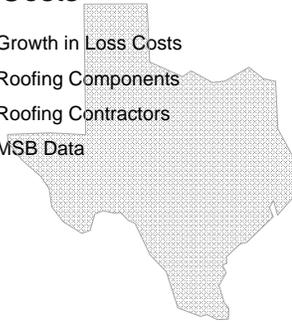
Sunset Conclusions & Recommendations

- TDI has Regulated Competition (Property)
- No Prior Approval
- Deemer for Rate Filings
- Confidentiality of Filings
- Data Request Limit
- TDI Must List Reasons for Penalties
- OPIC Sunset



Rates v Costs

- Growth in Loss Costs
- Roofing Components
- Roofing Contractors
- MSB Data



Legislative Studies 2012

- Senate Business and Commerce Committee
- Compare Texas Premiums with Other States
- Identify Steps to Reduce Rates
- Study Strategies to Increase Consumer Awareness of Resources
- Study Relation Between Insurance and Construction Costs
- Review Use of Customer Inquiries

