

August 7, 2020

Ms. Melissa Hamilton
Public Counsel
Office of Public Insurance Counsel
333 Guadalupe Street
Austin, Texas 78701

Dear Ms. Hamilton:

Thank you for your letter requesting data on personal auto claims during the COVID-19 pandemic. As we explained in a call, we can provide more complete information just as quickly through the industry's regular quarterly reporting than with a special data call.

The statistical data report for the first quarter of 2020 (January 1-March 31) will be sent to OPIC next week. The second quarter report should be available in late September.

The quarterly reports will include data from our private passenger auto statistical data plan. These include paid claims, newly reported claims, paid losses, and incurred losses. This will provide the information needed for a true assessment of the pandemic's effect on auto claims.

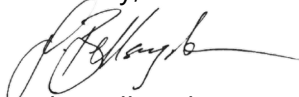
The Texas Insurance Code gives TDI the authority to order refunds if an insurer has charged a personal auto rate that is excessive or unfairly discriminatory. State law defines an excessive rate as one that is "likely to produce a long-term profit that is unreasonably high in relation to the insurance coverage provided."

To prove a rate is excessive, TDI would need an actuarial analysis based on complete data, not isolated data points. It also would require an insurer-by-insurer review with the opportunity for a hearing for any company ordered to provide refunds.

TDI will continue to monitor this situation, analyze complete claims data once available, and require insurers to include their loss experience during the pandemic in setting rates. We appreciate the important role OPIC plays in the representing the interests of consumers in this process.

If you have any questions or need additional information, please let me know.

Sincerely,



Luke Bellsnyder
Deputy Commissioner, Agency Affairs