



## OFFICE OF PUBLIC INSURANCE COUNSEL

Melissa R. Hamilton, Public Counsel

August 26, 2022

**Via Electronic Mail**

J'ne Byckovski  
Property and Casualty Actuarial Office  
Texas Department of Insurance  
333 Guadalupe Street  
Austin, TX 78701

**Re: Informal Comments on Texas Private Passenger Automobile Statistical Plan Revision**

The Office of Public Insurance Counsel (OPIC) appreciates the opportunity to provide input on possible revisions to the Texas Private Passenger Automobile Statistical Plan (PPA Stat Plan).

OPIC respectfully asks that the Texas Department of Insurance (TDI) consider expanding one of the four reports to include a field or fields related to the use of telematics systems in rating.

Many insurers who utilize telematics systems to gather consumer-generated driving data, including some writers of Usage Based Insurance (UBI) programs that have recently entered the market in Texas, are not in the Top Reporting Group (TRG) and therefore do not submit the Quarterly Detailed Experience Report. In order to generate accurate insights into the market trends and breadth of use of telematics rating, OPIC offers the following suggested revision to the PPA Stat Plan:

The Quarterly Market Report is filed by all companies writing direct private passenger auto business in Texas. OPIC recommends that two additional fields be added to the Quarterly Market Report. The first field would reflect the number of vehicles charged a rate during the relevant experience period, which was based, in part or in whole, on driving data generated by a telematics system or a telematics participation discount. The second field would reflect the number of vehicles for which driving data was collected by a telematics system whether or not the use of the telematics system or resulting driving data was reflected in the rate.

While we offer the above as our first choice, believing it to be the best way to capture information about the use of telematics rating throughout the personal auto market in Texas, we acknowledge that it is a departure from general experience categories and level of detail currently captured in the Quarterly Market Report. If the expense of this proposed revision exceeds its worth to TDI and the public, we offer the following revision as an alternative:

Email: [mhamilton@opic.texas.gov](mailto:mhamilton@opic.texas.gov)  
[www.opic.texas.gov](http://www.opic.texas.gov)

William P. Hobby Building  
333 Guadalupe, Suite 3-120  
Austin, Texas 78701-3942

Phone: (512) 322-4143  
Fax: (512) 322-4148

Add a new field to the Premium Transactions section of the Quarterly Detailed Experience Report to capture information about the use of consumer-generated driving data gathered through use of telematics systems. This field could reflect whether or not the rate charged during the experience period contemplated information gathered through the use of a telematics system, whether or not telematics driving data was captured during the experience period, whether or not the policy was given a telematics participation discount during the experience period, or any combination of the above.

This alternate recommendation would add a field to the Quarterly Detailed Experience Report, which is similar in nature to many of the report's existing fields. The drawback to this approach is that the experience data collected would only reflect the use of telematics rating in the TRG.

Thank you for the opportunity to provide input on the PPA Stat Plan revisions. OPIC appreciates your time and consideration.

Sincerely,

A handwritten signature in blue ink that reads "Melissa R. Hamilton". The signature is written in a cursive, flowing style.

Melissa R. Hamilton  
Public Counsel