

Increasing Choice

Texas needs public policy that increases insurance choices for consumers

To improve insurance affordability for all consumers, any legislative and regulatory action should provide a greater choice of policy options, so Texans can choose insurance coverage that meets their needs and fits their budgets.

- Historically, Texas homeowners have had a very limited choice of insurance policies. Texas insurance companies were permitted by law to offer only two types of homeowners' policies: one with very minimal coverage and one with very extensive coverage. Texans had almost no flexibility in choosing a policy to meet their needs in terms of coverage or budget.
- In other states, consumers have greater flexibility to choose the kind of insurance coverage they want – so they can custom-tailor their insurance policies to fit their budgets. But Texans haven't had these options, so many have been forced to pay more for coverage they don't necessarily want or need.
- The Texas Department of Insurance recently agreed to let some insurance companies offer policy forms already being used in other states – a move that gives Texas consumers greater control over the prices they pay for their insurance coverage.

TCAIS will work with insurance companies, state leaders, consumers and other interested parties to find solutions for the issues affecting the homeowners' and auto insurance markets in Texas.

"[The introduction of new policies] is a very positive development that should provide a measure of stability to the Texas homeowners' insurance marketplace . . .

By allowing insurers to provide options beyond the previous state-mandated policy, consumers will benefit from greater competition among insurers."

*Donald Hanson
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National Association of Independent Insurers
Insurance Journal
"Approval of State Farm HO-WV Applauded"
April 3, 2002*

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