



March 2, 2020

Commissioner Kent Sullivan  
Texas Department of Insurance  
333 Guadalupe St.  
Austin, TX 78701

Dear Commissioner Sullivan,

As legislators representing Dallas County, which was severely affected by the October 20, 2019 tornado, we write to request that you issue a data call for information related to insurance claims resulting from that event under Insurance Code §38.001.

The October 2019 storm resulted in multiple tornadoes, the strongest of which was an EF-3 tornado cutting through north Dallas and Richardson with 140 mph winds. It is estimated that over 2,000 structures were damaged or destroyed along a 15-mile stretch of densely populated area.

Shortly after the tornado, the Insurance Council of Texas (ICT) estimated that the region suffered \$2 billion in insured damages. The ICT noted that this was likely the costliest tornado event in Texas history and the costliest severe weather event of any kind for north Texas. A spokesperson for the ICT at the time cautioned that \$2 billion was a "pretty conservative estimate." The ICT also projected over 30,000 home and auto claims would be filed as a result of the tornado, and predicted that the financial impact may rise with commercial and business claims.

Months after the tornado, our community is eager to see further progress in the recovery and rebuilding effort. We have heard concerns that delays and disputes in the insurance claims process may be slowing the pace of recovery. A data call and a report on the data collected would help us evaluate these concerns and provide greater clarity to home, commercial, and business insurance consumers who have endured considerable hardship during this difficult time.

We understand that the Department is already collecting certain data about claims related to the storm through its Statistical Plans. Additionally, the Department has proposed a standardized Catastrophe Event Statistical Plan for Personal and Commercial Risks ("Catastrophe Stat Plan") that may soon go into effect, which would collect additional data if the Department designates an event as a catastrophe.

In addition to the data already being collected, we believe that requesting the data contemplated by the Catastrophe Stat Plan would be appropriate here. Further, we would also ask for the collection of residential and commercial data similar to that requested from insurers after Hurricane Harvey. Among the data to be collected would be the following information by ZIP code: the number of

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reported claims; the number of paid claims; the number of claims that remain open without payment; the number of claims closed with payment and without payment; the average number of days to close a claim; the number of reopened claims; the number of claims with total losses; the total amount of paid losses; and the total amount of outstanding unpaid losses and case reserves. We request that data be broken down between residential and commercial property claims, and that information be provided concerning whether claims were made under ACV or RCV policies.

We understand that the Department has previously issued similar data calls of this nature for Hurricanes Harvey, Ike, Rita, and Dolly, and that the dollar amount of the losses for at least three of those events exceeds the ICT's estimate of losses for the Dallas tornado event. Nonetheless, we believe the extent of the damage in this disaster - likely the most costly weather event we have experienced in north Texas according to the ICT - justifies the collection effort outlined here. This information will be useful in understanding how the claims process has functioned at this critical time and enable the Legislature and the public to better evaluate how we can best prepare for future disasters.

Thank you for your consideration of this request and your careful review of this matter.

Sincerely,



Rep. John Turner  
House District 114



Sen. Nathan Johnson  
Senate District 16



Rep. Rafael Anchia  
House District 103



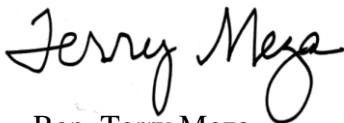
Rep. Morgan Meyer  
House District 108



Rep. Ana-Maria Ramos  
House District 102



Rep. Julie Johnson  
House District 115



Rep. Terry Meza  
House District 104