

No. 2020-6547

**Official Order
of the
Texas Commissioner of Insurance**

Date: 11/05/2020

Subject Considered:

Designation of a qualified organization to serve as the statistical agent for the Texas Catastrophe Event Statistical Plan for Personal and Commercial Risks

General remarks and official action taken:

The subject of this order is the designation of Insurance Services Office, Inc. (ISO) as the statistical agent for the Texas Catastrophe Event Statistical Plan for Personal and Commercial Risks.

Background

On September 15, 2020, the Commissioner of Insurance issued Order No. 6467, adopting 28 TAC § 5.9502, which adopts the Texas Catastrophe Event Statistical Plan for Personal and Commercial Risks (statistical plan) by reference. The statistical plan's purpose is to:

- (1) enhance efficiency and predictability for insurers and the Texas Department of Insurance (TDI);
- (2) allow for better experience comparisons by TDI and the industry in general;
- (3) ensure that TDI has consistent, reliable information to evaluate the insurance market's health after a catastrophe;
- (4) assist TDI in swiftly compiling complex data;
- (5) allow for more timely analysis by TDI; and
- (6) provide information about the effect of catastrophe events to policymakers.

Insurance Code Chapter 38, Subchapter E authorizes the Commissioner to designate a qualified organization to serve as statistical agent to gather data relevant for regulatory

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purposes under the statistical plan. Through this order, ISO is designated as the statistical agent to gather data under the adopted statistical plan.

The following findings of fact and conclusions of law are adopted:

Findings of Fact

1. On July 14, 2020, TDI posted notice seeking applicants to apply for the statistical agent position. TDI posted the application on its website. All applications were due by August 3, 2020.
2. TDI received two applications: one from ISO and one from Texas Insurance Checking Office (TICO).
3. After reviewing each applicant's submitted materials, TDI selected ISO to serve as the statistical agent.
4. ISO has been collecting and compiling commercial lines statistical data in Texas for almost 25 years. This includes applying edits and data checks on transaction-level submissions from approximately 600 licensed commercial property and casualty insurance companies.
5. ISO is a statistical agent for many lines of property and casualty insurance throughout the United States. ISO acts as statistical agent in 54 jurisdictions within the United States.
6. ISO is the Statistical Data Aggregator for the Terrorism Risk Insurance Program (TRIP) Section 111 (Data Collection) for the U.S. Department of Treasury.
7. ISO has extensive experience collecting data through a secure web-based portal, including Texas statistical data, statistical data in other states, and TRIP data collected on behalf the U.S. Department of Treasury.

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Conclusions of Law

1. ISO meets the qualifications for a statistical agent, as required by Insurance Code § 38.203.
2. ISO has agreed to the performance standards for the Texas Catastrophe Event Statistical Plan for Personal and Commercial Risks. 28 Tex. Admin. Code § 21.301.
3. The Commissioner of Insurance may, for a line or subline of insurance, designate or contract with a qualified organization to serve as the statistical agent for the Commissioner to gather data relevant for regulatory purposes or as otherwise provided by the Insurance Code. Tex. Ins. Code § 38.202.

Order

It is ordered that ISO is designated as the statistical agent for the Texas Catastrophe Event Statistical Plan for Personal and Commercial Risks.

Commissioner of Insurance

DocuSigned by:
By Doug Slape
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Doug Slape
Chief Deputy Commissioner
Tex. Gov't Code § 601.002
Commissioner's Order No. 2018-5528

Recommended by:

DocuSigned by:
Mark Worman
70ABE377123E401...
Mark Worman, Deputy Commissioner

Reviewed by:

DocuSigned by:
Amy Wills
DF894571086A45F...
Amy Wills, Staff Attorney