



Top issues facing the property and casualty insurance industry

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Updates on ICT operations and initiatives

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Regulatory, legislative, and legal issues from the last year

A nighttime photograph of a city skyline, likely Austin, Texas. The image shows several illuminated skyscrapers, including the Texas Tower with its distinctive curved facade. In the foreground, a bridge with a metal railing spans across the frame. The city lights create a bokeh effect, and the overall scene is dark with high contrast from the artificial lights.

# 2021-22 ANNUAL REPORT



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# FROM THE EXECUTIVE DIRECTOR

Dear ICT Members,

Thank you for your continued membership and support of the Insurance Council of Texas. Each year we produce the Annual Report that enables us to review the past year and give you a snapshot of our efforts on your behalf. In 2021 we continued to address the challenges of COVID, the intersection of politics and insurance, catastrophic weather, and economic pressures on pricing and losses.

Each year I am amazed at the resiliency of our industry while remaining steadfast for our policy holders and an important economic driver with the state. Thankfully, Texas has a strong and responsive insurance market to help Texans when they need us most, whether it is a winter freeze, hailstorms, tornadoes, wildfires, or hurricane. ICT is proud to serve this industry, keeping you informed and serving as the voice of the Texas property and casualty industry.

This year, we welcomed a new board chair, John Schramm, CNA, and new board members John Henle of Union Standard and James Kincaid of Progressive.

Longtime ICT board member, Joe Johnson, UFG, retired at the end of 2021 and we are awaiting the appointment of a board representative for UFG. Joe served as board chair 2012-2013, and twice served as audit committee chair.

We thank you for your membership and on behalf of the ICT team, we welcome the opportunity to serve you. Please feel free to contact us if you need any assistance or have questions about your membership.



A handwritten signature in black ink that reads "Albert Betts, Jr." in a cursive style.

Albert Betts, Jr.  
Executive Director



# ABOUT ICT

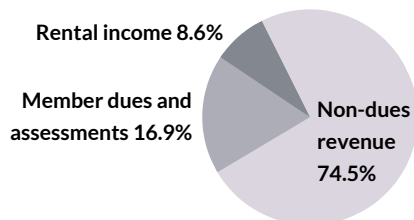
ICT is the largest state-based property and casualty association in the country. We proudly serve over **400** member companies and nearly **30** associate members.

ICT member companies represent nearly **80%** of all Texas property and casualty insurers.\*

*\*by premium dollars*

## FINANCIALS

ICT Revenue Sources



### Balance Sheet as of December 31, 2021

#### ASSETS

Cash & Investments	\$9,495,991
Current Assets	\$912,661
Fixed Assets, Net	\$1,306,674
Noncurrent Assets	\$2,093,819
<b>Total Assets</b>	<b>\$13,809,145</b>

#### LIABILITIES AND NET EQUITY

Current Liabilities	\$369,925
Noncurrent Liabilities	\$666,932
Net Equity	\$12,772,288
<b>Total Liabilities and Equity</b>	<b>\$13,809,145</b>

## OUR MISSION

The Insurance Council of Texas is a nonprofit trade association that promotes the property and casualty insurance industry by providing relevant information and resources to its members, the public, regulators and the media.

## OUR VISION

To be an invaluable information resource and regulatory and public voice for our members by creating a favorable property and casualty insurance environment in which to operate in Texas.

## NEW STAFF

In September 2021, **Rich Johnson** joined ICT as Director of Communications and Public Affairs. Rich has over 20 years of experience in communications and marketing, with an emphasis on public affairs and media relations. Prior to joining ICT, he spent over seven years in Corporate Communications with USAA, where he most recently served as the Senior Public Affairs Manager. In this role, he managed issues & crisis and the strategic communications for their Government & Industry Relations and Enterprise Litigation departments.



While with USAA he also spent time supporting USAA's P&C line of business and was part of the Catastrophe Communications Team, where he managed media and public relations during various catastrophes.

# ICT BOARD OF DIRECTORS

This is my first opportunity as the ICT Board Chair to address ICT and our members. While I have had the honor of serving on the ICT Board for 10 years, I am excited about the opportunity to play a bigger role in setting the vision and agenda for ICT over the next few years. The P&C industry is moving into a new era of changes and challenges as we face increased regulatory and economic pressures. However, I am confident our industry will continue to thrive, and ICT will ensure our members have access to the latest Texas regulatory, legislative, and industry trends and issues, so we can better serve our customers and policy holders.

Like my fellow board members, I volunteer to serve on the ICT board because I believe in the organization's mission: to promote the property and casualty insurance industry by providing relevant information and resources to its members and the public. ICT plays a critical role for the P&C and Workers' Compensation industries in Texas. ICT ensures key elected and regulatory stakeholders are informed and educated about the industry, so the industry can protect the economic interests of our customers in Texas.

On behalf of the ICT board of directors, it is my honor to serve as board chair for 2022 and 2023. I can assure you this Annual Report is just a glimpse of what Albert and the ICT team do for the P&C industry in Texas. They do a fantastic job representing your interests to help your company be as successful as possible in the competitive Texas market. I look forward to working with Albert and the ICT team, to provide the service and representation this industry deserves. Thank you for your continued support and membership with ICT.



*John Schramm*  
**John Schramm**  
2022-2023 ICT Board Chair  
Executive Vice President, US  
Head of Field Operations, CNA



**Mike Gerik**  
2022-2023 Vice Chair  
Executive Vice President,  
Texas Farm Bureau



**Gerald Ladner**  
2022-2023 Treasurer  
VP Strategic Agency  
Partnerships & External  
Affairs, State Auto



**Luke Horton**  
2022-2023 Secretary  
Regional Executive - South  
Central Region, The  
Travelers Companies, Inc.



**John Stuckemeyer**  
Immediate Past Chair  
Texas State Counsel Corp  
Law Dept, State Farm



**Angela Doss**  
Sr. Dir. State Government  
Relations, Nationwide  
Mutual Ins Co



**Tom Fitzpatrick**  
Southwest Region Chief  
Operating Officer, Chubb



**Scott Gaaney**  
Product Regulatory  
Counsel, Kemper  
Corp Group



**Frank Galitski**  
Director-Government  
Affairs, Farmers



**John Henle**  
President,  
Union Standard

**James "Jed" Kincaid**  
Product Manager,  
Texas, Progressive  
*No photo available*



**Kari King**  
Government Relations  
Director, USAA



**Robert Zeman**  
Corporate Counsel,  
Allstate

**Board Member**  
Current vacancy  
United Fire Group

*ICT is governed by a 14-member board of directors from companies writing property and casualty lines and representing a broad spectrum of domestic and national insurers. Board roster as of 6/1/22*

# TOP ISSUES

## AUTO RATES

Recent news reports and headlines have pointed to the rising cost of auto insurance rates. Many factors impact these rising premiums:

- ↑ The cost of replacement parts is up **13%**
- ↑ The cost to repair a vehicle is up **5.6%**
- ↑ New vehicle prices are up **5.9%**
- ↑ Used vehicle prices are up **26.6%**
- ↑ Rental car rates are up **58%**

Texas experienced **4,573** fatalities on Texas roads, an 18% increase from the year before.

**Auto theft** is increasing. In 2020, Texas ranked second in car thefts nationally with over **93,000** cars stolen (a 48% increase from 2019).

**Catalytic converter theft** is also rising significantly. According to NICB, in 2018 there were 1,298 catalytic converter thefts reported, by 2021 there was an estimated **65,398** thefts.

These factors have driven insurers' auto losses above pre-pandemic levels.



## WINTER STORM DAMAGES





Beginning in March 2021, TDI issued monthly reports on insured losses resulting from the February 2021 Texas winter storm. ICT kept members informed with timely reports on key results regarding losses and claims.

**As of Dec. 31, 2021, there were 508,529 claims reported and \$11.2 billion in insured losses from this event.**

TDI recently transitioned to quarterly reports, and we will continue to update members as new numbers come in.

## HOMEOWNERS RATES

According to an analysis done by the Insurance Information Institute, premium rates are up **12.2%** on average nationwide from 2017 to 2021. The key factor in the increase of rates is the growth in insured losses due to natural catastrophes coupled with the increased costs to repair and rebuild.

-  **HURRICANES** Hurricane Harvey ranks number four in the top ten costliest hurricanes in the U.S., with **\$19 BILLION** in insured losses.
-  **WILDFIRES** Texas ranked second in the top ten states for wildfires ranked by number of fires and by number of acres burned in 2021.
-  **TORNADOES** Texas had the greatest number of tornadoes in 2021.
-  **HAIL** Texas was the number one state in major hail events for 2021.

Building materials and labor costs are being driven up by inflation, supply chain issues, and labor shortages.

- ↑ The price of construction materials grew by **44.1%** from 2020 to 2021.\*

- ↑ 2022 estimated insurance replacement costs drivers for homeowners show an overall increase of **11.5%**, with construction materials being a significant driver with a **25%** increase.

## ERCOT SUBROGATION LAWSUIT

One hundred and thirty-one named insurers filed suit against ERCOT and nearly fifty power generators to recoup costs associated with claims from the 2021 Winter Storm. The suit alleges ERCOT, and other named defendant's negligence caused the energy failure which caused significant property damages and losses suffered by Texas homeowners and businesses and claims ultimately paid by Texas insurers. ICT fielded calls from media, elected officials and provided comments to the TDI and legislative staff on the matter.

# REGULATORY WORK

ICT continuously monitors the Texas Department of Insurance (TDI), providing members updates and analysis on TDI actions. When needed, ICT submits comments and input to TDI on proposed rules and policy changes and represents its members at regulatory hearings impacting all property and casualty lines.



ICT kept members informed on updates and changes as statutory suspensions related to **COVID-19** were lifted.



In September 2021, Governor Greg Abbott appointed **Cassie Brown** as the Commissioner of Insurance for a term set to expire on Feb. 1, 2023. She had previously served as commissioner of workers' compensation insurance at TDI-DWC since 2018. ICT, in conjunction with AFACT, met with Commissioner Brown and provided an overview of our membership as well as an update on the industry's proposal for revising the funding structure for TWIA.

## TDI Biennial Report Recommendations

TDI and DWC are required to submit a biennial report to the legislature outlining potential recommendations for changes in statute. ICT consulted with its members and submitted recommendations to TDI for consideration. These included proposals on:

- Organization of the Department & succession planning
- Amending laws to allow for the use of surcharges instead of maintenance taxes to fund TDI, DWC, and other related WC functions subject to taxation
- TWIA funding
- FAIR Plan surcharges
- Rate regulation

**In consultation with ICT Committees and counsel, ICT submitted comments on the following rules on behalf of our members:**

ICT submitted a letter with comments to TDI on their **Filings Made Easy** informal draft rule. ICT expressed support for the proposed changes to these rules to implement changes in Texas law by SB 1367 and SB 965. SB 1367 eliminated rate, rule, and form filing requirements for numerous commercial lines of insurance. SB 965 repealed the law that allowed the Commissioner to establish different filing requirements for certain personal auto insurers with low market shares. We also urged TDI to rely on competitive factors in reviewing rate filings, consider how the review process is expedited, and clarification of what is meant by a rate that is in effect.

**On behalf of our members, ICT engaged with TDI on issues that matter to P&C stakeholders:**

ICT reviewed the **proposed credit for reinsurance** rules, TWIA rules implementing **HB 769** (board vacancy and rate decisions, and reinsurance purchase), and implementing **HB 2920** (renewal premium grace period).

## COMBATING UNNECESSARY AUTO COMPLAINTS

ICT joined AFACT, NAMIC, APCIA, and TCAIS in submitting a joint letter to TDI to bring attention to a matter regarding **auto claims and repair complaints**. The issue stemmed from an online effort from the Auto Bodyshop Association of Texas (ABAT) which used a checklist to generate complaints regarding the auto claims process. The letter expressed concern about the accuracy and legitimacy of some of the items listed in the ABAT checklist of complaints and whether consumers are being encouraged to file complaints without a legitimate reason to do so or are having complaints filed without their knowledge or awareness of the issues being cited. The letter also assured TDI that our members are responding to these complaints as they would if a complaint was filed by the consumer without the urging of ABAT or through ABAT's checklist.

## NEW LICENSING LAWS

ICT attended TDI's presentation on implementation of **HB 4030**, which was passed during the 87th legislative session and made changes to various licenses. We provided members with information for implementation ahead of the broader TDI outreach effort on the bill.

ICT participated in TDI's meeting on **proposed maintenance taxes** and we provided an overview of the maintenance tax changes.

## FEDERAL DISPARATE IMPACT RULES

**In August 2021, ICT submitted comments to the U.S. Department of Housing and Urban Development (HUD) on their proposed rules that would reinstate the Agency's 2013 Disparate Impact Rule that imposes federal disparate impact standards on the business of insurance, contrary to the McCarran-Ferguson Act and filed rate doctrine. The comments noted that the reinstatement of the disparate impact rule, as proposed, could directly cause serious litigation problems for insurers writing homeowners and residential property insurance in Texas as well as threatening the business of insurance for these insurers.**

# DIVISION OF WORKERS' COMPENSATION

ICT monitors all TDI-DWC rulemaking, bulletins, and other regulatory issues of interest to our members to assess their impact to the Texas workers' compensation system. ICT provides its members updates and analysis on TDI-DWC actions, and where needed, submits comments and input to TDI-DWC on proposed rules and policy changes. In addition, ICT represents its members at workers' compensation stakeholder meetings and regulatory hearings.

## ICT submitted comments on the following rules on behalf of our members:

In October 2021, the DWC requested input on rule amendments for consideration during the interim. The ICT Workers' Compensation committee met and, as a result, ICT submitted for consideration proposals for the following rules (Still pending as of May 10, 2022):

- §133.309- Repeal because the rule conflicts with relevant governing statutes and is no longer binding
- §133.10(f)(1)(J)- Amend to include a 'DN' qualifier for all referral physicians listed in Box 17 of the CMS-1500 regardless of role
- §127.10(h)- Clarify the language to address ambiguity over what benefits are owed on a DD report
- §130.12(b)(1)- Amend to require the request of a BRC to dispute.

## DWC Form-073, Work Status Report

ICT submitted comments to DWC regarding proposed revisions to the DWC Form-073, Work Status Report. The revised draft form reduces the detail with which medical providers can summarize the claimant's work ability and impact of injury. ICT expressed concern that given that the Division's Dispute Resolution section takes a very technical approach to employer compliance with restrictions both in the Bona Fide Offer of Employment (BFOE) evaluation and the subsequent compliance with the provider's restrictions, the specificity of the prior form was extremely important.

## Designated Doctor (DD) rules

ICT submitted comments on DWC's proposed changes to the Designated Doctor (DD) rules. To address a potential concern that there are not enough individual exams being combined for a single date of exams, ICT suggested that the Division consider expanding the period for examination requests to be sorted and distributed from one day to three days or a week in §127.5(e)(1).

Proposed revisions to §127.10(g) remove the requirement for a DD to file DWC Form-68, Designated Doctor Examination Data Report, which our members found beneficial. Therefore, we suggested this form requirement not be deleted. Lastly, ICT expressed concern over the proposed revisions to §127.130(b)(9)(B), which add a wide latitude of additional specialties addressing traumatic brain injuries.

## ICT Monitors DWC Quaterly Meetings

ICT's workers' compensation regulatory counsel, Burns Anderson Jury and Brenner LLP attends on our behalf and provides recaps of DWC Insurance Carrier Quarterly Meetings, which are available for members on [insurancecouncil.org](http://insurancecouncil.org).

ICT kept members informed on the results of DWC's mandatory data call on COVID-19 related injuries, which was extended through June 30, 2022.



As of the latest numbers, from Jan. 1, 2020, through Feb. 6, 2022, insurance carriers reported a total of 78,299 COVID-19 claims to DWC. The greatest number of COVID-19 claims were reported in January 2022, followed by July 2020, December 2020, and August 2021.



# INDUSTRY COLLABORATION

ICT hosts regular meetings with other industry trade groups to help coordinate industry messages, provide necessary background data, discuss key legislation, regulatory issues and actions, and industry efforts.

On April 14, 2022, ICT hosted a joint all industry roundtable in conjunction with the representatives from AFACT, TCAIS, APCIA, NAMIC, and RAA. The purpose of the meeting was for the trades to talk with a group of our member company representatives about issues the trades are working on and discussing, and to receive input from the assembled group of company representatives. The topics included various issues legislative, regulatory, and media issues surrounding the property and casualty industry. This meeting served as an excellent opportunity for the trades and their members to work together on key issues affecting the Texas market. We look forward to hosting similar gatherings in the future.

# LEGISLATIVE EFFORTS

*The 87th legislative session adjourned sine die on May 31, 2021. Three special sessions followed focusing on issues such as election reform, redistricting, prohibition on vaccine mandates, and transgender student athletes, ending on Oct. 19, 2021.*

ICT provided members with a snapshot of the 87th legislative session with an [infographic](#) on bill statistics and legislature information. We also provided a session wrap-up which included all passed bills, summaries of each, effective date, and status of agency rulemaking.

ICT reported on election results for Texas' November 2021 election and March 2022 primaries, whose outcome may impact the dynamic and players around insurance related issues.

## Interim committee hearings and charges

During the legislative interim ICT monitors implementation of all property and casualty and workers' compensation legislation passed in 2021. ICT updated members on Senate and House committee interim charges of interest and will monitor and report on interim hearings and committee findings.

**The House Insurance Committee** interim charges include promoting competition and identifying barriers to entry, as well as reviewing insurance anti-rebating laws and model legislation related to rebates.

In the Senate, various committees have charges that may be of interest to the industry, including:

- **Criminal Justice** will examine automobile parts theft, including catalytic converters.
- **Transportation** will study safety and factors leading to crashes.
- **Natural Resources** will look at wildfires and prescribed burns.
- At the time of this report the **Senate Jurisprudence Committee** has P&C issues under their purview, but no interim charges related to P&C issues were given to them.

## KEY ISSUES EMERGING DURING THE INTERIM:

- Rate pressures in auto and home
- TWIA funding
- Auto Repair
- UM/UIM
- **Catalytic converter theft**

Texas Lt. Gov. Dan Patrick has named catalytic converter theft a critical issue to address during the 88th legislative session.

# WATCHING TWIA AND FAIR PLAN

ICT attends and monitors all TWIA and FAIR Plan board meetings and legislative and audit committee meetings. We provide members with recaps and summaries of these meetings and reports of interest, including a summary of TWIA's Annual Report. When needed, ICT submits letters or comments on behalf of its members.

## TWIA ASSESSMENT CALCULATION

ICT submitted comments on the Informal Working Draft Rule; Title 28, Chapter 5, Subchapter E, Division 3, §5.4162 regarding TWIA assessment calculation. We expressed support for the proposed rule change, which changes the plan of operation so that a member insurer's share of an assessment arising from a catastrophic event is determined on a Catastrophe Year basis rather than a Calendar year basis.

## TWIA AND THE TEXAS LEGISLATURE

During the interim, ICT will monitor activity of the TWIA Legislative Oversight Board, which is tasked to study TWIA's funding structure, how other states' catastrophic risk pools operate, hold public meetings with testimony, and submit a report with findings and recommendations no later than January 1, 2023.

The House Insurance Committee met in August 2021 to discuss TWIA. TCAIS and AFACT provided the industry testimony, which focused on the need for rate adequacy and industry commitments to coastal insurance.

## SUPPORTING RATE ADEQUACY

Ahead of the August 2021 TWIA Board of Directors meeting to consider rate actions, ICT submitted comments supporting a 5% rate increase for both commercial and residential, as well as outlining ways the private market supports the coast. The 5% rate increase was ultimately approved by the Board. Various members of the Texas legislature urged no rate increase and called for a reversal of the vote. TWIA's own actuarial rate analysis indicated rates inadequate by 39% for residential and 46% for commercial. In December 2021, the board declined to reverse their earlier rate decision.

# ICT COMMITTEES

ICT Committees are comprised of representatives from member companies who are interested in discussing, reviewing, and having input into the issues facing the Texas P&C industry. We thank all of our committee members for their time and willingness to share their expertise.

- ICT's **Claims, Commercial Lines, Personal Lines, and Windpool Committees** met jointly in September 2021 to get an update on regulatory items, as well as planning for the interim.
- ICT's **Workers' Compensation Committee** met in July and October 2021. ICT provided the committee with an overview of the session in July. The October meeting resulted in recommendations which were submitted to DWC for consideration during their periodic rule review.
- ICT's **Communications & Public Affairs Committee** meets on a quarterly basis to discuss the top issues that are impacting the brand and reputation of the P&C industry in Texas. The committee also provides guidance and best practices to the ICT communications team to set the agenda and strategy for the various marketing and communication campaigns throughout the year.
- ICT's **Audit Committee** meets quarterly and provides guidance for many of the organization's financial related issues. In addition, they review the annual financial statement and ERISA audits. The committee is comprised of professionals with financial and legal backgrounds and provides thoughtful direction throughout the year.
- The **Texas Committee on Insurance Fraud**, a gathering of legal, subrogation and fraud representatives led by ICT and the TDI Fraud Department, discusses trends and provides information on the issues facing professionals in the industry.



# REPRESENTATION IN TEXAS COURTS

ICT supports our members' interests in key litigation issues by filing amicus briefs on behalf of our members. We review appellate matters and if there is an issue with a potential widespread negative impact on the business of insurance, we file amicus briefs outlining the industry's position on the matter before the court. Often, we collaborate with other property and casualty trade organizations, and engage experienced appellate counsel to prepare briefs for filing.

## EXCESSIVE DAMAGE AWARDS

**Gregory v. Chohan**, No. 21-0017 - In July 2021, ICT joined NAMIC and APCIA in filing an amicus brief with the Texas Supreme Court in a case styled **Gregory, et al. v. Chohan, et al.** Of interest to the property and casualty industry, was the standard of appellate review for excessive damage awards in Texas. Currently, that standard is that the award not "shock the conscience". This has led to increasingly high, and ultimately indefensible, awards in many cases. In addition, the case involved questions of what guidance, if any, Texas appellate courts have regarding the evidence and other relevant factors that must be considered as part of a "meaningful review" of mental anguish damage awards.

As background, this case involved a multi-vehicle accident in which four people died, and others were injured. The estate of those killed in the accident sued the employer New Prime, in addition to Gregory. At the trial court level, the jury awarded noneconomic damages unaccompanied by physical injury to the recovering plaintiffs in the amount of **\$15,065,000**, which was to compensate the plaintiff family for "mental anguish" and "loss of companionship." The brief argues, among other things, that the Texas Supreme Court should clarify the evidence required to sustain a mental anguish award and adopt a reasonableness standard for mental anguish awards

## UM/UIM LAWSUITS AND ATTORNEY FEES

**Allstate v Irwin**. In September 2021, the Texas Supreme Court denied Allstate's motion for rehearing in **Allstate v Irwin**, No. 19-0885. In late August, ICT joined APCIA and NAMIC in filing an amicus brief in support of Allstate's motion for rehearing. This was a disappointing decision as it paves the way for additional litigation and encourages actions designed to obtain attorney fees.

As background, in December 2020, the trades filed an amicus brief with the Texas Supreme Court in support of Allstate. At issue was the use of the Texas Uniform Declaratory Judgment Act in UM/UIM claims to obtain attorney's fees without an underlying judgment finding liability. In May 2021 the Texas Supreme Court, by 5-4 decision, upheld the use of the Uniform Declaratory Judgment Act in a UM/UIM case to support the award of attorney's fees. Justice Devine wrote the majority opinion and Chief Justice Hecht wrote the dissent.



# REPRESENTATION IN TEXAS COURTS

## **BUSINESS INTERRUPTION AND COVID**

***Terry Black's Barbecue, LLC v. State Automobile Mutual Ins. Co.***, Case No. 21-50078. ICT joined with APCIA, AFACT, and NAMIC in filing an amicus brief with the U.S. 5th Circuit Court of Appeals. This is a business interruption case on appeal to the 5th Circuit Court of Appeals. At issue was the policy's Restaurant Extension Endorsement and whether coverage was required despite the plain language in the policy form. The Texas Restaurant Association and other groups filed an amicus in support of the plaintiff. The federal district court concluded that the Restaurant Extension Endorsement was inapplicable. The endorsement provided coverage for the suspension of operations due to the order of a civil authority resulting from the actual or alleged exposure of the described premises to a contagious or infectious disease. The court reasoned that the civil authority orders were not issued as a result of actual or alleged exposure to COVID-19 at Terry Black's restaurants; instead, the civil authority orders were issued in response to the global pandemic.

## **EXPERT TESTIMONY FOR STANDARD OF CARE AND CAUSATION OF RISK**

***Helena Chemical v. Cox***, No. 20-0881 - In December 2021, ICT joined APCIA in filing an amicus brief urging the Texas Supreme Court to grant the petition for review in Helena Chemical Company v. Cox, in which the requirement of expert testimony to establish the appropriate standard of care and causation is at risk of being overturned or weakened if the appellate court decision stands. We urged the Texas Supreme Court to reverse the Court of Appeal's opinion because it strays from established precedent about causation and the need for qualified expert testimony. At issue here is a case of "herbicide drift" after a group of farm property owners sued Helena Chemical for damages allegedly caused to cotton crops by drift from aerial application of an herbicide "Sendero," which is toxic to broadleaf plants such as cotton.

At the trial court level, the court granted Helena Chemical company's motion to strike opinions of the farmers' expert witnesses on causation and granted Helena's motion for summary judgment on the element of causation. The trial court then entered a take-nothing judgment on the farmers' claims.

The case was of interest because of the implications for expert testimony standards, causation issues, and to prevent, in effect, imputing strict liability against aerial applicators or herbicides regardless of any precautions taken. Given that ICT's members represent a significant percentage of the commercial property and commercial liability insurance market in Texas and provide a significant percentage of farm and ranch owners coverage to farmers and ranchers in Texas, we thought the issues in Helena Chemical v Cox were important in our members' defense of liability claims under commercial policies.

# COMMUNICATIONS & PUBLIC AFFAIRS

Throughout the year, ICT's communications team creates websites and resource pages in response to events like the 2021 Winter Storm and the COVID-19 pandemic. Over the last 12 months the communications team has created over 200 newsletters and informative communications such as the daily News Clips, weekly News To Know and the various annual publications to keep our members informed about the insurance industry. We are active across multiple social media channels sharing important news and information on the insurance industry to media and the general public.

## SAFETY CAMPAIGNS



ICT's two flagship safety programs, **Hide, Lock and Take** and **We're Out to Alarm Texas** continued in partnership with member organizations including State Farm Insurance, The Travelers Companies, Inc. and AFACT. Through their generous support ICT provided over **1660** smoke alarms to **20** fire departments and over **800** Hide Lock and Take signs and other needed resources to **seven** Texas law enforcement agencies.

In October, ICT and State Farm collaborated to develop community safety events that generated support and attention from the city's mayors, city council members, civic and business leaders, and the media. ICT donated **322 smoke alarms** to three municipal fire departments to distribute to their local communities in need.

In December, thanks to the generous support of State Farm, ICT was able to provide **75 Hide, Lock and Take signs** to the Dallas Police Department. The department distributed them throughout high-risk neighborhoods and shopping centers during the holiday shopping season.

As part of our campaign on **distracted driving awareness**, we partnered with State Farm on a "cell slip" program, where we distributed almost **2,500 signal-blocking pouches** to nearly 100 insurance agents across the state.

**In 2021, ICT fielded nearly 250 media calls with nearly 950 media placements. ICT spoke on behalf of the industry on a variety of issues, including home and auto rates, severe weather preparedness, catalytic converter thefts, and legislative and regulatory issues.**

## PUBLICATIONS

ICT is pleased to provide our members with publications that help tell the story of the property and casualty market in Texas. All reports are available on the Reports Page of [insurancecouncil.org](http://insurancecouncil.org). Our State of the Texas Property and Casualty Insurance Market provides updated statistics and rankings that provide an in-depth look at the Texas market helping members, legislators and key stakeholders understand the impact our industry makes in this state and beyond. This year's edition of the Texas Workers' Compensation Market Annual Report was presented in an online format, a new endeavor for the communications team.



Since 2005, ICT has distributed over **26,000** smoke alarms and more than **5,600** Hide, Lock And Take signs.



## EDUCATION CAMPAIGNS

ICT remains committed to providing information and resources to members, the media and consumers around various critical topics.

Our monthly campaigns include Cybersecurity Awareness Month, Holiday Safety, Hot Cars, Hurricane and Weather Safety and so much more.

Through websites, graphics, social media and promoting member company campaigns across our channels means ICT distributes information through all our platforms reaching key publics.

## INDUSTRY EXPOSURE

ICT gave presentations on industry anti-fraud efforts, workers' compensation and risk for agricultural interests, and insurance coverages and pre- and post-weather catastrophe response, to groups throughout Texas and a national event in California.

# ICT EVENTS

The ICT/AFACT 29th Annual Property and Casualty Insurance Symposium in September 2021 as well as our Workers' Compensation Conference, also in September 2021, remained virtual events once again as the COVID-19 pandemic continued to disrupt live events across the country. Over 500 virtual attendees benefitted from ICT events and webinars that included expert speakers and panel discussions on current topics and trends that impact our industry. The Symposium remains the primary fundraiser for the ICT Education Foundation. We're excited to host the 30th annual Symposium and Workers' Comp Conference in-person in 2022!

ICT's webinars and podcasts continue to be an important strategy to deliver relevant news and information in a timely fashion to our members. Topics over the last year included:

- IoT & The Future of Claims
- Emerging Technology and Its Impact on the Insurance Sector
- State of the Reinsurance Market
- TWIA and the Texas Legislature
- Update on the 2021 Texas Winter Storm
- A recap of the 2021 Texas legislative Session

## ICT EDUCATION FOUNDATION

Creating a Legacy for the Next Generation of Insurance Professionals

Since 2002, the ICT Education Foundation, a 501(c)(3) non-profit entity, has awarded **over \$1.3 million** dollars in academic achievement awards to **12 Texas universities** and over **600 scholarships** to university students enrolled in risk management, insurance and business majors.

The Foundation's goal is to promote careers in the property and casualty industry, and we are happy to note that approximately 65% of scholarship recipients found a job or internship within the industry.



Thank you to our 2021 Legacy Partners. Legacy Partners are individuals who have donated to the Education Foundation for ten years.

**Lonnie Van Houten** *General Reinsurance Corp.*  
**Marvin Kelly** *Texas Property & Casualty Insurance Guaranty Association*  
**James "Jim" Harms** *Deceased*

*We were saddened by the passing of Jim Harms on October 10, 2021. Jim was an active member of ICT and served on both the ICT Board of Directors and ICT Education Foundation Board of Trustees. During his tenure, Jim helped shape the direction of the Education Foundation and ICT as an organization. Our condolences to his wife, Maureen, and family on their loss.*

ICT's 2021 [Education Foundation Impact Report](#) is in a virtual format this year and provides information on this important program. Find the publication online at [insurancecouncil.org](http://insurancecouncil.org).



With the generosity of company sponsors and individual donors, Foundation Trustees awarded **\$72,000** to university programs in 2021.

Becoming a donor is easy – go to the [Education Foundation page](#) on our website to learn more about the foundation and see a list of the "Supporters of Education".

**Our 2022 fundraising goal is \$105,000.**

Add your name to the list of donors who support the Education Foundation, knowing that 100% of your donation goes toward scholarships and university grants.



The Insurance Council of Texas was created when the Texas Insurance Advisory Association and Texas Automobile Insurance Services Office merged in 1996. For over 80 years, these associations had been the principal property and automobile insurance association for companies operating in Texas, and their merger created a stronger and more efficient trade association.

By 1999, the name was officially changed to what we know today as ICT, growing into the largest state-based property and casualty association in the country.

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