



**Independent
Insurance
Agents of Texas**

**Senate Business and Commerce Committee
July 10, 2012
Lee Loftis, IIAT Government Affairs Director**

Good morning, my name is Lee Loftis and I represent the Independent Insurance Agents of Texas (IIAT), a group of more than 1800 independent insurance agents located in over 240 counties in Texas. I appreciate the opportunity to speak to you today on ways to improve consumers' choices and encourage shopping for personal insurance coverages.

Trusted Choice independent agents work with multiple insurance companies rather than representing a single insurer. By working with multiple carriers, our members are able to offer comparative quotes for their personal and commercial customers. In most parts of the state, it is not unusual for independent agents to represent half a dozen or more personal lines insurance companies. In talking with our members, it is clear that, other than in the coastal counties, this is a great time to shop your insurance. I had my own independent insurance agent get me quotes on my personal auto this year. She provided six quotes and the pricing differed by over \$500 per year.

Another important factor consumers need to consider is coverage options. An independent agent can offer a variety of coverage options from a number of insurance companies. The options offered to a customer are as important as the price of the policy. The value you receive is not the price you get, but rather what you get for the price.

Later this year, IIAT members will enhance their ability to serve consumers by participating in a new comparative rating website at TrustedChoice.com. This new tool will allow consumers to input underwriting information online and receive multiple quotes from various carriers writing in their area. This will include a list of agents in their area that are willing and eager to help consumers place their coverage. While the tool is being rolled out for personal auto coverage, plans are to expand to homeowners and

small commercial products in the future. IIAT's efforts will be focused on letting consumers know about the website and encouraging them to enhance their shopping by getting a real quote from independent agents who can assist them.

We support the goals of HelpInsure, which is maintained by TDI. Although the rates published on HelpInsure are undeveloped and offer little guidance on the true cost of coverage, the comparison data and the shopping tips can help a consumer begin their shopping experience armed with good information; however, our impression is that few people know the benefit of this site.

The key question is how to get the word out to consumers about the benefit of shopping around for the best coverage, at the best price. One suggestion is to follow the lead of Texas Department of Transportation that put together very successful advertising programs to promote "Don't Mess with Texas" and "Click It or Ticket." Both of these have become household phrases. A committed advertising campaign by TDI may be the best way to get the word out to consumers about HelpInsure and other tools available to consumers.

Independent Trusted Choice agents encourage consumer shopping. That is the hallmark of our distribution system. We are happy to assist TDI in getting that message out to consumers any way we can.

Thank you for your time and I am happy to answer any questions.