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April 25, 2015

Texas State Senator District 31  
Senator Kel Seliger  
Capitol Office: CAP GE.4  
P O BOX 12068, Capitol Station  
Austin TX 78711

Texas State Senator Kel Seliger  
P O BOX 9155  
Amarillo TX 79105

Texas State House District 86  
Representative John T. Smithee  
Capitol Office: CAP 1W.10  
P O BOX 2910  
Austin TX 78768

Texas State House District 86  
Representative John T. Smithee  
320 S Polk, 1<sup>st</sup> Floor  
Lobby Box 28  
Amarillo TX 79101

Re: Senate Bill 1628 and House Bill 3646

Dear Senator Seliger and Representative Smithee:

My name is Jim Reid. I have lived in Amarillo my entire life - I am 71 years old. I am the owner/CEO of Low Bid, Inc, a concrete company located in Amarillo, TX. I have been in the concrete business in excess of 40 years doing jobs ranging from residential patios to commercial construction in the Panhandle area. Although at the present time I do not have large crews (I employ from 5 to 6 employees), I have had crews in excess of 20-25 employees in the past and I have done in excess of \$1-2 million dollars/year in concrete work. Since I am currently semi-retired my current business is in the range of \$500,000/year.

In my 40+ years of owning a business Low Bid has **NEVER** sued anyone (although I have been sued several times). I do have liability insurance but have never filed a claim. I also have insurance on my vehicles on which I have filed small claims and had no problem with the insurance company. In the concrete business it is most difficult to even get other types of insurance as it is "cost prohibitive". So, if accidents occur on the job or if something gets stolen, etc. I just simply pay what is due or replace the stolen items out of pocket.

On reading some of the material I have recently seen about the proposed Senate Bill 1628 and House Bill 3646 I was "**ASTOUNDED**" to say the least. I believe that Senator Larry Taylor (author of Bill 1628 - or is he?) has 'everything to gain' and 'nothing to lose' if this bill is passed since he owns Truman Taylor Insurance Company. Seems as though the consumer would have most of his rights

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stripped away i.e. no recourse should their claim be denied but still having to pay higher rates on insurance premiums and maybe even getting his policy canceled, running the risk of being charged with a Class A misdemeanor and future prosecution should estimates be too high and the insured is just left with a tremendous expense in getting his property back to a normal state when he was under the impression that his damages were covered under his insurance policy.

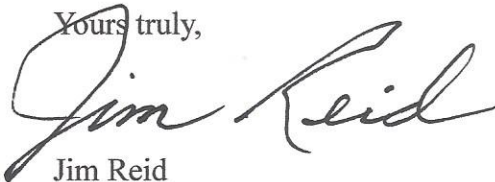
Insurance companies are still very profitable even with paying out claims. Unfortunately there are going to be 'frivolous' lawsuits. That seems to be the American way. But we do live in America and we should have the right to sue an insurance company if damages warrant it. Why should all of the population be punished for the few that aren't doing the right thing? Also, if the insurance companies would pay on claims where they can actually 'see damage' they would avoid paying out the additional 35-40% in attorney fees.

According to the information I have read a 60% loss ratio or lower is considered a good target for profitability for insurance companies. And, almost all of the large companies hit that percentage from 2005 to 2014 with the exception of 2008 and 2011. I would say that is a pretty good average. I only wish my concrete business had been that consistent and I had made such a fabulous profit in those years.

In summation I am strongly against this bill and do not think it passing would be in the best interest of the population in general, only benefiting insurance companies who are already getting rich on the premiums they charge. If they don't pay claims that are legitimate the insured should have the right to seek litigation.

Thank you for your attention to this matter.

Yours truly,

A handwritten signature in cursive script that reads "Jim Reid". The signature is written in black ink and is positioned above the typed name.

Jim Reid  
Owner/CEO Low Bid Inc,