



May 14, 2015

Honorable Members of the House of Representatives:

My name is Javier Loya, and I am the Chairman and CEO of OTC Global Holdings, a leading independent interdealer broker in the over-the-counter space. Our headquarters are in Houston, Texas.

In addition to serving as CEO of OTC, I am a minority owner of the Houston Texans Football team, and am very involved in the Houston community. In 2010 I received the Ernst & Young Entrepreneur of the Year Award. MY wife, Lucinda, runs a successful design company here in Houston, where we are raising our two young daughters.

OTC buys insurance to protect its business, its assets, and its employees. We rely on liability insurance when we face claims and on insurance for our business when we have claims.

We oppose SB 1628 because it devalues our insurance by eliminating the protections traditionally provided to policyholders in Texas.

SB 1628 would significantly impair our ability to protect our business from losses, weather-related and otherwise. We pay insurance premiums as part of the cost of doing business and we pay them to protect our business. SB 1628 places unreasonable burdens on Texas policyholders.

This bill undermines accountability for insurance companies and creates absurd defenses for insurance companies, removes accountability from agents and adjusters, and gets rid of any late payment penalty for the insurance company. As a business owner, I do not understand why we would want to remove incentives for insurers to promptly pay claims, or further water down our protections when we decide to square off with insurance companies.

Insurance claims are difficult enough under the current law. If SB 1628 were the law, the insurance company would have no incentive to fairly pay claims. Instead, SB 1628 gives the insurer defenses and exemptions that make bad faith profitable. Deny, delay, and underpay are the usual tactics employed by the carriers when dealing with their policyholders. If SB 1628 passes, there will be no accountability for the insurance companies. That is not good business for Texas.



I am firmly against this legislation, and hope you will consider this letter when deliberating the merits of passing this law, and further watering down protections all Texas need, deserve, and demand from insurers.

Sincerely,

A handwritten signature in black ink, appearing to be "E. Loya", written over a large, faint circular watermark.

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