

The Texas Economy Executive Summary

Dr Belinda Roman | TALHI Roundup 2026 | Transcript aligned to presentation

Roman examined how economic conditions, income, employment, market concentration and population health may affect demand for health and life insurance in Texas. Her main conclusion was that households could face simultaneous pressure from health coverage costs and life insurance affordability as they age. For life insurers, the most relevant questions concern investment yields, lapse behavior, underwriting affordability and how agents explain coverage. Her 2027 premium estimates are presentation scenarios, not approved rates.

Slide locator: References below use the PDF page number (1–30), counting the title page as page 1. The small slide numbers printed in the deck are not in sequence and sometimes point to a different slide.

Speaker commentary aligned to PDF pages

Economic backdrop and the life insurance balance sheet | pages 3–6

Roman opened with adverse selection, price sensitivity and market structure as her framework (p. 3). She then connected growth, inflation, labor conditions and medical cost trends to 2027 health pricing (p. 4). In explaining the interest rate and currency slides (pp. 5–6), she emphasized that higher yields can lift insurers' investment income while also giving policyholders more attractive outside savings options. That second channel can increase surrenders or lapses on older life contracts. She also described possible effects of exchange rates on offshore reinsurance and imported medical goods. These are directional channels, not a quantified forecast for any individual insurer.

Income, coverage and the AI employment channel | pages 7–11

Roman used U.S., Texas and Bexar County income data to show how ability to pay differs by place and income tier (p. 7). The deck places Texas uninsured rates above U.S. rates in each displayed income band and shows national life insurance ownership rising from 29% below \$50,000 in household income to 64% at \$150,000 or more (p. 8). Page 9 applies outside coverage rates to Bexar household income bands; those Bexar life coverage counts are estimates rather than a direct local survey. Her spoken point was that lower income households have less room to absorb premiums and may postpone life coverage first.

Roman treated AI as both an insurer productivity change and a possible demand shock (pp. 10–11). Her proposed chain is job displacement, loss of employer health benefits, movement toward individual coverage and reduced capacity to buy life insurance. She spoke of this as a forward-looking risk, particularly for mid-career households; the deck does not establish that the full chain has already occurred at the predicted scale.

Market structure and cost pressures | pages 12–16

The health market and life market should be read separately. Roman described Texas individual health coverage as concentrated, citing roughly 66% share for Blue Cross and Blue Shield of Texas, with insurer exits potentially narrowing local choice (p. 12). She described life insurance as more competitive, with products differentiated by distribution, underwriting and design. She then walked through macro cost channels (p. 13), demographic additions (p. 14), aging and chronic disease (pp. 15–16). Her spoken emphasis was that labor, medical supply, fertility and morbidity trends can change both the insurance risk pool and household demand. The basis point components on these pages are model inputs, not independent regulatory rate determinations.

2027 health rates and household impact | pages 17–21

Roman pointed to requested 2027 individual health market increases that vary substantially by issuer (p. 17), then distinguished plan selection from paid or effectuated coverage: the deck shows 4.17 million Texas selections and 3.28 million effectuated enrollments for 2026 (p. 18). She used Bexar County to illustrate local uninsured exposure and marketplace growth (p. 19). Her composite scenario on p. 20 projects +23.1% statewide and +23.9% in Bexar by combining a 13.1% weighted filing estimate with additional modeled loads. She described the cost as material to

households and small employers (p. 21). These are ACA individual health market illustrations; they should not be read as projected life insurance rate changes.

Life insurance, premium use and policy | pages 22–26

The life insurance slide (p. 22) shows illustrative term premiums increasing with age and underwriting risk. Roman’s practical point was that the same household may face higher health expenses as life insurance becomes more expensive or harder to obtain. Those examples are generic market illustrations, not quotes or underwriting assumptions for any particular insurer. In the audience exchange, she returned to the health premium dollar allocation on p. 23 and supported clearer consumer explanation of where health premiums go; she linked poor understanding of insurance to delayed care and expensive emergency room use. Pages 24–26 cover policy options, definitions and her conclusion: demographic change, affordability and selective exit from coverage can reinforce one another. She characterized the 2027 cycle as an opportunity to observe how enrollment changes when prices and subsidies change.

Implications for life insurers

Life insurers can examine their own interest rate sensitivity, surrender and lapse trends, product mix and underwriting affordability by age and income where data allow (pp. 5–6, 8–9, 22). Agents’ coverage explanations and beneficiary service matter when households face competing costs (pp. 8–9, 22–23). ACA developments may serve as a household budget or employment signal, but health market assumptions should be kept separate from each insurer’s life insurance experience (pp. 17–21).

Figures to reconcile before citation

F pages	Reconciliation needed
17, 28	BCBSTX is shown with a +21.3% 2027 filing on p. 12 but +8.9% on p. 17. Page 28 labels +21.3% as the statewide weighted filing input, while pp. 17 and 20 use +13.1%.
3–14, 20, 26	The concluding shorthand adds a 13.1% filing, 347 basis points of macro pressure and 42 basis points of demographic pressure, yet reports about +23%. Those three figures sum to about +17.0%. Page 20 reaches +23.1% by using a different stack: 13.1% + 6.5% + 3.5%.
21	The difference between plan selections and effectuated enrollments is presented as unpaid enrollment on p. 18; it should be verified before assigning the entire gap to nonpayment. Page 21 compares a 2026 net premium with a labeled 2027 gross premium even though gross and net prices are not directly comparable.
20, 22, 28	Bexar life coverage estimates apply national ownership rates to local income counts. The illustrative term prices and assumed health impacts are not company data. The deck’s methodology acknowledges proxy issuer weights and preapproval filings.