



INSIDER UPDATE

February 2018

Texas Primaries Are Key to Control of Texas Legislature

On March 6, Texas will hold the earliest primary in the nation, and we will begin to learn the lineup of legislators who will make decisions during the 2019 session that will affect your company and our industry.

Texas' legislative districts continue to favor Republican majorities, and few predict any surprises in November. However, **powerful interests are working behind the scenes for and against local candidates across the state**, raising and spending millions to tilt the outcome for control of the Texas GOP agenda, and it is a political battle that will affect everyone.

Lawmakers are already eyeing the 86th session of the Texas Legislature, which begins next January. The **struggle between the GOP's so-called Freedom Caucus and the more mainstream party leadership** in the Texas House of Representatives could very well prove to be the deciding factor for many issues once lawmakers gavel in.

On one side, Gov. Greg Abbott and Lt. Gov. Dan Patrick have grown increasingly frustrated over their inability to move forward with a socially conservative agenda during the special session of the 85th Legislature, despite holding a Republican majority.

In his bid for re-election, **Abbott appears to be in a strong position**, with more than \$43 million in the bank – more than 1,000 times that of former Dallas Sheriff Lupe Valdez, one of his top Democratic rivals. Andrew White, son of former Gov. Mark White, raised about \$200,000 in the first three weeks of his campaign, and he has loaned himself \$1 million.

Despite the weak opposition, Abbott's ground game is strong. His re-election committee claims to have prepared more than 4,800 volunteers in a three-hour **"Abbott University" training**, which briefs them on get-out-the-vote applications, social media and more.

Abbott has utilized his political capital and war chest to target the incumbent Republicans who opposed his priorities during the 2017 sessions, including the infamous bathroom bill. Since November, Abbott has made endorsements in two dozen contested GOP primaries for state representative and in two primaries for state senator.

Election Calendar

Primary Election

March 6, 2018

Primary Runoff Election

May 22, 2018

General Election

November 6, 2018

Opening Day of 86th Texas Legislature

January 8, 2019

Sine Die of 86th Texas Legislature

May 27, 2019



**THERE'S
NEVER BEEN
A BETTER TIME
TO DONATE TO
LIPAC!**

Three of the governor's top targets are State Rep. Sarah Davis, R-West University Place, State Rep. Wayne Faircloth, R-Galveston, and State Rep. Lyle Larson, R-San Antonio. Abbott has endorsed challengers in all three races and is lending his fund-raising powers to their campaigns, a highly unusual move for an incumbent governor.

In recent weeks, **Abbott has spent nearly \$162,000** and produced three TV ads for Susanna Dokupil, his favorite against GOP Rep. Sarah Davis, according to the Dallas Morning News. Dokupil is a former assistant attorney general to Abbott.

Patrick, with an \$18 million war chest, spent \$5.7 million on TV ads in January, according to his latest filing with the Texas Ethics Commission, **including \$17,000 for polling for the primary opponent of State Sen. Craig Estes, R-Wichita Falls.** State Rep. Pat Fallon, R-Frisco, is challenging Estes.

On the other side of the intra-party struggle, **Speaker Joe Straus** has announced he will not be seeking re-election. The moderate Republican **is using his substantial campaign treasury – worth more than \$10 million – to support the moderate Republicans the governor and lieutenant governor have targeted, including Davis.**

Joining Straus, educators and business associations are working to increase voter turnout, thereby decreasing the influence of a very active block of social conservatives who take advantage of Texas' low voter turnout in primary elections to gain outsized influence.

The Texas Association of Business has created a detailed scorecard on lawmakers that assesses their votes on business issues. It has sent the scorecard to directors of political action committees, hoping to influence their donations. TAB has also raised more than \$300,000 for its own PAC since September, and President Chris Wallace has said the group will be aggressive in supporting pro-business candidates.

Jeff Moseley, CEO of the Texas Association of Business, told the Houston Chronicle that **Texas business interests need to become involved in the primaries to have a voice.**

Texas educators have already drawn scrutiny for their voter registration efforts. Sen. Paul Bettencourt, a key Patrick ally, has asked Attorney General Ken Paxton to rule on whether Texas Educators Vote's efforts to register teachers are even legal. **Paxton has issued cease and desist orders to several school districts** suggesting their efforts on behalf of certain candidates violates Texas Election Code.

**Texas legislators who
are not seeking re-
election to their seats:**

Sen. Van Taylor
R-Plano

Rep. Cindy Burkett
R-Sunnyvale

Rep. Byron Cook
R-Corsicana

Rep. Pat Fallon
R-Frisco

Rep. Helen Giddings
D-DeSoto

Rep. Lance Gooding
R-Terrell

Rep. Larry Gonzales
R-Round Rock

Rep. Jason Isaac
R-Dripping Springs

Rep. Jodie Laubenberg
R-Parker

Rep. Larry Phillips
House Insurance Chair
R-Sherman

Rep. Kevin Roberts
R-Houston

Rep. Leighton Schubert
R-Caldwell

**Texas congressional
representatives not
seeking re-election to
their seats:**

Rep. Joe Barton
R-Ennis

Rep. Blake Farenthold
R-Corpus Christi

Rep. Gene Green
D-Houston

Rep. Jeb Hensarling
R-Dallas

Rep. Sam Johnson
R-Richardson

Rep. Ted Poe
R-Houston

Rep. Lamar Smith
R-San Antonio



Both sides are now spending money and printing the political mailers filling your mailbox, if you live in a targeted district.

Whoever prevails could win enough seats in the House to elect a speaker and affect the conservative tenor of the Texas Senate. The direction of the Texas House of Representatives, and to a large extent the entire legislature, will be determined by the selection of Speaker Straus' successor on the first day of the 2019 legislative session.

In other statewide races, **Lt. Gov. Patrick faces Scott Milder in the GOP primary.** Michael Cooper and Mike Collier are facing off in the Democratic primary.

Attorney General Ken Paxton didn't draw a primary opponent and will face Democrat Justin Nelson in November.

Comptroller Glenn Hegar also did not draw a primary opponent. Joi Chevalier and Tim Mahoney are running in the Democratic primary.

Texas Land Commissioner George P. Bush drew strong primary opposition with former Land Commissioner Jerry Patterson's last-minute entry into the race. Davey Edwards and Rick Range are also running in the GOP primary for the seat. Tex Morgan and Miguel Suazo are running in the Democratic Primary.

Agriculture Commissioner Sid Miller faces Trey Blocker and Jim Hogan in the GOP primary. Kim Olson is the only Democrat running for the seat.

In the Senate, three primary races stand out. State Sen. Craig Estes of Wichita Falls faces a strong challenge from State Rep. Pat Fallon, R-Frisco. Sen. Bob Hall, R-Edgewood, faces State Rep. Cindy Burkett, R-Sunnyvale and State Sen. Kel Seliger, R-Amarillo, faces Amarillo restaurateur Victor Leal and former Midland Mayor Mike Canon in the primary.

In the fall, first-term State Sen. Konni Burton, R-Colleyville, will face Democratic opposition from either Allison Campolo or Beverly Powell in what some suggest could be a close general election race to watch.

2018 Texas Elections: The Lineup

STATEWIDE ELECTIONS

Following is a list of the candidates who have filed for the top statewide offices

U.S. SENATE

REPUBLICANS

Ted Cruz, incumbent, Houston
Bruce Jacobson, Jr., media executive, North Richland Hills
Geraldine Sam, retired educator and former mayor, La Marque
Mary Miller, certified public accountant and educator, Austin
Stefano de Stefano, attorney, Houston

DEMOCRATS

Beto O'Rourke, congressman, El Paso
Edward Kimbrough, occupation unknown, Houston
Sema Hernandez, community activist, Pasadena

GOVERNOR

REPUBLICANS

Greg Abbott, incumbent, Austin
Barbara Krueger, retired educator, Plano
Larry SECEDE Kilgore, telecommunications contractor, Irving

DEMOCRATS

Adrian Ocegueda, financial advisor, Flower Mound
Andrew White, business owner, Houston
Cedric Davis, Sr., law enforcement, Balch Springs
Grady Yarbrough, retired educator, Flint
James Jolly Clark, business owner, Austin
Jeffrey Payne, business owner, Dallas
Joe Mumbach, business owner, Houston
Guadalupe "Lupe" Valdez, former sheriff, Dallas
Tom Wakely, business owner, San Antonio

LIEUTENANT GOVERNOR

REPUBLICANS

Dan Patrick, incumbent, Houston
Scott Milder, business executive, Rockwall

DEMOCRATS

Michael Cooper, sales manager, Fort Worth
Mike Collier, accountant, Humble

ATTORNEY GENERAL

REPUBLICANS

Ken Paxton, incumbent, McKinney

DEMOCRATS

Justin Nelson, attorney, Austin

COMPTROLLER

REPUBLICANS

Glenn Hegar, incumbent, Katy

DEMOCRATS

Joi Chevalier, product manager, Austin
Tim Mahoney, attorney, Austin

LAND COMMISSIONER

REPUBLICANS

George P. Bush, incumbent, Austin
Davey Edwards, licensed professional land surveyor and educator, Decatur
Jerry Patterson, former land commissioner, Austin
Rick Range, retired educator, Sherman

DEMOCRATS

Miguel Suazo, attorney, Austin
Tex Morgan, computer engineer, San Antonio

COMMISSIONER OF AGRICULTURE

REPUBLICANS

Sid Miller, incumbent, Stephenville
Jim Hogan, farmer and retired insurance agent, Cleburne
Trey Blocker, lobbyist and attorney, Austin

DEMOCRATS

Kim Olson, farmer and retired military, Weatherford



Life Insurance Political Action Committee (LIPAC)

Since 1977, LIPAC has served as TALHI's political action committee. LIPAC promotes the association's advocacy mission and maintains the industry's presence throughout the political process by making new friends and supporting existing ones. With the **March 6 Texas primary** nearing, we need your help to ensure that LIPAC continues to **build relationships** in Austin, which is more important than ever with unprecedented turnover in both chambers of the Texas Legislature.



Unprecedented turnover in the Texas House of Representatives

The number of legislators serving their first term in the Texas House of Representatives:

2017 / 21 2015 / 22 2013 / 33



One-third of the members of the **Texas Senate** are serving only their first or second term in that chamber.

When LIPAC engages, we win. LIPAC donated \$44,750 to legislative candidates in 2016. Of those candidates, 93 percent were elected. We need your help to replenish the LIPAC coffers and engage in the political process.

How LIPAC Funds Our Efforts

LIPAC Regular Funds

For contributions to state candidates. Only funds from individuals or company PACs (state or federal) may be deposited into this fund. Corporate contributions may not be made to state candidates in Texas. Regulated by the Texas Ethics Commission.

LIPAC Administrative Fund

For corporate contributions that may be used to raise funds for LIPAC as well as candidates. This fund cannot be used for contributions to candidates. Regulated by the Texas Ethics Commission.

LIPAC Incentive Program: Amplifying the Industry's Voice

Top LIPAC contributors gain exclusive access and benefits through our incentive program. Contributors that meet the program's criteria receive access to key political information of interest to the industry and invitations to special LIPAC events, including the annual LIPAC Appreciation Dinner. Your company can attain the below incentive levels with single or combined contributions to the LIPAC Regular Fund, LIPAC Administrative Fund or through participation in LIPAC bundling fund-raisers.

LIPAC INCENTIVE LEVELS

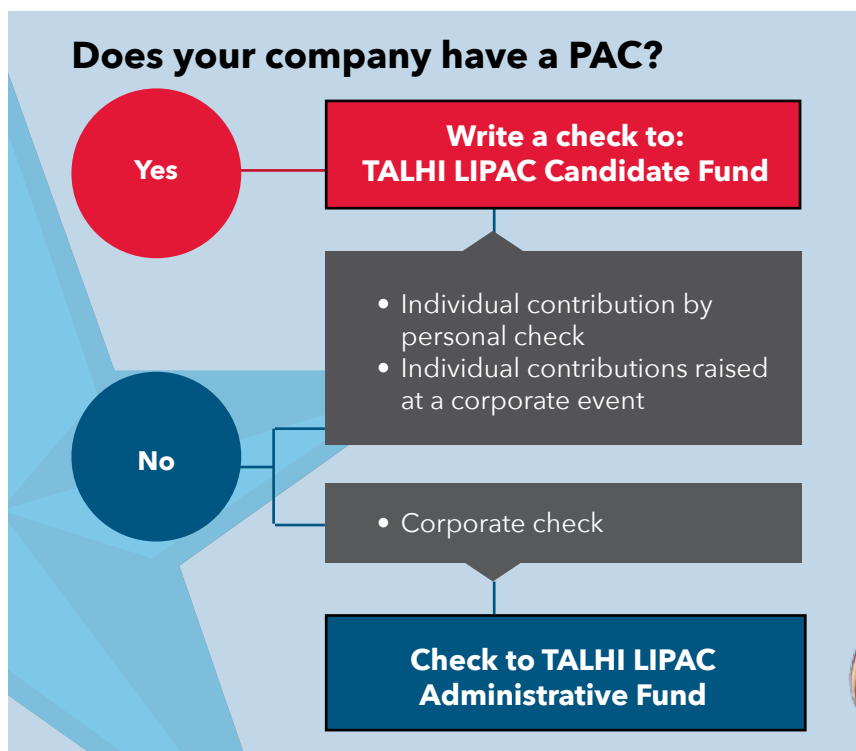
Level	Company PAC/Bundling Events/ Administrative
Friend	\$1,000
Supporter	\$2,500
Regent	\$5,000

The incentives available to LIPAC contributors that meet one of the recommended levels include:

- Membership on the LIPAC Committee (Regent only)
- Invitation to LIPAC Dinner during Round Up
 - **Regent Level:** Company logos displayed as hosts
 - **Supporter Level:** Company names listed as supporters
- Recognition as LIPAC sponsor in all TALHI event materials

LIPAC Inner Circle: Additional recognition for those companies contributing \$1,000 or more of their total giving to the LIPAC Regular Fund or through building events.

HOW TO CONTRIBUTE TO LIPAC:



For more information on how you can contribute, email [Jennifer Cawley at jcawley@talhi.com](mailto:jcawley@talhi.com).

TALHI needs Texas leaders in Austin who understand the life and health insurance industry, its issues and its investment in the state. With your support, LIPAC will help pave the way for TALHI's success.

