



REPORT: Rep. Monica De La Cruz Sides With Insurance Industry Over Nation's Most Underinsured District

Executive Summary

Rep. Monica De La Cruz represents McAllen, Texas—the metro area with the highest percentage of uninsured homes in America at 41.5%, nearly 14 points above any other major city. Yet as Vice Chair of the House Housing and Insurance Subcommittee, the former State Farm agent has consistently advanced insurance industry priorities over policyholder protections while collecting nearly \$50,000 in campaign contributions from property insurers and industry associations.

During her three years co-leading the subcommittee responsible for insurance oversight, De La Cruz has held only two hearings on the home insurance crisis. Neither brought insurance executives to testify about record profits while homeowners face soaring premiums and claim denials. Instead, hearings featured industry association representatives and blamed ESG principles rather than examining insurer practices or executive compensation.

De La Cruz co-sponsored H.R. 1109, industry-backed legislation that increases burdens on third-party litigation financing—the mechanism allowing low-income consumers to afford legal costs when challenging claim denials. Insurance companies claim litigation drives costs, but evidence shows otherwise. When Texas enacted restrictions on lawsuits against insurers in 2017, claim denials rose sharply and average premiums increased from \$1,860 to \$2,919 by 2024.

Her voting record consistently favors industry interests. She has supported restrictions on policyholders' ability to challenge denials, blocked data collection on climate impacts, and voted to cut FEMA disaster relief funding—all while her constituents struggle with the nation's worst insurance affordability crisis.

Table Of Contents

Executive Summary.....	1
Table Of Contents.....	1
Rep. De La Cruz Represents McAllen, Texas, Which Has The Highest Percentage Of Uninsured Homes In The Country By A Wide Margin.....	2
Rep. De La Cruz Has Used Her Home Insurance Industry Oversight Authority To Target ESG And Rules That Expand Roof Coverage, While Failing To Bring A Single Insurance CEO To Testify And Remaining Inactive On Badly Needed Reforms To The National Flood Insurance Program.....	3

In Congress, Rep. De La Cruz Has Been A Supporter Of Legislation Aligned With The Interests Of Home Insurers And Against Those Of Policyholders..... 6

Rep. De La Cruz Voted To Cut FEMA’s Budget By Nearly \$300 Million, Underfund FEMA’s Disaster Relief Fund, And Set The Stage For FEMA’s Operations To Be Restricted By A Government Shutdown..... 9

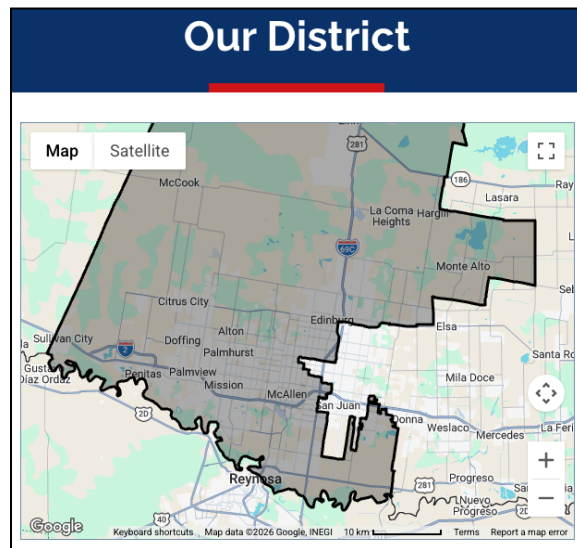
While Climate Change Fuels Natural Disasters That Overwhelm Texas’ Emergency Response Systems, Rep. De La Cruz Has Collected Over \$360,000 From The Oil And Gas Industry And Opposed Federal Action On Climate Change..... 11

Rep. De La Cruz, Herself A Former Insurance Agent, Has Collected At Least \$49,995 In Donations From The Property Insurance Industry To Her Congressional Campaign And Leadership PAC..... 12

Rep. De La Cruz Represents McAllen, Texas, Which Has The Highest Percentage Of Uninsured Homes In The Country By A Wide Margin

An analysis by LendingTree found that McAllen, Texas, represented by Rep. Monica De La Cruz, has the highest uninsured rate among large US metro areas.

41.5% of McAllen area homes are [uninsured](#), nearly 14 percentage points higher than the next metro area. Rep. Monica De La Cruz represents McAllen and its surroundings in the house of representatives:



Despite soaring rates in her district, Rep. De La Cruz serves as Vice Chair of The House Committee Responsible For Insurance, and promised to “hold the industry accountable.”

★ “I am proud to be appointed Vice Chair of the Housing and Insurance Subcommittee, where I will use my expertise to ensure Americans are protected through the policies we



enforce and enact. I will also hold the industry accountable when necessary and will always work with homeowners and the insured top of mind.”

Rep. De La Cruz Has Used Her Home Insurance Industry Oversight Authority To Target ESG And Rules That Expand Roof Coverage, While Failing To Bring A Single Insurance CEO To Testify And Remaining Inactive On Badly Needed Reforms To The National Flood Insurance Program.

Rep. De La Cruz Co-Chairs the Subcommittee Responsible For Property & Causality Insurance Industry Oversight, which has held only two hearings on home insurance affordability in three years, and brought no insurance company representatives to testify, instead focusing on ESG and reversing an FHFA Rule That expanded roof coverage.

- ★ De La Cruz also [held this position](#) in the previous Congress
- ★ In the announcement of her appointment as Vice-Chair, De La Cruz [promised](#) to “hold the industry accountable.” “I will also hold the industry accountable when necessary and will always work with homeowners and the insured top of mind.”

During De La Cruz’s three years co-leading the committee, it has held only two hearings addressing the home insurance crisis:

- ★ “How Mandates Like ESG Distort Markets and Drive Up Costs for Insurance and Housing” [House Financial Services Subcommittee on Housing and Insurance, [07/14/23](#)]
- ★ “The Factors Influencing the High Cost of Insurance for Consumers” [House Financial Services Subcommittee on Housing and Insurance, [11/02/23](#)]

At the July 2023 hearing, the Committee [focused](#) on ESG Principles as the source of rising insurance costs. “The hearing will highlight how government-imposed mandates like environmental, social, and governance (ESG) increase the cost and limit the availability of insurance and housing in America. Such mandates and other regulations at the federal, state, and local levels distort markets and increase the unaffordability of products for consumers.”

At the November 2023 hearing, the Committee [heard](#) testimony from executives at two insurance industry associations, but no insurance companies.

On Thursday, November 2, 2023, at 2:00 p.m., in Room 2128 of the Rayburn House Office Building, the Subcommittee on Housing and Insurance will hold a hearing entitled, “Factors Influencing the High Cost of Insurance for Consumers.” Testifying at the hearing will be:

- **Mr. Robert Gordon**, Senior Vice President, American Property and Casualty Insurance Association (APCIA)
- **Mr. Frank Nutter**, President, Reinsurance Association of America (RAA)
- **Ms. Grace Arnold**, Commissioner, Minnesota Department of Commerce, on behalf of the National Association of Insurance Commissioners (NAIC)
- **Mr. Joseph Petrelli**, President and Co-Founder, Demotech, Inc.
- **Mr. Baird Webel**, Specialist in Financial Economics, Congressional Research Service (CRS)
- **Ms. Sharon Lewis**, Executive Director, Connecticut Coalition for Environmental Justice

[House Financial Services Subcommittee on Housing and Insurance, [10/30/23](#)]

A hearing scheduled for September 2024 was postponed and never rescheduled.

- ★ The planned [hearing](#) focused on the alleged politicization of the Federal Housing Finance Agency, with supposed examples including a requirement that homes with federally-backed mortgages have insurance policies that cover the cost of roof replacement. “Since her term began in 2022, Director Thompson has pushed FHFA to be very active on a number of regulatory fronts both as the regulator and conservator of the GSEs. These decisions, both big and small, have accelerated over the last several months, leading many to question the impetus, impact, and timing of these actions. Some of the more notable recent FHFA actions include: [...] creating new replacement cost value insurance mandates on loans purchased by the GSEs.”

In 2026, the FHFA reversed the roof replacement policy, which [Bloomberg Law](#) predicted would “leave many policyholders in the lurch” with costly roof repairs not covered by their policies.

- ★ “Fannie Mae and Freddie Mac’s US regulator is pushing to allow for cheaper roof insurance coverage on mortgages backed by the companies, but the rule change also leave many policyholders in the lurch when they need to make a claim, industry watchers say. Homeowners will only have to purchase ‘actual cash value’ insurance coverage for roofs—typically paying out smaller amounts for repairs, reflecting property wear and tear—rather than ‘replacement cost value’ that will still be required for everything but roofs, under new rules announced this month by the Federal Housing Finance Agency.”

Despite the long-acknowledged need for reform of the National Flood Insurance Program, Rep. De La Cruz has been inactive on the issue.

- ★ The National Flood Insurance Program is a FEMA-Administered Program that offers flood insurance in risky areas.
 - “The National Flood Insurance Program (NFIP) was established by the National Flood Insurance Act of 1968 (NFIA; 42 U.S.C. §§4001 et seq.) and was most recently reauthorized on September 30, 2026, through a series of short-term reauthorizations.
 - The general [purpose](#) of the NFIP is both to offer primary flood insurance to properties with significant flood risk, and to reduce flood risk through the adoption of floodplain management standards. [...] The NFIP is managed by the Federal Emergency Management Agency (FEMA), through its subcomponent the Federal Insurance Directorate.”

- ★ As early as 2012, advocates warned that the NFIP needed reform that could account for climate change-driven flooding.
 - “The National Flood Insurance Program (NFIP) insures 5.6 million American homeowners and some \$1 trillion in assets. For many years, however, the premiums collected have not been sufficient to cover losses, resulting in a current debt to the U.S. Treasury of more than \$18 billion.
 - A number of factors, [including](#) increased flooding as a result of climate change, are likely to further widen the gap between revenue and risk. Reforms are needed to put the NFIP on the path to solvency and to reduce homeowners’ exposure to chronic and catastrophic flooding risk. Ideally, such reforms should fully account for the increased risks posed by climate change.”

- ★ A 2020 GAO report [said](#) that major floods have threatened the NFIP’s solvency, necessitating reform.
 - “Congress created the National Flood Insurance Program in 1968 to protect homeowners and alleviate taxpayers’ exposure to flood losses. However, the growing magnitude of major flood events, combined with attempts to keep homeowners’ policy rates affordable, threaten the program’s solvency and expose taxpayers to losses. Finding common ground on flood insurance reform has been difficult.”

- ★ A former FEMA administrator and FEMA Chief Of Staff [said](#) in 2025 that the NFIP “has been problematic from the beginning” and needs to be reformed “at its core” to reduce federal risk exposure.
 - *Pete Gaynor*: I think NFIP has been problematic from the beginning, so reform of NFIP is important. But whatever topic we talk about today, the devil is certainly in the details. You could have a great idea, but implementation may be impossible. [...] You have to reform NFIP at its core. There is a partnership, I think, with the private sector. But the way forward to make a difference for those who have flood

insurance—and more importantly, those who don't—is key in this whole reform world. But it's a tall order to just pass off NFIP to the private sector. I don't think it's going to happen.

- *Michael Coen:* It's not realistic. Why is the NFIP a program at FEMA as part of the federal government? Because the insurance industry can't make money selling flood insurance. So, the key is reducing the federal government's risk. It would've been nice if one of the recommendations was that FEMA wasn't going to provide flood insurance policies to new construction. That would be an incentive for developers to build so that the new construction is not going to flood. We continue to build infrastructure that is at risk for flooding, and we need to drive down that risk."

Rep. De La Cruz has [not sponsored or co-sponsored](#) any of the 27 bills related to the National Flood Insurance Program that have been introduced during her time in Congress.

In Congress, Rep. De La Cruz Has Been A Supporter Of Legislation Aligned With The Interests Of Home Insurers And Against Those Of Policyholders.

Rep. De La Cruz co-sponsored a bill adding additional burdens to financing arrangements that allow low-income policyholders to challenge insurance company denials; insurers claim that lawsuits are a major driver of high costs, but when Texas limited lawsuits against insurers' denials, premiums went up.

In September 2025, Rep. Monica De La Cruz [co-sponsored](#) the "Litigation Transparency Act Of 2025."

- ★ The bill would [require](#) disclosure of third-party litigation financing agreements. "This is breakthrough legislation that will require the disclosure of parties receiving payment in civil lawsuits. In hundreds of cases every year and in greater frequency, civil litigation is being funded by undisclosed third-party interests as an investment for return – including from hedge funds, commercial lenders, and sovereign wealth funds operating through shell companies."
- ★ The bill has been [considered](#) by the house judiciary committee, but has not been put to a vote.

The insurance industry [supported](#) the bill.

- ★ “Sam Whitfield, APCA’s senior vice president for federal government relations and political engagement, [said the measures](#) ‘will provide needed transparency for one of the largest cost drivers of insurance premiums – third party litigation funding.’”
- ★ Insurance companies [justified](#) their support by arguing that lawsuits are a major driver of rising insurance costs.
 - “National Association of Mutual Insurance Companies (NAMIC): ‘The court system was never meant to be used as a for-profit investment scheme. Frivolous and excessive litigation driven by investors has raised costs for Americans across the country, including the cost of insurance.’ [...] The American Property Casualty Insurance Association (APCIA): “Legal system abuse is a significant factor impacting insurance affordability and availability in the states and across the country. By its very nature, third-party litigation funding contributes to the growth in lawsuits and increases litigation costs, both of which increase the cost of insurance overtime for every American family, individual, and business who purchases it.”
- ★ Consumer advocates argue that third-party financing allows low-income consumers to bring justified lawsuits.
 - “*Jessica Szuminski, Housing Justice Center*: Consumers are entering into third party financing so they can afford to bring their lawsuits. These would be people who otherwise wouldn't have access to our civil justice system.” [YouTube Video - *Task Force on Homeowners and Commercial Property Insurance (HCPI) Meeting - 1/7/26, 01/07/26 (00:56:42)*]

When Texas enacted a law limiting lawsuits against insurers, claim denials rose sharply.

- ★ “In 2017, Texas [enacted](#) a law that made it harder for homeowners to challenge insurers who denied claims and lowered penalties for companies that wrongfully did so. At the time, lawyers and consumer advocates warned the bill would ‘embolden’ insurance companies to delay or deny weather-related claims. That’s exactly what appears to be happening, said Ware Wendell, the executive director of Texas Watch, a consumer advocacy nonprofit, as homeowners’ claims closed without payments in Texas have risen sharply since then.”

Average Texas homeowners insurance premiums increased after lawsuits against insurers became more difficult.

Year	Average Annual Homeowners Insurance Premium
2017	\$1,860

2018	\$1,916
2019	\$1,961
2020	\$1,987
2021	\$2,124
2022	\$2,374
2023	\$2,803
2024	\$2,919

*[Some estimates](#) place the average Texas homeowners' insurance annual premium at over \$4000 as of 2024. This report relies on data provided by the [Texas Comptroller](#) and [PolicyGenius](#).

Rep. De La Cruz twice co-sponsored bills to prevent federal regulators from collecting data on climate-related disasters' impact on insurance affordability.

In September 2023, Rep. Monica De La Cruz [co-sponsored](#) the "Insurance Data Protection Act."

- ★ The bill would have [removed](#) federal regulators' ability to compel insurers to share information. It was [approved](#) by The House Financial Services Committee, but was not considered by the full House. But Rep. De La Cruz voted for the bill's passage by the Financial Services Committee.

In May 2025, Rep. De La Cruz co-sponsored a new version of the bill, which would [prohibit](#) federal regulators from collecting data directly from insurers.

- ★ The bill's supporters [said](#) that the intent was to ban a Biden Administration initiative that sought to collect data on the effects of climate-related disasters on insurance affordability.

Rep. De La Cruz voted for a bill to restrict state legislators' ability to impose privacy restrictions on insurers.

In February 2023, Rep. Monica De La Cruz [voted](#) in the house financial services committee in favor of the "Data Privacy Act of 2023."

- ★ The bill was approved by The House Financial Services Committee, but was not considered by the full house. The bill [would have](#) prohibited state insurance regulators from enacting privacy restrictions on insurance companies that were stronger than those applied to banks.

Rep. De La Cruz Voted To Cut FEMA's Budget By Nearly \$300 Million, Underfund FEMA's Disaster Relief Fund, And Set The Stage For FEMA's Operations To Be Restricted By A Government Shutdown.

Rep. De La Cruz voted for a budget bill that cut nearly \$300 million from FEMA's regular budget, and underfunded FEMA's Disaster Relief Fund so severely that the agency was forced to defer expenses and rescind grants.

In March 2025, Rep. Monica De La Cruz [voted](#) for a continuing resolution extending federal government appropriations.

- ★ The bill [cut](#) FEMA funding by nearly \$300 million and failed to adequately replenish FEMA's Disaster Relief Fund, with the agency projecting that the fund would be depleted within months.
 - The [Disaster Relief Fund](#) is the primary source of federal disaster relief, and has been projected to fall short of disaster costs every year since 2023.
- ★ FEMA predicted that the new funds would be [exhausted](#) within months, necessitating restrictions on funding recovery and mitigation efforts and in order to stretch the inadequate funds over an entire year, FEMA was [forced](#) to shift expenses to next year and rescind promised funds.

By voting for Trump's "Big Beautiful Bill", Rep. De La Cruz helped create an asymmetry in funding for agencies within DHS, setting the stage for a dhs shutdown that has harmed disaster preparedness and may exhaust existing disaster relief funds.

In July 2025, Rep. Monica De La Cruz [voted](#) for Trump's "One Big Beautiful Bill Act."

- ★ The bill [gave](#) ICE And CBP multiple years' worth of funding. "As the Department of Homeland Security (DHS) shutdown extends past 40 days, an uncomfortable irony is playing out in Washington. Democrats are withholding funding to demand greater oversight of Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP). Yet the agencies at the center of this dispute are largely unaffected, continuing operations thanks to a multi-year, multi-billion-dollar infusion of cash from the One Big Beautiful Bill Act (OBBBA)."
- ★ In contrast to ICE And CBP, other DHS agencies like FEMA [did not](#) receive massive funding reserves, leaving them vulnerable to being shut down by appropriations disputes. "The



Homeland Security funding bill is more than just ICE. If we allow a lapse in funding, TSA agents will be forced to work without pay, FEMA assistance could be delayed, and the U.S. Coast Guard will be adversely affected. All while ICE continues functioning without any change in their operations due to \$75 billion it received in the One Big Beautiful Bill.”

The nearly two-month DHS shutdown has already harmed disaster preparedness, and threatens to deplete existing funds for disaster relief:

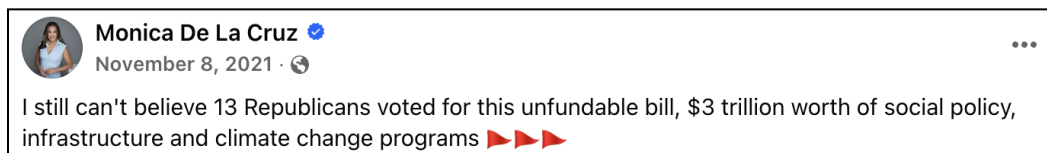
- ★ **A FEMA official testified that fema training courses have been halted during the shutdown, weakening preparedness for wildfires, hurricanes, and terrorism.** “Barton said that FEMA has had to postpone most of its training courses because of the shutdown, including anti-terrorism preparedness courses. FEMA has also said that it has not been able to hold emergency management trainings for first responders, such as wildland firefighters, during the shutdown. ‘The reality is this: with hurricane season approaching, each day of this shutdown increases the risk that a catastrophic disaster could occur while FEMA’s capacity to respond and support recovery is diminished,’ Barton [said](#).”
- ★ **The official further [testified](#) that the shutdown risks completely depleting FEMA’s disaster relief fund.** “FEMA’s disaster relief fund, which is the main source of federal funding allocated for disaster response and recovery efforts, is ‘rapidly depleting,’ Barton warned. As of March 3, the balance of the account had fallen to \$4 billion, according to a fact sheet released by the Senate Committee on Appropriations. FEMA typically keeps about \$3 billion of reserve funds in the account for future emergencies and disasters, leaving only \$1 billion available for existing disaster response until the agency is funded again. ‘If this shutdown continues, and the disaster relief fund is depleted, FEMA will be unable to fund much of the disaster recovery efforts,’ Barton said. ‘This is not just rhetoric,’ she continued. ‘These impacts are having dire rippling effects for thousands of Americans and communities across the United States. Disaster survivors waiting for assistance may face increased uncertainty and hardship. Local officials working to rebuild after hurricanes or floods may be unable to access federal support.’”

While Climate Change Fuels Natural Disasters That Overwhelm Texas’ Emergency Response Systems, Rep. De La Cruz Has Collected Over \$360,000 From The Oil And Gas Industry And Opposed Federal Action On Climate Change.

Due to Climate Change, Texas is experiencing more severe natural disasters than ever, which are increasingly overwhelming the state’s disaster response systems.

- ★ “And, since Texas [rarely punishes](#) polluters for unplanned ‘emission events,’ residents of industrialized parts of the city likely inhaled dangerous chemicals during and after the hurricane. The storm’s aftermath created a full-blown public health emergency of the sort that’s becoming increasingly common as a result of climate change.”

In 2021, then-candidate Monica De La Cruz criticized Republican votes for climate change mitigation funding.



[Monica De La Cruz Facebook post, [11/08/21](#)]

In 2025, Rep. De La Cruz [criticized](#) the Federal Reserve for asking banks to consider the impact of climate change on their lending, describing climate change as a “political agenda” that should have no impact on policy based “on facts.”

- ★ Rep. Monica De La Cruz: “How can you ensure that no other climate policy work is being done at the Federal Reserve?” [C-SPAN, [06/24/25 \(02:02\)](#)]

Jerome Powell: “We really did the bare minimum. We did much less than I think people understand in the climate area. All we did was one piece of guidance, and then we ran one stress scenario.” [C-SPAN, [06/24/25 \(02:22\)](#)]

Rep. Monica De La Cruz: “What kind of climate ‘guidance’ did you make?” [C-SPAN, [06/24/25 \(03:02\)](#)]

Jerome Powell: “So we, for just the big banks I believe, we asked them to monitor, to have a framework for which they would monitor their risks from lending. [...] The idea was, you know, climate change would cause certain kinds of assets to lose value, and that banks are lending in those areas or to those industries, then they should at least be able to measure [the impact.] It didn’t ban anybody from doing anything, it wasn’t prescriptive.” [C-SPAN, [06/24/25 \(03:07\)](#)]

Rep. Monica De La Cruz: “Well, it does sound like that is policy that is based on a political agenda. And when it comes to banking, it should not be based on political agenda but instead on facts. [...] So I would have to disagree with you on the fact that the Federal Reserve stayed outside of political agendas. When it comes to climate change, that is a political agenda.” [C-SPAN, [06/24/25 \(04:14\)](#)]



Rep. De La Cruz has received over \$360,000 in campaign contributions from oil and gas interests throughout her political career, according to Open Secrets.

- ★ Contributions [include](#) \$35,000 from Energy Transfer LP, A Texas-Based Pipeline Company.
- ★ Contributions [include](#) \$23,000 from Valero Energy, A Texas-Based Oil Refiner And Retailer.

Rep. De La Cruz, Herself A Former Insurance Agent, Has Collected At Least \$49,995 In Donations From The Property Insurance Industry To Her Congressional Campaign And Leadership PAC.

Rep. De La Cruz was an [insurance agent](#) until she was elected to Congress.

Donor	Date	Amount	Type	Source
American Property Casualty Insurance Association	2023-03-13	\$2,000.00	PAC	View Filing
American Property Casualty Insurance Association	2023-05-01	\$1,000.00	PAC	View Filing
American Property Casualty Insurance Association	2024-03-25	\$1,000.00	PAC	View Filing
American Property Casualty Insurance Association	2025-06-16	\$1,000.00	PAC	View Filing
Liberty Mutual	2023-06-26	\$2,000.00	PAC	View Filing
National Association Of Mutual Insurance Companies	2023-04-07	\$2,000.00	PAC	View Filing
National Association Of Mutual Insurance Companies	2023-05-18	\$2,000.00	PAC	View Filing
National Association Of Mutual Insurance Companies	2022-07-26	\$1,500.00	PAC	View Filing
National Association Of Mutual Insurance Companies	2025-05-20	\$1,000.00	PAC	View Filing
National Association Of Mutual Insurance	2025-09-17	\$1,000.00	PAC	View Filing



Companies				
Tito Resendez, State Farm Agent	2022-06-30	\$500.00	Individual	View Filing
Earlene Coleman, State Farm Agent	2024-05-01	\$495.00	Individual	View Filing
State Farm	2023-03-17	\$2,000.00	PAC	View Filing
State Farm	2023-09-13	\$1,000.00	PAC	View Filing
State Farm	2024-02-06	\$1,000.00	PAC	View Filing
State Farm	2024-09-10	\$1,000.00	PAC	View Filing
State Farm	2025-04-30	\$1,000.00	PAC	View Filing
State Farm	2026-02-11	\$1,000.00	PAC	View Filing
Independent Insurance Agents	2023-12-05	\$5,000.00	PAC	View Filing
Independent Insurance Agents	2024-12-04	\$5,000.00	PAC	View Filing
Independent Insurance Agents	2025-06-16	\$5,000.00	PAC	View Filing
Independent Insurance Agents	2026-02-27	\$2,500.00	PAC	View Filing
Independent Insurance Agents	2023-12-15	\$5,000.00	PAC	View Filing
Independent Insurance Agents	2024-12-16	\$5,000.00	PAC	View Filing