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June 1, 2017

Contact: Jennifer Armstrong
512-505-2299 or mediarelations@TWIA.org

TWIA Once Again in Strong Financial Position for 2017

Consistent operational efficiency year over year, keeps residual market insurer in strong financial standing

June 1, 2017, AUSTIN, Texas – The Texas Windstorm Insurance Association (TWIA) remains financially sound and ready for the 2017 hurricane season by once again securing \$4.9 billion in total funding.

TWIA's 2017 season funding includes a contribution of \$147 million to the Catastrophe Reserve Trust Fund (CRTF) as a result of 2016 operations, bringing the CRTF balance to almost \$740 million—the highest in the Association's history. TWIA also experienced a reduction in projected exposures and minor changes in the hurricane models that led to a decrease in the 100-year Probable Maximum Loss (PML) for 2017 to \$4.3 billion from \$4.7 billion in 2016.

TWIA's 2017 reinsurance program, effective June 1, 2017 to May 31, 2018, provides \$4.9 billion in total aggregate funding, sufficient to cover a 125-year storm season, or more than 99 percent of all possible storm seasons and in excess of the statutory minimum funding to a 100-year storm. The reinsurance program includes catastrophe bonds, an aggregate amount of \$1.1 billion, issued in 2015 and 2017, with staggered expirations in order to provide multi-year stability, diversification, and expanded claims-paying capacity.

"Every year, TWIA pushes itself to surpass the funding expectations of the year. This is evidence of TWIA's commitment to ensure the financial sustainability of the enterprise to provide quality service to our policyholders, and operate efficiently to achieve the best use of policyholder funds," said TWIA General Manager John Polak. "We want all our stakeholders to be confident that TWIA remains fiscally responsible and prepared to pay claims should a catastrophic event occur."

TWIA's operational efficiency is key to ensuring its sustained financial security along with key initiatives to continuously improve its claims handling processes.

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About the Texas Windstorm Insurance Association

The Texas Windstorm Insurance Association (TWIA) was established by the Texas Legislature in 1971 in response to regional market conditions following Hurricane Celia in August 1970. Our mission is to efficiently provide essential property insurance products and services for eligible Texas properties when no one else will. For more information, please visit www.twia.org.