

From: [Brad Spurgeon](#)
To: [PublicComment](#)
Subject: Reducing Agents commissions is not a viable solution to help fund TWIA.
Date: Tuesday, October 17, 2023 5:54:27 AM

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Reducing Agents commissions is not a viable solution to help fund TWIA.
A reduction of agents commission will result in degradation of agency force, resulting in additional legal liability on TWIA directly.
At the Agent level our primary liability exposure is TWIA. Although TWIA is a direct bill now it has not removed the liability of Agents having to track each renewal, contacting insured's and mortgage/escrow accounts to collect premiums, to avoid lawsuits for insured premiums due, the liability of agents failure to collect premium from escrow, or proper notifications, at the agency level.

I currently have 4 full time employees just to track and collect TWIA renewal premium, and collecting declination signatures for policyholders that do not renew.

If you like to solve funding issues with TWIA require higher minimum deductibles such as 2% Wind and 3% Hurricane, put limits on roof coverage, such as ACV after 15 yrs of age, both of these matters would greatly impact TWIA solvency & bottom line moving forward.

Reducing commission on a policy that requires the bulk of a coastal agency workforce is not the answer, this will create an even greater legal nightmare for TWIA moving forward.

Respectfully, Brad Spurgeon

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Thank you, Brad Spurgeon



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TEXAS HOUSE *of* REPRESENTATIVES

November 17, 2023

Mr. David Durden, Executive Director
Texas Windstorm Insurance Association
Post Office Box 99090
Austin, TX 78709-9090

Dear Mr. Durden:

We understand the agenda for the December 12, 2023 meeting will include agent commissions. I know this is not the first time the board has discussed this topic. As members of the Texas Legislature who live very near the coast and sell insurance, we feel compelled to give you our perspective on this matter.

First things first, TWIA agent commissions are in line with other similar products we sell. Research done by your own staff¹ and by the Independent Insurance Agents of Texas² confirm the 16% commission on new and renewal business is fair and appropriate when compared to other like products.

We have three immediate concerns if TWIA commissions are reduced.

1. Asking insurance agents to do the same work for less money.

Commissions on the products we sell are how we earn a living, take care of our families, and run our small businesses. If you reduce that commission percentage, you would be asking us to do the same work for less money. That is both impractical and unfair.

2. Fewer insurance agents would sell TWIA policies.

If selling TWIA policies were no longer profitable, we might consider not offering that product to our customers. We would simply send our customers to TWIA for a referral to another insurance agent for their wind and hail coverage.

The end result would be fewer agents selling TWIA policies which would lead to delays and difficulties in getting coastal Texans the wind and hail coverage they need.

1. TWIA Board packet, August 2, 2022
2. Letter & testimony from August 8, 2023



3. Customer service would suffer.

With carriers leaving the state and/or simply not offering wind and hail coverage, more coastal Texans are going to need TWIA policies. If other agents also consider removing TWIA from the products they offer, you might end up with a smaller pool of agents selling record numbers of policies. Customer service would suffer.

Like all agents, we pride ourselves in service after the sale. After a weather event that triggers a TWIA claim, we are always on-hand to assist our customers with clean-up efforts and with the tedious claims process. The personal touch and customer service provided by agents would suffer with less of us selling your product.

For these reasons, we hope the board agrees with us does not take a vote on reducing agent commissions. Agents like us are the sole delivery method for your much-needed product and we believe upsetting the apple cart in these trying insurance times could prove to be the wrong decision.

Thank you and please feel free to contact either of us if you would like to discuss further. We stand ready to help.

Thank you,



Representative Mary Ann Perez
House District 144



Representative Ed Thompson
House District 29

