

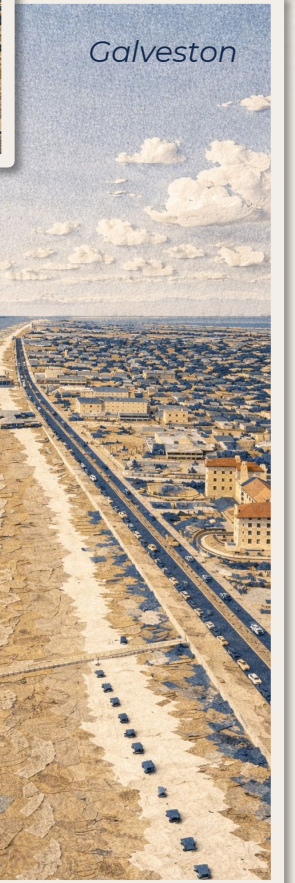


**TEXAS WINDSTORM
INSURANCE ASSOCIATION**

2026 ANNUAL REPORT

JUNE 1, 2025 – MAY 31, 2026

SERVING THE TEXAS COAST SINCE 1971



About this Report

June 1, 2026

Re: Texas Windstorm Insurance Association (TWIA) Annual Report – Section 2210.107(c)

The Honorable Greg Abbott, Governor

The Honorable Dan Patrick, Lieutenant Governor

The Honorable Dustin Burrows, Speaker, Texas House of Representatives

The Honorable Amanda Crawford, Commissioner of Insurance

Members of the Senate Committee on Business & Commerce

Members of the House Committee on Insurance

Members, Windstorm Insurance Legislative Oversight Board

Pursuant to Texas Insurance Code Section 2210.107(c), please find enclosed TWIA's Annual Report evaluating the extent to which the Association has met the objectives described therein for the 12-month period immediately preceding the date of this report.

The primary objectives of the TWIA Board of Directors ("the Board"), as set forth in Chapter 2210 of the Texas Insurance Code, are to ensure that the Board and TWIA:

1. Operate in accordance with [Chapter 2210], the Plan of Operation [28 TAC Part 1, Chapter 5, Subchapter E, Division 1], and Commissioner rules;
2. Comply with sound insurance principles;
3. Meet all standards imposed under [Chapter 2210];
4. Establish a code of conduct and performance standards for Association employees and persons with which the Association contracts; and
5. Establish, and adhere to the terms of, an annual evaluation of Association management necessary to achieve the statutory purpose, Board objectives, and any performance or enterprise risk management objectives established by the Board.



The Association is in full material compliance with all current standards of performance outlined in this report. This is the 15th Annual Report to be issued by TWIA since the enactment of House Bill 3 (82nd Texas Legislature).

Should you have any questions, please feel free to contact me at (512) 505-2255.

A handwritten signature in blue ink that reads "David Durden".

David Durden, General Manager



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History & Purpose

Mission, Vision, and Values

TWIA serves Texas property owners who are unable to secure wind and hail insurance through the private market. Our policyholders include homeowners, renters, and business owners.

Our Mission: Provide reliable and accessible property insurance that protects Texans when they need it most.

Our Vision: Empowering disaster readiness, recovery, and resilience in underserved Texas communities.

Our Values:

- Do What Is Right
- Treat You With Respect
- Be Ready To Respond

The Texas Windstorm Insurance Association (TWIA) is a not-for-profit insurance company created by the Texas Legislature in 1971 to provide wind and hail coverage on the Texas coast. TWIA is governed by Texas Insurance Code, Chapter 2210. TWIA is not a state agency and does not receive funds from the general revenue.

TWIA is a residual market insurer and does not act as a direct competitor with the private insurance market. TWIA's primary purpose is to provide an adequate market for wind and hail insurance in the portion of the Texas seacoast territory where the Commissioner of Insurance has determined that windstorm and hail insurance is not reasonably available. This "designated catastrophe area" currently includes all 14 first-tier coastal counties and a portion of Harris County east of Highway 146.

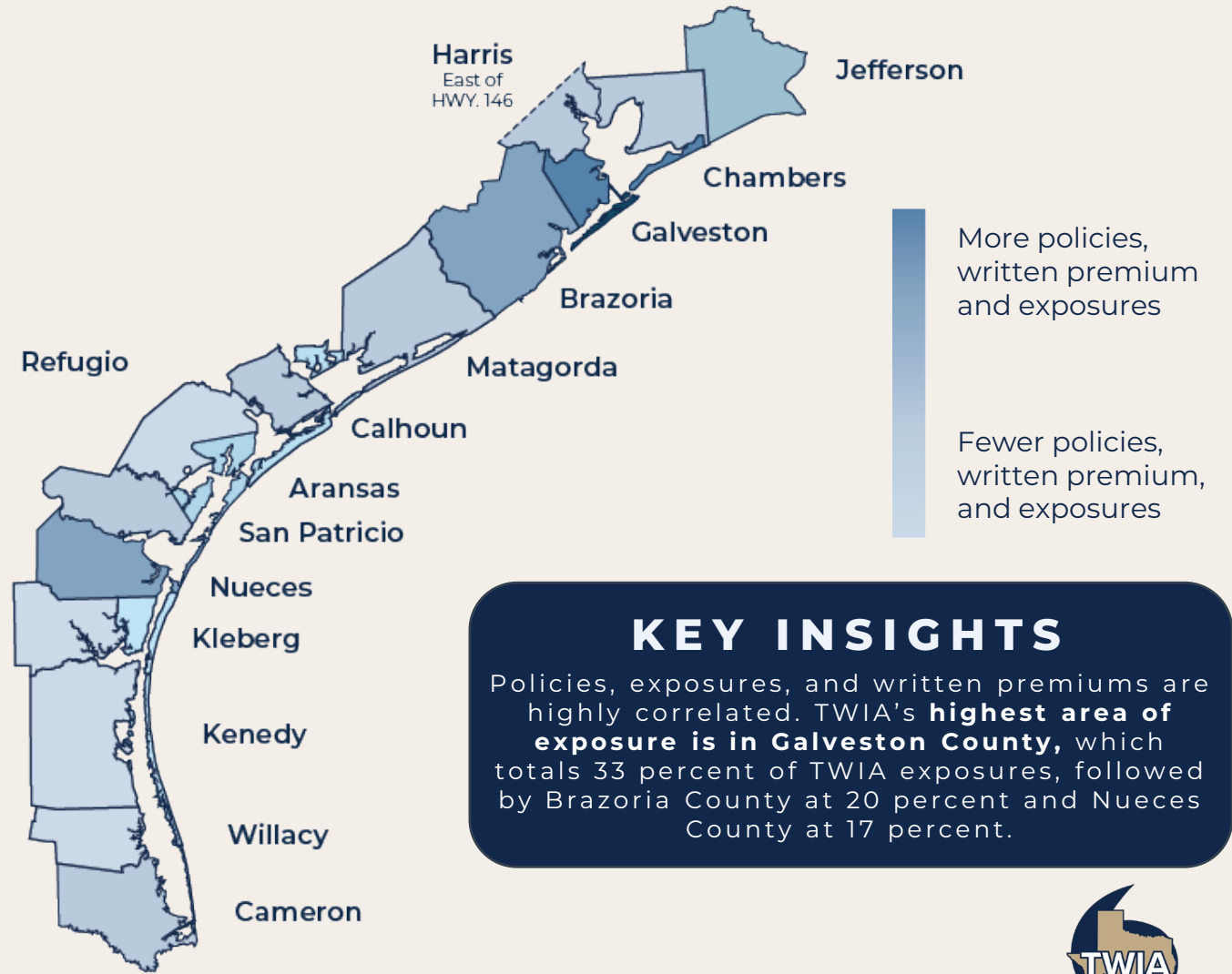
TWIA operates as an insurance company by issuing policies, collecting premiums, and paying losses. TWIA is required by law to transfer its net gain from operations each year into the Catastrophe Reserve Trust Fund (CRTF), an account maintained by the Texas Comptroller dedicated to the payment of future TWIA catastrophe losses.



Policies, Exposures, & Written Premium

County	Policies	Exposures	Written Premium
Galveston	86,697	\$42.3 billion	\$54.4 million
Brazoria	57,453	\$25.4 billion	\$30.6 million
Nueces	50,881	\$22.0 billion	\$28.2 million
Jefferson	34,921	\$12.8 billion	\$16.4 million
Cameron	11,263	\$5.2 billion	\$8.9 million
San Patricio	9,754	\$3.8 billion	\$5.1 million
Aransas	9,060	\$4.4 billion	\$5.5 million
Chambers	8,984	\$4.4 billion	\$4.8 million
Matagorda	5,869	\$2.2 billion	\$2.9 million
Harris	4,534	\$2.1 billion	\$1.8 million
Calhoun	4,737	\$1.8 billion	\$2.3 million
Kleberg	1,136	\$419.9 million	\$595,962
Refugio	518	\$179.6 million	\$272,280
Willacy	410	\$161.9 million	\$145,563
Kenedy	34	\$9.8 million	\$2,448
Total	286,251	\$127.1 billion	\$162.0 million

Data as of 3/31/2026



Eligibility Requirements

1. Properties must be located in the area designated by the Commissioner of Insurance

- Includes the 14 first-tier coastal counties and a portion of Harris County east of Hwy. 146

2. Applicants must have been denied coverage by at least one private market insurer actively writing wind and hail insurance in the 14 first-tier coastal counties

3. Policyholders in flood zones may be required to purchase flood insurance

4. Properties must comply with applicable windstorm building code requirements

5. Properties must be in an insurable condition

TWIA has implemented several initiatives to ensure properties insured by the Association meet these eligibility requirements, including:

- A physical property inspection strategy,
- A quality assurance and training program,
- Agent audit processes, and
- An upgraded policy administration system.

Windstorm Building Code Requirements

- Texas Insurance Code Chapter 2210 requires TWIA-insured properties to meet applicable windstorm building code requirements.
- Structures must have a Certificate of Compliance (WPI-8, WPI-8-E, or WPI-8-C) to be eligible for TWIA coverage.
- The Texas Department of Insurance (TDI) administers the Windstorm Inspection Program and issues all Certificates of Compliance.

WPI-8 Waiver Surcharge Program

- Certain properties without a Certificate of Compliance may be eligible for coverage but are subject to a premium surcharge.
- Surcharge amounts are deposited into TWIA's Catastrophe Reserve Trust Fund (CRTF), used for the payment of catastrophic losses.

WPI-8 Waiver Surcharge Program Snapshot



16,516

Policies-in-Force with WPI-8 Waiver as of March 31, 2026



\$6.3 million

Surcharges deposited into CRTF in 2025



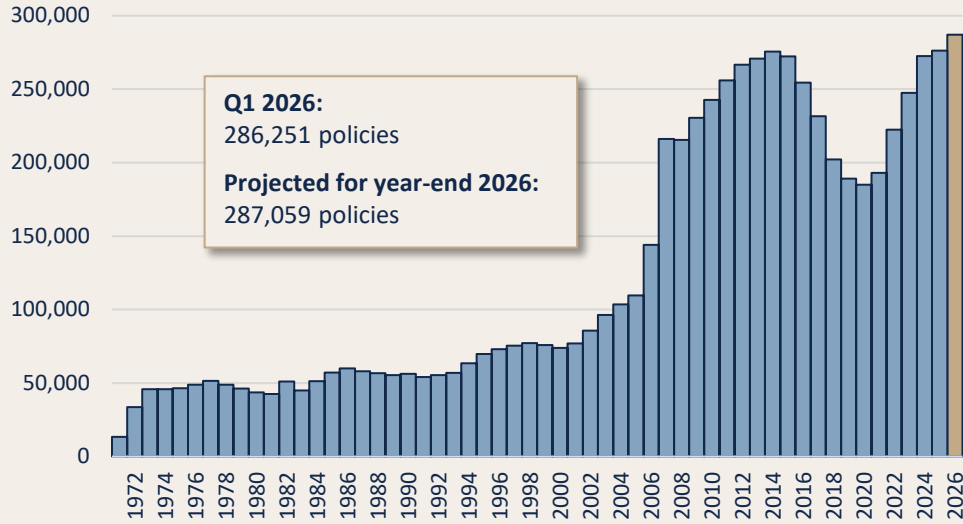
\$978,058

Surcharges deposited into CRTF in 2026

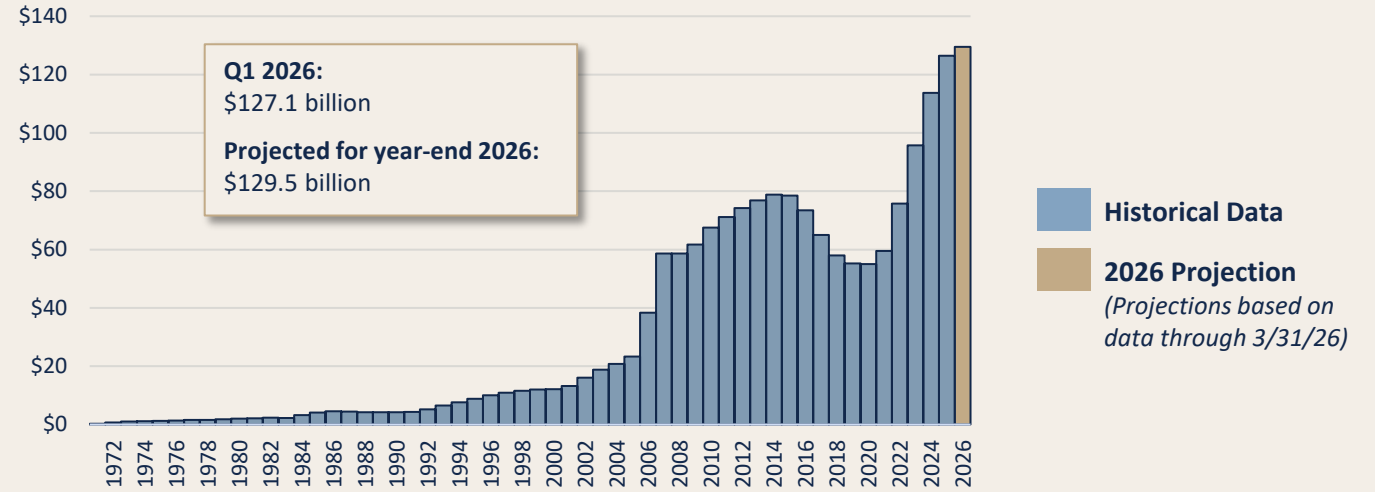


Historical Policy Data

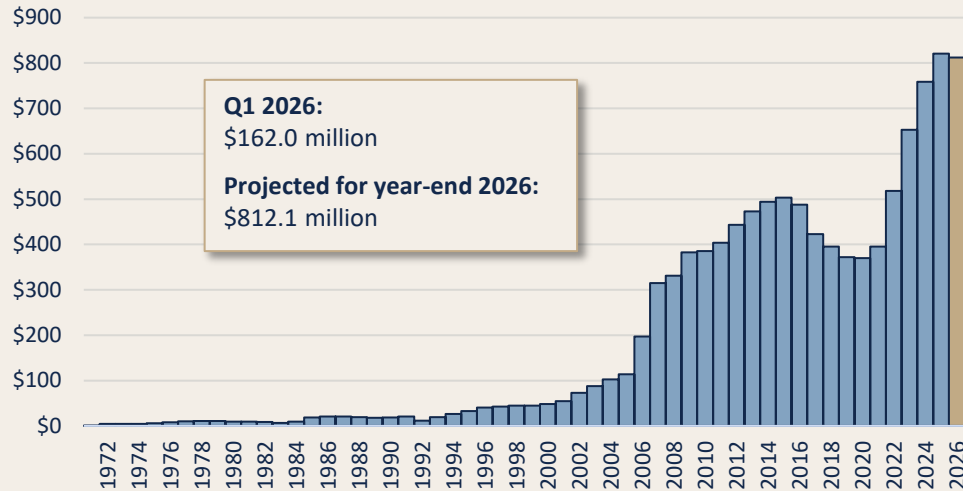
Policy Count



**Exposures
(in billions)**



**Written Premiums
(in millions)**



KEY INSIGHTS

Growth in the Association's policy count and exposures flattened significantly during the reporting period, following a period of increases of more than 10% per year from 2022 to 2024. Written premiums are projected to decline in 2026, marking the first decrease since 2020. This is attributed to policyholders and their agents actively managing policy coverages and deductibles to control premiums.



89th Texas Legislature

New laws enacted in the 89th Legislative Session reformed TWIA's catastrophe funding structure (see next page), exempted TWIA from state premium & maintenance taxes, prohibited the use of third-party premium financing for TWIA policies, and made changes to the composition of TWIA's Board of Directors.

House Bill 2213 – Board Composition

Changes the geographic requirement for TWIA inland Board members from 100 miles from the coast to outside of TWIA's catastrophe area, requires industry Board members to be Texas residents, includes those who write or sell insurance in first-tier coastal counties as industry representatives, and explicitly allows more than one agent on the Board.

**NO OPERATIONAL
CHANGES REQUIRED**

House Bill 2517 – Premium & Maintenance Taxes

Exempts TWIA and TFPA from premium and maintenance tax.

IMPLEMENTED

Resulted in 2025 savings of \$13.5 million and an approximately 1.8% improvement in rate adequacy.

House Bill 2518 – Premium Financing

Prohibits the use of third-party premium financing for TWIA policies. TWIA offers interest-free installment plans for policyholders.

IMPLEMENTED

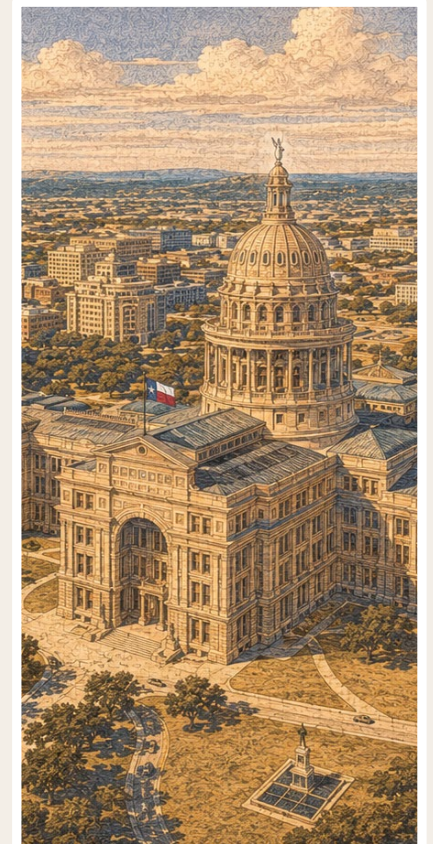
Affected approximately 1,000 TWIA policies.

House Bill 2067 – Declinations

Requires all property insurers to give written explanations when denying, cancelling, or not renewing insurance policies and to report statistical information on these actions to the Texas Department of Insurance (TDI).

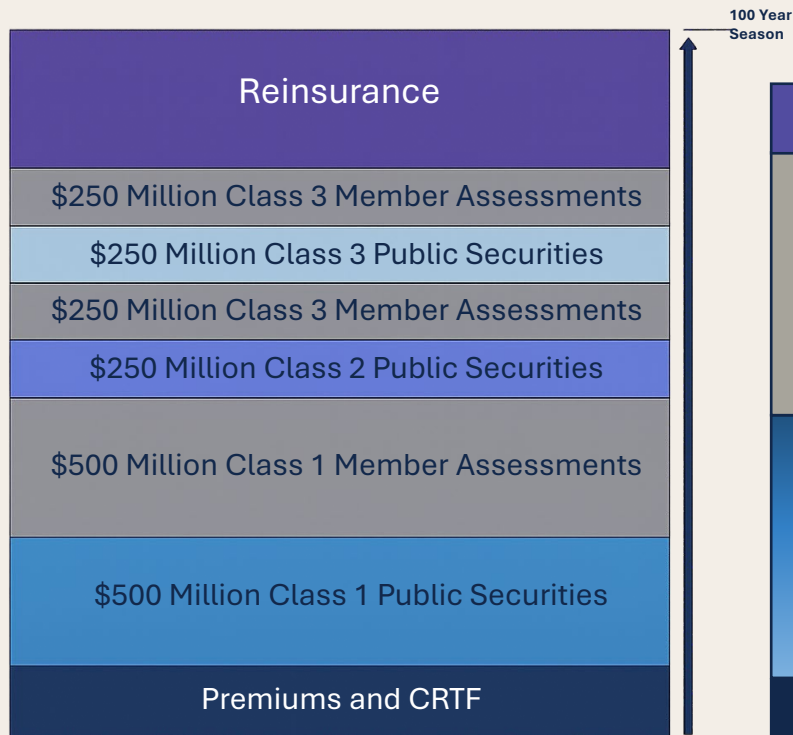
IMPLEMENTED

TWIA's processes already complied with the bill's notice requirements. Residential statistical reports are due to TDI in June 2026.

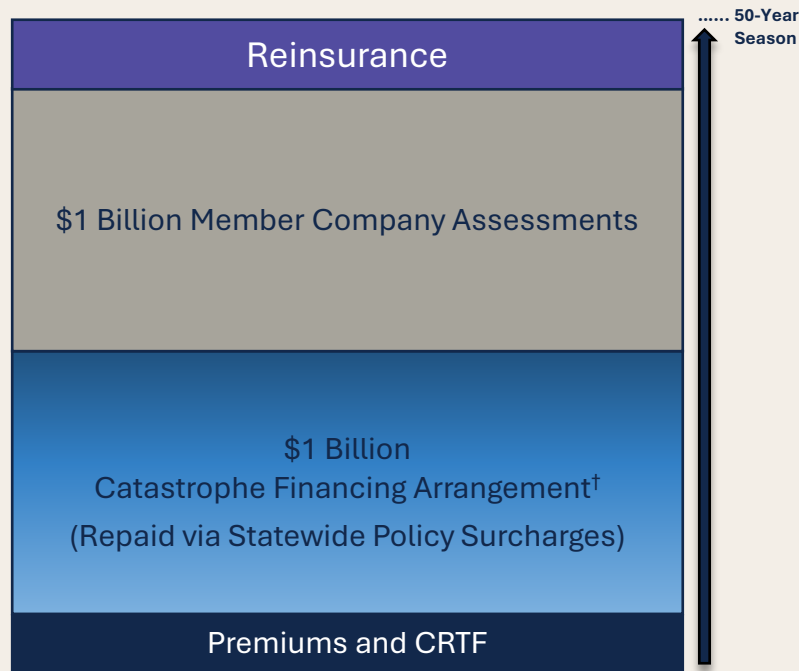


89th Texas Legislature

2015 – 2025 TWIA Catastrophe Funding Structure



House Bill 3689 Funding Structure *Graphic not to scale*



†\$500 million may be accessed pre-event

The Legislature took important steps to address issues related to TWIA’s catastrophe funding structure. High costs related to reinsurance and the issuance of public securities had, over several years, put significant pressure on the Association’s rate adequacy. **House Bill 3689** sought to address these challenges by reducing TWIA’s required minimum catastrophe funding and replacing the public securities in TWIA’s catastrophe funding structure with state financing arrangements.

For the 2026 storm season, TWIA has implemented a less expensive catastrophe funding structure reflecting reduced reinsurance requirements. The Association, the Texas Department of Insurance, the Office of the Texas Comptroller of Public Accounts, and the Texas Treasury Safekeeping Trust Company are collaborating to implement the components of House Bill 3689 relating to state financing arrangements.



2026 Hurricane Season Funding



The 2026 hurricane season will be TWIA's first with the new catastrophe funding structure established by House Bill 3689. Two key components of the new law affecting the catastrophe funding structure are:

1. State financing arrangements, in place of the authority to issue public securities (bonds).
2. A reduction in the minimum required funding from a storm season with a 1-in-100 probable maximum loss (1% chance of occurring) to a 1-in-50 probable maximum loss (2% chance of occurring). This reduces the amount of reinsurance TWIA is required to secure for each storm season.

TWIA's 2026 reinsurance program, **effective June 1, 2026, to May 31, 2027**, provides \$2.28 billion of the total \$4.3 billion in funding. The reinsurance program includes a combination of traditional reinsurance contracts and catastrophe bonds and provides coverage on an aggregate basis, meaning multiple hurricane events would be covered under the same reinsurance program.

The 2026 reinsurance program includes:

- \$1.98 billion in new traditional reinsurance and catastrophe bonds
- \$300 million in continuing multi-year catastrophe bonds (issued in prior years)

Due to the statutory change in TWIA's minimum funding, TWIA executed early redemptions of some of its previously issued multi-year catastrophe bonds.

KEY INSIGHTS

TWIA's reinsurance program fills the gap between the Association's other statutory funding sources and the total amount of coverage for losses that TWIA is required to obtain by statute.



Rate Setting

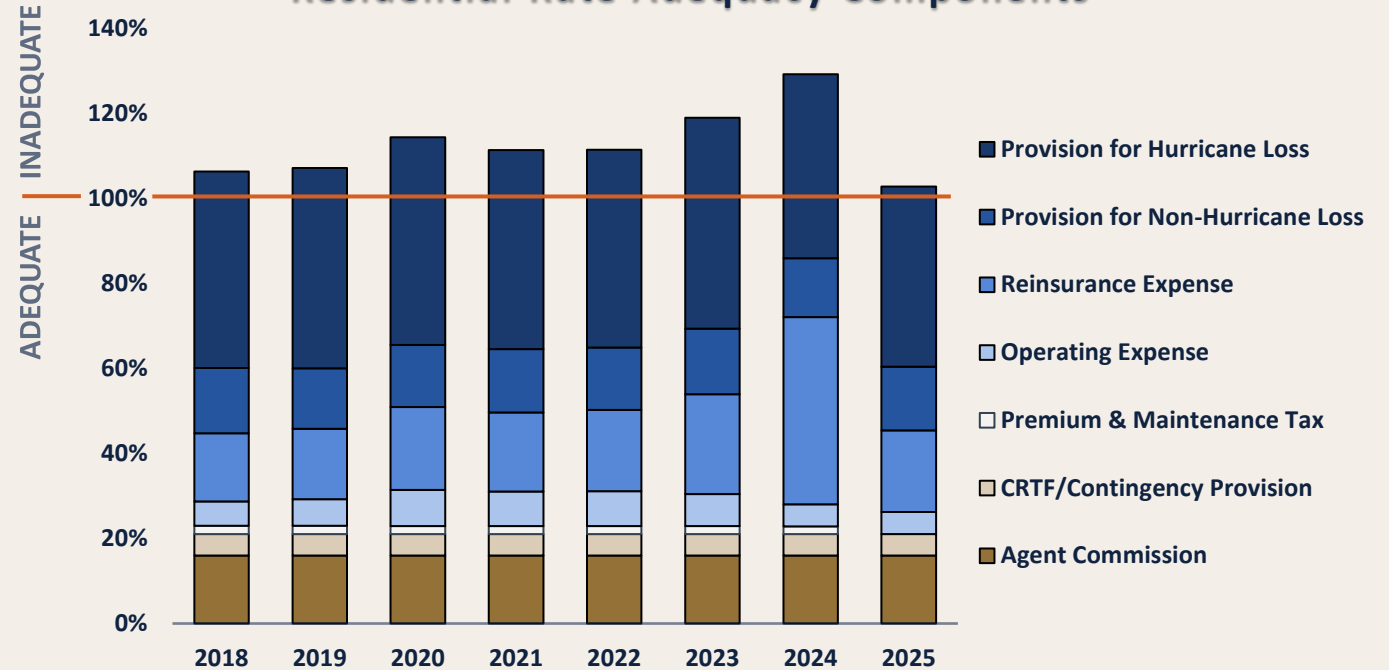
Texas Insurance Code Section 2210.352 requires TWIA to make an annual rate filing with TDI by August 15 of each year. The amount of the annual rate filing is set by the TWIA Board of Directors, who consider the Association’s current rate needs along with feedback from key stakeholders.

Association rates affect the amount of premium charged to each TWIA policyholder. Texas Insurance Code Section 2210.355 requires that the Association’s rates be “reasonable, adequate, not unfairly discriminatory, and non-confiscatory as to any class of insurer.” Texas Insurance Code Section 560.002 also requires that all insurance carriers’ rates be “just” and “fair.”

TWIA’s 2025 Rate Adequacy Analysis indicates that TWIA’s current rates are inadequate by 3 percent for residential coverage and 5 percent for commercial coverage.

As voted by the Board of Directors at its August 2025 meeting, **TWIA filed for a 0 percent change for rates with the Texas Department of Insurance, leaving rates unchanged for 2026.**

Residential Rate Adequacy Components



KEY INSIGHTS

House Bill 3689 reduced TWIA’s reinsurance requirements, significantly improving TWIA’s rate inadequacy. Additional legislation exempting TWIA from premium and maintenance taxes also contributed to the Association’s improved rate inadequacy.



Financial Accomplishments

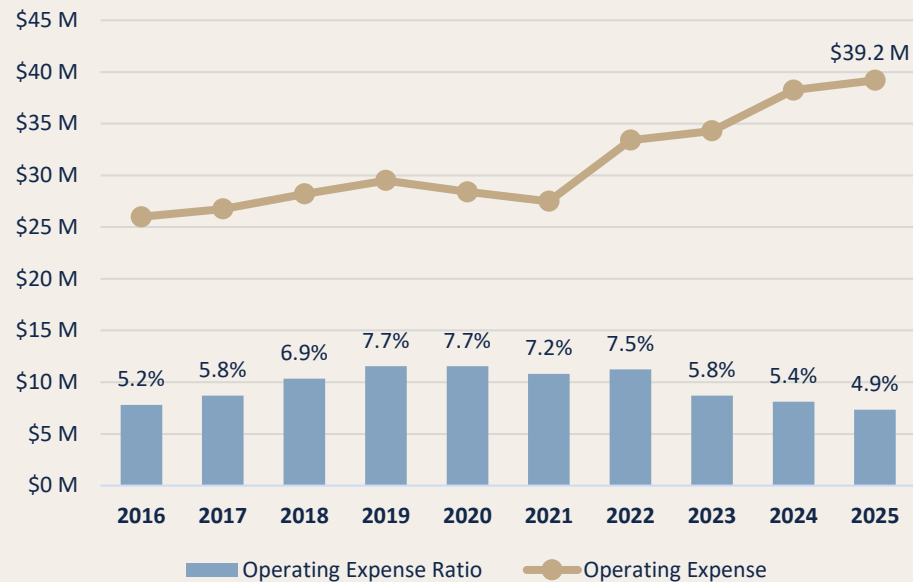
TWIA continues to emphasize maintaining financial readiness to respond to major storms affecting the Texas coast in its stewardship of policyholder premiums. TWIA kept controllable expenses under budget in 2025, with operating expenses \$1.1 million under budget.

As TWIA has grown to accommodate increased demand for windstorm insurance on the Texas coast, expenses have grown to allow the Association to serve these new policyholders. However, the total percentage of premiums used for operations continues to decline due to TWIA management's focus on operational efficiency.

KEY INSIGHTS

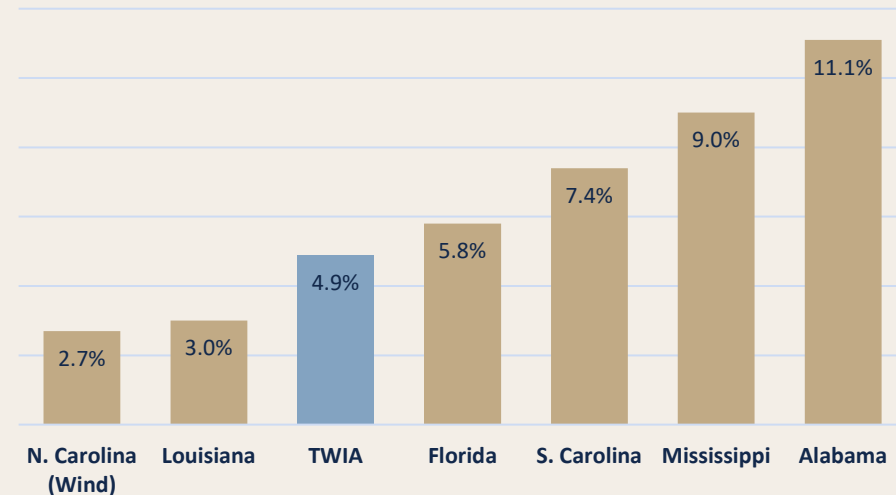
The Association's deficit of \$17.4 million as of December 31, 2025, improved to a surplus of \$41.6 million as of March 31, 2026, due primarily to year-to-date net income of \$140.5 million. In May 2026, **TWIA deposited \$39.1 million**, the 2025 net gain from operations, to the Catastrophe Reserve Trust Fund.

TWIA Operating Expenses and Expense Ratio



2024 Operating Expenses as a Percent of Premium

Residual Market Beach Plans (Wind Pools)



Property Insurance Plans Service Office, Inc. 2024 data.



Catastrophe (CAT) Incident Response Plan

Texas Insurance Code Section 2210.455 requires TWIA to submit a catastrophe plan to the Insurance Commissioner, the Governor, and members of the legislature on or before June 1 of each year. TWIA's 2026 Catastrophe (CAT) Incident Response Plan incorporates lessons learned from the Association's response to 2025 storm events. The plan outlines how the Association prepares for and responds to catastrophes affecting the coverage area, and how it supports timely claims handling during storm events.

2026 CAT Plan Improvements



Mobile Claims Center Enhancements: Staff have improved logistical planning and connectivity for the Mobile Claims Centers (MCCs) deployed to locations impacted by storm events in TWIA's coverage area. Starlink internet will replace the satellite unit previously used by the Association, significantly increasing available bandwidth and speed.



Pre-storm Messaging: TWIA is placing a greater focus on pre-storm communications to help set policyholder expectations regarding policy coverage, deductibles, and post-catastrophe claim timelines.



Staff Impact Planning: The CAT Plan includes added considerations for supporting TWIA and TFPA staff who live in and may be affected by a catastrophe in the coverage area.



Call Data Reports: Using TWIA's Genesys phone system, the Association will generate call data reports that provide an overview of inbound call volume, time-to-answer data, and sentiment scoring indicators to identify areas for improved efficiency.



TWIA Business Continuity Manager David Lawson is interviewed about catastrophe planning and windstorm insurance on KIII-TV in Corpus Christi in May 2026.

KEY INSIGHTS

TWIA has **activated the CAT Plan 27 times since 2012**. The CAT Plan was activated most recently in November 2025 in response to hailstorms in Nueces, Aransas, and San Patricio Counties.

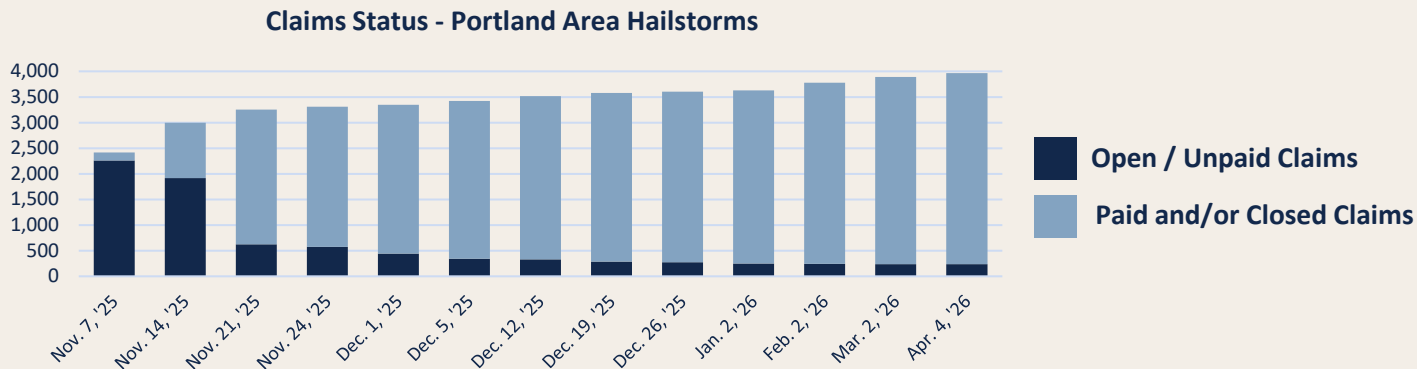


Major Storms and Losses

2025 Portland Hailstorms

While no hurricanes or tropical storms impacted TWIA's coverage area during the reporting period, thousands of policyholders suffered significant damage when severe hailstorms hit the Coastal Bend on November 1, 2025. Hailstones ranged from golf ball-sized to baseball-sized in diameter and were concentrated in areas including Portland, Ingleside, and Aransas Pass.

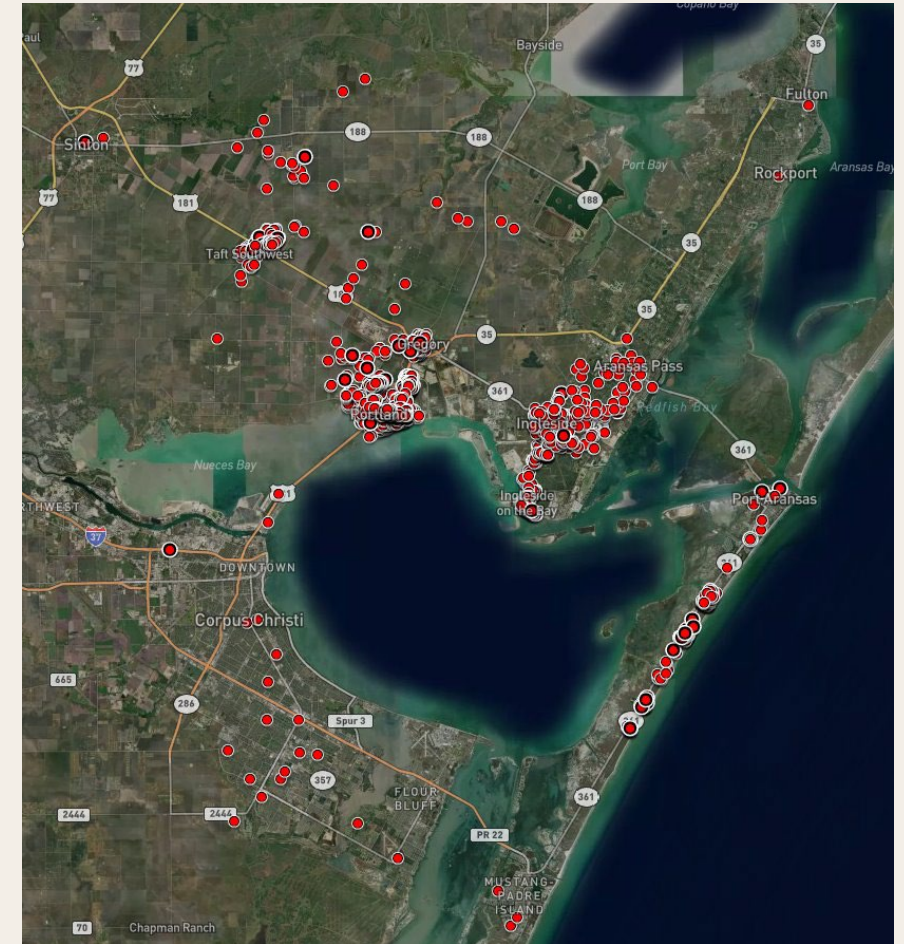
TWIA has received approximately 4,000 claims from this event as of April 2026, and total losses (including loss adjustment expense) are projected to be about \$130 million.



Hurricane Beryl Development

TWIA continues to see loss development from Hurricane Beryl, which struck the Texas coast near Matagorda in July 2024. To date, TWIA has received more than 33,000 claims from this storm and paid more than \$379 million in claims. Total losses (including loss adjustment expense) are estimated at \$545 million.

TWIA expects to withdraw \$3.6 million from the Catastrophe Reserve Trust Fund (CRTF) in 2026, the amount that was remaining in the CRTF in TWIA's 2024 catastrophe funding structure.

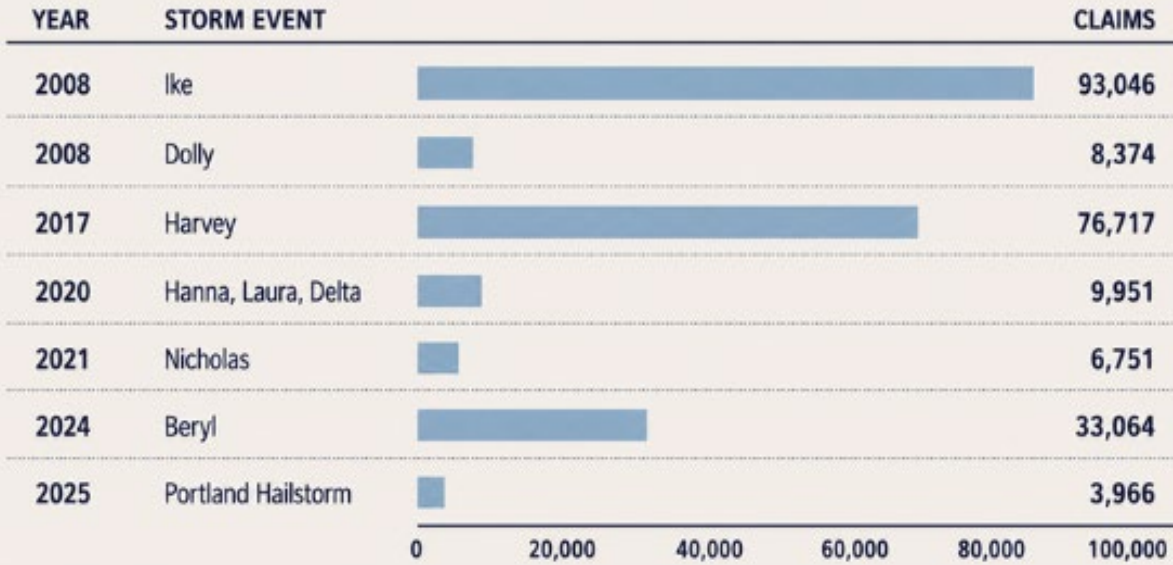


Concentration of Portland Hailstorm claims

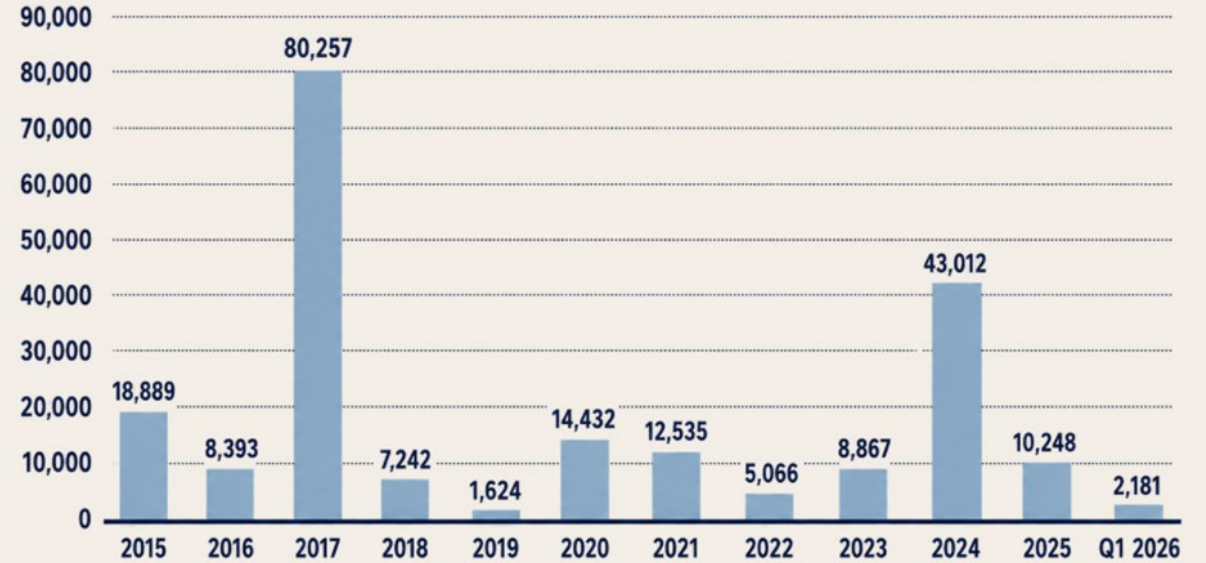


Claim Data & Metrics

TWIA Claims by Storm



TWIA Claims Reported by Year



KEY INSIGHTS

TWIA claim volume returned to more normal levels in 2025 following an active 2024 storm season that included Hurricane Beryl and severe spring weather events. TWIA's Claims management staff, with **more than 300 combined years of experience**, continues to maintain strong claim handling performance metrics through varied levels of annual storm activity.



8.4 days

First Notice of Loss (FNOL) to Payment for Daily Claims



4.6 days

FNOL to TWIA Receipt* vs. 9.5-day Industry Average



8.5 days

FNOL to Payment for Catastrophe Claims

*The time from when TWIA first receives a claim from the policyholder to when TWIA receives the field adjuster's report of damage based on inspection of the property.



Claim Settlement & Dispute Resolution

Claim Dispute Remedies

Accepted Claims

- If a policyholder disputes the amount TWIA will pay for an accepted loss, they may work with TWIA to resolve the dispute or request appraisal.
- Policyholders have 60 days after receiving TWIA's claim decision to request appraisal.

Denied Claims

- If a policyholder disputes a partial or full denial of coverage, they must notify TWIA of their intent to bring suit.
- Policyholders have two years after receipt of a claim decision to provide notice of intent to file suit.

Supplemental Payments

- Policyholders may provide new claim information for re-evaluation and possible additional payment.
- A supplemental payment request does not require appraisal or a lawsuit.

KEY INSIGHTS

TWIA maintained a **low claim dispute ratio in 2025**, with 238 disputed claims out of 10,248 total claims (2.32%). Very few claims result in a lawsuit. Most disputed claims are addressed through appraisal or informal conferences with the claimant.

TWIA- 2025 Disputed Claims					
Dispute Frequency			Type of Dispute		
Total Claims	Disputed Claims	% of Disputed Claims	Appraisals	Notice of Intent	Suits
10,248	238	2.32%	139	109	3

TWIA- 2025 Disputed Claims With Appraisal Invoked				
Total	Open/Pending	Appraisal Complete	Appraisal Process Stopped	
Appraisals	Active	Awarded	Withdrawn	Ineligible
139	71	38	14	16
	51%	27%	22%	

TWIA- 2025 Claims With Notice of Intent (NoI) or Lawsuit Served				
Total NoI/Suit	Notices of Intent Received	Notices of Intent Resolved	Lawsuits Received	Lawsuits Resolved
112	109	4	3	0

TWIA Ombudsman Program

Texas Insurance Code Section 2210.582 established an Ombudsman Program to help TWIA policyholders understand and navigate the claims process. The program is funded by TWIA and operated by TDI through the Coastal Outreach and Assistance Services Team (COAST).



Year-Round Outreach Across the Texas Coast

TWIA conducts outreach throughout the year across coastal communities, connecting directly with policyholders, agents, and local partners.

From the Upper Coast to the Rio Grande Valley, staff participate in conferences, community events, and on-the-ground visits to share information about coverage, preparedness, and the claims process.

This consistent, statewide presence helps ensure Texans are informed, prepared, and supported before, during, and after severe weather.

May 6 & 7, 2026: Coastal Bend Hurricane Conference



November 5-6, 2025: Disaster Expo

Houston

La Marque

May 16, 2026: La Marque Hurricane Huddle & Community Fair

League City

Galveston County

July 8, 2025: Bolt Mortgage's TWIA Talk: One Year After Hurricane Beryl

September 3-5, 2025: TWIA Business Continuity Manager Visits Galveston County Insurance Agents

May 30, 2026: Galveston Hurricane Conference

Robstown

Kingsville

June 18, 2025: Kleberg County Small Business Emergency Preparedness Seminar

South Padre Island



TWIA Staff Beach Cleanup July 2025



Governance

Board Member	Role	Current Term
Karen Guard Chair	Insurance Industry Representative	April 2024 – March 2027
Tim Garrett Vice-Chair	Non-Coastal Territory Representative	April 2025 – March 2028
Greg Smith Secretary/Treasurer	First Tier Coastal Representative	November 2024 – March 2029
Dr. Etti Baranoff	Non-Coastal Territory Representative	April 2025 – March 2027
Jamie Carsey	Insurance Industry Representative	February 2026 – March 2028
Rolando Rubiano	First Tier Coastal Representative	June 2025 – March 2027
Terrilyn Tarlton Shannon	First Tier Coastal Representative	April 2025 – March 2028
Mark Shewmaker	Non-Coastal Territory Representative	July 2026 – March 2029
John Todd	Insurance Industry Representative	April 2026 – March 2029

Insurance Industry Representative Esther Grossman exited the Board in October 2025.

TWIA Board composition

- Nine-member Board of Directors
- Composed of 3 coastal, 3 inland, and 3 industry members who reside in the state of Texas
- Members are appointed by and accountable to the Commissioner of Insurance
- Conflict of interest requirements apply to coastal and inland members
- Full Board member terms are three years
 - Senate Bill 900, enacted in 2015, limits Board members to three terms

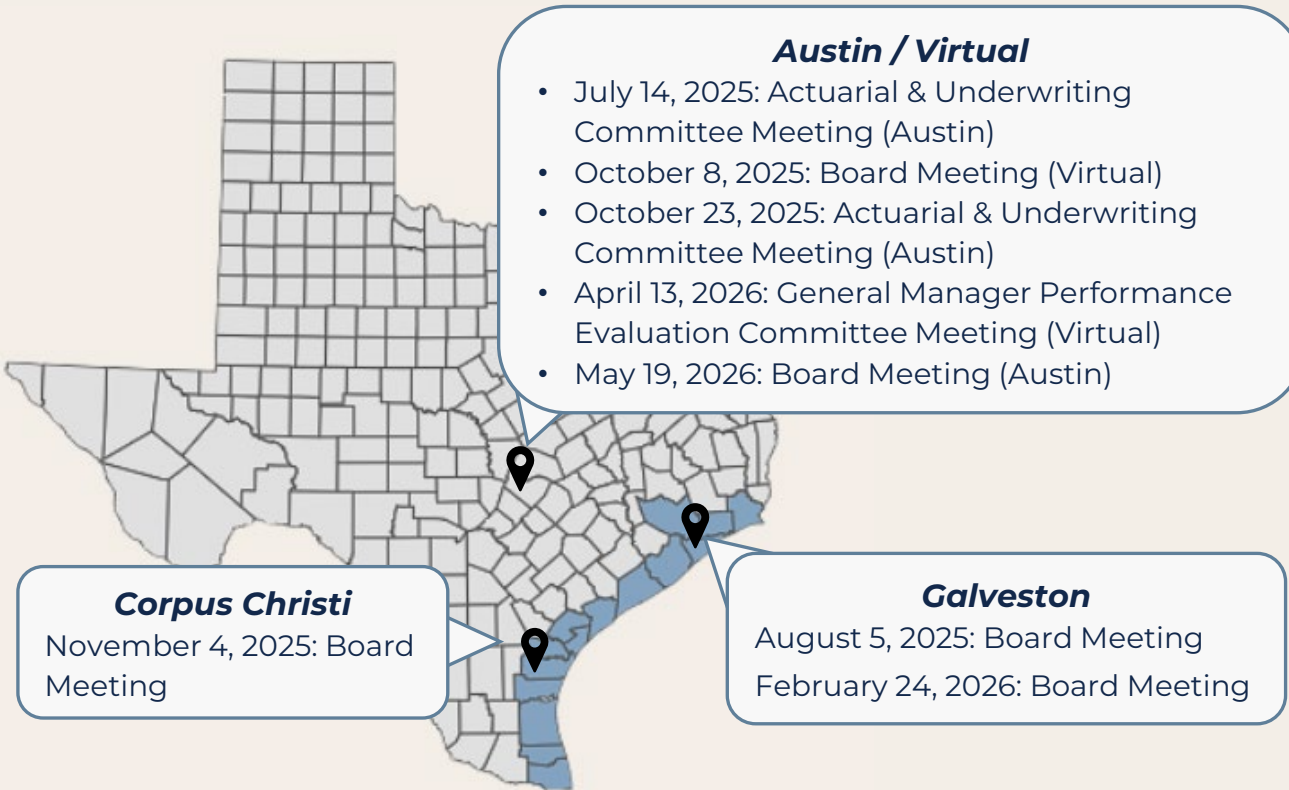
KEY INSIGHTS

Three new members were appointed to the TWIA Board of Directors during the reporting period. The Board experienced significant turnover in 2024 as longtime members appointed after the Board was reconstituted in 2015 under Senate Bill 900 met the statutory limit of three terms of three years each.



Open Meetings & Open Records

The following meetings of the TWIA Board of Directors and its subcommittees occurred during the reporting period (June 1, 2025, to May 31, 2026):



Pursuant to Texas Insurance Code, Section 2210.108, the Association is subject to Texas Government Code Chapters 551 (Open Meetings Act) and 552 (Public Information Act).

Open Meetings Act

The Association continues to meet the requirements of the Open Meetings Act and the relevant sections of Texas Insurance Code Chapter 2210 related to TWIA Board of Directors meetings by:

- Posting required notices for Board and subcommittee meetings
- Facilitating live broadcast of meetings
- Archiving meetings for later viewing on the Association’s website

Public Information Act Requests

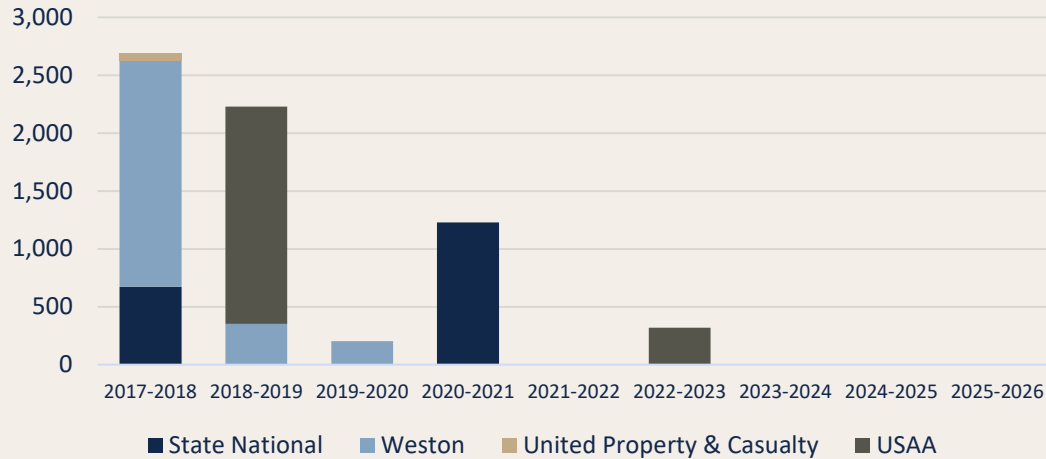
TWIA receives and responds to requests in accordance with the Public Information Act.

From June 1, 2025, through March 31, 2026, TWIA received 17 open records requests. All requests were handled and completed in compliance with the Public Information Act.

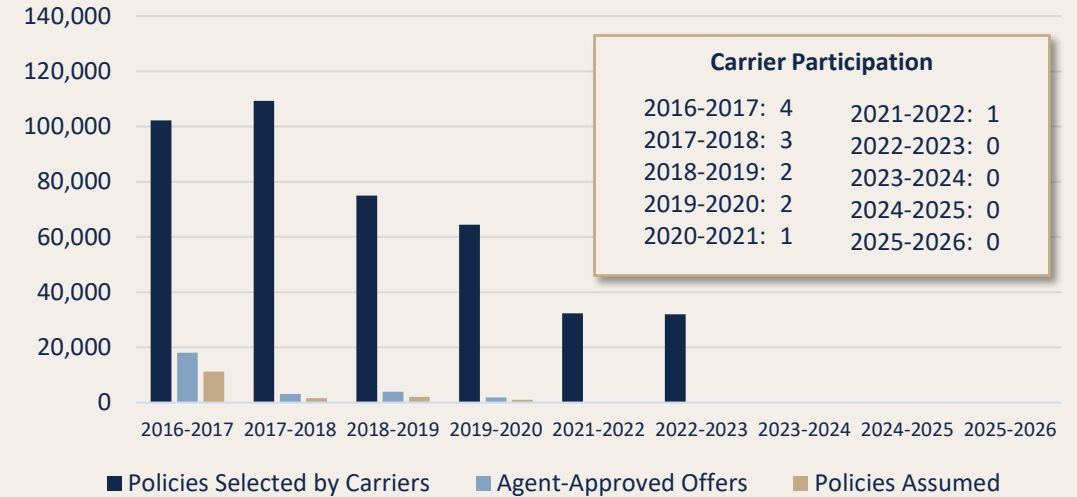


Depopulation

Voluntary Depopulation Program Participation
Policies Bound by Year



Assumption Reinsurance Depopulation Program



Texas Insurance Code Chapter 2210, Subchapter O (Sections 2210.701-2210.705) authorizes TWIA to administer a depopulation program that encourages the transfer of Association policies to insurers through the voluntary market or assumption reinsurance.

The **Voluntary Market Depopulation Program** allows participating insurers to make offers on TWIA policies one at a time at policy renewal. The policyholder or their agent may accept or reject any offer.

The **Assumption Reinsurance Depopulation Program** allows participating insurers to make offers on large numbers of TWIA policies through an annual program. Agents can approve or reject any offers, and policyholders can elect to opt out of the depopulation process or have their TWIA policy assumed by or transferred to the participating insurer.

KEY INSIGHTS

No policies have been bound by the **Voluntary Market Depopulation Program** since 2022.

The last active round of the **Assumption Reinsurance Depopulation Program** occurred between 2022 and 2023, with no insurance carriers submitting applications to participate in subsequent rounds of the program.



Rulemaking Authority & TWIA Plan of Operation

Texas Insurance Code Section 2210.008 provides the Commissioner of Insurance with general rulemaking authority to issue any orders necessary to implement Chapter 2210.

During the reporting period (June 1, 2025 – May 31, 2026), the following new rules related to the Association were proposed or adopted:

Rule	Key Dates	Summary
TWIA Building Code Adoption (2024 IRC/IBC)	Proposal Filed: 11/10/2025 Proposal Published: 11/21/2025 Adoption Filed: 01/29/2026 Adoption Published: 02/13/2026 Effective Date: 02/18/2026	Adopts the 2024 International Residential Code (IRC) and International Building Code (IBC) to update windstorm building standards for TWIA-insured structures.
Insurance Coverage Declination, Cancellation, Nonrenewal Reporting Requirements	Proposal Filed: 10/13/2025 Proposal Published: 10/24/2025 Adoption Filed: 01/15/2026 Adoption Published: 01/30/2026 Effective Date: 02/04/2026	Requires insurers to explain coverage declinations, cancellations, and nonrenewals and report related data to TDI.
TWIA Plan of Operation Updates	Posted: 02/02/2026 Comments Due: 03/04/2026	Reorganizes TWIA rules and the Plan of Operation to improve readability, align rules with statute, and reflect current practices.



TWIA Plan of Operation

- Texas Insurance Code Sections 2210.151-2210.153 provide that, with the assistance of the TWIA Board of Directors, the Commissioner of Insurance will adopt a plan of operation to provide windstorm and hail insurance in the catastrophe areas by administrative rule. The Plan of Operation is codified in Title 28, Texas Administrative Code, Chapter 5, Subchapter E.
- The TWIA Board may recommend changes to the Plan of Operation, and the Association may propose rules for the Insurance Commissioner to adopt.
- The Board recommended no changes to the Plan during the reporting period.



TWIA Filings & Submissions

TWIA makes regular filings with the Texas Department of Insurance to comply with statutory requirements or seek approval for changes in business operations. The Association also submits reports to the Texas Legislature and other state leaders as required by law.

Item	Statutory or Regulatory Authority	Submitted To	Date
2025 Annual Report	TIC 2210.107 (c)	TDI Commissioner; WILOB*; Governor; Lt. Governor; Speaker	June 1, 2025
2025 Catastrophe Incident Response (CAT) Plan	TIC 2210.455	TDI Commissioner; WILOB*; Governor; Lt. Governor; Speaker	June 1, 2025
Adjustments to Maximum Liability Limits – Residential and Commercial	TIC Section 2210.502 (a)	TDI Commissioner; TDI Chief Actuary	August 7, 2025
Annual Rate Filing – Residential and Commercial	TIC Section 2210.352 (a-1)	TDI Commissioner; TDI Chief Actuary	August 7, 2025
Notification of Methodology Determination for 2026 1-in-50 Probable Maximum Loss	TIC 2210.453 (d-1)	TDI Commissioner; TDI Deputy Commissioner, Financial Regulation	November 21, 2025
Amended TWIA Instructions and Guidelines (Underwriting) Manual	28 TAC §5.4911(g)	TDI Regulatory Policy Division	February 27, 2026

* *Windstorm Insurance Legislative Oversight Board*



Standards of Conduct

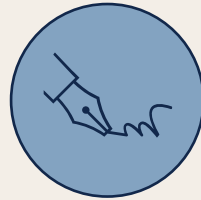
Texas Insurance Code Sections 2210.012 and 2210.013 require the Association to maintain standards of conduct:



TWIA maintains a Business Ethics and Conflict of Interest Policy (“Ethics Policy”) outlining standards of conduct for Board members, employees, and contractors.



The Ethics Policy establishes conflict-of-interest requirements and performance expectations to ensure compliance with statutory obligations.



TWIA Board members and employees review and acknowledge the Ethics Policy annually and disclose required relationships and interests.



The Association also maintains a confidential reporting mechanism for ethics and compliance concerns.



KEY INSIGHTS

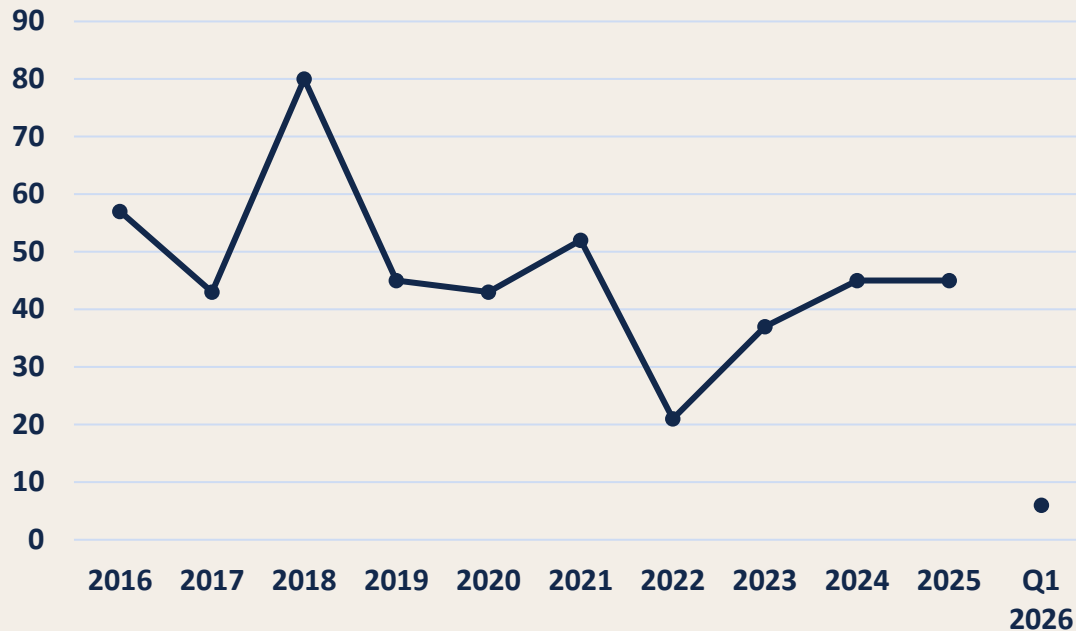
As of this report’s publication, all Board members, employees, and contractors have completed the required Ethics Policy acknowledgment and disclosures.



Fraud & Enforcement Reporting

Texas Insurance Code Section 2210.012 requires that TWIA Board members and employees report suspected fraudulent insurance acts to the Texas Department of Insurance (TDI). TWIA utilizes the services of an external Special Investigations Unit (SIU) to investigate suspected fraud and submit referrals to TDI. In addition to submitting referrals, TWIA responds to fraud and enforcement requests from TDI and other law enforcement agencies.

TDI Fraud and Enforcement Referrals Filed



KEY INSIGHTS

In 2025, TWIA submitted 45 fraud and enforcement reports. As of March 31, 2026, TWIA has submitted 6 fraud and enforcement reports.



Annual Evaluation of Association Management

The fifth objective outlined in Texas Insurance Code Section 2210.107(a) requires the Association to conduct an annual evaluation of Association management.

- Association management is evaluated annually in accordance with statutory requirements and Board-established objectives.
- Staff are evaluated against established performance standards for each position, including objective performance measures.
- Department heads are accountable for departmental performance measures and budget objectives.
- Performance evaluation documents reflect areas of responsibility and accountability.
- Risk management objectives support the Association's statutory purpose and operational effectiveness.

KEY INSIGHTS

The Board of Directors created the **General Manager Performance Evaluation Committee in 2026** to develop performance criteria for TWIA's General Manager, the Association's Chief Executive. The Committee met in February 2026 to review and discuss potential performance criteria received from TWIA staff. The Committee is expected to complete its work in 2026.



TWIA Board of Directors Meeting





2026 ANNUAL REPORT

Learn more about TWIA at www.twia.org.

Portions of this report incorporate AI-assisted imagery and content development, reviewed and finalized by TWIA staff.