



TEXAS WINDSTORM  
INSURANCE ASSOCIATION

# TWIA Actuarial & Underwriting Committee Meeting Public Comments

December 1, 2020

## Public Comment

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**From:** Todd Hunter <Todd@toddhunterlaw.com>  
**Sent:** Wednesday, November 25, 2020 6:54 PM  
**To:** PublicComment  
**Subject:** No rate hike

Sent from my iPhone

## Public Comment

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**From:** Tammy Embrey <TammyE@cctexas.com>  
**Sent:** Wednesday, November 25, 2020 1:16 PM  
**To:** PublicComment  
**Subject:** City of Corpus Christi Comments for Texas Windstorm Insurance Association's (TWIA) Actuarial & Underwriting Committee on December 1  
**Attachments:** CC Council Resolution Opposing TWIA Rate Hike 9 29 2020.pdf

Please find attached a resolution passed by the City Council of Corpus Christi opposing any rate increase by TWIA. Texas and the nation are in the middle of an economic crisis brought on by the COVID-19 pandemic. A rate increase at this time would put additional burdens on our citizens and businesses that are already struggling to make ends meet. Please vote NO on any proposed recommendation to raise rates.

Thank you for your consideration.

Tammy Embrey

### **Tammy Kelch Embrey**

Director, Intergovernmental Relations  
City of Corpus Christi  
1201 Leopard  
P.O. Box 9277  
Corpus Christi, TX 78469-9277  
Office: 361.826.3622  
Mobile: 361.695.9320  
[TammyE@cctexas.com](mailto:TammyE@cctexas.com)

## **Resolution Opposing Texas Windstorm Insurance Association Rate Increase**

**WHEREAS**, the City of Corpus Christi strives to encourage economic development and improve the quality of life for residents and businesses in the City;

**WHEREAS**, Hurricane Harvey made landfall as a Category 4 hurricane on the Texas coast on Friday, August 25, 2017, and battered and drenched Texas for days before finally moving out of the state. Hurricane Harvey was the first major hurricane to make landfall along the Middle Texas Coast since Hurricane Celia in 1970;

**WHEREAS**, Governor Greg Abbott first issued a disaster declaration on Aug. 23, 2017, for Aransas, Austin, Bee, Brazoria, Calhoun, Chambers, Colorado, DeWitt, Fayette, Fort Bend, Galveston, Goliad, Gonzales, Harris, Jackson, Jefferson, Jim Wells, Karnes, Kleberg, Lavaca, Liberty, Live Oak, Matagorda, Nueces, Refugio, San Patricio, Victoria, Waller, Wharton, and Wilson counties;

**WHEREAS**, more than three years after the storm, many of the Hurricane Harvey disaster declared communities are struggling to rebuild;

**WHEREAS**, Hurricane Hanna made landfall on the south Texas Coast on Saturday July 25, 2020;

**WHEREAS**, the City of Corpus Christi faces an economic crisis driven by the COVID-19 pandemic along with the downturn of the oil and gas industry. Our small businesses have been greatly impacted by the recession and we have seen a loss of jobs in our communities;

**WHEREAS**, the 86th Texas Legislature did act by passing HB1900, which creates a Legislative Funding Oversight Committee to study TWIA's rate adequacy;

**WHEREAS**, the Legislative Oversight Committee must be appointed and given time to act before TWIA activates a new rate increase;

**WHEREAS**, the TWIA Board of Directors voted for no rate increase at its August 2020 meeting; and

**WHEREAS**, there are sufficient premiums, assessments, and reinsurance to cover potential TWIA liabilities for 2021;

**NOW THEREFORE BE IT RESOLVED, THAT THE CITY OF CORPUS CHRISTI** continues its opposition to proposed increases in windstorm insurance rates and encourages the TWIA Board of Directors to recognize that a TWIA rate increase on top of the economic recession caused by the COVID-19 pandemic would be devastating to our regional economy and the entire Texas Coast. Vote NO RATE HIKE for 2021.

PASSED AND APPROVED on the 29<sup>th</sup> day of September 2020:

Joe McComb

Aye

Roland Barrera

Aye

Rudy Garza

Aye

Paulette M. Guajardo

Aye

Gil Hernandez

Aye

Michael Hunter

Aye

Ben Molina

Aye

Everett Roy

Aye

Greg Smith

Aye

ATTEST:

CITY OF CORPUS CHRISTI

Rebecca Huerta

Rebecca Huerta  
City Secretary

Joe McComb

Joe McComb  
Mayor

## Public Comment

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**From:** Sally Bakko <SBakko@GalvestonTX.Gov>  
**Sent:** Wednesday, November 25, 2020 1:41 PM  
**To:** PublicComment  
**Cc:** Brian Maxwell; Daniel Buckley; Barbara Sanderson  
**Subject:** City of Galveston Comment Letter to TWIA Actuarial/Underwriting Committee  
**Attachments:** 11-25-2020\_City of Galveston Comment Letter to TWIA Actuarial & Underwriting Cmte.pdf

Good afternoon,

Please find attached a letter from Brian Maxwell, City Manager for the City of Galveston, to the Texas Windstorm Insurance Association (TWIA) Actuarial & Underwriting Committee conveying concerns and opposition to a premium rate increase recommendation to the TWIA Board.

If you have any questions or need additional information, please do not hesitate to contact me.

Best regards,  
Sally Bakko



**Sally Bakko, Director of Policy and Governmental Relations**  
*Community Outreach Department*

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# City of Galveston

## OFFICE OF THE CITY MANAGER

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November 25, 2020

Ms. Debbie King, Committee Chair  
Actuarial/Underwriting Committee  
Texas Windstorm Insurance Association Board  
P.O. Box 99090  
Austin, TX 78709-9090

RE: Opposition to Possible Rate Increase Recommendation by the TWIA Actuarial Committee

Dear Chairwoman King,

I am writing to express continued opposition to the Texas Windstorm Insurance Association (TWIA) Actuarial & Underwriting Committee (the "Committee") approving a premium rate increase recommendation at the committee meeting on Tuesday, December 1, 2020.

During the December 2019 meeting, the TWIA Board directed the Committee to retain an actuarial consulting firm to conduct an independent study of TWIA's rate adequacy and the use of hurricane modeling in estimating potential losses in its rate-setting process. Willis Towers Watson (WTW) prepared a Residential and Commercial Rate Level Analysis Report that indicates TWIA current rates are inadequate by 32 percent for residential coverage and 41 percent for commercial coverage. During the meeting on September 22, 2020, the Committee directed WTW and TWIA staff to work together to incorporate additional data into an updated report to include: 1) commercial business occupancy data; 2) secondary risk characteristics; and 3) details from inspection reports.

The City of Galveston (the "City") is very concerned the updated WTW report has not been released for public review prior to the Committee meeting on December 1<sup>st</sup>. As the Committee reviews the updated WTW Report, please consider the adverse impacts of significant premium increases on coastal communities. Once again, I urge TWIA Actuarial & Underwriting Committee members to reject policyholder premium rate increases before crucial legislative reforms are implemented and the associated results can be fully assessed. Committee members should continue to endorse the 0 percent rate increase adopted by the TWIA Board during their meeting on August 4, 2020.

TWIA legislation enacted by the 86<sup>th</sup> Legislature. H.B. 1900, authored by State Representative Greg Bonnen MD and sponsored by State Senator Larry Taylor, provides essential reforms to reduce the need for a premium rate increase. The City strongly supports the critical provisions of this legislation and the key procedures to strengthen transparency and facilitate cost-efficient replenishment of the Catastrophe Reserve Trust Fund.





Prior to the 2021 Legislative Session, HB 1900 directed two interim committees to: 1) review and provide recommendations on TWIA's funding and funding structure; and 2) evaluate merging TWIA and the Texas FAIR Plan Association, alternative property insurance for underserved areas in Texas. However, the work of these two critical interim committees remains unfinished due to interruptions caused by the COVID-19 pandemic.

With a thorough assessment of TWIA's funding structure, further reforms will likely be identified to empower TWIA with alternative approaches that can avoid placing the heaviest burden on struggling consumers. Funding reforms enacted with more likely to come, will further empower TWIA with alternative approaches that can avoid placing the heaviest burden on struggling consumers. Accordingly, any premium increase would be premature at this time.

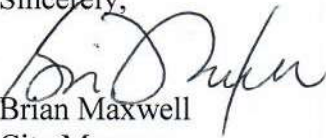
The ability of coastal residents and business owners to insure their property is a critical component to maintaining economic stability and quality of life not only for coastal areas, but the entire state of Texas. Maintaining affordable TWIA coverage is essential for the economic health of coastal communities. Windstorm insurance is not only necessary to protect real estate against losses, but it is also necessary to obtain financing for single-family homes, rental property, condominiums, and commercial buildings.

Severe economic repercussions from COVID-19 have added to the burdens placed on coastal residents and businesses owners while continuing recovery from Hurricanes Laura, Hanna, and Harvey. Moreover, while not directly hit by Hurricanes Laura or Delta, Galveston homeowners are facing damage caused by high tides and related surge. Premium increases will cripple homeowners and have a detrimental impact on already stressed coastal housing markets. Increased building costs and higher premiums present greater challenges for potential homebuyers and businesses to qualify for mortgages, thus further thwarting a struggling economic recovery.

As envisioned with enactment of HB 1900, Committee members should work collaboratively with legislators to identify alternatives that will not undermine the ability of coastal residents and business owners to insure their property. Affordable windstorm insurance is a critical component to maintaining economic stability and quality of life for coastal areas and the state of Texas.

I want to thank you and the Committee members for your consideration.

Sincerely,



Brian Maxwell  
City Manager

cc: The Honorable Larry Taylor, State Senator, District 11  
The Honorable Mayes Middleton, State Representative, District 23  
The Honorable Greg Bonnen, State Representative, District 24



## Public Comment

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**From:** Tara C. Corwin <Tara.Corwin@nuecesco.com>  
**Sent:** Wednesday, November 25, 2020 9:29 AM  
**To:** Communications; PublicComment  
**Subject:** Comment for 12/1/20 Meeting; Letter from Nueces County Judge Barbara Canales in Opposition to Rate Increase  
**Attachments:** Letter in Opposition to Rate Increase.pdf

Attached please find a letter from Nueces County Judge Barbara Canales stating her opposition to the possibility of the TWIA Board of Directors recommending any premium increase on residential and commercial policies during their upcoming meeting on December 1, 2020.

If you have any questions please feel free to contact me at any time.

Sincerely,

**Tara Corwin**

Executive Secretary

Commissioners Court Administration

901 Leopard St. Suite #302.03

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p. 361-888-0878

f. 361-888-0376

[tara.corwin@nuecesco.com](mailto:tara.corwin@nuecesco.com)



# BARBARA CANALES

## COUNTY JUDGE

**Maggie Turner**

Chief Executive to County Judge  
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**Monica Perez**

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**Melissa Munguia**

Emergency Management Coordinator  
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November 25, 2020

Chandra Franklin-Womack

Chair

Texas Windstorm Insurance Association (TWIA)

Submitted Via Email: [CommunicationsMail@TWIA.org](mailto:CommunicationsMail@TWIA.org)

On behalf of the thousands of Texas Windstorm Insurance Association (TWIA) policyholders in Nueces County, I am writing to express my opposition to the possibility of the TWIA Board of Directors recommending a any premium increase on residential and commercial policies during their upcoming December 1<sup>st</sup> meeting.

As the 87<sup>th</sup> Texas Legislature convenes in January 2021, it is premature for TWIA to propose significant premium increases for residential and commercial policies not only after such a challenging hurricane season but also we must keep in mind the economic challenges our coastal communities are facing as a result of the current pandemic. Now is not the time to propose premium increases on coastal residents – I encourage you to work with our legislative delegation and state leaders to identify new solutions as you implement HB 1900 from the 86<sup>th</sup> Regular Session.

Please encourage your fellow Board members to show restraint and allow the will of the Legislature to be fully implemented before TWIA implements a rate increase that could significantly stifle rebuilding and rehabilitating homes, businesses and lives along the Texas coast.

Sincerely,

Barbara Canales  
Nueces County Judge