



Texas Windstorm Insurance Association Fact Book

Data & Information as of Q4 2025

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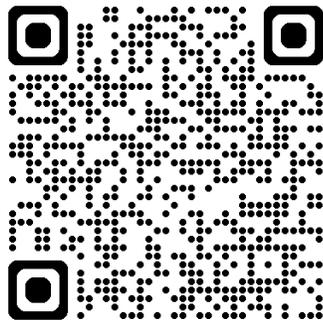
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What is TWIA?

- Established by Texas Legislature in 1971
 - In response to market constrictions on Texas coast after several hurricanes
 - TWIA's governing statute is Texas Insurance Code, Chapter 2210
 - Regulated by the Texas Department of Insurance (TDI)
- Residual Market Insurer – Market of Last Resort
 - Provides adequate market for wind and hail insurance on the Texas coast
 - Does not compete with the private insurance market
 - Provides coverage to those unable to obtain it in the private market
 - All property insurers authorized to write property insurance in Texas are members of TWIA
- Operates as a Not-for-Profit Insurance Company
 - Collects premiums, issues policies, pays claims
 - Annually deposits net gains into Catastrophe Reserve Trust Fund (CRTF)
 - Does not receive Texas General Revenue Funds
 - Not a State Agency





TWIA Governance

- **Regulated by the Texas Department of Insurance (TDI)**

- TDI adopts the rules to implement TWIA’s governing statute, Texas Insurance Code, Chapter 2210
- TWIA’s Plan of Operation is a TDI rule

- **Nine-member, Volunteer Board of Directors**

- Members Appointed by the Commissioner of Insurance
- Composed of 3 coastal, 3 inland, and 3 industry members who reside in the state of Texas
- Conflict of interest requirements apply to coastal and inland members

Name	Member Representation
Karen Guard <i>Chair</i>	Insurance Industry Representative
Tim Garrett <i>Vice-Chair</i>	Inland Territory Representative
Greg Smith <i>Secretary/Treasurer</i>	First-Tier Coastal Representative
Dr. Etti Baranoff	Inland Territory Representative
Rolando Rubiano	First-Tier Coastal Representative
Terrilyn Tarlton Shannon	First-Tier Coastal Representative
Mark Shewmaker	Inland Territory Representative
John Todd	Inland Territory Representative
Vacant	Insurance Industry Representative

TWIA Facts & Figures¹

- As of December 31, 2025, TWIA insures 284,846 properties.
- TWIA's total insured value is approximately \$126.5 billion (insured building and contents coverage).
- TWIA collected more than \$820.9 million in written premiums in 2025.
- The Association currently has 244 employees and 114 contractors.
- Comparing operating costs as a % of premium:
TWIA: 4.9% | TX Private Market: 9.6%² | 37 Residual Market Plans: 33.9%³
- TWIA is the largest residential allied lines writer in Texas⁴ and has the 3rd most policies in force of the 37 residual market plans behind Citizens of Florida and California FAIR Plan⁵.

¹ Data as of 12/31/2025

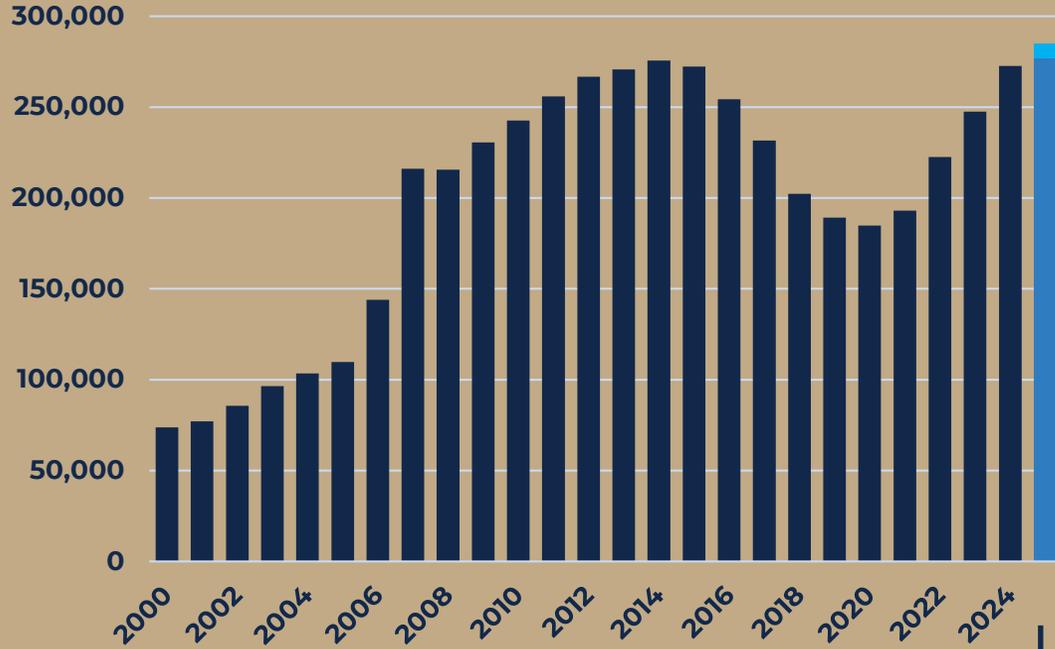
² From the State of Texas Insurance Expense Exhibits for Calendar Year 2024

³ Data for 37 US Property Insurance Plans as of 12/31/2024

⁴ Based on the TDI 2024 Property & Casualty Experience by Coverage & Carriers Report

⁵ Among the 37 US Property Insurance Plans

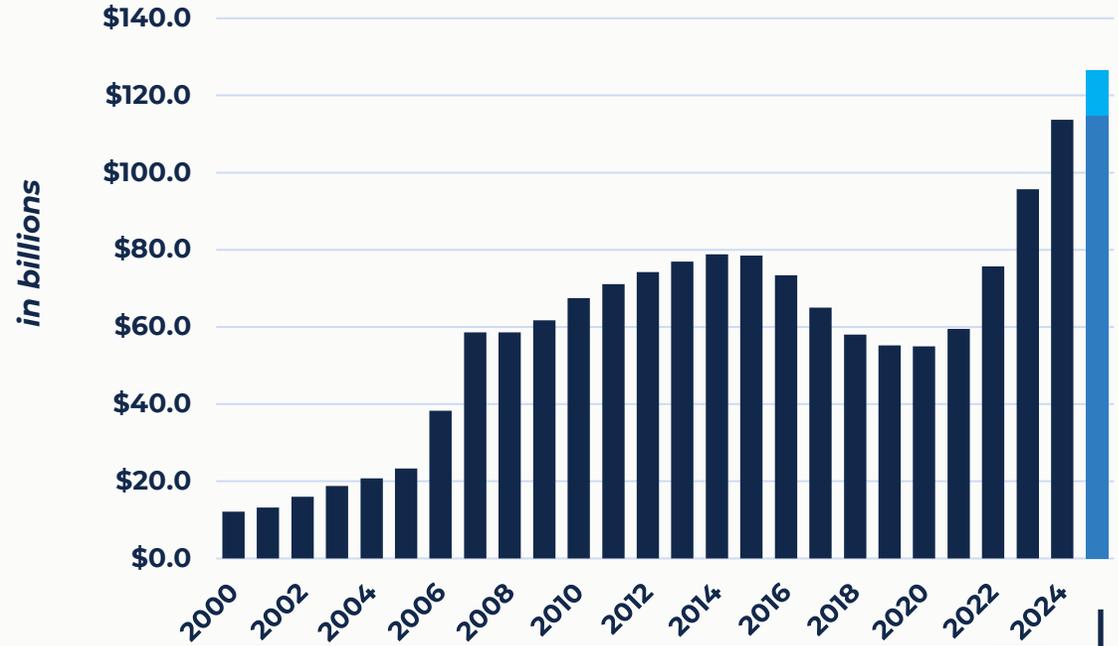
Policy Count



Q4 2025 Data:

Residential & Manufactured Homes: 276,747
Commercial & Governmental: 8,099

Exposures



Q4 2025 Data:

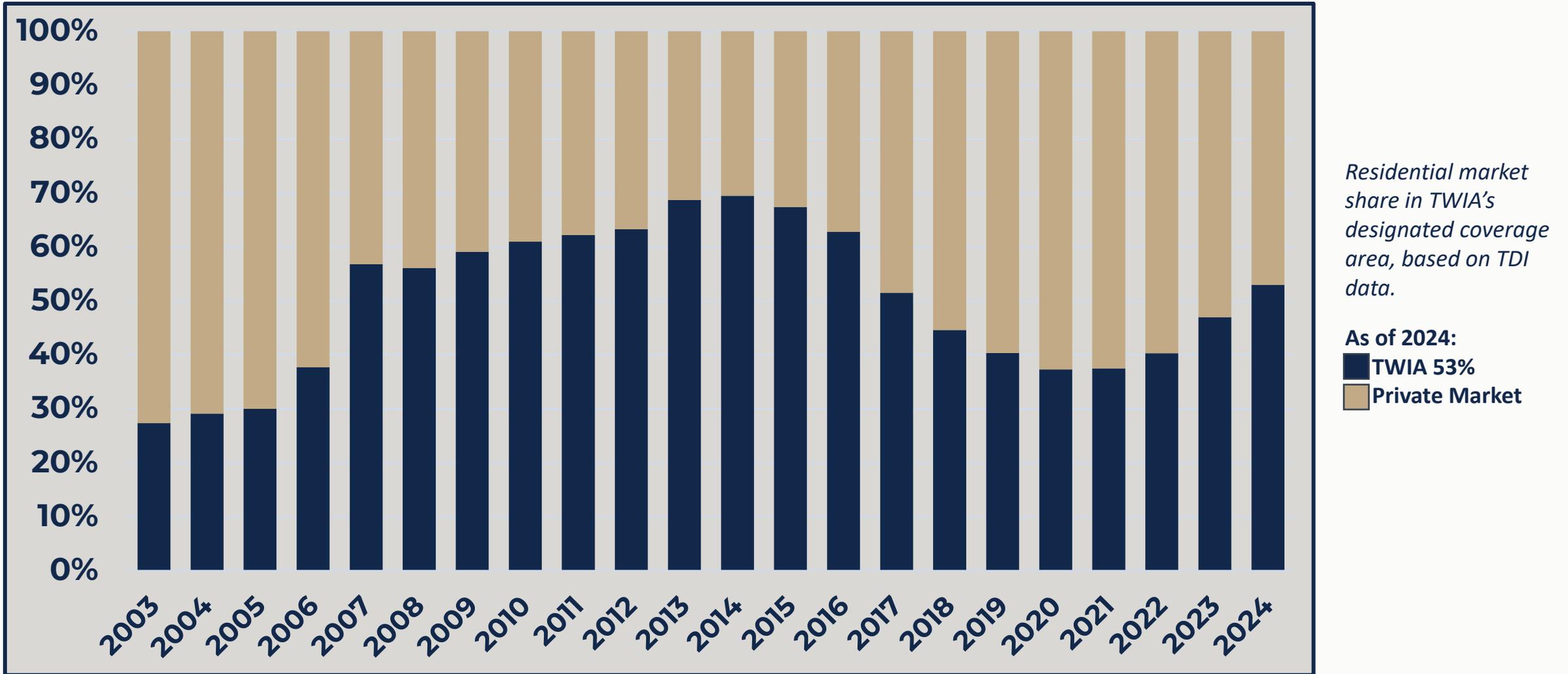
Residential & Manufactured Homes: \$114.9 B
Commercial & Governmental: \$11.6 B

- TWIA's policy count began rising in 2021 after a period of decline. The Association projects that policy counts and exposures will level out in 2026.
- TWIA has added over 50,000 policies in the last two years. TWIA's exposures increased approximately 19% in 2024 and roughly 11% in 2025.

Policy Count & Exposures By Year

Year	Policy Count	Exposures	Written Premiums
2015	272,219	\$78.6 B	\$503.8 M
2016	254,346	\$73.4 B	\$487.4 M
2017	231,567	\$65.0 B	\$423.1 M
2018	202,208	\$58.0 B	\$395.6 M
2019	189,203	\$55.2 B	\$372.1 M
2020	184,890	\$55.0 B	\$369.6 M
2021	193,002	\$59.5 B	\$395.1 M
2022	222,480	\$75.7 B	\$518.3 M
2023	247,531	\$95.7 B	\$653.1 M
2024	272,567	\$113.7 B	\$758.8 M
Q4 2025	284,846	\$126.5 B	\$820.9 M

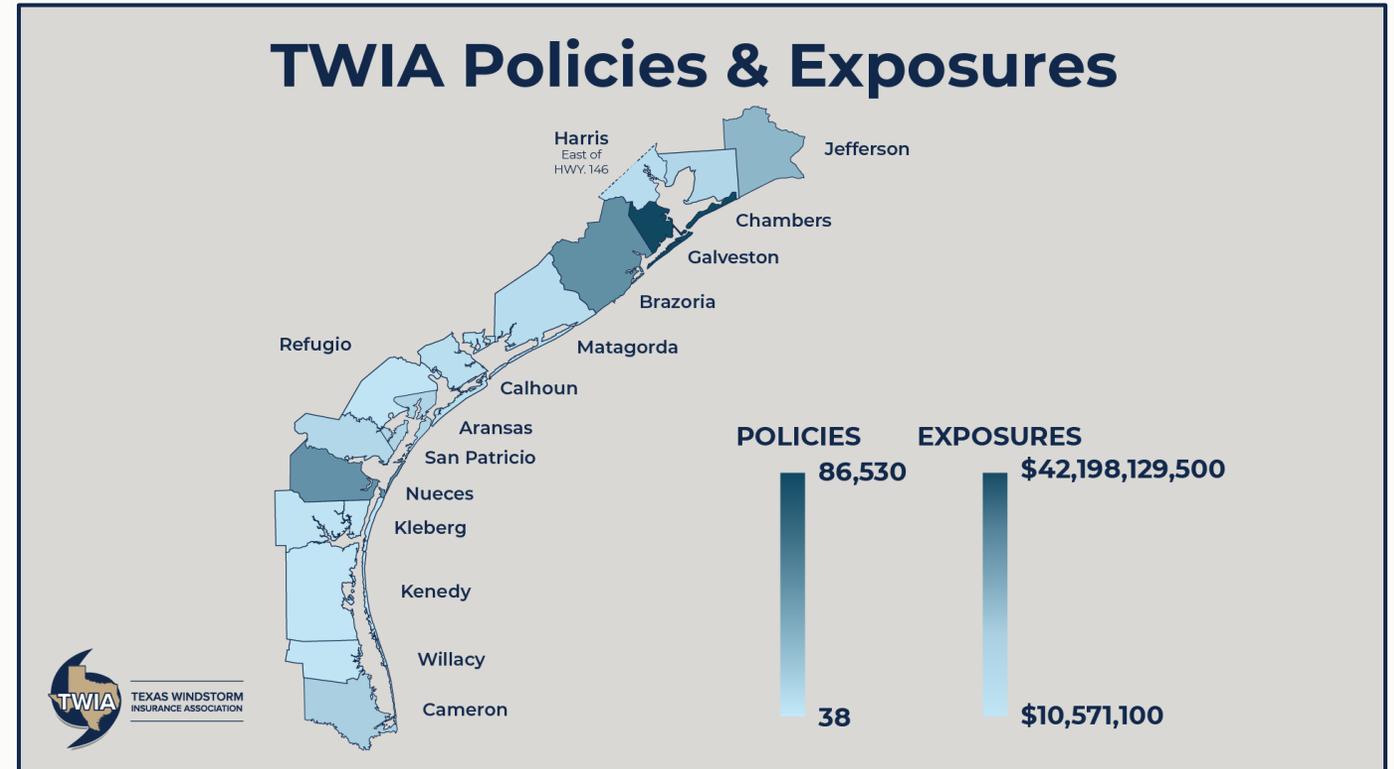
Market Share: TWIA vs. Private Market



Policy & Exposure Distribution by County

County*	Policies	Exposures
Aransas	9,054	\$4,444,895,000
Brazoria	56,965	\$25,210,892,400
Calhoun	4,742	\$1,804,353,400
Cameron	11,260	\$5,002,459,000
Chambers	8,857	\$4,364,957,200
Galveston	86,350	\$42,198,129,500
Harris	4,538	\$2,058,977,600
Jefferson	34,805	\$12,694,853,100
Kenedy	38	\$10,571,100
Kleberg	1,111	\$411,633,300
Matagorda	5,869	\$2,212,071,200
Nueces	50,661	\$21,890,757,300
Refugio	514	\$177,717,000
San Patricio	9,673	\$3,811,408,400
Willacy	409	\$162,049,100
Total	284,846	\$126,455,724,600

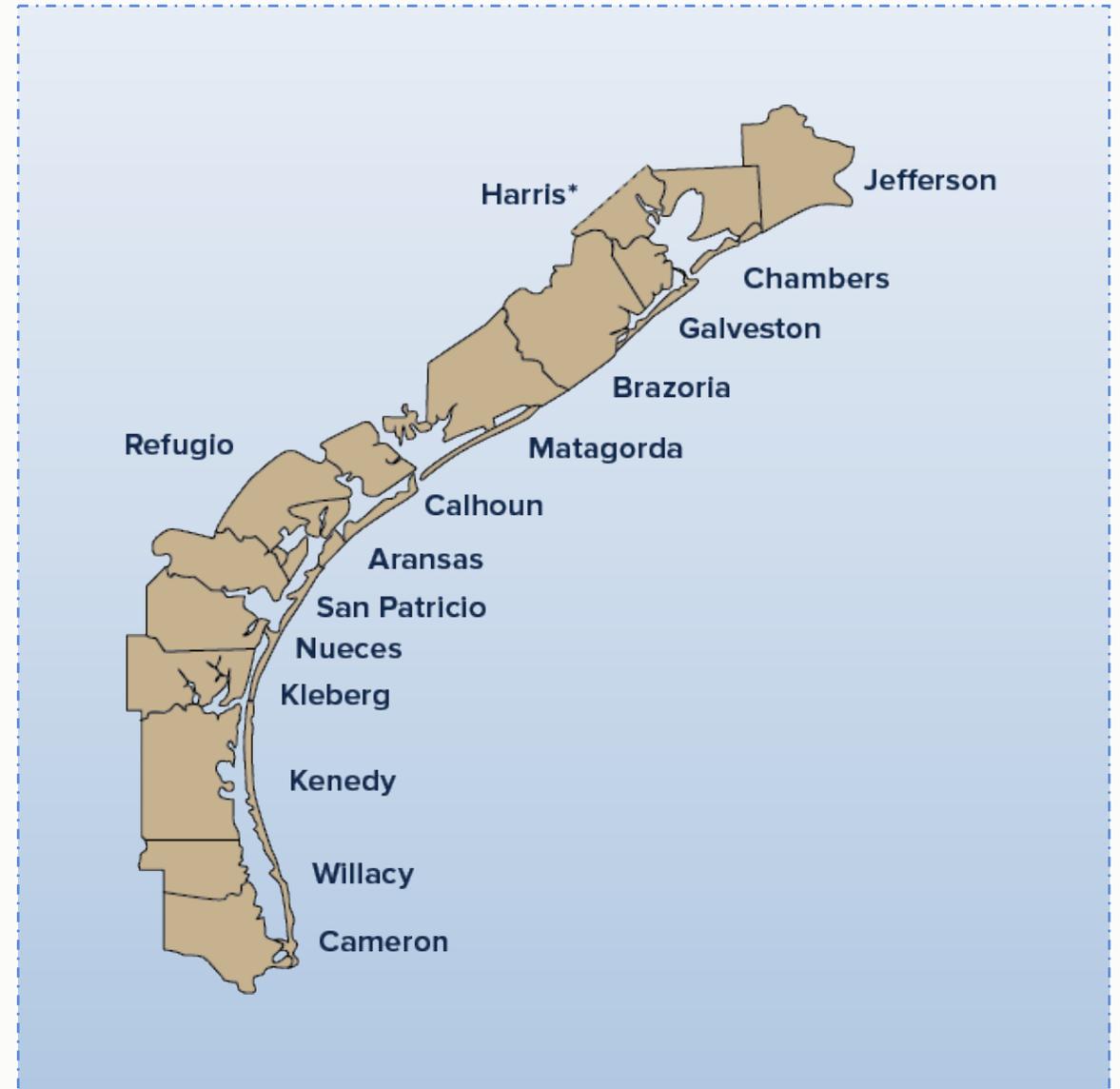
*Data as of 12/31/2025



TWIA's highest area of exposure is in Galveston County, followed by Brazoria and Nueces Counties.

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 1 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**



Maximum Liability Limits

- TWIA must file proposed changes to policy coverage limits with TDI by September 30 each year.
- Few policies are insured to the maximum limits available for each policy type TWIA covers.

The current maximum limits are:



Dwellings and individually owned townhouses:

\$1,773,000 | 0.4% Insured to Max Limit

Commercial structures and associated contents:

\$4,424,000 | 2.4% Insured to Max Limit



Manufactured homes:

\$116,700 | 4.6% Insured to Max Limit

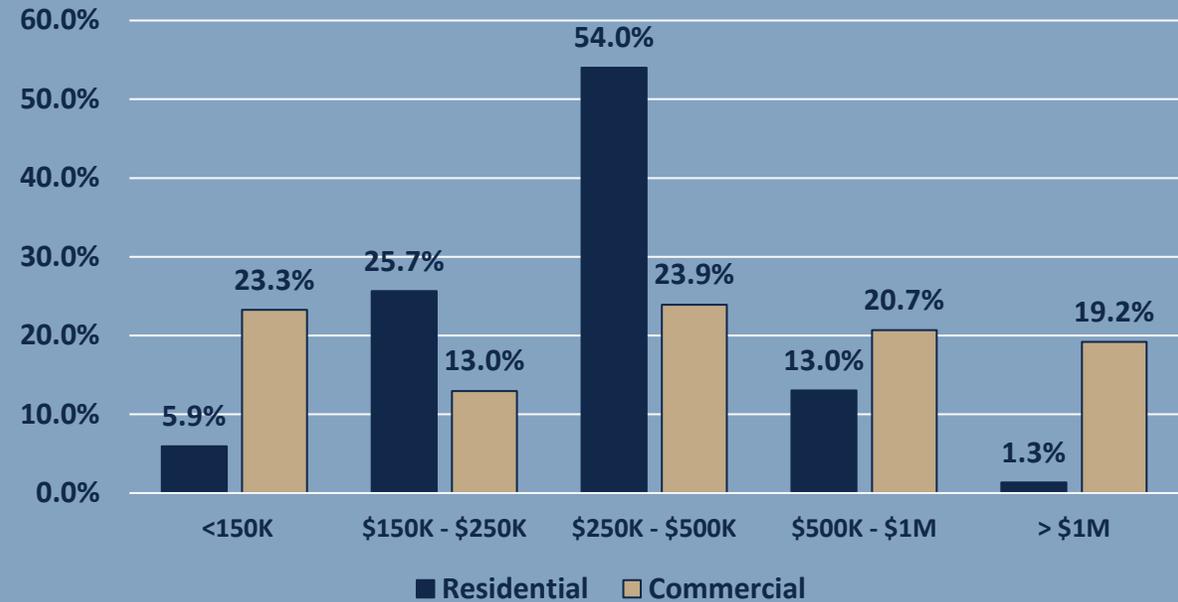
Contents of an apartment, condo, or townhouse:

\$374,000 | 1.4% Insured to Max Limit



Amount of Insurance Coverage

Data as of 12/31/2025



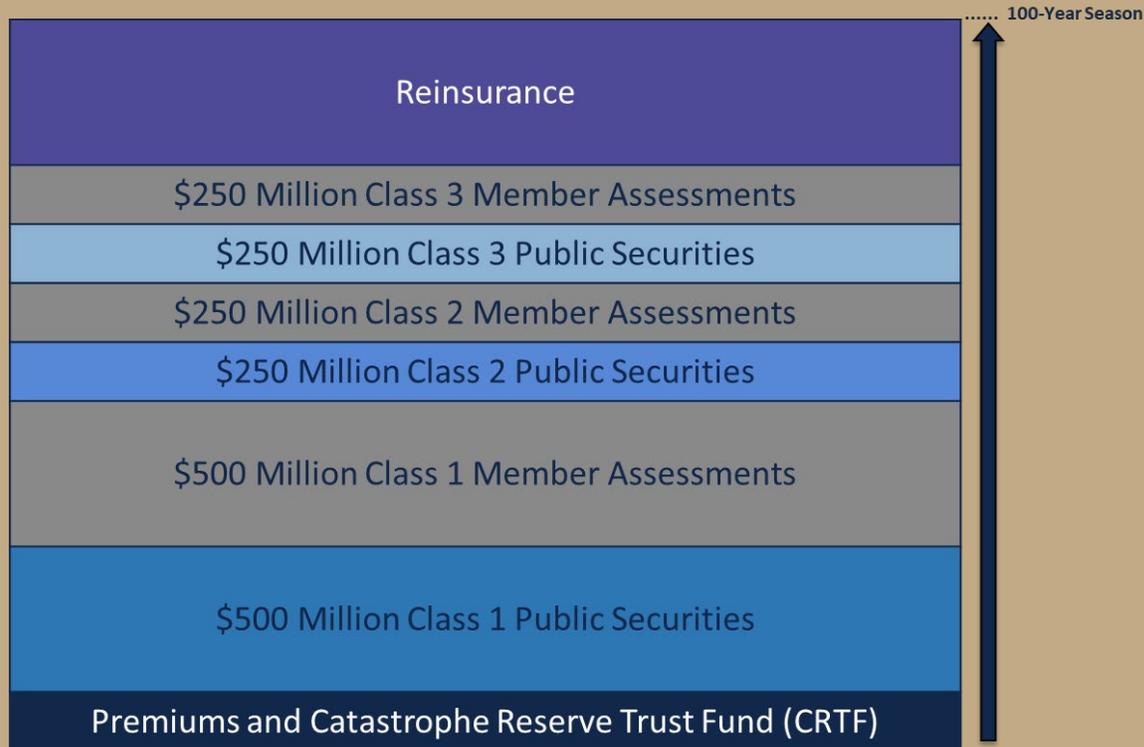
- The average amount of insurance for residential structures is \$348,864
- The average amount of insurance for non-residential structures (commercial and governmental) is \$697,086.

How We Work with Insurance Agents

- **TWIA does not employ or contract with insurance agents**
 - Any Texas-licensed insurance agent may register with TWIA
- **Agents:**
 - Submit policy applications to TWIA for their clients
 - Represent the policyholder in policy transactions
 - Handle policyholders' coverage questions and policy changes
- **Agent commissions**
 - 16% commission on residential and commercial policies
 - 12% commission on manufactured home policies



TWIA Funding Structure 2014-2025

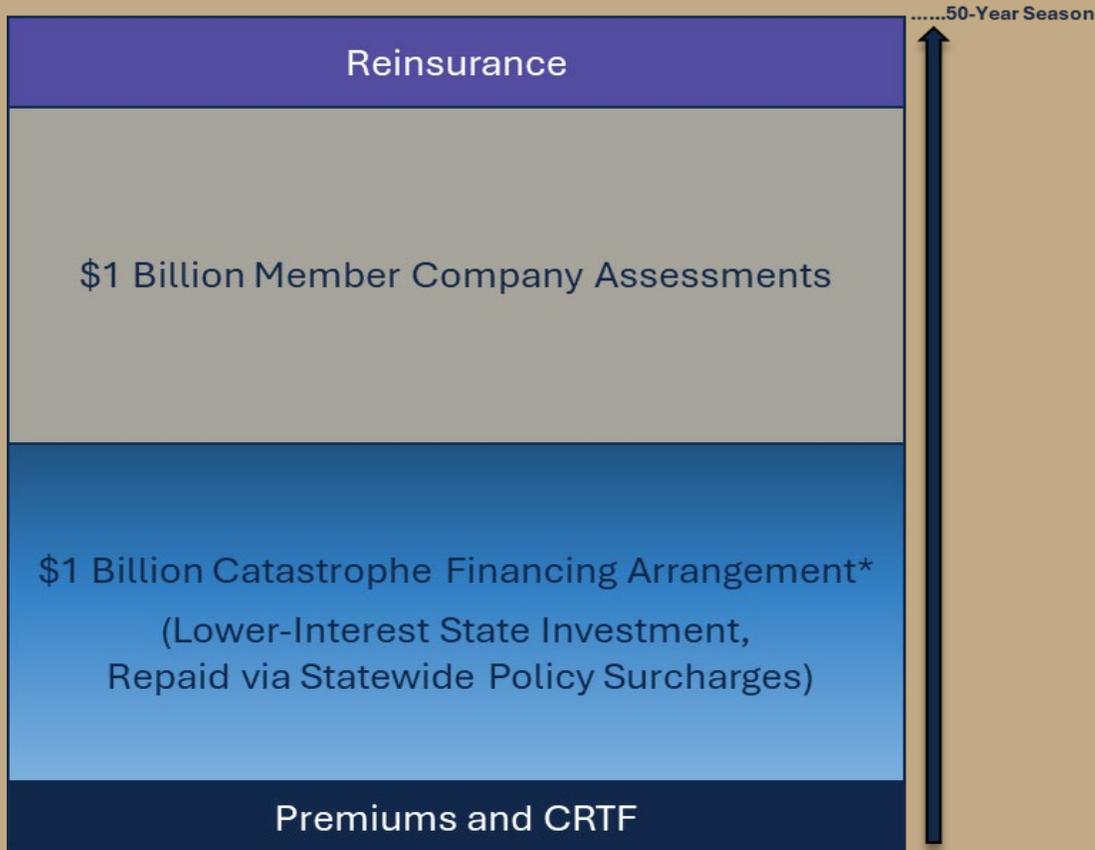


- TWIA's funding structure provides the sources of funds to pay catastrophic losses from a single storm season
- Total annual funding must equal, at a minimum, the probable maximum loss (PML) for the Association for a catastrophe year with a probability of one in 100

Funding Sources and Order:

- **Premium and Other Revenue:** Premiums collected in the normal course of business
- **The CRTF balance:** Account maintained by the Texas Comptroller for TWIA to save funds for future catastrophe claims
- **Public securities:** TWIA may issue bonds to borrow money from private capital markets to pay claims
 - Backed by TWIA revenue, not obligations of the state
 - Repaid by TWIA premiums and policyholder/coastal property surcharges
- **Member Assessments:** TWIA may charge assessments to Texas private-market property insurers to pay claims
- **Reinsurance or Alternative Risk Financing:** Insurance coverage purchased by TWIA to ensure money is available to honor claim payments when catastrophic losses exceed current funds
 - Reinsurance purchased using policyholder premiums and must be in an amount sufficient to meet the minimum required funding level
 - Member companies may be assessed for reinsurance purchased above the minimum required funding level of a 100-year storm season

New TWIA Funding Structure (Beginning 2026)



*\$500 million may be accessed pre-event

- TWIA's funding structure was reformed in the 2025 Texas legislative session to remove funding from public securities.
- The new funding structure also lowers the total minimum funding the Association must secure each storm season to the probable maximum loss (PML) for the Association for a catastrophe year with a probability of one in 50

Funding Sources and Order:

- **Premiums and Other Revenue:** Premiums collected in the normal course of business.
- **The CRTF Balance:** Account maintained by the Texas Comptroller for TWIA to save funds for future catastrophe claims.
- **State Financing Arrangement:** TWIA can access up to \$1 billion through a state financing arrangement per storm season.
 - Up to \$500 million of this arrangement may be accessed pre-event, AND up to \$2 billion in state financing may be outstanding at any point in time
 - The arrangement must be repaid within 3 years via statewide policy surcharges on multiple property and casualty lines of insurance.
- **Member Assessments:** TWIA may charge assessments to Texas private-market property insurers to pay claims.
- **Reinsurance or Alternative Risk Financing:** Insurance coverage purchased by TWIA to ensure money is available to honor claim payments when catastrophic losses exceed current funds.
 - Reinsurance is purchased using policyholder premiums and must be in an amount sufficient to meet the minimum required funding level
 - Member companies may be assessed for reinsurance purchased above the minimum required funding level of a 50-year storm season

Reinsurance Funding

- TWIA utilizes reinsurance and catastrophe bonds as part of its overall reinsurance program.
 - These are the last sources that may be accessed in TWIA's funding structure for the payment of hurricane losses.
- Current statute requires TWIA to purchase reinsurance to cover any losses in excess of the other funding sources up to the 100-year PML.
 - The cost of this reinsurance is paid directly from TWIA premiums.
- Funds from reinsurance and catastrophe bonds are available immediately after a qualifying event, as determined contractually.

Traditional Reinsurance

Reinsurance is a form of insurance purchased by insurance companies from specialized reinsurance companies.

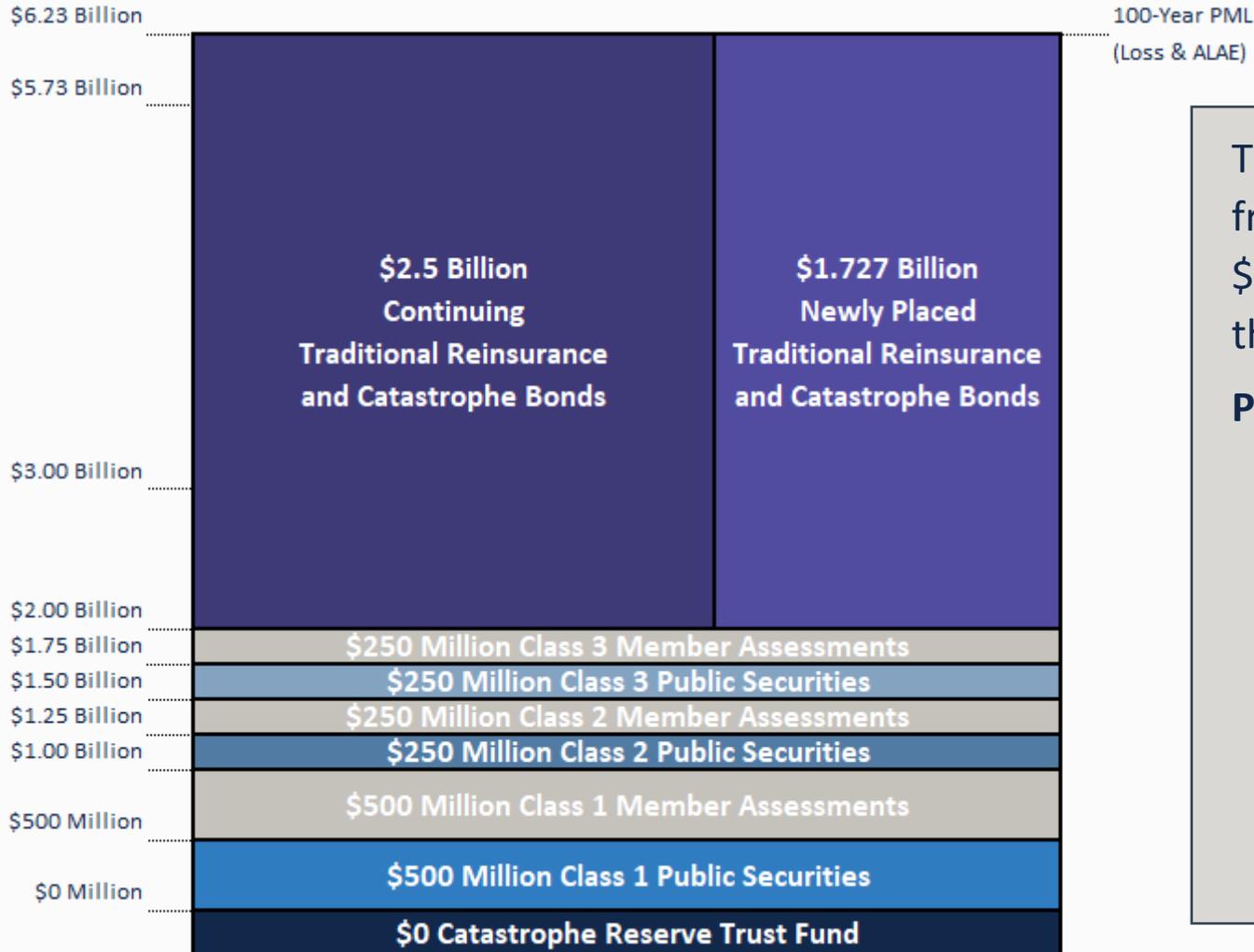
Catastrophe Bonds

Catastrophe Bonds are a form of collateralized reinsurance in which one or more investors provide the funding for the reinsurance amount in exchange for risk-based interest payments.

Member Company Assessments

- TWIA has the authority to assess its member companies up to \$1 billion to fund losses.
- Member companies include all insurance companies authorized to write property insurance in Texas, with limited exceptions.
- These assessments are levied by the TWIA Board of Directors with approval by TDI.
- Member companies are not permitted to recoup the assessments through premium surcharges or tax credits.
- Payment of assessments is enforced by TDI, and there have, historically, been very few uncollected assessments.

2025 Hurricane Season Funding

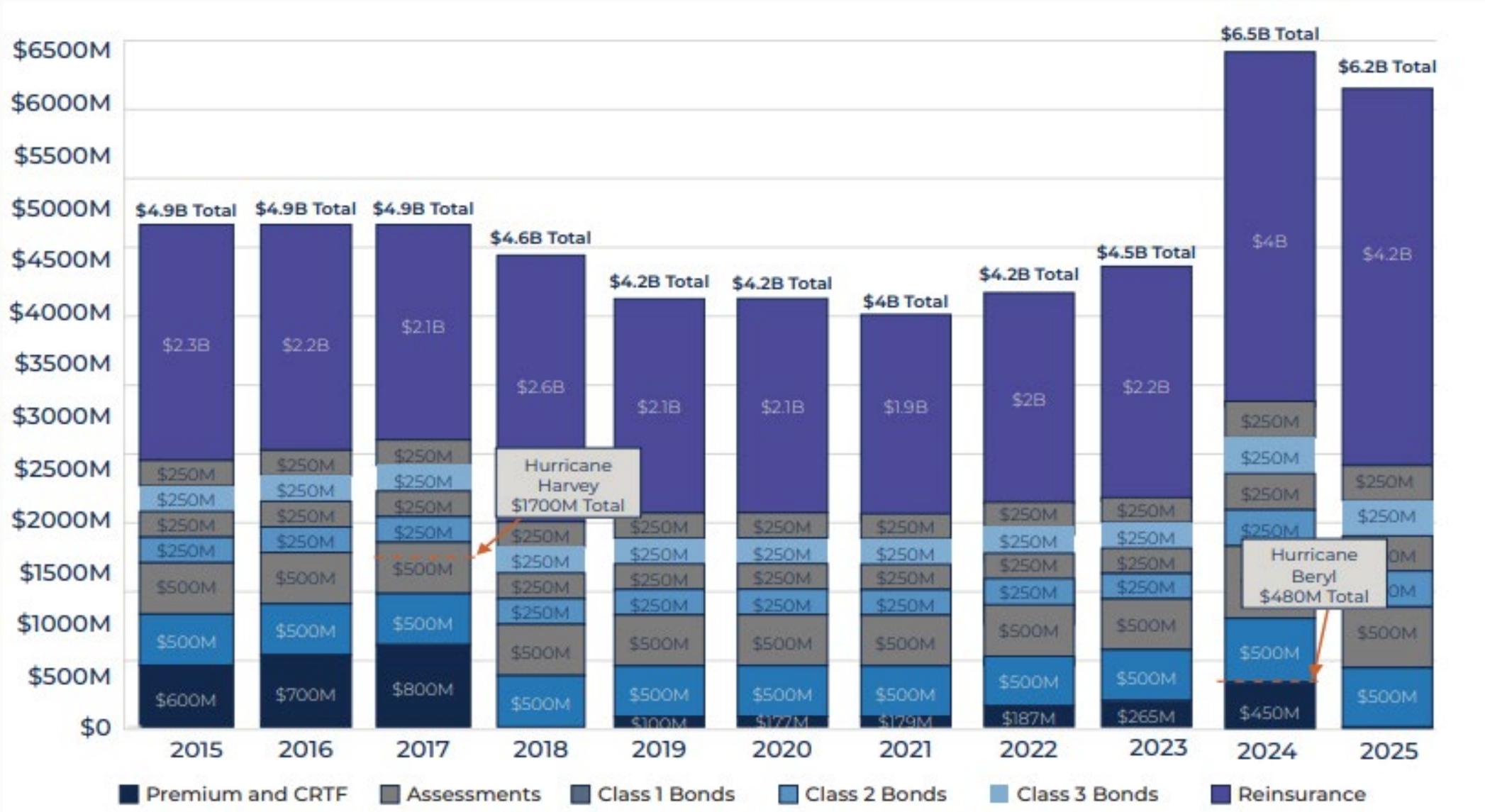


TWIA's 2025 reinsurance program is effective from **June 1, 2025, to May 31, 2026**, and provides \$6.227 billion in total aggregate funding, meeting the statutory minimum funding requirement.

Projected 2025 funding includes:

- \$2.5 billion of continuing multi-year reinsurance
- \$1.73 billion in newly-placed reinsurance
- \$2.0 billion in public securities and member company assessments
- \$0 projected CRTF after withdrawal to fund Hurricane Beryl losses

Historical Funding Comparison



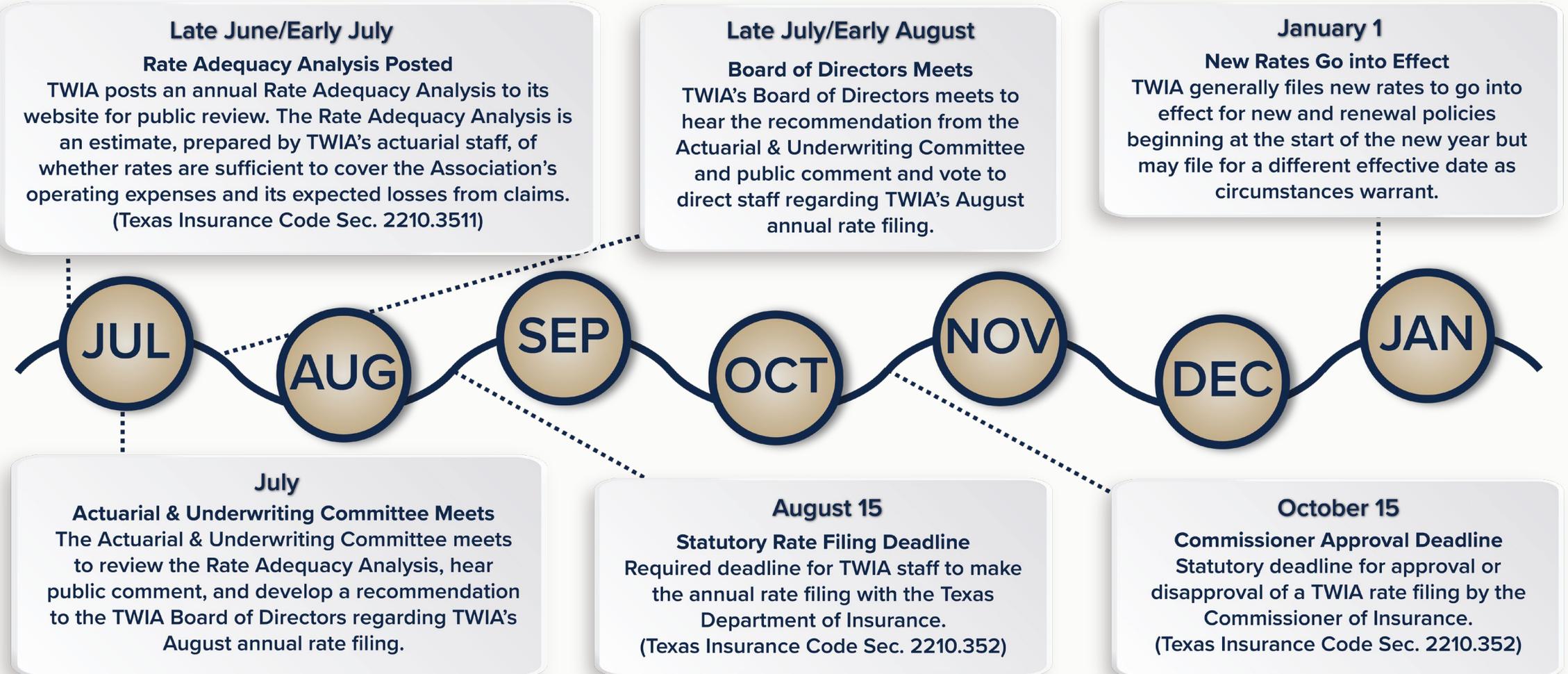
TWIA Rates

- By law, TWIA rates must be reasonable, adequate, not unfairly discriminatory, and non-confiscatory as to any class of insurer
 - Texas Insurance Code requires that all insurance carriers' rates must be "fair" and "just."
- TWIA must make an annual rate filing with TDI by August 15 each year
- All filings for a rate increase are subject to review/approval by the Insurance Commissioner

Procedural Requirements for TWIA Rate Filings

- 2/3 Board vote required to file a rate increase
- The Board may not vote on a proposed rate increase if there is a Board vacancy for 60 or more days
- Rate adequacy analyses considered by the Board must be posted to TWIA's website 14 days prior to the Board's rate filing vote
- Public comment must be accepted prior to the Board's vote
 - Public comment may be verbal or written

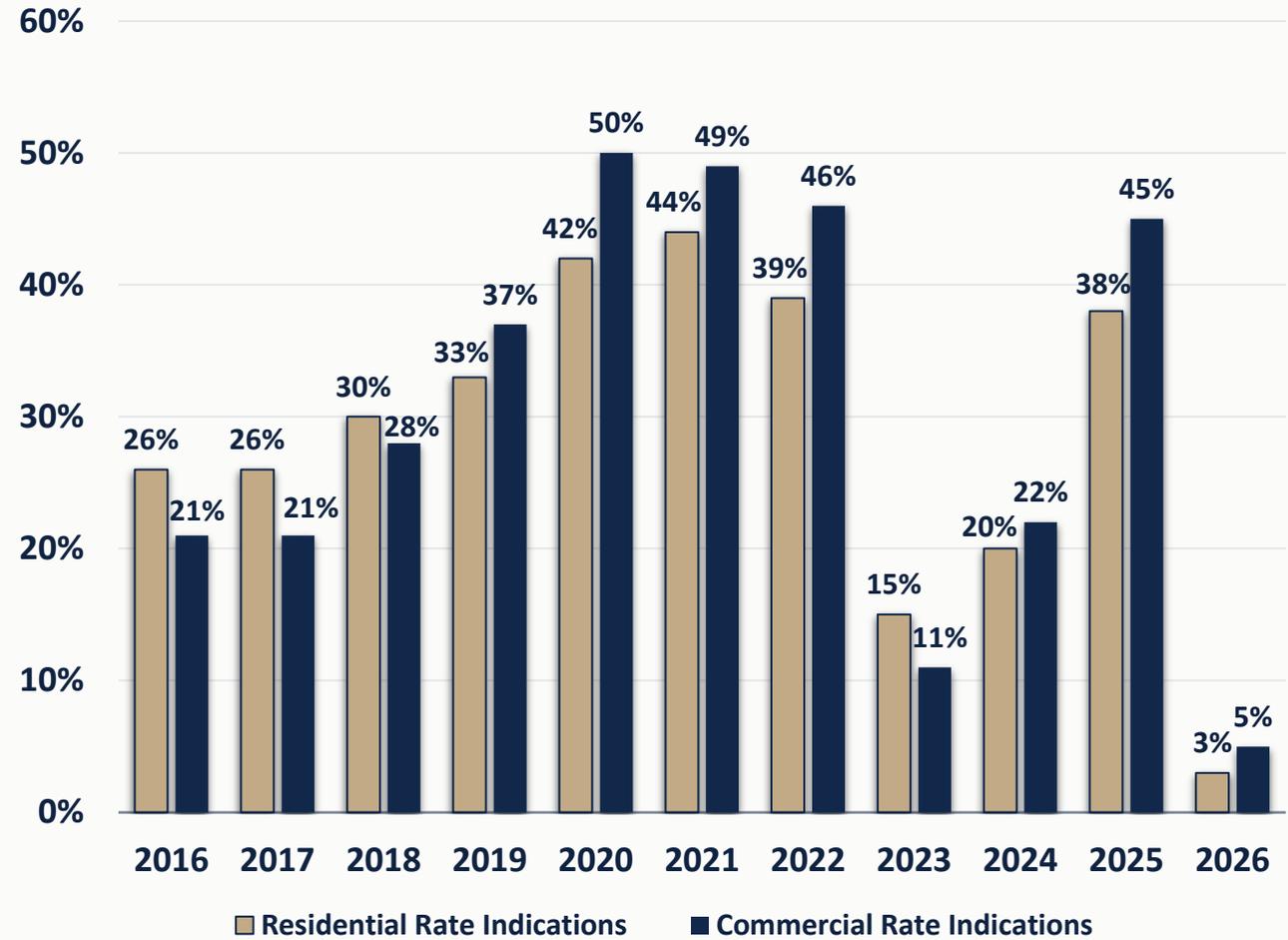
Annual Rate Filing Process



Recent Rate Activity

- 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.
- The 2025 Analysis shows a significant improvement in TWIA’s long-time rate inadequacy.
 - This is due to recent legislative changes that reduced the Association’s minimum required catastrophe funding for each storm season and exempted TWIA from certain taxes.
- At its August 2025 meeting, the TWIA Board of Directors voted to direct staff to file a 0% rate change with the Texas Department of Insurance.

Historical Rate Indications



Depopulation Programs

- **TWIA has two depopulation programs to help policyholders find coverage in the private insurance market**
- **Voluntary Market Depopulation Program**
 - Allows participating insurers to make offers on TWIA policies one at a time at policy renewal
 - 4,536 Policies Bound through the Voluntary Program
- **Assumption Reinsurance Depopulation Program**
 - Allows participating insurers to assume large numbers of TWIA policies at one time (program repeats annually)
 - Completed 6 program rounds from 2016 to 2023, resulting in the takeout of more than 16,000 policies
 - No rounds have occurred since 2023 because of a lack of insurer interest in the program

Assumption Reinsurance Depopulation Program						
Program Year	2016-2017	2017-2018	2018-2019	2019-2020	2021-2022	2022-2023
Participating Carriers	4	3	2	2	1	1
Policies Selected by Carrier	102,171	109,356	75,039	64,380	32,318	31,959
Agent-Approved Offers	18,047	3,091	3,552	1,866	210	79
Policies Assumed	11,164	1,634	2,093	1,009	125	57

TWIA Claims

- Texas Insurance Code Chapter 2210 outlines specific judicial remedies available to TWIA policyholders to resolve disputes arising over the amount of a loss or coverage of damages.
- TWIA claims are not subject to Texas Insurance Code Chapters 541 (Unfair Settlement Practices) and 542 (Prompt Payment of Claims Act), and Business Commerce Code Chapter 17 (Deceptive Trade Practices Act).
- Very few TWIA claims involve a dispute (approximately 4%).
 - Most disputed claims (88%) involve an appraisal request.
 - Only 0.37% of claims involve a lawsuit.

Accepted Claims

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

Denied Claims

- If a policyholder disputes TWIA's decision to partially or fully deny coverage for a claim, they must provide notification that they intend to bring suit against TWIA.
- The policyholder has two years after receipt of a claim decision to notify TWIA of their intent to file suit.

Supplemental Payments

- TWIA also offers a supplemental payment process, which allows policyholders to provide TWIA with new information about their claim so the Association may re-evaluate the claim decision for the purposes of issuing additional payment.
- Policyholders do not have to engage in the appraisal process or file a lawsuit to request a supplemental payment.



Windstorm Certification Requirements

- Texas Insurance Code Chapter 2210 requires TWIA-insured properties to be certified as meeting the windstorm building code requirements for its area, with some exceptions.
- A structure must have a **Certificate of Compliance** (WPI-8, WPI-8-E, or WPI-8-C) showing the structure conforms to the applicable windstorm building codes to be considered insurable and eligible for TWIA coverage.
- TDI administers the **Windstorm Inspection Program** and issues all Certificates of Compliance.
- TDI Windstorm Inspections:
 - **Website:** tdi.texas.gov/wind
 - **Phone:** (800) 248-6032, option 3
 - **Email:** windstorm@tdi.texas.gov

Certificates of Compliance

- There are three different Certificates of Compliance:
 - **WPI-8:** A Certificate of Compliance issued by the Texas Department of Insurance for new and ongoing improvements.
 - **WPI-8-E:** A Certificate of Compliance issued by the Texas Department of Insurance for completed improvements. The Texas Department of Insurance began accepting applications for WPI-8-Es on June 1, 2020.
 - **WPI-8-C:** A Certificate of Compliance issued by TWIA for completed improvements. TWIA accepted applications for WPI-8-Cs from January 1, 2017, to May 31, 2020.