



AGENDA MEMORANDUM

Action Item for the City Council Meeting August 8, 2023

DATE: August 8, 2023
TO: Peter Zanoni, City Manager
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Resolution Opposing Texas Windstorm Insurance Association (TWIA) Rate Increase

CAPTION:

Resolution opposing Texas Windstorm Insurance Association (TWIA) rate increase.

SUMMARY:

The Texas Windstorm Insurance Association (TWIA) Actuarial Committee held a meeting on July 11, 2023, and voted to recommend a 5% rate increase on Residential Properties and an 8% rate increase on Commercial Properties. This recommendation will be considered at the August 8, 2023, TWIA Board Meeting. This resolution continues the opposition of the City of Corpus to unnecessary rate increases by TWIA, requests the TWIA board to vote not to increase rates, and requests the Commissioner of Insurance to disapprove any proposed rate increase.

BACKGROUND AND FINDINGS:

By law, TWIA is required to consider new rates at the August board meeting. As TWIA began to consider rates for 2024, they convened the actuarial committee to review the rate adequacy study. At the July committee meeting, the Actuarial Committee heard testimony from TWIA staff that rates were insufficient by 20% for Residential Properties and 22% for Commercial Properties. The Committee voted to recommend a 5% increase for 2024 residential policies and an 8% increase for 2024 commercial policies. The City of Corpus Christi already faces a shortage of affordable housing, and any increase in insurance rates will only widen that affordability gap. Regionally targeted increases to insurance rates make our city, and our surrounding area, less economically competitive compared to communities not required to burden homeowners and business owners with this extra insurance expense.

ALTERNATIVES:

The Council can pass the resolution, or the Council can choose to take no action at this time.

FINANCIAL IMPACT:

There is no financial impact on the City.

RECOMMENDATION:

Staff recommends the adoption of this resolution, which will send an official message from the City of Corpus Christi requesting the TWIA board to vote not to increase rates and requesting the Commissioner of Insurance to disapprove any proposed rate increase.

LIST OF SUPPORTING DOCUMENTS:

Council Resolution opposing TWIA rate increase 8 8 23