

RESOLUTION

Requesting the Commissioner of Insurance to reject the proposed premium rate increase proposed by the Texas Windstorm Insurance Association.

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. The heavy rains from Harvey caused catastrophic flooding throughout the Coastal Bend Region, the Houston area and Southeast Texas and was the first major hurricane to make landfall along the Middle Texas Coast since Hurricane Celia in 1970; and,

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; and,

WHEREAS, almost one year after the storm many of the Hurricane Harvey disaster declared communities are struggling to rebuild, have TWIA and other insurance claims unresolved, are still waiting for assistance from FEMA, HUD, SBA or other federal agencies. Others are unable to find and hire a qualified and trusted contractor to provide bids, or to start or complete repairs and re-construction, and are financially burdened by higher deductibles and unforeseen overall increases in labor or material costs, resulting in claimants being unable to begin or complete repairs and reconstruction that was started. In addition, home and business owners are frustrated by delays caused by lack of familiarity with claim dispute procedures and deadlines on the part of the claimant's public adjuster or attorney; and,

WHEREAS, the Texas Windstorm Insurance Association Board of Directors voted 5-4 to increase rates for 2019 by 10% at the July 31, 2018, quarterly Board meeting and will file the proposed rate increase with the Texas Department of Insurance (TDI) by August 15, 2018, as required by law; and consumers also face an additional four percent cost-of-living increase approved by TWIA; and,

WHEREAS, the Texas Insurance Code (Chapter 2210) requires TWIA rates be "reasonable, adequate, not unfairly discriminatory, and nonconfiscatory as to any class of insurer." Rates must also be based upon sound actuarial principles and sufficient to sustain projected Association losses and expenses; and,

WHEREAS, the proposed rate increase must be approved by the Commissioner of Insurance, and if approved, it will go into effect January 1, 2019 and apply to all TWIA residential and commercial properties. New business and renewal policies issued in 2018 will not be affected by the rate increase until the policies renew in 2019;

NOW THEREFORE BE IT RESOLVED, THAT THE CITY OF CORPUS CHRISTI request that the Commissioner of Insurance reject the proposed premium rate increase proposed by the Texas Department of Insurance.

PASSED AND APPROVED this _____ day of _____, 2018.

ATTEST:

Rebecca Huerta
City Secretary
Corpus Christi, Texas

Joe McComb
Mayor

On the _____ day of _____, 2018, the above resolution was passed
by the following vote:

Joe McComb _____

Rudy Garza _____

Paulette Guajardo _____

Michael Hunter _____

Debbie Lindsey-Opel _____

Ben Molina _____

Everett Roy _____

Lucy Rubio _____

Greg Smith _____

Approved As To Form:

Miles Risley
City Attorney