



AGENDA MEMORANDUM

Action Item for the City Council Meeting July 20, 2021

DATE: June 29, 2021
TO: Peter Zaroni, City Manager
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Resolution to oppose Texas Windstorm Insurance Association rate increase

CAPTION: Resolution opposing Texas Windstorm Insurance Association rate increase.

SUMMARY: The Texas Windstorm Insurance Association (TWIA) will hold their August Board Meeting virtually on August 3, 2021 and by law they are required to consider any new rates at this meeting. The TWIA actuarial committee will meet on July 21st to consider potential rate increases ahead of the August Board meeting. This resolution continues the opposition the City of Corpus to unnecessary rate increases by TWIA and asks TWIA to all legislation passed in the 87th Session of the Texas Legislature to be implemented before Considering Rate increases.

BACKGROUND AND FINDINGS: The 86th Texas Legislature passed HB 1900 which created a Legislative Funding Oversight Committee to study TWIA's rate adequacy. It is premature for TWIA to be proposing rate increases for residential and commercial policies before TDI implements these important statutory changes. The committee was appointed but unable to meet and conduct oversight due to COVID -19 restrictions and legislative rules limitation on virtual meetings. The 87th legislature passed legislation to continue the work of this committee over the interim and produce policy recommendation for the 88th Legislature to consider.

In addition, the 87th legislature passed legislation to require a 2/3 vote of the TWIA board to raise rates and gets rid of the conflict of interest in forecasting and purchase of reinsurance. These bills are key reforms to TWIA process and do not go into effect until September 1, 2021. The TWIA board should not be allowed to raise rates before these important reforms are implemented.

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

FISCAL IMPACT: There is no financial impact to the city

RECOMMENDATION: Staff recommends adoption of this resolution which will send an official message from the City of Corpus Christi asking TWIA not to pass unnecessary rate increases at the August Board meeting.

LIST OF SUPPORTING DOCUMENTS: Council Resolution opposing TWIA rate increase 70202021