

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 was appointed but unable to complete its oversight work due to the COVID-19 pandemic restrictions. This committee must be given time to act before TWIA activates a new rate increase;

WHEREAS, TWIA continues to not follow the process set in law for setting windstorm insurance rates. By law, TWIA is required to consider new rates at the August board meeting. For the second year in a row, TWIA was unable to finalize rates at that Board meeting. As TWIA began to set rates for 2021, they convened the actuarial committee to review the rate adequacy study before the study was complete;

WHEREAS, the TWIA Board of Directors voted for no rate increase at its August 2020 meeting; until the full rate adequacy study could be completed;

WHEREAS, TWIA continues to operate in a non-transparent manor and does not comply with open meetings rules. At the most recent meeting of the actuarial committee, public comment was due on Sunday, November 29th and the updated rate adequacy study was not

released by TWIA until the afternoon of November 30th which prevented the public from filing substantive comment on the report before the committee for consideration. The actuarial committee then requested Willis Towers Watson to gather additional information before the board meeting on December 8th. The written public comment period for the Board meeting closed before the updated information presented to the board was released to the public for review;

WHEREAS, the published agenda for the December 8, 2020 Board meeting included no action item on a rate increase;

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 unnecessary increases in windstorm insurance rates and encourages the Governor of Texas and the 87th Session of the Texas Legislature to take action to stop the Texas Windstorm Insurance Association from implementing the 5% rate increase that was voted on with no public notice and comment process from the public. 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.

PASSED AND APPROVED on the _____ day of _____, 2020:

Joe McComb	_____
Roland Barrera	_____
Rudy Garza	_____
Paulette M. Guajardo	_____
Gil Hernandez	_____
Michael Hunter	_____
Ben Molina	_____
Everett Roy	_____
Greg Smith	_____

ATTEST:

CITY OF CORPUS CHRISTI

Rebecca Huerta
City Secretary

Joe McComb
Mayor