



AGENDA MEMORANDUM

Action Item for the City Council Meeting November 19, 2019

DATE: November 14, 2019
TO: Peter Zaroni, City Manager
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Resolution to oppose a Texas Windstorm Insurance Association rate increase

CAPTION:

Resolution Opposing Texas Windstorm Insurance Association Rate Increase

SUMMARY:

The Texas Windstorm Insurance Association (TWIA) is holding a meeting of the actuarial committee on Tuesday November 19, 2019 via teleconference to consider recommending a rate increase to the full TWIA Board. This is the third attempt to raise TWIA insurance rates this year. The next meeting of the full TWIA board is scheduled for December 10, 2019 in Corpus Christi.

BACKGROUND AND FINDINGS:

The 86th Session of Texas Legislature passed several pieces of legislation to make needed reforms to TWIA, including the creation of a legislative oversight committee to study TWIA rate adequacy. Prior to the full implementation of the new laws, TWIA is trying to raise rates on TWIA policy holders again. Rate increases will make it even harder for the Coastal Bend and the entire coastal region to continue rebuilding from Hurricane Harvey. In addition, increased TWIA rates make it harder for families in the Coastal Bend region to afford and finance homes. This push to raise rates before TWIA reform legislation can be implemented is premature.

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 to TWIA to refrain from raising rates at this time.

LIST OF SUPPORTING DOCUMENTS:

Resolution - Opposing TWIA rate increase 19.n13