



AGENDA MEMORANDUM

Action Item for the City Council Meeting July 19, 2022

DATE: July 11, 2022
TO: Peter Zanoni, 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 in Galveston on August 2, 2022 and by law they are required to consider any new rates at this meeting. The TWIA actuarial committee will meet on July 18st 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 highlights the reform legislation passed in the 87th Session of the Texas Legislature.

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 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.

Increasing windstorm insurance rates on top of the ongoing economic uncertainty we are facing could affect the ability of our residents to purchase homes and affect our ability as a region to attract and retain industry.

ALTERNATIVES:

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

FINANCIAL IMPACT:

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 7 19 2022