



AGENDA MEMORANDUM

Action Item for the City Council Meeting July 23, 2024

DATE: July 8, 2024

TO: Peter Zanon, City Manager

FROM: Ryan Skrobarczyk, Director of Intergovernmental Relations
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Resolution Opposing Texas Windstorm Insurance Association (TWIA) Rate Increase

CAPTION:

Resolution opposing Texas Windstorm Insurance Association (TWIA) rate increase.

SUMMARY:

The Texas Windstorm Insurance Association (TWIA) Actuarial & Underwriting Committee held a meeting on July 15, 2024, and voted with a 5 -1 margin to recommend a 10% rate increase for residential and commercial properties in all 14 first-tier coastal counties. Specifically, Nueces, Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kennedy, Kleberg, Matagorda, Refugio, San Patricio, Willacy, and parts of Harris County.

The TWIA Board of Directors will meet in Galveston, Texas, on August 6, 2024, to consider and vote on the recommended rate increase. This resolution continues the City of Corpus Christi's opposition to TWIA rate increases. It also requests that the TWIA board vote to oppose rate increases and that the Commissioner of Insurance disapprove of any proposed increase.

BACKGROUND AND FINDINGS:

By law, TWIA must consider new rates at the August board meeting. As TWIA began considering rates for 2025, they convened the Actuarial and Underwriting Committee to review the rate adequacy study. At the July meeting, the Committee heard testimony from TWIA staff that rates were insufficient, 38% for residential properties and 45% for commercial properties.

TWIA's Actuarial and Underwriting Committee voted to recommend a 10% increase for residential and commercial policies for 2025. The City of Corpus Christi has a shortage of affordable housing, and any increase in insurance rates will widen the affordability gap.

Windstorm insurance rate increases on policies required for coastal regions such as Corpus Christi adversely impact coastal areas, making them less economically competitive than communities that do not necessarily burden homeowners and businesses with additional insurance expenses.

ALTERNATIVES:

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

FINANCIAL IMPACT:

There is no financial impact on the City.

RECOMMENDATION:

Staff recommends the adoption of this resolution, which will send an official message from the City of Corpus Christi requesting that the TWIA board vote in opposition to any rate increases and requesting the Commissioner of Insurance to disapprove any proposed rate increase.

LIST OF SUPPORTING DOCUMENTS:

Council Resolution opposing TWIA rate increase