



AGENDA MEMORANDUM

Action Item for the City Council Meeting September 29, 2020

DATE: September 16, 2020

TO: Peter Zaroni, City Manager

FROM: Tammy Embrey, Director Intergovernmental Relations
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Resolution to oppose a Texas Windstorm Insurance Association 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, September 22, to consider recommending a rate increase to the full TWIA Board. A special board meeting to consider a rate increase will likely occur in October to consider the recommendations of the Actuarial committee. This resolution will allow the City of Corpus to be prepared for that meeting with a formal resolution from Council opposing a rate increase.

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 Texas Department of Insurance implements these important statutory changes.

As TWIA began to set rates for 2021, they convened the actuarial committee to review the rate adequacy study before the study was complete. At the August board meeting, TWIA voted not to raise rates until the full rate adequacy study could be completed with a direction to revisit rates at that time. Rate uncertainty is unsettling at best for TWIA policy holders during this unprecedented COVID-19 pandemic. Now that the rate adequacy study has been completed, TWIA is now considering a rate increase for 2021 based on that study.

ALTERNATIVES:

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

FISCAL 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 to TWIA to refrain from raising rates at this time.

LIST OF SUPPORTING DOCUMENTS:

Council Resolution opposing TWIA rate increase 09162020