



Southwestern Insurance Information Service

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INSURANCE NEWS

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Author: Jim Oliver

SIIS Office: (512) 795-8214
SIIS Cell: (512) 965-4001 Jerry
(512) 468-6965 Sandra

Letter to the Editor

Keep suits in perspective

Regarding "New round of criticism hits windstorm insurer" (Page D1, Wednesday), as was pointed out in an op-ed that ran Wednesday in the Chronicle ("Remember Hurricane Ike, not the quiet storm season," Page B9), Hurricane Ike was a storm of historic proportions — a storm that wreaked havoc for many coastal residents.

The Texas Windstorm Insurance Association (TWIA) was created by the Legislature to provide insurance coverage for wind damage along the coast of Texas. We have received more than 92,000 reported losses due to Hurricane Ike and are still receiving an average of 15 new loss reports a week. TWIA is a nonprofit entity, and as such, has nothing to gain by not paying what is owed to our policyholders based on the terms of their insurance contracts.

We have closed 98 percent of the reported losses from Hurricanes Ike. The remaining losses were either reported recently, are larger and more complicated or are reopened claims where policyholders have asked for additional payment consideration. We currently have approximately 832 lawsuits from Hurricane Ike, which represent less than 1 percent of the total claims.

Following the hurricane, many law firms began marketing aggressively to coastal residents, encouraging them to sue TWIA and other insurance companies. These law firms stand to gain huge profits if they are successful in these lawsuits and are using every means possible to influence public opinion.

The article included an example from one of these lawsuits. This case involved a roof that was many years old and showed long-term deterioration. Even though it could not be proven that Ike caused the damage, TWIA paid for a new roof for the insured. This important fact was omitted from the story, leaving readers with the false impression that TWIA refused to pay the claim.

We ask the public, and especially our policyholders, to keep these lawsuits in perspective with the scope of the catastrophe. Were mistakes made? Perhaps, in a very few situations based on the scope of the disaster — but in these cases, we welcome the opportunity to work with our policyholders to resolve any outstanding issues.

For Additional Information:

8303 N Mopac, Ste B-231
Austin, TX 78759

Phone: (512) 795-8214
Fax: (512) 795-9363

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JIM OLIVER

General manager, Texas Windstorm Insurance Association

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Fax: (512) 795-9363