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TWIA to move ahead with 5% rate hike

[By Laura Elder](#)
The Daily News

GALVESTON — The Texas Windstorm Insurance Association will raise premium rates by 5 percent next year on thousands of commercial and residential policies.

The association's governing board approved the increases in a 5-3 vote at its quarterly meeting Tuesday in Galveston.

The increases do not have to be approved by Texas Insurance Commissioner Mike Geeslin because lawmakers changed the rules during the 81st legislative session in 2009.

The change allows the association to operate under a "file-and-use" system similar to that governing private insurers.

The association doesn't need prior regulatory approval for rate increases not exceeding 5 percent, provided it waits 30 days to implement the increases, among other criteria.

The increases will take effect Jan. 1.

This is the first time the association, which provides coverage to 66,094 commercial and residential policyholders in Galveston County, has exercised the file-and-use option.

The association has not won a rate increase since Nov. 18, 2008, when Geeslin approved a 12.3 percent increase for residential rates and a 15.6 percent increase on commercial policies.

The unprecedented hikes were to shore up funding depleted by Hurricane Ike, which struck in September 2008. The state-backed association, which sells windstorm insurance in 14 coastal counties and parts of Harris County, incurred losses from Hurricane Ike of about \$1.9 billion, officials said Tuesday.

Garry Kaufman, chairman of the association board and president of Galveston Insurance Associates, was among

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members voting against a rate increase.

Kaufman said he wanted the agency to be properly funded but was mindful that consumers still were recovering from Hurricane Ike and weathering a recession.

"We're still trying to catch up," Kaufman said. "I personally couldn't vote for it now."

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