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Texas Windstorm Pool Ike Costs May be Less Than Previously Thought

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Two weeks after Hurricane Ike hit Galveston, Texas, on Sept. 13, the [Texas Windstorm Insurance Association](#), the state's insurer of last resort for wind coverage along the coast, was fielding thousands of claims per day. As of Sept. 24, the insurer had logged nearly 50,000 claims, and was estimating the cost of damages from Ike would ultimately come in around \$3 billion to \$4 billion.

Now, at almost a month since the hurricane made landfall, the rate of claims being filed has slowed to between 700 and 1,000 each week day, TWIA spokesman Jerry Johns says, with fewer claims being filed on the weekends. As of Oct. 8, TWIA had received 76,864 claims and the association projects losses to be closer to the \$2.7 billion range.

TWIA in September voted to assess member companies - all insurers selling property coverage in Texas are required to participate - \$430 million to help cover the cost of Ike claims. Texas Insurance Commissioner Mike Geeslin told lawmakers at a hearing on Sept. 24 that around \$230 million of that initial assessment would be subject to premium tax credits over a five-year period. Earlier in the year, TWIA assessed member companies \$100 million for losses related to Hurricane Dolly, which hit near Brownsville in July.

TWIA's board on Oct. 8 voted to delay any more assessments to member companies until later in the year.

Commissioner Geeslin in June approved the purchase of \$1.5 billion in reinsurance for the wind pool. TWIA so far has collected \$500 million in reinsurance to cover claims.

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