



Southwestern Insurance Information Service

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Insurance News

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Wind pool OKs more funding in wake of Hurricane Ike

By PURVA PATEL

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The state wind pool's board Wednesday voted to give state regulators \$4.5 million to fund inspections as residents rebuild properties pummeled by Hurricane Ike.

The Texas Windstorm Insurance Association, which sells coverage to those on the coast who can't find it in the private market, requires homes and businesses it insures to meet certain building code requirements.

The money will come from the pool's 2009 budget, including premiums it collects, and paid in 2009.

The department indicated that \$500,000 provided earlier this year in anticipation of Ike will carry the program through 2008, said Jerry Johns, a spokesman for the pool.

The Texas Department of Insurance, which runs the inspection program, asked the pool earlier this month for \$5.3 million to hire up to 30 more inspectors and create a call center to handle inspection-related calls.

Properties must be inspected by a department inspector or an engineer appointed by the Insurance Commissioner to qualify for a policy from the pool.

The department wanted the money because a delay in inspections could hold up rebuilding. Also, repairs made without oversight could ultimately cost insurers in future losses if properties aren't built to code, the department said.

The board, which includes five insurance company representatives, voted against providing the money then and asked the department to look for funding elsewhere first.

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The board decided Wednesday to go ahead and provide the money because the department couldn't find immediate funding elsewhere, Johns said.

The board will also evaluate the inspection program at each of its quarterly meetings to determine if it should continue the funding.

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