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## Insurance News

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**Source:** Galveston Daily News  
**Author:**

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

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### Ike victims face new line of windstorm insurance

**By Laura Elder**

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Veronica De Los Santos spent four hours Friday morning waiting in a line of cars creeping into the parking lot of Gulf Greyhound Park in La Marque.

The Galveston resident waited the four hours to meet with representatives of the Texas Windstorm Insurance Association, which set up a mobile claims center at the dog track, 1000 FM 2004, a few days after Hurricane Ike made landfall Sept. 13.

She wanted to claim a check for \$2,500 to cover living expenses until she could file a full claim on her storm-damaged house in the 4800 block of Avenue P 1/2.

After De Los Santos finally made it through the line of cars, the line at the door and finally spoke with association officials, they told her she didn't have the correct documents.

'Waiting Game'

De Los Santos, 45, returned to the island to get them. By noon, she again was waiting in a line of cars backed up along the perimeter of the dog track from FM 2004 to FM 1764.

She wondered whether this time she would be able to speak with association officials before they stopped processing claims and handing out checks to policyholders.

The association, also known as the windstorm pool, is able to process from 120 to 175 claims a day.

*For Additional Information:*

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

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



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Policyholders have waited in line for hours only to be told to return the next day.

People Friday milled around their cars while police stationed at the dog track's side gates admitted groups of 20 or so vehicles at a time.

Those milling scrambled back behind the wheel when the line began moving.

Some cars stalled in the line. Probably the heat, one of those waiting speculated.

"It's frustrating," De Los Santos said.

She said she needed cash to cover living expenses and make repairs to her home.

She said she wished someone had had the forethought to put portable toilets beside the road.

'Cannot Take Anymore'

Association officials conceded the process wasn't the most efficient but urged policyholders to be patient.

They had processed 70,000 claims from policyholders since Hurricane Ike left the island, inland parts of Galveston County and some of 13 other coastal counties in tatters.

Officials last week also were urging policyholders to find their insurance agent to avoid having to use the mobile unit.

About 20 association workers from Austin are taking claims at the center from 7:30 a.m. "until they simply cannot take any more claims," said spokesman Jerry Johns.

They are working 16-hour days, but about half that time is spent at hotels on computers processing paperwork, he said.

The windstorm pool could send more people to the mobile center, but that would strip its Austin office of personnel to process claims, Johns said.

"It takes highly skilled people to manage a storm of this magnitude, and TWIA staffers are working enormously long hours to get victims back to a state of normalcy," he said.

"TWIA cannot have inexperienced kids taking claims; they need gray-haired people who have experience

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handling these kinds of catastrophic events and those are the people staffing the mobile claims unit in addition to more than 1,500 adjusters in the area.”

### ‘Not An Entitlement’

Part of the problem is that people who don’t have a windstorm policy are showing up at the mobile claims unit.

“Those without a TWIA policy need to understand this is not an entitlement program,” Johns said.

Ike made landfall as a Category 2 storm, but it brought tidal surge equivalent to a Category 4 storm.

Windstorm policies don’t cover storm surge, which in some areas was as high as 14 feet, flooding hundreds of business and forcing thousands of people out of their homes.

But at its peak, Ike also packed sustained winds up to 110 mph, according to the National Weather Service.

### ‘Wind Versus Flood’

Most windstorm policies come with coverage for additional living expenses.

The \$2,500 checks are meant to help policyholders pay for such things as hotel rooms and food while they’re homes are being repaired.

The windstorm pool, an insurer of last resort in 14 coastal counties, has cut “thousands and thousands” of additional living checks to policyholders whose properties had not been seen by adjusters, Johns said.

The exact numbers weren’t immediately available Friday.

Officials say they are counting on policyholders to be honest about what made their homes unlivable — flood or wind.

“If it’s damaged by flooding, hopefully they’ll have flood insurance and they need to file a flood claim,” Johns said. “It would be the honest thing to do.”

Whether the pool would ask policyholders to return the \$2,500 should adjusters decide flood, not wind, caused the damage was uncertain, Johns said.

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"We'll cross that bridge when we get there," he said.

### Combatting Windstorm Rumors

Officials last week also were debunking rumors that the association was denying claims for anyone living in a particular ZIP code, community or outlying area.

"TWIA's guidelines are, and will continue to be, to look at each claim on an individual, case-by-case basis and determine if the damage claim is covered under their policy," Johns said.

Officials acknowledged, however, that cause — wind or flooding — would become an issue.

Meanwhile, officials were combating rumors that the association would not be able to pay all the claims.

The windstorm pool, composed of all property and casualty insurers doing business in Texas, has estimated it would pay out more than \$4.2 billion in Hurricane Ike claims, although it has only \$2.1 billion available.

Still, the windstorm pool has enough funding to pay all claims from a storm shaping up to be the one the insurance industry had long feared, Johns said.

### Taxpayers On Hook

To pay the claims, the association will assess member companies for \$430 million.

It will likely also use all of \$1.5 billion in reinsurance and \$379 million in its Catastrophe Reserve Trust Fund.

About \$230 million of the \$430 million will be subject to premium tax credits, meaning insurers won't have to pay some state taxes for five years, a direct hit on the state's general revenue fund.

Ultimately, Texas taxpayers will foot the bill for much of the destruction.

### 'On The Backburner'

James Raitano, 35, pulled his Jeep Wrangler into line about 12:45 p.m. Friday, three weeks after the storm.

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He hoped to file a claim before officials turned policyholders away for the day.

Raitano, of Texas City, said he understood the island sustained major damage and he was sympathetic.

But mainland policyholders also needed to file claims and make repairs quickly, he said.

"We're kind of on the backburner," Raitano said.

The father of five wanted to repair a fence at his house in the Oak Park subdivision so his kids could play and his dogs could run around.

Association officials say they're attempting to first serve those whose properties were most severely damaged.

"We know it's difficult, but folks must be patient," Johns said.

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How to get help

The Texas Windstorm Insurance Association's mobile unit at Gulf Greyhound Park in La Marque, 1000 FM 2004, will operate daily from 7:30 a.m. until it can't process any more claims.

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