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INSURANCE NEWS

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Mass settlement offered in Ike windstorm cases

The wait could be over for countless Bolivar Peninsula property owners locked in a group stalemate with the Texas Windstorm Insurance Association over Hurricane Ike damages.

Within the next month, those clients involved in the insurance fight should get notices from their respective attorneys about whether they want to accept a slice of a \$189 million "mass settlement" with the state windstorm insurance pool, attorney Steve Mostyn said.

"It's an offer, but it's substantially more than what was paid on those cases," Mostyn said.

The ruling impacts "slab" cases, or buildings where Ike's winds and storm surge left little behind.

"This is a triumph for 'slab' owners and the Galveston County economy," Beaumont attorney Mitchell Toups said.

Mostyn said the attorneys were able to counter the insurance industry's argument of whether damage was caused by water or wind by using weather modeling and weather experts.

The insurance association agreed to pay full negotiated amounts to property owners and additional attorney fees.

"These slab claims were very complicated and numerous, and they required a great deal of time and analysis in determining the impact from wind and storm surge damage since TWIA policies only cover direct loss caused by wind," insurance association general manager Jim Oliver said in a released statement. "We hope that this global resolution will help those families rebuild their lives and homes. TWIA recognizes the important role that windstorm coverage and the recovery of policy benefits will have on economic development in Galveston County, and we are proud to help this vibrant community and help ensure its stability during future storms."

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Mostyn's law firm is still working about 5,000 Ike lawsuits mainly in the Houston and Galveston areas. After about a year of fighting, mediation is speeding up settlements on about 98 percent of those cases - moving much quicker than the process after Hurricane Rita, he said.

"The main difference with this storm is the brunt of it hit a much more populated area," Mostyn said.

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