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Insurance News

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Senate stops clock to revive windstorm insurance bill

By Janet Elliott - Houston Chronicle

AUSTIN — Acting on a must-pass issue, the Senate stopped the clock in its chamber at midnight in order to revive a bill to restore the state's depleted windstorm insurance fund.

Gov. Rick Perry has said he would keep lawmakers working past next Monday's session end if they don't pass legislation to reform rates for the Texas Windstorm Insurance Fund.

The Senate faced a midnight deadline to address the windstorm issue, which was caught in a House legislative slowdown this week over a voter identification bill. A Senate doorkeeper went to the third-floor gallery to unplug the clock to give senators time to discuss TWIA.

It only took about 15 minutes for the Senate to vote 27-4 to attach the bill it had passed last month to a House bill on hurricane evacuation. Houston Sens. Rodney Ellis, a Democrat, and Joan Huffman, a Republican, voted against the amendment.

“We're going to send this bill back over to the House in hopes that we can get a conference committee going, and hopefully avoid a special session,” said Sen. Mike Jackson, R-La Porte.

The Senate kept the clock unplugged as it worked into the morning to pass dozens of bills threatened by the partisan breakdown in the House.

The Senate windstorm bill would increase rates by 5 percent per year for the next three years. TWIA provides coverage to homeowners and businesses in 14 coastal counties and a part of Harris County who can't find it elsewhere.

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The higher rates would help replenish the fund that was depleted by Hurricanes Ike and Dolly last year.

When the bill initially was passed last month, the author, Sen. Troy Fraser, R-Horseshoe Bay, said the rate hikes won't be enough if Texas gets hit by a major storm this year.

If a damaging hurricane does strike, however, the bill contains other provisions that would kick in. They include \$400 million in assessments against insurance companies and \$600 million in bonds that would be repaid over a decade by policyholders around the state.

Insurance industry groups are seeking higher rate hikes for TWIA customers or a statewide rate hike for all homeowners to shore up the fund.

The windstorm fund was created in 1971 to serve as an insurer of "last resort" where windstorm and hail insurance was not available. It has grown dramatically in recent years as private insurers limited selling along the coast.

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