



Southwestern Insurance Information Service

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FACT SHEET

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The Texas Windstorm Insurance Association: Challenges and Solutions

The Texas Windstorm Insurance Association has been seeking solutions to pay losses and avoid compromising the Texas General Revenue fund in the event a major hurricane makes landfall again on the Texas coastline. The number of structures insured by TWIA has grown dramatically during this decade even as we have seen the number of structures in the TWIA coverage area decrease significantly as a result of hurricane Ike.

In 2001 the association had 68,756 policies in force. As of November 30, 2011, this insurer of last resort had 255,224 policies in 14 coastal counties and a portion of Harris County. This represents an increase of 181,409 policies since 2001 and an increase of 12,560 policies since January 1, 2011.

In 1992 TWIA had about \$5 billion exposure in these counties. At the end of November 2011 their exposure was approximately \$70.8 billion not including loss of business coverage and additional living expense coverage. This is a \$3.3 billion increase since January 1, 2011.

When business interruption and additional living expense coverages are included the total TWIA exposure rises to \$77.3 billion.

Building and contents exposure in Galveston County alone is currently just over \$21.1 billion, an increase of just over \$0.6 billion since January 1, 2011.

House Bill 3, which was enacted by the Texas Legislature in 2011, made some significant changes affecting TWIA.

TWIA has an excellent summary of that Legislation developed by TWIA and the SIIS Fact Sheet "Texas Windstorm Insurance Association – HB 3 Information" contains a direct link to the TWIA information page. Visit the FACT SHEET section at www.siisinfo.org.

Source: Southwestern Insurance Information Service /Texas Windstorm Insurance Association