What is TWIA?
The Texas Windstorm Insurance Association (TWIA) was created by the Texas legislature in 1971 to provide wind and hail insurance for Texas Gulf Coast property owners (those living in the 14 “Tier 1” counties). TWIA is intended to be the insurer of last resort, and property owners have to receive two declinations from private market insurers before TWIA issues a policy, which provides coverage for wind and hail losses only.

How are TWIA's rates determined?
- TWIA’s actuaries conduct an analysis to determine what rate is needed to cover future losses and expenses.
- TWIA’s Board of Directors then considers the actuarial analysis and submits a rate recommendation to the Texas Department of Insurance every August.

The Texas coast faces unique weather risks in the form of costly hurricanes like Hurricane Harvey in 2017 and Hurricane Ike in 2008.

Hurricane Harvey not only wiped out TWIA’s $800 million reserve fund, but also used pre-event financing (bonds) of $500 million, and Texas insurers also paid $372 million in assessments to help pay losses.

WHO WRITES WIND COVERAGE ON THE COAST?
Both TWIA and the private market do. TWIA’s 2018 written premiums were $395 million. The private market’s 2018 written premiums for homeowners and dwelling policies were $405 million.

Texas property and casualty insurers also write well over $500 MILLION in commercial, residential, and auto coverage in tier 1 counties, making their total premiums written along the coast nearly ONE BILLION DOLLARS.

Ignoring the actuarial analysis places TWIA at risk of having insufficient funds to pay claims, and shifts responsibility for paying coastal losses to all Texas insureds through company assessments, and to coastal residents through policy surcharges to repay public securities.

For more information on windstorm insurance, visit insurancecouncil.org

- Since 2006, TWIA has seen an average annual rate increase of 4.8% for residential wind coverage (5.5% for commercial).
- In 2017 and 2019, TWIA policyholders had no rate change.