

**SEN. LARRY TAYLOR PASSES MAJOR TWIA REFORM  
OUT OF SENATE BUSINESS & COMMERCE COMMITTEE  
- Legislators, Stakeholders and Chambers of Commerce  
Express Support for SB 1700 -**

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AUSTIN, TEXAS - State Senator Larry Taylor (R – Friendswood) announced the passage of SB 1700 through the Senate Business and Commerce Committee today. The measure significantly reforms the Texas Windstorm Insurance Association (TWIA), the beleaguered agency charged with insuring property along the Texas Gulf Coast.

After extensive stakeholder negotiations and input from the affected parties, Sen. Taylor was successful in crafting a final version that addresses the fundamental challenges facing TWIA while providing a roadmap for future windstorm insurance coverage. The measure reflects input from Lt. Governor Dewhurst, Senator Carona, Senator Hinojosa, and Representative Hunter. Groups expressing support for the bill include the Coastal Windstorm Insurance Coalition, the Corpus Christi Chamber of Commerce, the Coastal Windstorm Task Force, the Rockport-Fulton Chamber of Commerce, the Galveston Chamber of Commerce, and the Port Aransas Chamber of Commerce.

Senator Taylor said, “SB 1700 represents months of hard work between my office, fellow legislators, both coastal and inland, and coastal stakeholders. As we all know, TWIA cannot continue down the current unsustainable path and still expect to adequately fund future losses. This legislation marks a ‘new beginning’ for residents of the Texas Gulf Coast and I’m thankful for the input and support of all those involved in the reform effort.”

Lee Otis Zapp, Jr., Chairman of the Coastal Windstorm Insurance Coalition, thanked Senator Taylor for his efforts on the bill and said, “We particularly want to applaud the inventive provisions designed to significantly restore the voluntary market over a reasonable and manageable period of time.”

Senator Juan “Chuy” Hinojosa said, “This legislation is crucial for our coastal communities and the State of Texas. As a co-author of SB 1700, our goal is to create a plan that would provide windstorm coverage at an affordable rate while also increasing the availability of windstorm coverage through the private market.”

The major reform components of SB 1700 include:

- Stabilizes the association's funding structure;

- Utilizes a single adjuster program to provide immediate adjustment of claims and create a more efficient and effective claims process for policyholders;
- Replaces TWIA management and changes the name to the Texas Residual Insurance Plan or "TRIP";
- Establishes a plan to reduce exposure;
- Amends the makeup of the board of directors to add more professional expertise and geographical representation;
- Creates a voluntary electronic information portal to promote the competition of wind and hail coverage available by the private market on the coast; and
- Updates the duties of the Legislative Oversight Board to ensure progress is achieved under the reforms set forth in the bill.

In 2012, TWIA reported losses of over \$400 million - twice the amount paid out in 2011. The total estimated loss for Hurricane Ike has now reached \$2.74 billion as litigation continues with no end in sight. TWIA recently announced the association was in the red nearly \$183 million.

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