

WHAT IS HB 4733 ABOUT?

Insurers' depriving the Texas Coast of their product has Caused TWIA to exist and to grow exponentially. Counter intuitively, in the face of that fact, this bill fulfills the dream of insurers by nearly removing them from TWIA responsibilities. If HB 4733 becomes law, even more withdrawal of product, even MORE TWIA GROWTH CAN BE EXPECTED..

Coastal **TEXANS NEED THE LEGISLATURE'S HELP** to resist the power of the combined insurance industry. Texas Licensed Insurers have deserted our coast. At all times, insurers control 100% of the market, including TWIA'S board.

The PEOPLE accept larger deductibles, expensive codes, nerve wracking inspections, multiple policies, GREATLY higher costs, etc., etc., etc.

HB 4733 would **ADD estimated 200% [triple present rates], 'adjust' that average HIGHER for some areas, remove opportunities to argue, LIMIT CLAIMS FUNDING, and:**

- Deal Texas insurance companies practically 'out' of TWIA. TWIA would change from a facility servicing the obligation of the Texas property insurance companies, to become a virtual insurance company, **relieving insurers of their responsibility to serve all of Texas.**
- **Slash FUNDING** for TWIA claims so each TWIA policy would bear a **WARNING LABEL** : "You may be paid less than the full amount..." .
- **Make Funding and required solvency level DEPENDENT** on ability to sell TWIA securities, a totally unrealistic expectation in today's national economy. If no one buys the securities? No policy???!
- Relieve Insurance Companies of most consequences of **discrimination: geographic withdrawal.**
- Give TWIA decision power to directors, of which only 2 can be from the coast, even though TWIA means economic **Life OR Death** to coastal Texans; much less to others.
- **Impose new conditions and red tape** to screen needy, innocent owners from coverage. Other technicalities could add **EXTRA surcharge** costs.
- **REPEAL** time honored **actual-experience** rate development, replace it with '**virtual**' computer models.
- **ADD** to rates including "all losses and expenses" loadings for reserves, and securities, but deny credit for these prepayments of losses, thereby '**double charging**'.
- Put TWIA, the '**fox, in charge of the henhouse**', by changing code inspections from 3rd party Texas Department of Insurance to 1st party TWIA, in the context of limiting access to TWIA policies.
- End 1991's **fair spread of risk** based on 30+ year experience, changing to localized rates. Hurricane frequency, severity, and location is too unpredictable to pinpoint.
- **END the existing incentive:** writing voluntarily to avoid TWIA assessments.
- Create a **loophole** allowing an insurer group to avoid TWIA assessments by writing through its non admitted member.
- Incredible **agonies** with claims **and complexities** required to place coverage call for an increased agent's commission; not a **reduction to 10%**.
- **End ratepayer opportunity** to have input in TWIA rates by allowing '**file and use**' rates.
- **Increase rate loading for reinsurance about 25%** by changing it to 'operating expense'
- Allow use of securities to pay for reinsurance, **ADDING costs to this exorbitant expense.**

ASK YOURSELF: If this bill passes, would I consider moving to the Texas Coast?

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