

Mayes Middleton
FOR STATE REPRESENTATIVE



Kent Sullivan
Insurance Commissioner, Texas Department of Insurance
333 Guadalupe
Austin, Texas 78701

Commissioner Sullivan:

On behalf of coastal homeowners, business owners, and taxpayers, I am urging you to not approve the 10% rate hike the Texas Windstorm Insurance Association (TWIA) Board recommended (in a 5-4 vote) on July 31, 2018. Since 2008, we have seen residential TWIA rates skyrocket 55.5% (65.5% if this proposed increase is approved). Many can no longer afford to carry insurance because of these rapid and burdensome increases. To put such an unbearable rate increase into perspective, the Consumer Price Index only increased 19.1% during that same 10 year time period. TWIA was originally intended to be the insurer of last resort, but it has become the de facto insurer of only resort, which is why a 10% increase will be so damaging to homeowners and businesses and, ultimately, hurt private property rights and free enterprise along the Texas Gulf Coast.

I would like to say that all of the rate increases have been spent wisely, but that is not the case. TWIA has wasted millions on attorneys' fees to fight decade old, legally proven claims from Hurricane Ike. Additional damages and attorneys' fees aside, Texas City ISD is owed \$49.5 million, College of the Mainland \$8.9 million, Dickinson \$2 million, City of La Marque \$5.2 million, City of Santa Fe \$2.6 million, Santa Fe ISD \$16.3 million, and even \$37.2 million for Chambers County and Anahuac ISD. It has also been widely reported that TWIA has been slow to pay, underpaid, or not paid at all on numerous Hurricane Harvey claims. Based on recent history, I am not hopeful that increased premiums will be spent properly.

Several Gulf Coast legislators plan on working on TWIA reform legislation in the upcoming 2019 session. If elected in November, I plan on aggressively fighting for TWIA reform, as well. While we would prefer no increases, I urge you to halt all efforts to add to the financial burdens of a community still rebuilding from Hurricane Harvey, and, instead, work with elected Legislators, during the 2019 Legislative Session, to enact meaningful reforms to TWIA and its unsustainable rate hikes.

Galveston and Chambers Counties represent almost 35% of TWIA policies, which is why rejecting this double-digit rate hike is so important to our area, homeownership, and a pro-business environment in our community.

Do the right thing and do not add further harm by increasing premiums.

Best regards,

A handwritten signature in blue ink that reads "Mayes".

Mayes Middleton
Republican Nominee for Texas House District 23