



GOVERNOR GREG ABBOTT

October 11, 2018

The Honorable Kent Sullivan
Commissioner
Texas Department of Insurance
P.O. Box 149104
Austin, Texas 78714-9104

Dear Commissioner Sullivan:

As you know, the State continues to recover from the effects of Hurricane Harvey, and while those recovery efforts have steadily progressed, we must all remain vigilant in identifying potential impediments to that recovery. Recently, the Texas Windstorm Insurance Association ("TWIA") voted to increase insurance rates by ten percent. The actuarial soundness of TWIA is an important issue, but such a rate increase at this time would negatively impact the people of the Gulf Coast.

Under the Texas Insurance Code, a decision to approve or disapprove this proposed rate increase must be made by October 15th or else the rate will be considered approved without further action. Strict compliance with this time frame would deprive the Legislature of the opportunity to address any actuarial deficiency in TWIA during the upcoming legislative session and could force a decision that hinders efforts to cope with the declared disaster.

To facilitate the Legislature's consideration of this issue and to ensure that state law is not an unnecessary barrier to the continued disaster recovery efforts, pursuant to Section 418.016 of the Texas Government Code, I hereby suspend Section 2210.352 of the Texas Insurance Code to the extent necessary to delay any decision to approve or disapprove the proposed rate increase, and any deemed approval of the proposed rate increase, until the Legislature has had a full opportunity to address the matter. This suspension shall remain in effect until June 16, 2019.

Should you have any questions regarding this suspension, please contact Charles Miller, Policy Advisor, at 512-936-1778.

Sincerely,

A handwritten signature in black ink that reads "Greg Abbott".

Greg Abbott
Governor