



July 26, 2019

Via electronic mail (Marianne.Baker@tdi.texas.gov)

Texas Department of Insurance
Attn: Marianne Baker
P.O. Box 149104
Austin, TX 78714

Dear Ms. Baker:

Texas Watch is a non-partisan, non-profit citizen advocacy organization that has fought for the rights of policyholders for over 20 years. We submit the following comments on the department's informal working draft of [TWIA claim rules](#). We appreciate TDI soliciting comments as you make your way through this rulemaking. Coastal policyholders have been hit hard by both natural and man-made disasters through the years. They have seen their rights severely limited by state policies passed after claims handling abuses by TWIA were uncovered. More than ever, coastal policyholders need TDI's help.

We have received numerous reports through the years that TWIA continues to game the statute passed in 2011 and systematically underpay claims. With TWIA often caught triaging the situation after a large event, policyholders are told "if this isn't enough money, come back to us and file a supplemental claim." While that may sound good, it ignores the duty of TWIA, which is to fully investigate, adjust, and pay claims in a prompt fashion. TWIA is the professional here, not the policyholders. It is TWIA's job to find all of the damage and to pay for all covered losses the first time.

The proposed language in [§5.4204](#) seems to operate within the current flawed paradigm. As we read this section, if a policyholder has timely invoked appraisal, they may request supplemental payments at any time. However, they cannot request a supplemental payment after the deadline for demanding appraisal has run. Our state policy should value the full payment of claims to help families and businesses get back on their feet. By arbitrarily cutting off supplemental payments, no matter how substantiated they may be, policyholders are left holding the bag. Meritorious supplemental payments should be paid regardless of when and whether appraisal has been invoked.

We should create incentives for TWIA to find all of the covered damage the first time, and to pay for it. We should not create incentives for TWIA to underinvestigate, underpay, and then reap ill-gotten gains by evading time-barred supplemental claims. We look forward to working with you on this.

Respectfully submitted,

A handwritten signature in blue ink that reads "Ware V. Wendell". The signature is fluid and cursive, written in a professional style.

Ware V. Wendell
Executive Director