

Insurance news from Brownsville to Cape Cod to Monte Carlo

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Windstorm insurance group wants 10 percent hike in rates

By Elizabeth Pierson Hernandez, Brownsville Herald

Officials

at the largest windstorm insurer in Texas want to raise rates by 10 percent so they will have more cash to rebuild coastal homes and businesses after a hurricane.

The

Texas Windstorm Insurance Association is asking the Texas Department of Insurance to approve the rate hike, which would apply to all residential and business customers.

The

insurer is facing ever-greater pressures as more private companies refuse to risk insuring buildings on the coast and more residents turn to the state-created TWIA for coverage.

TWIA

insures 200,000 homes, half of all residential windstorm policies in Texas coastal counties, said Jim Oliver, general manager of TWIA.

Cape residents vent insurance ire

By Sarah Shemkus, Cape Cod Times

Over an emotional three hours of public testimony yesterday, more than 30 area residents told a state investigatory panel how the high cost and limited availability of homeowners insurance have affected their lives.

"It's very, very difficult for those of us who live here who are not on gold-plated pensions," said Dorothy Svoboda, a disabled West Harwich resident who lives on her monthly Social Security check.

Cape and Islands homeowners have been grappling with property insurance issues since 2004, when several private insurance companies stopped covering the region, citing the risk of devastating losses should a hurricane strike the area.

Most of the remaining companies have instituted dramatic premium increases, or have scaled back the number of policies they write in the region.

Since 2004, more than 40,000 Cape and Islands homeowners have been dropped by their insurers. Many of those homeowners have been forced to buy insurance from the FAIR Plan, the state's insurer of last resort, which currently covers more than 40 percent of the region's homes.

Putting a Price On Catastrophe

By Ian McDonald, Wall Street Journal

Executives who make their living wagering on risks are gathering in the European casino town of Monte Carlo on Sunday. At a big annual reinsurance conference there, they'll help shape the cost of insurance next year for companies and individuals around the world.

Reinsurers

sell insurance coverage to insurers. Many of the bills from many of the world's biggest risks -- hurricanes, plane crashes, terror attacks -- reside on their books. The prices that insurers pay for reinsurance drive, in part, what they charge consumers and companies for coverage.