
**HOUSE SELECT COMMITTEE ON HURRICANE IKE DEVASTATION
TO THE TEXAS GULF COAST
TEXAS HOUSE OF REPRESENTATIVES
INTERIM REPORT 2008**

**A REPORT TO THE
HOUSE OF REPRESENTATIVES
81ST TEXAS LEGISLATURE**

**STATE REPRESENTATIVE SYLVESTER TURNER
CHAIRMAN**

**COMMITTEE CLERK
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Committee On
Select Committee on Hurricane Ike Devastation to the Texas Gulf Coast

January 12, 2009

State Representative Sylvester Turner
Chairman

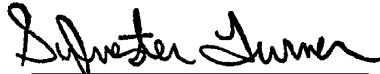
P.O. Box 2910
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The Honorable Tom Craddick
Speaker, Texas House of Representatives
Members of the Texas House of Representatives
Texas State Capitol, Rm. 2W.13
Austin, Texas 78701

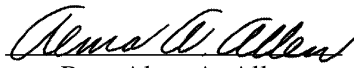
Dear Mr. Speaker and Fellow Members:

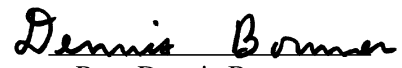
The Committee on Select Committee on Hurricane Ike Devastation to the Texas Gulf Coast of the Eightieth Legislature hereby submits its interim report including recommendations and drafted legislation for consideration by the Eighty-first Legislature.


Respectfully submitted,

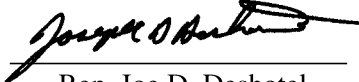

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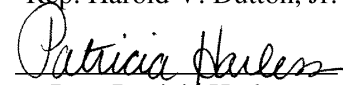

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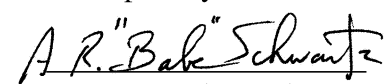

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Introduction

Hurricane Ike struck the upper Texas Gulf Coast on Friday, September 13, 2008. As the third hurricane to hit Texas in 2008, it was the most devastating and destructive spanning more than 900 miles wide and impacting more than 29 counties.

Ike was rated as a Category 2 hurricane by the National Weather Service and its winds were estimated at 110 miles per hour at landfall. Officials in areas outside of the Galveston area called for most residents to "shelter in place," presuming they would be in a better position to stay and ride out the storm. However, Ike hit harder than many thought and its storm surge reached an unexpected 20 feet, drowning Galveston Island. Even more devastating was Ike's wind field which covered 450 miles, causing catastrophic damage to areas miles from the coast.

Hurricane Ike's death toll reached up to 84 individuals. Thousands of homes and businesses were destroyed. Communities on the Bolivar Peninsula were virtually wiped off the map leaving the majority of residents homeless. Debris from buildings and trees buried homes. Businesses, roads, beaches and the electrical grid were almost completely destroyed.

After the storm passed, the suffering continued. For those who "sheltered in place," thousands were left without electricity, water and food. In some areas, the complete restoration of the electrical service took more than four weeks. Without electricity, gas stations, pharmacies, grocery stores, health and human service state offices and other facilities providing essential services to the public were unable to open. Numerous private and public water utility districts had no generators to keep their systems operating leaving thousands without water and plumbing services. Thousands of individuals lacking transportation, including children and the elderly were forced to walk to the Points of Distribution Sites (PODs). In some areas PODs were never set up, causing some local elected officials to scramble to provide food and water to their constituents.

Hurricane Ike struck the City of Galveston leaving behind a path of destruction. Many homes were destroyed and the city's seawall and beaches were significantly damaged. Also, businesses that had catered to the tourist trade were unable to re-open affecting the financial health of the City.

The closure of the University of Texas Medical Branch at Galveston, as well as its Level 1 Trauma Center, deprived the region and the State of essential medical and trauma care. Compounding this loss was the University of Texas Board of Regents decision to lay off UTMB's workforce in excess of 3,000 people. This tragic decision and its impact continues to unfold for the city and the region. Even with a collective decision by Galveston city workers to take a three percent pay cut due to significant losses within the city's budget, the city's financial well-being remains in question. With a post-Ike Galveston population that is now two-thirds of its pre-Hurricane Ike numbers, Galveston elected officials and its community remain determined and committed to recover despite the uncertainty which surrounds the community's difficult financial and economic circumstances.

The recommendations that follow were culled from many hours of hearings in the areas left devastated by Hurricane Ike. It is the Committee's intent that this report provide helpful information to the Legislature to assist these areas in recovering from Hurricane Ike and mitigate losses and damages from future storms, severe weather and hurricanes. It is imperative that the findings and suggestions in this report be reviewed diligently and in combination with one another. The Committee believes that if the recommendations are adopted timely, Texas will be better prepared the next time a hurricane strikes. With this in mind, the Committee recommends that the House Select Committee on Hurricane Ike continue at least through the duration of this legislative session in order to further study and monitor the recommendations in this report and issues related to Hurricane Ike.

Charge to the Committee

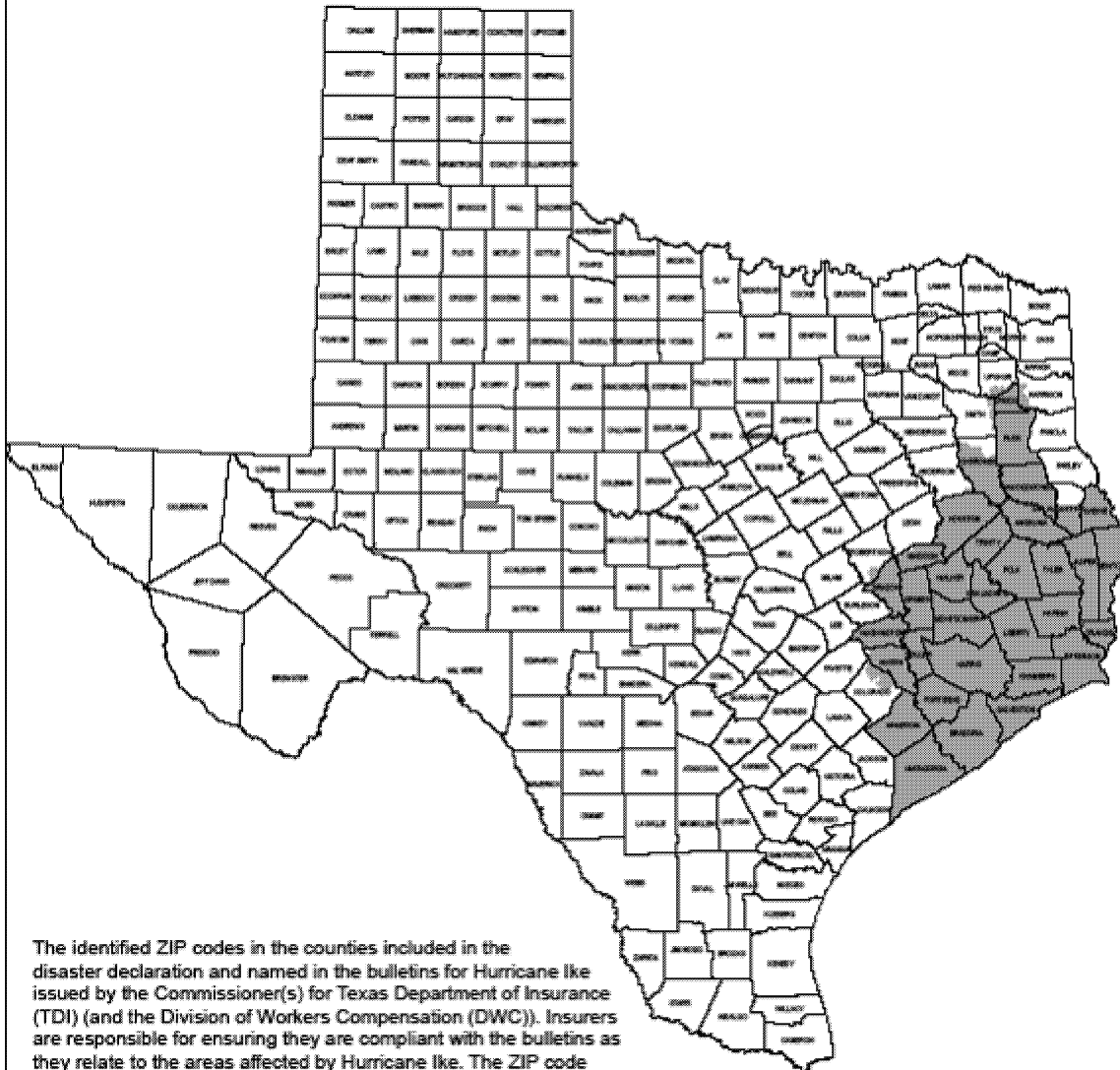
Speaker Tom Craddick appointed the House Select Committee on Hurricane Ike Storm Devastation to the Texas Gulf Coast on October 6, 2008. The Committee was charged with reviewing the State and local government response to the hurricane and identifying issues for the Legislature to address to prepare for future natural disasters and their aftermath.

Committee Hearings

The Committee held six hearings in the regions devastated by Hurricane Ike.

- Hearing 1 November 10, 2008 University of Houston, Houston
This hearing covered Harris County
- Hearing 2 December 3, 2008 Johnnie Arolfo Civic Center, League City
This hearing covered Galveston, Chambers, Matagorda, Brazoria and Southern Harris Counties. This hearing was held in conjunction with the Texas Senate Subcommittee on Flooding and Evacuations
- Hearing 3 December 10, 2008 Lamar State College, Orange
This hearing covered Orange, Jefferson and Hardin Counties
- Hearing 4 December 16, 2008 Lone Star College, Tomball
This hearing covered Montgomery, Liberty, Walker and Northern Harris Counties
- Hearing 5 December 18, 2008 Parks and Recreation Community Center, Missouri City
This hearing covered Fort Bend County
- Hearing 6 January 7, 2009 Galveston Island Convention Center, Galveston
This hearing covered Galveston County

Hurricane Ike ZIP Codes for the Counties included in the Disaster Declaration



The identified ZIP codes in the counties included in the disaster declaration and named in the bulletins for Hurricane Ike issued by the Commissioner(s) for Texas Department of Insurance (TDI) (and the Division of Workers Compensation (DWC)). Insurers are responsible for ensuring they are compliant with the bulletins as they relate to the areas affected by Hurricane Ike. The ZIP code information is as of August 2008 and may change due to redrawn ZIP code boundaries or the addition of new ZIP codes. Please note some ZIP Codes may include part of more than one county, including counties not subject to the TDI bulletins.

Source: Texas Department of Insurance

Emergency Management

BACKGROUND AND FINDINGS

The Committee learned that the overall State response to Hurricane Ike was an improvement from past hurricanes such as Katrina and Rita, according to local officials. However, there were still many shortfalls. Failure to fund HB 2694 during the 80th Legislative Session, clearing up lines of communication between federal, state, and local officials, designating evacuation staging areas and the inability to provide quick temporary emergency housing proved problematic for emergency management.

Disaster Contingency Fund

HB 2694 by Representative Mike Hamilton is the legislation that created the Disaster Contingency Fund (DCF). The DCF was created as an acknowledgement that Federal Emergency Management Agency (FEMA) assistance typically had long delays between the time the disaster occurs and when benefits are actually received. Although FEMA operations are out of the State's control that does not relieve the State from its duty to ensure that the residents of the affected area are not financially attended to. The DCF is a mechanism that would mitigate that delay by providing financial assistance to state agencies, local governments and other eligible entities as a supplement to federal assistance. Although the Legislature successfully created the helpful DCF they failed to fund it, thus making it useless for the emergency response to Hurricane Ike. Had the DCF been funded it could have been used for:

- Revolving lines of credit, providing governmental entities assistance for immediate disaster expenses, providing the State the opportunity to seek reimbursement from FEMA
- Low-interest, long-term loans to government entities to recover from disasters
- The purchase of generators by government entities
- A contract between the Texas Department of Housing and Community Affairs (TDHCA) and mobile homes/modular homes companies to address housing needs without having to wait for FEMA
- Creation of a fund with "easy to use" monies for use by Long Term Recovery Organizations or other community groups dedicated to helping families rebuild their homes after disasters—monies that would be used for special grants to non-profits
- Emergency and temporary housing

Federal, State and Local Communication

Recognizing that all disasters are different and damage cannot always be anticipated, there should be a general understanding between the State and FEMA as to what will be reimbursable. However, the Committee learned during testimony that this was not the case. There was confusion and misunderstandings which led to financial losses by homeowners and government entities that could have been avoided if lines of communication were clearer. What is essential is a level of understanding that will lead to a quicker response.

Evacuation Staging Areas

The Division of Emergency Management (DEM) established a limited Disaster Resource

Support and Staging Area in 2007 in leased space in a portion of a city-owned warehouse in San Antonio. The facility was initially intended to enable the State to store disaster response and recovery supplies, (such as comfort kits and non-perishable foods) and equipment (including thousands of cots and blankets) in a ready-to-use configuration and provide a place to marshal a large number of transport and response vehicles and equipment needed to respond to emergency events. The DEM reports the concept was used successfully throughout south, central and southeast Texas during hurricanes and other major disasters in 2007 and 2008. During the 2008 hurricane season, a second site was activated in Lufkin.

Temporary Emergency Housing

(See Housing)

RECOMMENDATIONS

1. Ninety days prior to hurricane season, The Governor's Division of Emergency Management (DEM) should coordinate with the Federal Emergency Management Administration (FEMA) annually on its emergency disaster plan to determine which items will be reimbursed by FEMA.
2. Fund the Disaster Contingency Fund created by HB 2694 in the 80th Legislature. It should be funded at \$250 million for the next biennium: \$150 million in general recovery funds and \$100 million for emergency and temporary housing (See Recommendation #3 under Housing). To be supervised by the DEM.
3. Direct the DEM to streamline communications with local governmental entities before, during and after severe weather events. Among the items to consider:
 - Limiting the number of "coordinating entities" as intermediaries between local and state government
 - Identifying emergency response organizations and officials to ensure inclusion on conference calls before and after severe weather incidents
 - Sharing information on emergency response assistance available and assist in locating resources
4. Establish two State Disaster Resource Support Centers, one each in San Antonio and Lufkin. To ensure the State is prepared to respond to and recover from major disasters in the future, state funding is needed to lease two permanent storage and staging facilities in San Antonio and Lufkin, provide a small staff to maintain the facilities and monitor their inventories, purchase a limited amount of equipment and computers for inventory control and stock management and to renew stocks of consumables and replace equipment damaged during emergency operations. Total biennial cost: \$3,687,250.
5. Review the delineation of the responsibilities and coordination of state agencies within the Emergency Management Council.

-
6. Legislation to require back-up generators in counties prone to severe weather incidents at businesses, facilities and entities providing critical services, including:
 - All water supply utilities in order to provide an acceptable minimum standard of water delivery
 - All facilities that provide live-in care to the ill, the elderly and all special needs populations
 - Gas stations in storm prone areas and along evacuation routes for citizens escaping from severe weather, i.e. gas stations with six or more pumps
 - Legislature should give consideration of drug stores and grocery stores needing to have back-up power to compliment the policy of sheltering in place, i.e., retail and chain stores
 7. Legislation to require the DEM to create a pamphlet that would be put on their website, each biennium that will inform citizens how to survive a severe weather event. Among the items to be covered would be:
 - How to prepare before a severe weather event, such as trimming tree branches over homes
 - Making a plan to evacuate
 - Supplies needed if people shelter in place, including being prepared to live without water or electricity for seven to ten days
 8. Legislation to require all entities that provide live-in care to the ill, elderly and special needs population to create an emergency plan to cover evacuation and sheltering in place. This plan would be submitted to both the DEM and the city or county in which the facility is located. In order to receive a license or to be re-licensed, these facilities would need to have a DEM approved emergency plan. The DEM would review for adequacy and suggest any changes necessary to protect lives.
 9. The Committee recommends that the capabilities of the Department of State Health Services be expanded to assist with medical special needs evacuees.
 10. DEM and local counties, within coastal areas, should coordinate an evacuation plan for jails in the event an evacuation plan is necessitated
 11. Legislation to expand the sales tax holiday, in hurricane prone areas, held the Friday, Saturday and Sunday of Memorial Day Weekend to include an exemption from state sales tax on items people need to survive a hurricane event. Among the items that should be considered for inclusion are:
 - Generators
 - Battery-operated radios or televisions
 - Batteries
 - Portable outdoor camp stove or grill with fuel supply
 - First aid supplies
 - Ice chests
 - Manual can openers
 - Plywood

University of Texas Medical Branch

BACKGROUND AND FINDINGS

UTMB and John Sealy Hospital have long received support from the local community. The 1881 enabling legislation, which established the University of Texas and the University of Texas Medical Branch, stated that the University and the Medical Branch could not be located in the same city. The University was established in Austin and with 70 percent of the vote, it was determined that the Medical Branch be located in Galveston. The John Sealy Hospital began as a private institution supported by the Sealy and Smith family with a mission to serve the poor and all citizens of Galveston. The State did not control the hospital until 1940-41 when the Galveston City Commissioners, The John Sealy Hospital Board, and the Sealy & Smith Foundation Board agreed to hand over the hospital to the University of Texas Board of Regents and UTMB with the assurance that the State would significantly increase state funding. Since that time, the Sealy and Smith Foundation has pumped more than \$600 million into buildings, equipment, endowments and debt resolution.

At this time and with the current economic plight of UTMB, the Sealy and Smith Foundation could certainly be an influential player in the future of UTMB on the Island by making an additional financial commitment.

Level 1 Trauma Center

The loss of John Sealy's Level 1 Trauma Center status has placed an unmitigated strain on the rest of the healthcare system in the surrounding region which serves some 5.7 million people. With this loss, there are now only two Level 1 Trauma Centers in southeast Texas, Memorial Hermann and Ben Taub in Houston. These two hospitals were running at capacity before the storm and have worked feverishly to expand their capacity to take on the cases that are no longer treatable at UTMB/John Sealy in Galveston. There is a growing concern in the medical community about reducing the regional capacity for emergency and burn treatment in an area that houses industrial complexes which are at risk for potential mass casualties either from accidents or terrorist attacks. UTMB must be given sufficient financial support from the State to restore its Level 1 Trauma Center immediately.

Impact on Healthcare for the Underserved

UTMB is the region and State's primary provider of uninsured and underinsured health care. UTMB has contracts with numerous counties to provide such care at Medicaid reimbursement rates, which are well below market. Many of these counties are now feeling the strain as they are unlikely to establish other contracts at such rates. In 2008, UTMB had over 4,600 hospitalized patients and handled 80,000 outpatient visits from persons without insurance or government support. With the regional healthcare system operating at near full capacity there is currently nowhere else for these patients to seek medical treatment. Furthermore, the system simply cannot absorb all the care that UTMB was providing. Public and private hospitals and physicians are witnessing an unsustainable rise in uncompensated care as a result of UTMB's closure and reduced capacity.

To the extent the State elects to restore UTMB fully, UTMB and the John Sealy Hospital will require a total investment of \$837 million for mitigation and repairs to bring them back to pre-Ike conditions. Of this amount, \$667.5 million is eligible for FEMA reimbursement with a 25 percent state match of \$167 million. This money will be used for capital repair and mitigation costs similar to the investments that the State and FEMA made to the Texas Medical Center in Houston after Tropical Storm Allison hit in 2001. (At that time, the State saw fit to not only rebuild the center but to invest in the “hardening” of the infrastructure to better withstand future storms.)

RECOMMENDATIONS

1. Provide for all necessary funding to restore UTMB's Level 1 Trauma Center by funding \$6 million in facility reconstruction and mitigation as well as providing for approximately 35 more beds which are above the number of beds opened as of January 2009.
2. To offset the trauma center operational cost, Galveston County should implement a hospital district in conjunction with surrounding areas. (See Recommendation #1 under Galveston)
3. UTMB will need an additional \$170 million to cover business interruption, which is not covered by FEMA. There are non-FEMA natural disaster federal funds such as social services block grants and Community Development Block Grants which could be available for partial reduction of this number.
4. The Committee feels strongly that the University of Texas and the State should commit to maintain UTMB on Galveston Island. Whether or not some components of UTMB may be situated off the Island based on costs, staffing, regional needs, etc. are issues to be considered. Parenthetically, uncertainties surrounding UTMB's future on the Island are working against any plan to restore it and/or a Level 1 Trauma Center. Major layoffs have already occurred, some members of the faculty have left and others are being recruited by other medical facilities. A prolonged delay in deciding the future of UTMB by the University and State will result in a much scaled down UTMB on the Island.
5. To the extent the State elects to restore UTMB fully, UTMB and the John Sealy Hospital need a total investment of \$837 million for mitigation and repairs to bring them back to pre-Ike conditions.

Galveston

BACKGROUND AND FINDINGS

The immediate need for the City of Galveston is funding for recovery from Hurricane Ike. The city employees, fire fighters and police have already taken a voluntary three percent reduction in pay to assist in the recovery to the community. However, they will need over \$300 million for Galveston business community recovery. Federal Community Development Block Grant funds are imperative but are insufficient. The city is asking that the State initiate a similar commitment as provided in response to the 1900 Hurricane. After this devastating storm, the State realized the value of restoring Galveston and made the appropriate investments so that the city could receive the vital assistance essential to rebuilding.

The Delivery of Healthcare for Galveston

Since 1941, UTMB has served as the major provider of eligible indigent healthcare for Galveston, the surrounding counties and the State. Prior to Hurricane Ike, 28 percent of Galveston County's population did not have health insurance according to the Galveston County Health District. While the future of UTMB remains uncertain, it is important to ensure a stable and consistent healthcare delivery system for Galveston which could be achieved through the creation of a hospital district, similar to Harris County's.

Economic Impact of UTMB

UTMB has served as one of the major employers for Galveston, employing 22 percent of the city's pre-Ike population of 57,000. Following Ike, the University of Texas Board of Regents downsized UTMB and laid off over 3,000 UTMB employees which has had dramatic human and economic consequences for Galveston and the region. Forty four percent of those laid off are Galveston residents, 46 percent are League City and Dickinson residents and 10 percent live outside of Galveston County. During her testimony before the House Select Committee on Hurricane Ike, Mayor Lyda Ann Thomas commented on a citizen who stated to her, "Mayor, Ike brought us to our knees, but the Regents have knocked us to the ground. What can we do to save ourselves and our city?" In assessing the future economic well-being of Galveston, it cannot be emphasized enough the absolute and essential role that UTMB has served within the economy of Galveston and the devastating impact of its loss.

The following outlines several methods of funding sources that may be helpful in the rebuilding and restructuring of Galveston:

Sales Tax

One method of assistance used by the State after the 1900 storm was granting Galveston the ability to retain the state portion of the sales tax during a brief period after the storm. Currently, the city retains two cents and the State receives six and a quarter cents in return. The city is requesting that it be allowed to keep the state share for a period of two years, using it to invest in restoring the infrastructure and economy of the island. The Committee recommends that the

City of Galveston and any other city which was similarly impacted be allowed to retain their portion of the sales tax for a period specified by the Legislature.

Galveston's Seawall and Beaches

The City is also currently working with both the General Land Office (GLO) and the Texas Department of Transportation (TxDOT) to revitalize the economy and the tourism industry which relies heavily on tourism dollars sourced from the City's seawall and its beaches. Roughly 6.5 million tourists visit Galveston's beaches each year. In 2006 alone, revenue from tourists visiting Galveston beaches totaled more than \$705 million. The General Land Office has already taken action that will allow the entire Texas Gulf Coast to be eligible for increased federal funding and has also assisted in the removal of debris and returning sand to replenish the beaches and secure the sea wall.

Oyster and Fishing Industries

One of the best ways for the entire region to recover from Ike is to ensure that jobs stay in the Galveston Bay region and that the economy recovers for industries that rely on the waterways. Tax or other incentives are needed to encourage oyster harvesters/fishermen to return shell into the bay to regenerate oyster beds/reefs. The oystermen pay leases to the State but were not allowed by the State to repair their beds in a quick and timely manner. It is necessary to have laws in place that encourage or require the rebuilding of the oyster reefs so that oyster production can recover.

RECOMMENDATIONS

1. Collaborate with the City of Galveston and County and other contiguous counties that are presently not part of a hospital district to establish a hospital district in that area to provide healthcare funding (See Recommendation #2 under UTMB).
2. Legislation to allow the City of Galveston to keep the six and a quarter cents in sales tax it now turns over to the State for a two-year period to provide funds for recovery from Hurricane Ike.
3. Legislation to provide funds to continue Galveston beach replenishment through the Coastal Erosion Planning and Response Act (CEPRA).
4. The state should work to secure all available resources on the national and state level to assist the oyster and fishing industries.
5. State should evaluate what would be needed to restore Shriner's Hospital.

Coastal Issues

BACKGROUND AND FINDINGS

General Land Office

Current statute designates cities and counties as the responsible parties for cleaning and maintaining public beaches within their respective jurisdictions. Hurricane Ike left an enormous amount of debris on public beaches and the local governments have been overwhelmed in addressing the cost of debris removal from beaches and other areas. In addition, the local governments have been required to address other critical infrastructure needs as well as the needs of storm victims. Requiring the General Land Office (GLO) be responsible for public beach debris will allow the agency the ability to obtain reimbursement directly from FEMA in the event of a disaster declaration.

Blue Water Highway

Some of the most severe highway damage caused by Hurricane Ike occurred 50 miles southwest of Bolivar on the coastal highway between San Luis Pass (at the southwest tip of Galveston Island) and the beachside community of Surfside near Freeport/Lake Jackson. Blue Water Highway is officially named County Road 257 and connects SH 332 in Brazoria County to FM 3005 in Galveston County and is an essential mobility highway, serving as one of only two evacuation routes for Galveston County. The Brazoria County Commissioners Court recently passed a resolution declaring Blue Water Highway as a gateway between Galveston and Brazoria counties and as providing an important commerce link for the many tourists visiting the area.

RECOMMENDATIONS

1. The Legislature should designate the GLO as the agency responsible for cleaning, maintaining, and clearing debris from any public beach that is located within a county or municipality that has been included in a disaster declaration made by the governor.
2. The Legislature should seek funding to help with the county's repair of the Blue Water Highway/FM 3005 along the Texas Gulf Coast to ensure that the road is re-built, not only to allow residents and businesses access to their homes but also in such a way that it acts as a barrier to protect inter-coastal property from future destruction.

Port of Houston

BACKGROUND AND FINDINGS

The Port of Houston is a 25 mile long complex comprised of more than 150 private companies, plus the public facilities operated by the Port of Houston Authority. It is an economic engine for the Gulf Region and the State of Texas. Its contribution to the State's revenue is substantial, generating \$118 billion in economic activity and \$3.7 billion in tax revenue. Thus, when the port's operations are suspended due to catastrophic events like Ike, the economy of the region and State suffer a serious loss. It is estimated that every day that the Port of Houston is closed, it costs \$322 million.

The Port of Houston was closed for five days during and after Hurricane Ike. Restoration of electricity is vital for a speedy recovery. The Port of Houston Authority considered purchasing backup generators for the Port but decided that it would be cost prohibitive. The PHA determined that to temporarily provide sufficient electricity to power operations for their two container terminals would require five 3-megavolt-ampere (MVA) generators for the wharf cranes at Barbours Cut and two 25-MVA generators for Bayport. The purchase price of one 3-MVA unit is \$2 million to \$3 million and each 25-MVA generator is in the range of \$10 million to \$12 million. The fuel consumption of each individual unit is 300 gallons and 1,800 gallons of diesel fuel per hour, respectively.

As the local partner with the federal government for the Houston Ship Channel, PHA suffered even greater damage. The federal entity responsible for maintaining the channel, the U.S. Army Corps of Engineers, worked closely with the PHA to ensure that there was a quick assessment of damage to the channel once the storm passed. This type of damage includes shoaling and other hydrologic actions that bring sediment or debris into the channel, hindering navigation. To assess the damage to the shipping channel, sonar scans were conducted. While the Corps is responsible for the federal channel, each individual corporate facility in the ship channel was responsible for scanning for debris from the federal channel to their individual dock. Through coordination of federal, state, local governments, and private entities, the Port of Houston completed this process in four days.

RECOMMENDATIONS

Although generators are cost prohibitive, the status quo is unacceptable. The Port of Houston is too vital to the region to operate without a back up plan. Its activities are responsible for more than 750,000 direct and indirect jobs. The Committee is not prepared to say what the emergency back up plan should be for the Port of Houston if power is disrupted. However, the Committee strongly encourages the Port of Houston to implement an effective plan for the continuation of operations, allowing the port to mitigate economic and personnel disruption during power outages.

Insurance

BACKGROUND AND FINDING

Texas Department of Insurance

Insurance plays a vital role in the recovery. The Committee heard testimony that the insurance adjustments were convoluted and confusing. In addition people experienced multiple adjustors that the Committee agreed was a waste of time and added unnecessary stress to a difficult situation. To add insult to injury, the Committee learned that after the inspection, banks and mortgage lenders were holding onto claims checks for an unreasonable period of time which they justified as "standard practice" to ensure that repairs were being made.

Following Hurricane Ike, more than 730,000 insurance claims were filed and approximately \$3.1 to \$3.2 billion in losses were paid. The Texas Department of Insurance has received over 2,878 complaints concerning insurance claims from Hurricane Ike. Roughly one-third (1,375) of complaints are related to delays in handling claims. The insured needs a reasonable expectation of how long the assessment will take so they can begin repairs.

Texas Windstorm Insurance Association

Texas Windstorm Insurance Association (TWIA) was established in 1971 to provide windstorm insurance to individuals along the Texas coast who were unable to obtain it from the voluntary insurance market. The association took a major blow during the 2008 hurricane season, being hit by three storms, Dolly, Gustav and Ike. In the period from 1971 to 2007, TWIA paid out approximately \$536 million in claims. It is projected that it could be paying out as much as \$3 billion in 2008. The association has used up all of the trust fund and all reinsurance available.

TWIA premiums are mostly sufficient for coverage of coastal losses. However, because of the successive storms Rita, Dolly and ultimately Ike, the assessments from premiums and the Catastrophe Reserve Trust Fund were used up. Consequently, claims from Ike will be drawing from General Revenue. The gravity of the situation is compounded by the fact that insurance companies have been leaving the coast which has increased the number of TWIA recipients twofold. The legislature must find funding to mitigate losses from General Revenue.

RECOMMENDATIONS

1. Legislation to determine a new mechanism for funding the Texas Windstorm Insurance Association (TWIA) and replenish the catastrophe fund.
2. Require that flood insurance be provided with wind insurance or require that flood insurance be obtained to receive wind insurance.
3. The Committee recommends that a deadline for claim payment or settlement on mortgage payments be established, with a reasonable amount of time to make an inspection and a reasonable amount of time to make payment.

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4. The Committee recommends that TDI set guidelines and regulations regarding the number of adjusters an insurance company has available after a severe weather event and how long the company has to review damaged areas.
 5. The Committee recommends that mortgage companies be required to pay interest on any repair money paid to them by insurance companies if the mortgage companies keep the funds for an unreasonable amount of time before forwarding the money to the owners of damaged homes and businesses.

Housing

BACKGROUND AND FINDINGS

As stated earlier in this report, a major problem the Committee found was the lack of temporary emergency housing for displaced residents and emergency workers. Many Texans in the Gulf Region found themselves suddenly homeless after Hurricane Ike destroyed their homes. Many workers that came from out of the region to assist in the recovery effort did not have a place to stay or had to be housed in local motels which exacerbated the displacement problem that local residents faced. Motel rooms taken up by workers resulted in fewer rooms for displaced residents.

The Committee found that the State relied too heavily on FEMA to respond to the housing needs with no plan of its own. The State should be able to respond to the residents' needs during the lengthy FEMA application and reimbursement periods.

A major contribution to this dilemma is the lack of institutional knowledge in the Texas Department of Housing and Community Affairs (TDHCA) on emergency response. TDHCA lacks a specific division or group devoted to emergency housing preparation. The agency also lacks experience in assisting residents navigate through the lengthy FEMA application process, as well as the ability to mitigate the effects that displacement imposes on residents. Instead of learning from our experience with Hurricane Rita, we continued our practice of going into a hurricane season without a plan in place for temporary housing should a hurricane hit the Texas gulf coast.

An additional mechanism that would greatly improve the state's response in the provision of emergency housing is the appropriation of funding for emergency and temporary housing within the Emergency Contingency Fund. The DEM would then have the financial resources necessary to have in place a contingency contract with a vendor, preferably local, to provide “travel trailers”—initially 1,500 trailers within 36 hours after activation with an additional 1,500 within 72 hours for a total of 3,000. At the end of a reasonable period of time, the trailer could be purchased by the victim at the fair market price or be sold as surplus and the money returned to the fund. If FEMA reimbursements were received, it too would be returned to the fund. Another aspect of the fund would be to allow local officials to “contract” with local motel/hotel providers immediately to place their victims.

Orange, Jefferson and Hardin Counties

On September 24, 2005 Hurricane Rita hit Texas and severely impacted several Southeastern counties including, but not limited to Orange, Jefferson and Hardin Counties. More than 35,000 single family homes, mobile homes and apartments were severely damaged or destroyed during Hurricane Rita and the state documented more than \$1 billion in infrastructure damages.

In the two years following Rita, less than one-tenth of 1 percent of more than a half-billion dollars had been spent on repairing single-family homes. In 2007, TDHCA the agency responsible for dispersing federal funds, implemented rules with the purpose of speeding up

repairs and new home replacement. Currently, TDHCA has a goal of having 2,400 homes built by October 2010, five years after Rita. However, the delays in rebuilding homes in these communities have been compounded by the damage incurred by Hurricane Ike.

RECOMMENDATIONS

1. Create a Division of Emergency Housing within the TDHCA. Among the responsibilities of this Division would be:
 - Working with FEMA to secure reimbursement for housing needs
 - Creation of a housing recovery program to restore housing to homeowners affected by hurricanes
 - Creation of a rental recovery program to leverage existing federal rental financing to provide additional rental stock to areas hit by hurricanes
 - Funding of non-profit agencies that provide counseling to homeowners on refinancing options, housing programs and available loans, grants and entitlements from FEMA programs and other housing programs
2. Mandate the following changes to TDHCA in counties that have received a state disaster declaration:
 - Allocate resources for intensive casework with special needs populations including the elderly, disabled, and very low income
 - Rather than requiring property owners go through a title clearing process that averages two years, the legislature should consider an additional process after a disaster, i.e. Affidavit of Heirship, tax receipts, etc
 - Work closely with local faith-based and advocacy groups to do outreach and education in affected communities and work with local legal services programs to refer applicants who need legal assistance with property ownership or tax issues
 - Streamline application length, complexity and reading level to make the process more accessible to applicants
3. The Emergency and Temporary Housing portion of the Emergency Contingency Fund should be designed to provide “immediate” emergency housing relief within 72 hours after the initial response to a severe weather event.
4. The Legislature should continue to monitor the disbursement of funds from Hurricane Rita and Hurricane Ike ensuring that TDHCA properly executes its statutory duties to the residents and families of Southeast Texas.

Construction

BACKGROUND AND FINDINGS

Requests to FEMA for assistance for home repair grants, hotel rooms, mobile homes or other disaster assistance equaled more than 732,284 as of February 1, 2009. This number equates to the number of homes that were damaged and destroyed, indicative of the need to strengthen construction and building codes. Sheltering people in place may be a prudent emergency response if and only if shelters, homes, nursing home facilities, and other types of facilities are able to withstand an impending hurricane. Schools are frequently used as shelters during and after storms and if schools are damaged and unable to re-open, there is a potential for significant loss in funding from the State. Florida, a hurricane prone state has enacted the strongest hurricane building codes in the nation and has added numerous other hurricane-specific provisions. The need for Texas to usher in improved laws to reduce the destructive damage of hurricanes is apparent and with an intelligent and thoughtful approach in this regard, Texans can become victorious over future disasters.

RECOMMENDATIONS

1. Legislation granting coastal counties the authority to enact and enforce building codes in unincorporated areas.
2. Legislation granting coastal counties the authority to repair, close, demolish or relocate occupants of buildings that are determined to be unsafe as a result of impact by severe weather events.
3. Legislation granting political subdivisions, in areas prone to severe weather events, the authority to appropriate and sell abandoned land damaged due to a severe weather event.
4. The state should consider rewriting the State's building code laws to require that all new residential and commercial structures built within 80 miles of the Gulf Coast be constructed to withstand 130 mph wind (Category 3 wind design). Designate that all structures within 10 miles of any coast or bay in the wind-borne debris region should be constructed to withstand 130 mph winds. In addition, require that all structures be constructed so that the first floor elevation is one foot above the Flood Insurance Rate Maps' (FIRM) 100 year storm elevation.
5. The state should consider requiring that any new nursing homes, group homes and all other residential custodial care facilities being constructed near coastal areas but outside hurricane evacuation zones meet increased building code requirements to design facilities to withstand minimum 130 mph winds (Category 3 wind design).
6. The state should consider requiring all new construction by school districts and colleges in coastal counties be designed to withstand hurricane force winds up to 130 mph (Category 3 wind design), including glazing protection. A method of funding for this may be to allow school districts to increase their ad valorem tax above the current state

mandated minimum to cover the cost. This enhanced construction is important not only for the safety of students on these campuses but also due to the fact that many of these facilities are used as shelters before, during and after a severe weather event.

7. Legislation requiring that more nails be used in each asphalt shingle and increase the number of nails required from the current four to six total.

Utilities

BACKGROUND AND FINDINGS

In the aftermath of Hurricane Ike approximately 2.5 million people lacked power and the regional water supply was threatened. An estimated 20 percent of the water systems which serve more than 7 million people in the affected region were out of service for various periods of time. Such breakdowns in the continuity of utility services places the public's health at risk, slows down and impedes immediate rescue and recovery efforts, and leads to higher economic losses for citizens, industry, and the government. The continuation of utility services during and after emergency situations such as Ike and streamlined efforts to restore such services are vital to the entire recovery process.

Water Services

Continuation of water and sewer services in emergency situations such as Hurricane Ike is vital to public health and is often times a key to survival when all other resources such as electricity are either severely limited or completely absent. A large percentage of the public is able to cope with and adapt to interrupted electricity services. However, extended periods of time without water services can be dangerous to general public health.

Currently, the Texas Commission on Environmental Quality (TCEQ) requires public utilities to have generators in the event of an emergency. Only 85 percent of affected retail public utilities were actually in compliance with the current state rules when Ike struck. Of the 85 percent in compliance, approximately 25 percent of their generators failed to function or ran out of gas. More than a week after the storm there were still at least 250,000 residents without water and an additional 625,000 others whose service status could not be determined due to poor communications planning and requirements between the TCEQ and the public utility providers.

Power outages affected waste and sewer services, creating backups in the system and overflow into homes, businesses, and water supplies. Not only do such backups cause major risks to the public's health if the overflow reaches drinking water supplies, but it also leads to state and federal regulatory violations pertaining to clean drinking water.

Electricity

Transmission & distribution company CenterPoint Energy which serves the Houston and Galveston area reported most of its 2.2 million customers lacked power after the storm, citing that 25 to 30 percent of the utility's transmission lines were knocked out of service by Hurricane Ike. The other major transmission & distribution company in the affected region, Entergy, cited that 1.7 million customers were without electricity following the storm. These power outages effectively crippled the region hindering recovery efforts, shutting down commerce, and keeping the lights out for the region's residents, schools, hospitals and businesses for an extended period of time.

Most of the damage which resulted in the long-term power outages was due to downed distribution lines from falling trees, tree branches and other debris. CenterPoint reported that most of their transmission and substation structures held up well, but approximately 6,400 utility

poles were knocked down. Entergy reported Hurricane Ike damaged or destroyed 10,300 poles and 2,900 transformers.

Entergy estimates that total restoration costs for the repair and/or replacement of the electrical facilities damaged by Hurricane Ike are estimated to be in the range of \$525-\$625 million. CenterPoint estimates their restoration costs are in the range of \$650-\$750 million. Most, if not all of these costs are not covered by insurance and will ultimately be recovered by the companies through rate increases on the consumers. This is effectively what happens anytime a storm hits the region and the transmission & distribution companies have to make repairs. The companies front the bill, the costs then get recovered through rate increases leading to more expensive bills for consumers in the aftermath of storms. Having many other financial hardships to deal with after a storm, consumers should not also have to be concerned with rate increases.

Waiting for future storms and repairing in the aftermath on the basis that the one time repair costs are cheaper than the preventive measures, such as hardening the grid, is not an acceptable approach forward. If steps are not taken to improve and/or harden the grid, these repair costs will become reoccurring and lead to more rate increases making consumers worst off.

It is imperative that the State and its respective agencies who oversee the utility industries move forward with a strategy to harden the grid in the most efficient and cost effective way. Combined uses of grid hardening measures must be utilized. There must be a concentrated effort to focus heavily on coastal regions and East Texas where the infrastructure is more susceptible to such storms, and then phase out to the less susceptible regions of the grid. However, the Committee does recognize that grid hardening measures can be utilized in the other regions of Texas to mitigate damages in other types of storms such as hard freezes and tornadoes.

RECOMMENDATIONS

The recommendations under this section must be viewed in combination with Recommendation #6 under Emergency Management.

1. Legislation should be passed to require by law that all retail public utilities incorporate and maintain auxiliary power generators to ensure continued services for water and sewer services to their customers in the event of power outages.
2. Legislation should be passed to give the Public Utility Commission the statutory authority to require electric utility companies to file with the commission a plan to improve its infrastructure or infrastructure maintenance (Harden the Grid) in order to minimize long term outages on the electric utility's system as a result of major weather related events. The legislation should direct the Commission to require the utility companies plans to provide for, but not be limited to the following:
 - An established vegetation management cycle for clearing tree limbs and growth from the utility line easements
 - A customer outreach program which focuses on educating property owners about proper vegetation management

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- A system for changing wooden poles to more durable poles in critical areas which are more susceptible to damage and/or carry high volume loads
 - A system for creating a cost benefit analysis to determine when it is cost effective to put future lines underground
 - Plans of possible usage of distributed generation technologies to help meet local demand when the transmission lines are down and advanced meter technologies to give utilities a clearer picture of what areas need repair
3. The Committee recommends that local governmental entities give utilities the authority for limited trimming of vegetation on private property where that vegetation poses risk to transmission and distribution lines.
 4. The Committee recommends that the process for authorization of utility workers to enter a disaster area be streamlined to ensure their quick response. The State should clarify that authorization from the State or federal government is sufficient for access to any affected areas, so that authorization from the local authorities is not necessary. Utility crews would also benefit from a quick assessment by the local health department of the risks first responders may be facing.

**The recommendation to harden the electricity grid must be viewed in combination with recommendation #6 under the Emergency Management section of this report, which is restated below.*

Legislation to require back-up generators in counties prone to severe weather incidents at businesses, facilities and entities providing critical services, including:

- All water supply utilities in order to provide an acceptable minimum standard of water delivery
- All facilities that provide live-in care to the ill, the elderly and all special needs populations
- Gas stations in storm prone areas and along evacuation routes for citizens escaping from severe weather, i.e. gas stations with six or more pumps
- Drug stores and grocery stores needed to supply persons who shelter in place, i.e. retail and chain stores

Power outages will inevitably occur, but with the use of back up generators for critical services we can significantly minimize the difficulties placed upon the population while utilities services are down.

Health and Human Services

BACKGROUND AND FINDINGS

The Health and Human Services Commission (HHSC) played a significant role in recovery from Hurricane Ike. HHSC lost a number of offices due to damage and electrical outages and was forced to establish temporary offices. HHSC gave emergency food stamp benefits under the Hurricane Ike waiver to 142,000 new households, totaling almost \$67 million. More than 222,000 existing food stamp households received replacement benefits of \$38 million. Nearly 200,000 households already receiving food stamps when Ike hit were given supplemental benefits totaling \$30.6 million for increased disaster-related expenses.

However, communications between the public and HHSC were difficult. Many citizens reported receiving inaccurate information, either on site or when they called HHSC call centers. Temporary offices were not always convenient for residents. Because HHSC staff was concentrating on Ike recovery, a number of their regular clients were not served.

211 System

The 2-1-1 system allows persons with special needs to receive advance warnings of evacuations and to enroll in the Transportation Assistance Registry. 2-1-1 operators collect contact information from residents and document their need for assistance (e.g. special needs status, home-bound or homeless). University of Texas data custodians rate those registered on a scale from 1 to 5 for their level of need. The registry is shared with the DEM and local jurisdictions. Local jurisdictions may use the registry to contact enlisted residents, determine the criticality of a region and calculate the number of ambulances needed for evacuation, etc.

Understanding of the role of 2-1-1 needs to be improved. There is confusion about how the registry is used and the roles and responsibilities of the 2-1-1 operators. Many officials and public users believe that 2-1-1 actually maintains the registry and operates transportation services. In fact, the data custodians have this information and the local jurisdictions are responsible for any action or response based on the registry. 2-1-1 does not operate any emergency transportation or medical services and all uses of the registry are at the discretion of the local jurisdiction.

RECOMMENDATIONS

1. The Committee recommends that HHSC makes the following changes in its disaster response plan by:
 - Seeking a waiver from the federal government on income limits following natural disasters (Maintaining the liquid resource limit offers an adequate safeguard to prevent families who don't need assistance from getting benefits)
 - Following natural disasters, HHSC should be allowed to enroll eligible individuals in the food stamp program on site at evacuation shelters only if they meet specific eligibility HHSC criteria.

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- Once the enrollment waiver is approved, making advance plans for enrolling families in disaster aid at places like convention centers, large emergency shelters, and sports facilities with post-disaster mobile enrollment offices for these locations staffed by trained personnel
 - Ensuring that people who come to these locations receive immediate and accurate information
 - Ensuring that call centers have correct information and are appropriately staffed
 - Establishing a clearer chain of command of how HHSC emergency offices are selected and publicized and who operates them
 - Ensuring that HHSC's disaster plan will not interfere with existing programs
2. The Committee recommends that the State strengthens its existing benefits delivery system by creating an emergency disaster plan that will allow the agency to address additional needs following a natural disaster.
 3. The Committee recommends that the effectiveness of the 2-1-1 system be improved by publicizing the system to the general public and explaining the responsibilities of the various entities involved.

Health Care

BACKGROUND AND FINDINGS

Local hospitals were inundated with patients in the weeks following Hurricane Ike's landfall. A large majority of patients arriving, merely needed electrical outlets for their medical devices. In addition, hospitals saw many who did not need emergency care, such as patients who were not able to visit their usual dialysis centers because those centers lacked electricity. Hospitals had difficulty staffing because many of their employees were dealing with issues related to Ike. Some patients and employees brought their children with them because their schools or day cares were closed.

As a result of the devastation to UTMB, area hospital districts have experienced increased patient load, particularly indigent and prison populations. The Legislature must consider ways to divert additional funding to impacted hospital districts to offset their financial losses and potentially fill a void created by the loss of many UTMB services. For example, a number of hospitals were regularly forced to go on "drive-by" status when their emergency rooms were full before Hurricane Ike. Now, the increased patient load caused by the closing of UTMB is causing additional "drive-by" situations.

Texas trauma hospitals must be strong for Texas to respond to disasters. Additional financial resources would help maintain the trauma safety net and free up other money that hospitals can use to prepare for future disasters.

RECOMMENDATIONS

1. The Committee recommends that when evacuating persons living in nursing homes and other live-in care facilities that all attempts be made to keep those persons as close to their residences as possible.
2. The Committee recommends that nursing homes that agree to shelter persons needing healthcare assistance during a severe weather event take in only as many people for whom they can supply beds.
3. The Committee recommends an evaluation of how to offset the added costs to other hospitals when a large hospital in an area affected by a severe weather event is closed, such as UTMB.
4. Legislation requiring that the dedicated trauma funds from the Driver Responsibility Program intended to reimburse designated trauma facilities for uncompensated trauma care be spent for their original purpose and that those funds be distributed as soon as possible.
5. Legislation establishing a fund and plans for hospitals in disaster areas to be able to set up auxiliary facilities throughout the affected areas where residents with medical power

needs can get access to a generator to plug in respirators, etc. rather than visiting the emergency room.

Debris

BACKGROUND AND FINDINGS

Hurricane Ike may well become known as the “debris” hurricane. Tons of debris filled homes, neighborhoods, roads and highways, beaches, lakes and waterways due to Ike’s storm surge and large wind field. Much of the debris remains.

For weeks after Ike’s landfall, the bodies of those who died in the storm were still being discovered in the mountains of debris across the region. The debris has kept roads closed, prevented citizens from cleaning up their property and created a health hazard as it attracts rodents and other undesirable wildlife. Total clean up costs are not exact because the clean up efforts are still ongoing. The Texas Department of Transportation alone will spend \$36.5 million to clean up debris not removed by the Corps of Engineers on its rights of way. The General Land Office is anticipating it will spend \$25 million for debris cleanup by private companies on beaches.

Some of the affected counties have debris fields as long as 30 miles, and Harris County alone may have had as much as 12 million cubic yards of debris from the storm. Debris removal and clean up is an enormous part of the after storm recovery effort and must be initiated quickly and efficiently to help expedite other recovery and rebuilding efforts. Also, certain debris can be hazardous to human health if not dealt with quickly and properly.

Several problems discovered with the current laws and debris removal systems after Ike were related to jurisdictional issues, lack of coordination, and FEMA's stringent tracking requirements for reimbursement of monies back to local governments.

Current statutes designate cities and counties as the responsible party for cleaning up debris. Typically, FEMA will pay 75 percent of the clean up costs leaving municipalities with 25 percent of the bill. However, this is a reimbursement system, so the local governments must pay the bill and then seek the refund. Because of the massive amounts of debris and the huge costs of removal, some local municipalities claimed they would go bankrupt unless FEMA covered 100 percent of the debris removal costs. Not all the local governments had the financial resources to commence the cleanup. Another impediment that local governments experienced was that FEMA would not reimburse a local government if they could not account for where the debris came from.

Beach cleanup lacked coordination and therefore each jurisdiction was responsible for their section of the beach. Texas has an open beaches policy allowing all people access to public beaches. However, it has no system in effect to coordinate a statewide debris removal from the public beaches.

Some of the affected areas complained that TxDOT's system for clearing debris from state roads was too slow in certain areas. In many instances TxDOT used private contractors for debris removal. The problem that occurred on state roads concerned the timeliness of deployment and debris removal. In many instances the private contractors were not located close enough to the

affected areas.

There were also many concerns with red tape blocking the removal of hurricane debris from private property. FEMA in cooperation with local governments, had a Private Property Debris Removal (PPDR) Program to remove storm-damaged materials. However, to participate property owners had to explain why they were unable to move storm debris to the right-of-way. Then they had to establish that the debris created a health and safety hazard for the area, not just to the property itself, and to provide proof of ownership as well as insurance coverage. Demolition of privately owned structures determined unsafe would be considered for the program if they met specific terms and conditions. Commercial, unimproved, and vacant property was not eligible for this program. The time and paperwork needed for this program proved to be a bureaucratic road block for many people.

RECOMMENDATIONS

1. Require the Texas Department of Transportation to have pre-position contracts near areas expected to suffer a severe weather event that are expected to produce debris so that contractors are ready to go to work as soon as possible.
2. Enact legislation governing the removal of hurricane debris from private property in limited cases.

Evacuation and Shelters

BACKGROUND AND FINDINGS

The National Weather Service designated Hurricane Ike as a Category 2 storm. Its winds were clocked at 110 miles per hour at landfall and its storm surge reached 20 feet. Many residents in areas along the coast were evacuated safely, unlike the disastrous evacuation from Hurricane Rita in 2005. However, because Ike was only a Category 2 hurricane, many people decided to ride out the storm. This turned out to be a mistake as rapidly rising waters cut off many residents on Galveston Island and Bolivar Peninsula and they were unable to leave when they finally realized the severity of the storm.

Many residents outside coastal areas were told to "shelter in place" by local officials. Ike's vast wind field damaged thousands of homes and businesses far from the coast. About 95 percent of CenterPoint customers lost their power, some for weeks. Nearly all of Entergy's customers were without electricity. Utility and MUD districts did not have generators, therefore the region's water and wastewater facilities were shut down. PODs were set up around the region to provide food, water and ice but some people had problems getting to them. Those who were homebound—the ill, the elderly, those with special needs—were unable to travel to the PODs to get what they had to offer. Essential services such as gas stations, grocery stores, pharmacies were closed for lack of power.

The recommendations from the Committee attempt to address the need to plan for these issues before the storm.

RECOMMENDATIONS

1. The Committee recommends that State and local government entities establish policies for "Sheltering in Place" and Points of Distribution Site (PODs), to the extent possible, before a severe weather event occurs and publicize those policies to the general public. Among issues to consider:
 - Having an accurate database of persons with special needs, the elderly, the disabled, those with medical problems, all homebound persons
 - If recommending sheltering in place, creating a distribution plan for the homebound who are unable to travel to PODs
 - Determining PODs locations before disaster so they can be publicized
 - Creating a list of setup items that the government needs to provide to ensure refuge facilities can meet the needs of citizens, including adequate amounts of food for all people in the shelter, including staff, food that does not require electricity, water, cots, portable toilets, animal crates, and generators
 - Determining which shelters can better handle people with medical needs
 - Having a school district representative actively involved in all decisions that involve use of school facilities and resources

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- Planning for shelters for those who lose their homes to weather damage or those unable to stay in their homes due to loss of water and/electricity
 - Working with non-profits and other community organizations that can provide locations for shelters and PODs and volunteers to run them
 - Ensuring that utilities are kept informed on locations of shelters so they can provide services
 - Where possible, shelters should plan and provide for special accommodations for pets during evacuation, as pet owners are often unwilling to abandon their pets. Identify and publicize shelter locations that will accept evacuees and their pets.
2. Legislation to allow a local government entity to issue a special needs evacuation order. Currently, a hospital or nursing home cannot evacuate and receive insurance payments until an evacuation order is issued. However, these people served by these facilities usually have complex medical problems that necessitate early evacuation. Those with special needs can be removed and protected by allowing the issuing entity to order a special needs evacuation order. In that way, facilities can prepare more efficiently and still receive payment for services.

Education

BACKGROUND AND FINDINGS

School Districts

The effects of Hurricane Ike will linger for some time. Many school districts have lost students because families have lost their homes. This affects the amount of funding school districts receive from the State. For schools making Robin Hood payments, those dollars flowing out from the district are badly needed locally to make repairs. School districts and colleges will also be unfairly penalized by property tax appraisals that will fall far short of previous years because of the damage done by Hurricane Ike. For example, Galveston ISD enrollment has declined from 7,625 to 5,900 as of the first part of February 2009. Three of the district's 13 schools were so badly damaged, they have not yet re-opened. The district is expecting a budget shortfall of \$65 million because of storm-related expenses, along with an expected drop in property tax collections. Up to 240 of the district's 1,220 employees may have to be laid off.

The appraisal of property that occurs on January 1st following a severe weather event often results in fewer tax dollars coming into the district due to damage caused to that property. However, after repairs are made and property is reappraised the following year, there is a significant jump in appraisal value. This increase in value will most likely exceed the 10 percent appraisal cap imposed by the State. Therefore, to truly recapture the value of the property and collect the proper amount in taxes, the Committee recommends that the cap be lifted for the second January 1st appraisal date after a severe weather event. This allows property to be appraised at its fair market value and minimize the loss of property tax dollars to school districts.

Community Colleges

Community colleges along the Gulf Coast and throughout Texas play a vital role in responding to local workforce needs while providing an affordable and accessible education. Area community colleges were financially devastated not only by Hurricane Ike's destruction but also by a reduction in enrollment.

The Committee sees the need to provide financial help for these institutions which are such an important part of our communities i.e., a hold harmless provision.

RECOMMENDATIONS

1. Legislation allowing disaster-impacted independent school districts be given short-term Chapter 41 deferral/waiver of Robin Hood payments if they meet certain threshold requirements in counties with disaster declarations due to severe weather events. School districts dealing with disaster-related issues, including damage to property and a loss of student population, should be allowed a deferral or waiver of Robin Hood payments for a specified time as they deal with these issues.
2. Amend legislation governing public school attendance pay formula to allow schools operating as public shelters to continue to receive their funding based upon average daily

attendance. This will reduce current financial penalties to local school districts that have volunteered their schools as public shelters.

3. Legislation allowing school districts in hurricane-prone counties to appraise property at fair market value on the second January 1st date following a hurricane without the 10 percent tax appraisal cap.
4. Legislation revising the funding formula for community colleges in hurricane-prone counties to accommodate for lost revenue from severe weather events.

Issues for Further Study

The Committee considered several issues its members believe require further study before they could be included in the recommendations from this report.

- A comprehensive audit of Texas emergency management systems. The audit would be completed by an independent entity not directly involved in disaster management. The audit would identify vulnerabilities and examine all communication and disaster management information systems. The objective of the study would be to identify gaps, redundancy, inefficiencies, opportunities and ways to better use constantly evolving technology.
- A plan for evacuating very ill medical patients needs to be made. There were not enough neonate beds available in the State to accept all transfers. This points to the need for a regional federal and State solution. Plans need to begin now for the movement of over 400 critical and medically fragile patients from the Texas Medical Center throughout the State and country. This needs to become an immediate priority of the National Defense Medical System.
- SSPEED Center-Fund Severe Storm Prediction, Education and Evacuation from Disaster (SSPEED) Center for improved storm tracking and landfall prediction. The center was created by HB 1493 in the 80th Legislature but not funded.
- Study the formation of a fourth Level 1 trauma center on the east side of Harris County.

Appendix A

TDI HURRICANE IKE DATA CALL REPORTS
DATA REPORTED AS OF NOVEMBER 30, 2008
SUMMARY, EXPLANATION, AND IMPORTANT NOTES AND CAVEATS

Summary

The attached exhibits show the results of the data the Texas Department of Insurance (TDI) compiled from its Hurricane Ike Data Call. The data was compiled for 33 Texas counties affected by Hurricane Ike.

The aggregate data for the 33 Texas counties is as follows:

Total Claims Reported to date: 780,000 to 790,000
Total Losses Paid to date: \$5.1 billion to \$5.3 billion
Current Gross Loss Estimate: \$10.6 billion¹

Explanation of Exhibits

There are four files, corresponding to Modules A, B1, B2, and B3 of the data call. All modules in the report provide data as of November 30, 2008. Module A was developed for financial monitoring. Module A contains information about reported claims, closed claims, paid losses, and estimated ultimate losses both before and after reinsurance. Module B was developed to monitor claims handling and contains information about claims closed with payment; claims closed without payment; paid losses on claims that have been settled; and paid losses on claims that are still open. Some information was collected in both Module A and Module B. The data contained in the attached exhibits is still preliminary (see the section titled “Important Notes”).

Data for Module A includes experience from all insurers who reported data, including surplus lines insurers. There are three sections to the Module A exhibits. The first section (Exhibit I.1 and Exhibit I.2) shows a county summary for all personal and commercial lines of insurance combined. Exhibit I.1 provides data by county with counties sorted in alphabetical order and Exhibit I.2 provides data by county with counties sorted by “tier”. Tier 1 counties are those counties bordering the Gulf of Mexico. Tier 2 counties are those counties bordering Tier 1 counties. There are two columns in Exhibits I.1 and I.2 that require some additional explanation. Column (7) titled “Dollar Amount of Gross Probable Loss Before Reinsurance (Estimated)” provides the current estimate of the total amount of losses insurers are expected to pay for Hurricane Ike for the 33 Texas counties included in the data call. “Gross” means that this is the amount insurers are expected to pay *before recoveries from any reinsurance policies*. Column (8) titled “Dollar Amount of Net Losses Retained After Reinsurance (Projected)” is similar to Column (7) except it provides the estimate *after recoveries from any reinsurance policies*. The second section (Exhibit II) shows experience for all personal lines of insurance by line of insurance. A break down of this information by county is not available in Module A. The third section (Exhibit III) shows experience for all commercial lines of insurance by line of insurance. A break down of this information by county is not available in Module A.

Data for Module B1 (Exhibit IV) includes experience from all of the top 25 admitted residential property insurers, including the Texas Windstorm Insurance Association, plus seven of the eight additional admitted insurers who were required to report (32 of 33 companies total). One insurer had not reported at the time the data was compiled. Module B1 provides experience for residential property policies by county. Exhibit IV.1 provides data by county with counties sorted in alphabetical order and Exhibit IV.2 provides data by county with counties sorted by “tier”.

Data for Module B3 (Exhibit V) includes experience from 24 of the top 25 admitted commercial property insurers. One insurer had not reported at the time the data was compiled. Module B3 provides experience for commercial property policies by county. Exhibit V.1 provides data by county with counties sorted in alphabetical order and Exhibit V.2 provides data by county with counties sorted by “tier”.

Data for Module B2 (Exhibit VI) includes experience for all of the top 25 admitted private passenger auto insurers. All insurers had reported at the time the data was compiled. Module B2 provides experience for private passenger automobile policies by county. Exhibit VI.1 provides data by county with counties sorted in alphabetical order and Exhibit VI.2 provides data by county with counties sorted by “tier”.

Important Notes

The data in the attached reports is a “snapshot” as of November 30, 2008 or, approximately, 75 days after Hurricane Ike struck the Texas coast. Below are some important considerations:

The data includes experience for the 33 Texas counties selected for the data call. These counties were selected because they were the counties that were covered in TDI’s Hurricane Ike catastrophe bulletins. While this would include the vast majority of claims and losses, it is not 100%.

The numbers will change as the data matures.

Reported and closed claims will increase as the data matures.

Paid losses will increase as the data matures.

Estimates of the gross and net total losses will change as more information becomes known and insurers’ estimates of their ultimate losses get closer to the “true” amount.

Average claim payments will most likely increase because small claims tend to settle more quickly than large claims.

The intent of the data call was to only include flood experience for policies where the insurer bears the risk. The intent was not to include experience for federally insured flood policies, whether issued directly by NFIP or through insurers participating in the NFIP’s “Write Your Own” program. However, it is more than likely that at least some federally insured flood losses were included in the experience. The amount of these claims and losses that might be included is unknown.

Known Data Discrepancies

At this time there are several known data discrepancies.

The reported claim counts in the various sections of the Module A reports are off by 8,000 reported claims (1%) and the paid losses are off by about \$200 million (4%). Much of these differences are the result of data for counties not listed or counties listed as “unknown”. Data for these counties are not included in Exhibit I but are likely included in Exhibits II and III.

For Exhibits V.1 and V.2 (Module B3) some insurers’ number of claims reported decreased by a small amount in certain counties that had relatively few claims. For this reason some counties show a slight decrease in the number of claims reported when compared to the October 31, 2008 report. One insurer reported too many losses in Austin County for their October 31, 2008 data. Correct numbers were provided in their November 30, 2008 data. This correction caused the total paid losses in Austin County to decrease when compared to the October 31, 2008 report. Lastly, some insurers reported small decreases in the total amount of losses paid for some counties. These decreases did not materially affect the results.

Appendix B

TDI HURRICANE IKE DATA CALL MODULE A¹
Texas County Claim Experience for All Lines of Business - Industry Total²
NOVEMBER 30, 2008 EVALUATION
(See important notes and caveats, attached)

(1) County Name	(2) Number of Claims Received to Date	(3) Number of claims closed or settled with payment to the insured to date	(4) Number of claims closed without payment to the insured	(5) Average days to close a claim	(6) Dollar Amount of Claim Payments Made to Date	(7) Dollar Amount of Gross Probable Loss Before Reinsurance (Estimated)	(8) Dollar Amount of Net Losses Retained After Reinsurance (Projected)
Angelina	5,996	4,103	1,047	27.33	\$ 26,056,260	\$ 37,121,499	\$ 24,592,483
Austin	322	194	78	25.29	\$ 1,198,529	\$ 1,984,220	\$ 1,153,888
Brazoria	48,614	24,928	12,721	31.04	\$ 242,530,562	\$ 758,776,812	\$ 315,520,510
Brazos	850	448	289	27.08	\$ 2,142,301	\$ 4,663,324	\$ 2,143,485
Chambers	8,616	4,818	1,606	32.92	\$ 78,118,438	\$ 163,595,393	\$ 79,086,903
Cherokee	2,060	1,454	350	44.66	\$ 8,011,904	\$ 19,492,415	\$ 8,102,418
Fort Bend	46,062	26,076	11,795	31.70	\$ 262,694,452	\$ 365,270,449	\$ 212,375,814
Gaiveston	98,937	44,686	21,554	32.19	\$ 880,121,581	\$ 2,314,466,169	\$ 591,171,642
Gregg	2,392	1,389	682	27.95	\$ 10,086,736	\$ 14,081,513	\$ 7,100,563
Grimes	1,494	963	277	28.87	\$ 10,306,931	\$ 41,437,017	\$ 16,362,816
Hardin	11,817	9,001	1,162	31.21	\$ 87,828,894	\$ 113,763,873	\$ 66,350,960
Harris	384,000	220,949	83,043	56.48	\$ 2,468,138,460	\$ 4,359,516,186	\$ 2,448,317,295
Houston	1,903	1,199	251	25.80	\$ 14,680,443	\$ 132,654,536	\$ 93,969,595
Jasper	4,459	3,313	612	30.38	\$ 32,724,096	\$ 66,751,558	\$ 22,937,473
Jefferson	58,030	30,459	12,350	31.07	\$ 294,702,839	\$ 905,904,070	\$ 362,979,935
Liberty	13,563	10,482	1,075	31.29	\$ 128,074,712	\$ 175,752,365	\$ 92,970,659
Madison	452	283	84	25.19	\$ 3,231,089	\$ 14,845,294	\$ 4,375,927
Matagorda	548	245	126	28.70	\$ 1,224,267	\$ 5,750,739	\$ 2,188,092
Montgomery	42,460	25,837	9,924	30.10	\$ 251,564,674	\$ 361,557,621	\$ 221,829,450
Nacogdoches	3,376	2,423	550	25.82	\$ 16,408,563	\$ 21,924,696	\$ 17,007,841
Newton	1,398	983	221	27.92	\$ 6,262,105	\$ 11,060,685	\$ 3,529,300
Orange	20,760	13,398	2,916	30.34	\$ 168,191,795	\$ 521,448,692	\$ 176,914,245
Polk	7,586	5,798	750	30.81	\$ 53,722,183	\$ 69,029,032	\$ 44,206,360
Rusk	1,787	1,192	406	26.40	\$ 6,481,469	\$ 49,569,046	\$ 24,794,844
Sabine	534	376	98	26.19	\$ 1,693,529	\$ 14,292,787	\$ 2,363,919
San Augustine	430	302	71	26.25	\$ 1,640,541	\$ 2,246,601	\$ 824,406
San Jacinto	2,921	2,191	328	29.30	\$ 20,053,027	\$ 26,005,318	\$ 15,126,808
Trinity	1,398	1,060	146	27.19	\$ 6,539,479	\$ 9,163,805	\$ 6,184,112
Tyler	3,402	2,702	335	30.71	\$ 21,018,565	\$ 27,221,719	\$ 20,142,806
Walker	2,296	1,482	438	26.02	\$ 9,528,334	\$ 13,750,914	\$ 11,308,379
Waller	1,452	944	269	27.85	\$ 7,197,754	\$ 9,805,378	\$ 5,851,974
Washington	278	156	75	25.78	\$ 929,941	\$ 1,184,217	\$ 759,563
Wharton	312	172	59	27.65	\$ 887,354	\$ 2,176,352	\$ 1,524,094
Grand Total	780,505	444,006	165,688	43.71	\$ 5,123,991,805	\$ 10,636,264,296	\$ 4,904,068,561

End Notes
¹Module A: Claims Report Tab of TDI's Hurricane Ike data call. Includes data only for the 33 counties specified in TDI's data call. Data for other counties is not included.
²Includes the total amounts for all companies providing reports to date. This includes all commercial and personal lines of insurance and includes surplus lines insurers in addition to admitted insurers. Totals include the experience of the Texas Windstorm Insurance Association (TWIA) and the Texas FAIR Plan Association (TFPA).

TDI HURRICANE IKE DATA CALL MODULE A¹
Texas County Claim Experience for All Lines of Business - Industry Total²
 NOVEMBER 30, 2008 EVALUATION
 (See important notes and caveats, attached)

(1) County Name	(2) Tier	(3) Number of Claims Received to Date	(4) Number of claims closed or settled with payment to the insured to date	(5) Number of claims closed without payment to the insured	(6) Average days to close a claim	(7) Dollar Amount of Claim Payments Made to Date	(8) Dollar Amount of Gross Probable Loss Before Reinsurance (Estimated)	(9) Dollar Amount of Net Losses Retained After Reinsurance (Projected)
Tier 1 Total		214,745	105,136	48,357	31.62	\$ 1,496,697,687	\$ 4,148,493,183	\$ 1,350,947,082
Brazoria	1	48,614	24,928	12,721	31.04	\$ 242,530,562	\$ 758,776,812	\$ 315,520,510
Chambers	1	8,616	4,818	1,606	32.92	\$ 78,118,438	\$ 163,595,393	\$ 79,086,903
Galveston	1	98,937	44,686	21,554	32.19	\$ 880,121,581	\$ 2,314,466,169	\$ 591,171,642
Jefferson	1	58,030	30,459	12,350	31.07	\$ 294,702,839	\$ 905,904,070	\$ 362,979,935
Matagorda	1	548	245	126	28.70	\$ 1,224,267	\$ 5,750,739	\$ 2,188,092
Tier 2 Total		476,514	280,078	100,050	51.43	\$ 3,115,815,667	\$ 5,537,927,917	\$ 2,998,453,068
Fort Bend	2	46,062	26,076	11,795	31.70	\$ 262,694,452	\$ 365,270,449	\$ 212,375,814
Harris	2	11,817	9,001	1,162	31.21	\$ 87,828,894	\$ 113,763,873	\$ 66,350,960
Harris	2	384,000	220,949	83,043	56.48	\$ 2,468,138,460	\$ 4,359,516,186	\$ 2,448,317,295
Liberty	2	13,563	10,482	1,075	31.29	\$ 128,074,712	\$ 175,752,365	\$ 92,970,659
Orange	2	20,760	13,398	2,916	30.34	\$ 168,191,795	\$ 521,448,692	\$ 176,914,245
Wharton	2	312	172	59	27.65	\$ 887,354	\$ 2,176,352	\$ 1,524,094
Tier 3+ Total		89,246	58,792	17,281	29.58	\$ 511,478,450	\$ 949,843,196	\$ 554,668,411
Grand Total		780,505	444,006	165,688	43.71	\$ 5,123,991,805	\$ 10,636,264,296	\$ 4,904,068,561

¹Module A: Claims Report Tab of TDI's Hurricane Ike data call. Includes data only for the 33 counties specified in TDI's data call. Data for other counties is not included.
²Includes the total amounts for all companies providing reports to date. This includes all commercial and personal lines of insurance and includes surplus lines insurers in addition to admitted insurers. Totals include the experience of the Texas Windstorm Insurance Association (TWIA) and the Texas Fair Plan Association (TFPA).

TDI HURRICANE IKE DATA CALL MODULE A¹
Texas Claim Experience, Personal Lines of Insurance - Industry Total²
 NOVEMBER 30, 2008 EVALUATION
 (See important notes and caveats, attached)

(1) (2) (3) (4)

Line of Business	Total Number of Claims		Total Dollar Amount of Loss Paid To Date
	Reported to Date	Determined to be a Total Loss	
Farmowners	2,485	69	\$ 26,855,293
Homeowners	432,082	357	\$ 2,297,303,663
Dwelling	158,628	470	\$ 664,494,390
Tenant	13,206	13	\$ 21,310,469
Mobile Homeowners	9,937	303	\$ 62,507,190
Private Passenger Auto Physical Damage	70,712	15,984	\$ 340,344,998
All Other Lines	37,844	1,781	\$ 659,123,793
Grand Total	724,894	18,977	\$ 4,071,939,796

End Notes

¹Module A: LOB Claims Report (Personal) Tab of TDI's Hurricane Ike data call.

²Includes the total amounts for all companies providing reports to date. This includes all personal lines of insurance and includes surplus lines insurers in addition to admitted insurers. Totals include the experience of the Texas Windstorm Insurance Association (TWIA) and the Texas FAIR Plan Association (TFPA).

(See important notes and caveats, attached)

(1)	(2)	(3)	(4)
Line of Business	Total Number of Claims Reported to Date	Total Number of Claims Determined to be a Total Loss	Total Dollar Amount of Loss Paid To Date
Fire & Allied Lines	19,072	151	\$ 347,695,558
Time Element / Business Interruption	864	11	\$ 7,935,387
Businessowners	13,698	204	\$ 211,566,877
Commercial Multi-Peril	16,811	90	\$ 342,110,938
Commercial Auto Physical Damage	2,172	486	\$ 29,464,388
Ocean marine	1,862	91	\$ 126,705,008
Flood Insurance	4,323	135	\$ 116,247,432
All Other Lines	4,724	151	\$ 78,891,531
Grand Total	63,526	1,319	\$ 1,260,617,119

End Notes

¹Module A: LOB Claims Report (Commercial) Tab of TDI's Hurricane Ike data call.

²Includes the total amounts for all companies providing reports to date. This includes all commercial lines of insurance and includes surplus lines insurers in addition to admitted insurers. Totals include the experience Texas Windstorm Insurance Association (TWIA).

Appendix C

TDI HURRICANE IKE DATA CALL MODULE B1¹
RESIDENTIAL PROPERTY² TOP ADMITTED COMPANIES ONLY³

NOVEMBER 30, 2008 EVALUATION

(See important notes and caveats, attached)

County	Number of Claims Reported	Number of Claims Settled ⁴	Number of Claims Closed With NO Payment	Number of Open Claims	Percent of Claims Settled ⁴	Percent of Claims Closed with NO Payment	Percent of Claims Open	Avg Number of Days to Settle ⁴ a Claim	Avg Number of Days to Close a Claim With NO Payment	Average Age of Open Claims (in Days)	Total Losses Paid To Date	Add'l Living Expense Paid To Date	Total Losses Paid To Date On Claims Settled ⁴	Avg Amount Paid On Claims Settled ⁴
Angelina	3,811	2,689	728	394	71%	19%	10%	30.4	23.7	54.9	\$ 15,767,650	\$ 368,898	\$ 12,896,789	\$ 4,796
Austin	135	71	44	20	53%	33%	15%	27.7	16.6	58.4	\$ 516,740	\$ 360	\$ 444,993	\$ 6,268
Brazoria	39,074	18,946	11,180	8,948	48%	29%	23%	38.6	20.9	58.6	\$ 177,455,257	\$ 6,533,402	\$ 146,339,383	\$ 7,724
Brazos	553	282	226	45	51%	41%	8%	28.0	24.0	42.3	\$ 1,095,708	\$ 6,624	\$ 956,418	\$ 3,392
Chambers	6,306	3,458	1,270	1,578	55%	20%	25%	40.9	19.6	63.6	\$ 52,539,593	\$ 1,843,509	\$ 40,608,719	\$ 11,743
Cherokee	1,427	1,023	269	135	72%	19%	9%	49.6	21.7	52.1	\$ 5,681,758	\$ 165,475	\$ 4,805,020	\$ 4,697
Fort Bend	37,154	21,271	9,898	5,985	57%	27%	16%	34.4	24.2	66.2	\$ 217,217,920	\$ 6,938,739	\$ 163,605,684	\$ 7,691
Galveston	65,900	29,069	16,583	20,248	44%	25%	31%	39.1	20.9	61.6	\$ 247,023,795	\$ 19,906,917	\$ 190,762,917	\$ 6,562
Gregg	1,770	1,029	574	167	58%	32%	9%	30.9	22.2	53.2	\$ 5,710,044	\$ 45,771	\$ 4,753,677	\$ 4,620
Grimes	947	615	199	133	65%	21%	14%	28.6	19.0	53.6	\$ 4,648,527	\$ 116,866	\$ 3,259,981	\$ 5,301
Hardin	7,566	5,873	796	897	78%	11%	12%	34.4	24.6	55.8	\$ 54,586,485	\$ 7,854,557	\$ 45,718,786	\$ 7,785
Harris	285,391	172,853	65,894	46,644	61%	23%	16%	33.9	22.2	57.0	\$ 1,492,508,283	\$ 36,541,556	\$ 1,155,420,949	\$ 6,684
Houston	715	525	129	61	73%	18%	9%	21.8	17.5	54.9	\$ 2,113,005	\$ 87,757	\$ 1,989,024	\$ 3,789
Jasper	2,710	2,043	436	231	75%	16%	9%	33.0	24.8	53.6	\$ 13,224,091	\$ 1,078,505	\$ 11,776,698	\$ 5,764
Jefferson	45,059	24,072	10,442	10,545	53%	23%	23%	35.6	15.7	56.6	\$ 184,702,118	\$ 12,461,398	\$ 155,520,893	\$ 6,461
Liberty	7,246	5,737	609	900	79%	8%	12%	36.7	23.4	59.1	\$ 73,591,519	\$ 5,931,533	\$ 60,175,882	\$ 10,489
Madison	320	187	56	77	58%	18%	24%	25.4	17.1	63.0	\$ 1,626,273	\$ 30,068	\$ 1,006,515	\$ 5,382
Matagorda	320	143	88	89	45%	28%	28%	35.0	21.8	56.6	\$ 604,291	\$ 17,672	\$ 581,205	\$ 4,064
Montgomery	28,574	16,830	7,868	3,876	59%	28%	14%	32.7	24.8	63.0	\$ 165,896,972	\$ 5,387,565	\$ 120,006,548	\$ 7,131
Nacogdoches	2,333	1,891	410	232	72%	18%	10%	26.5	21.0	56.1	\$ 12,043,178	\$ 252,938	\$ 9,735,686	\$ 5,757
Newton	823	567	159	97	69%	19%	12%	29.7	15.4	43.6	\$ 3,965,281	\$ 187,741	\$ 3,062,385	\$ 5,401
Orange	12,540	8,883	2,043	1,614	71%	16%	13%	33.2	24.7	55.0	\$ 58,311,205	\$ 12,407,851	\$ 50,342,953	\$ 5,667
Polk	4,584	3,602	476	506	79%	10%	11%	34.7	24.1	55.7	\$ 34,445,322	\$ 955,104	\$ 28,425,028	\$ 7,891
Rusk	1,223	829	294	100	68%	24%	8%	29.6	22.6	51.1	\$ 4,196,797	\$ 89,098	\$ 3,781,452	\$ 4,561
Sabine	297	195	68	34	66%	23%	11%	30.1	27.6	45.4	\$ 855,615	\$ 49,719	\$ 805,224	\$ 4,129
San Augustine	227	144	53	30	63%	23%	13%	29.3	19.2	51.5	\$ 640,042	\$ 14,065	\$ 553,186	\$ 3,842
San Jacinto	1,766	1,322	217	227	75%	12%	13%	32.0	23.9	57.0	\$ 13,234,875	\$ 555,390	\$ 10,733,013	\$ 8,119
Trinity	613	488	64	61	80%	10%	10%	26.1	22.4	52.0	\$ 2,965,977	\$ 81,065	\$ 2,721,042	\$ 5,576
Tyler	2,200	1,807	210	183	82%	10%	8%	33.0	25.3	58.3	\$ 14,304,577	\$ 890,105	\$ 12,547,381	\$ 6,944
Walker	1,257	818	296	143	65%	24%	11%	28.9	20.5	49.4	\$ 5,191,588	\$ 94,478	\$ 4,346,770	\$ 5,314
Waller	872	558	179	135	64%	21%	15%	29.7	24.6	53.1	\$ 4,637,689	\$ 37,265	\$ 3,753,613	\$ 6,727
Washington	169	100	48	21	59%	28%	12%	27.6	15.5	40.8	\$ 460,022	\$ 2,835	\$ 413,511	\$ 4,135
Wharton	136	83	31	22	61%	23%	16%	26.4	16.8	60.0	\$ 372,728	\$ 1,750	\$ 356,450	\$ 4,295
33 County Total	564,018	327,803	131,837	104,378	58%	23%	19%	34.7	21.8	58.7	\$ 2,872,045,924	\$ 120,936,573	\$ 2,252,207,776	\$ 6,871

End Notes

¹Module B1 of TDI's Hurricane Ike data call. Includes data only for the 33 counties specified in TDI's data call. Data for other counties is not included.

²Includes only the following types of insurance: homeowners, tenant, condo, residential dwelling, mobile homeowners, farm owners, and farm dwelling.

³TDI estimates the companies included account for approximately 95% of the residential property market. Data includes the Texas FAIR Plan Association (TFPA) and the Texas Windstorm Insurance Association (TWIA).

⁴'Settled' refers to a claim that was closed with a payment to the claimant.

TDI HURRICANE IKE DATA CALL MODULE B1¹
RESIDENTIAL PROPERTY² TOP ADMITTED COMPANIES ONLY³
 NOVEMBER 30, 2008 EVALUATION

(See important notes and caveats, attached)

County	Tier	Number of Claims Reported	Number of Claims Settled ⁴	Number of Claims Closed With NO Payment	Number of Claims Closed With NO Payment	Percent of Claims Settled ⁴	Percent of Claims Closed with NO Payment	Percent of Claims Open	Avg Number of Days to Settle a Claim	Avg Number of Days to Close a Claim With NO Payment	Average Age of Open Claims (in Days)	Total Losses Paid To Date	Add'l Living Expense Paid To Date	Total Losses Paid To Date on Claims Settled ⁴	Avg Amount Paid On Claims Settled ⁴
Tier 1 Total															
Brazoria	1	39,074	18,946	11,180	8,948	48%	29%	23%	36.6	20.9	58.6	\$ 177,455,257	\$ 6,533,402	\$ 146,339,383	\$ 7,724
Chambers	1	6,306	3,458	1,270	1,578	55%	20%	25%	40.9	19.6	63.6	\$ 52,539,593	\$ 1,843,509	\$ 40,608,719	\$ 11,743
Galveston	1	65,900	29,069	16,583	20,248	44%	25%	31%	39.1	20.9	61.6	\$ 247,023,795	\$ 19,906,917	\$ 190,762,917	\$ 6,562
Jefferson	1	45,059	24,072	10,442	10,545	53%	23%	23%	35.6	15.7	56.6	\$ 184,702,118	\$ 12,461,398	\$ 155,520,893	\$ 6,461
Matagorda	1	320	143	88	89	45%	28%	28%	35.0	21.6	56.0	\$ 604,291	\$ 17,672	\$ 581,205	\$ 4,064
Tier 2 Total															
Fort Bend	2	37,154	21,271	9,898	5,985	57%	27%	16%	34.4	24.2	66.2	\$ 217,217,920	\$ 6,938,739	\$ 163,605,684	\$ 7,691
Hardin	2	7,566	5,873	796	897	78%	11%	12%	34.4	24.6	55.8	\$ 54,586,485	\$ 7,854,557	\$ 45,718,786	\$ 7,785
Harris	2	285,391	172,853	65,894	46,644	61%	23%	16%	33.9	22.2	57.0	\$ 1,492,508,283	\$ 36,541,556	\$ 1,155,420,949	\$ 6,684
Liberty	2	7,246	5,737	609	900	79%	8%	12%	36.7	23.4	59.1	\$ 73,591,519	\$ 5,931,533	\$ 60,175,882	\$ 10,489
Orange	2	12,540	8,883	2,043	1,614	71%	16%	13%	33.2	24.7	55.0	\$ 58,311,205	\$ 12,407,851	\$ 50,342,953	\$ 5,667
Wharton	2	136	83	31	22	61%	23%	16%	26.4	16.8	60.0	\$ 372,728	\$ 1,750	\$ 356,450	\$ 4,295
Tier 2 Total															
Angellina	2	350,033	214,700	79,271	56,062	61%	23%	16%	34.0	22.5	57.9	\$ 1,896,588,141	\$ 69,675,965	\$ 1,475,620,704	\$ 6,873
Austin	3+	3,811	2,689	728	394	71%	19%	10%	30.4	23.7	54.9	\$ 15,767,650	\$ 368,898	\$ 12,896,789	\$ 4,796
Brazos	3+	135	71	44	20	53%	33%	15%	27.7	16.6	58.4	\$ 516,740	\$ 360	\$ 444,993	\$ 6,268
Cherokee	3+	553	282	226	45	51%	41%	8%	26.0	24.0	42.3	\$ 1,005,708	\$ 6,624	\$ 956,418	\$ 3,392
Gregg	3+	1,427	1,023	269	135	72%	19%	9%	49.6	21.7	52.1	\$ 5,681,758	\$ 165,475	\$ 4,805,020	\$ 4,687
Guadalupe	3+	1,770	1,029	574	167	58%	32%	9%	30.9	22.2	53.2	\$ 5,710,044	\$ 45,771	\$ 4,753,677	\$ 4,620
Houston	3+	947	615	199	133	65%	21%	14%	28.6	19.0	53.6	\$ 4,648,527	\$ 116,866	\$ 3,259,981	\$ 5,301
Jasper	3+	715	525	129	61	73%	18%	9%	21.8	17.5	54.9	\$ 2,113,005	\$ 87,757	\$ 1,989,024	\$ 3,789
Madison	3+	2,710	2,043	436	231	75%	16%	9%	33.0	24.8	53.6	\$ 13,224,091	\$ 1,078,505	\$ 11,776,698	\$ 5,764
Montgomery	3+	320	187	56	77	58%	18%	24%	25.4	17.1	63.0	\$ 1,626,273	\$ 30,068	\$ 1,006,515	\$ 5,382
Nacogdoches	3+	28,574	16,830	7,868	3,876	59%	28%	14%	32.7	24.8	63.0	\$ 165,898,972	\$ 5,387,565	\$ 120,006,548	\$ 7,131
Newton	3+	2,333	1,691	410	232	72%	16%	10%	26.5	21.0	56.1	\$ 12,043,178	\$ 252,938	\$ 9,735,686	\$ 5,757
Polk	3+	823	567	159	97	68%	19%	12%	29.7	15.4	43.6	\$ 3,965,281	\$ 187,741	\$ 3,082,385	\$ 5,401
Rusk	3+	4,584	3,602	476	506	79%	10%	11%	34.7	24.1	55.7	\$ 34,445,322	\$ 955,104	\$ 28,425,028	\$ 7,891
Sabine	3+	1,223	829	294	100	66%	24%	8%	29.6	22.6	51.1	\$ 4,195,797	\$ 89,098	\$ 3,781,452	\$ 4,561
San Augustine	3+	297	195	68	34	66%	23%	11%	30.1	27.6	45.4	\$ 855,615	\$ 49,719	\$ 805,224	\$ 4,129
San Jacinto	3+	227	144	53	30	63%	23%	13%	29.3	19.2	51.5	\$ 640,042	\$ 14,065	\$ 553,186	\$ 3,842
Trinity	3+	1,766	1,322	217	227	75%	12%	10%	32.0	23.9	57.0	\$ 13,234,875	\$ 555,390	\$ 10,733,013	\$ 8,119
Tyler	3+	613	468	64	61	80%	10%	10%	26.1	22.4	52.0	\$ 2,965,977	\$ 81,065	\$ 2,721,042	\$ 5,576
Walker	3+	2,200	1,807	210	183	82%	10%	8%	33.0	25.3	58.3	\$ 14,304,577	\$ 890,105	\$ 12,547,381	\$ 6,944
Waller	3+	1,257	818	296	143	65%	24%	11%	28.9	20.5	49.4	\$ 5,191,588	\$ 94,478	\$ 4,346,770	\$ 5,314
Washington	3+	872	558	179	135	64%	21%	15%	29.7	24.6	53.1	\$ 4,637,689	\$ 37,265	\$ 3,753,613	\$ 6,727
Washington	3+	169	100	48	21	59%	28%	12%	27.6	15.5	40.8	\$ 460,022	\$ 2,835	\$ 413,511	\$ 4,135
Tier 3+ Total															
33 County Total	All	57,326	37,415	13,003	6,908	65%	23%	12%	32.2	23.9	59.1	\$ 313,132,730	\$ 10,497,690	\$ 242,773,955	\$ 6,489
Tier 3+ Total															
33 County Total	All	564,018	327,803	131,837	104,378	58%	23%	19%	34.7	21.8	58.7	\$ 2,872,045,924	\$ 120,936,573	\$ 2,252,207,776	\$ 6,871

¹Module B1 of TDI's Hurricane Ike data call. Includes data only for the 33 counties specified in TDI's data call. Data for other counties is not included.
²Includes only the following types of insurance: homeowners, tenant, condo, residential dwelling, mobile homeowners, farm owners, and farm dwelling.
³TDI estimates the companies included account for approximately 95% of the residential property market. Data includes the Texas FAIR Plan Association (TFPA) and the Texas Windstorm Insurance Association (TWIA).
⁴Settled refers to a claim that was closed with a payment to the claimant.

Appendix D

**TDI HURRICANE IKE DATA CALL MODULE B2'
PRIVATE PASSENGER AUTO² TOP 25 ADMITTED COMPANIES ONLY**

NOVEMBER 30, 2008 EVALUATION

(See important notes and caveats, attached)

County	Number of Claims	Number of Claims Settled ⁴	Number of Claims Closed With NO Payment	Number of Claims Closed With NO Payment	Number of Open Claims	Number of Private Passenger Vehicles Declared A Total Loss Due to Flood ³	Percent of Claims Settled ⁴	Percent of Claims Closed with NO Payment	Percent of Claims Open	Total Losses Paid To Date	Total Losses Paid To Date Settled ⁴	Avg Amount Paid On Claims Settled ⁴
Angelina	796	647	89	81	60	21	81%	11%	8%	\$ 2,593,282	\$ 2,225,251	\$ 3,439
Austin	52	40	5	77%	7	2	77%	10%	13%	\$ 199,923	\$ 162,815	\$ 4,070
Brazoria	4,676	3,717	582	79%	377	180	79%	12%	8%	\$ 23,134,714	\$ 20,759,330	\$ 5,585
Brazos	110	74	23	67%	13	11	67%	21%	12%	\$ 417,653	\$ 237,331	\$ 3,207
Chambers	1,319	966	145	73%	208	98	73%	11%	16%	\$ 10,190,982	\$ 8,188,912	\$ 8,477
Cherokee	259	216	22	83%	21	9	83%	8%	8%	\$ 910,404	\$ 769,069	\$ 3,561
Fort Bend	2,127	1,574	371	74%	182	169	74%	17%	9%	\$ 5,987,698	\$ 5,025,651	\$ 3,193
Galveston	9,273	5,188	945	56%	3,140	3,530	56%	10%	34%	\$ 66,780,783	\$ 34,471,979	\$ 6,645
Gregg	218	169	26	78%	23	7	78%	12%	11%	\$ 723,851	\$ 488,382	\$ 2,890
Harris	145	124	11	86%	10	3	86%	8%	7%	\$ 487,045	\$ 426,072	\$ 3,436
Houston	895	753	99	84%	43	6	84%	11%	5%	\$ 4,049,684	\$ 3,771,033	\$ 5,008
Jasper	4,660	3,333	591	72%	736	541	72%	13%	16%	\$ 22,766,806	\$ 17,333,022	\$ 5,200
Jefferson	3,354	2,758	349	82%	247	53	82%	10%	7%	\$ 24,476,728	\$ 21,730,988	\$ 7,879
Liberty	93	77	6	83%	10	4	83%	6%	11%	\$ 306,262	\$ 251,251	\$ 3,263
Madison	88	66	9	75%	13	4	75%	10%	15%	\$ 361,796	\$ 244,339	\$ 3,702
Matagorda	5,610	4,541	608	81%	401	194	81%	12%	7%	\$ 28,284,580	\$ 24,950,228	\$ 5,494
Montgomery	448	338	75	75%	35	13	75%	17%	8%	\$ 1,411,461	\$ 1,242,445	\$ 3,676
Nacogdoches	333	276	32	83%	25	13	83%	10%	8%	\$ 1,448,359	\$ 1,268,770	\$ 4,597
Newton	4,588	2,639	559	58%	1,390	1,711	58%	12%	30%	\$ 34,895,205	\$ 19,177,618	\$ 7,267
Orange	1,510	1,238	165	82%	107	30	82%	11%	7%	\$ 7,421,402	\$ 6,623,039	\$ 5,350
Polk	181	148	19	82%	14	6	82%	10%	8%	\$ 521,478	\$ 452,366	\$ 3,057
Rusk	163	131	23	80%	9	4	80%	14%	6%	\$ 500,556	\$ 426,298	\$ 3,254
Sabine	97	88	6	91%	3	2	91%	6%	3%	\$ 280,632	\$ 280,632	\$ 3,189
San Augustine	625	542	39	87%	44	15	87%	6%	7%	\$ 3,132,331	\$ 2,806,563	\$ 5,178
San Jacinto	272	231	25	85%	16	8	85%	9%	6%	\$ 1,019,060	\$ 889,761	\$ 3,852
Trinity	568	476	56	84%	36	3	84%	10%	6%	\$ 2,249,117	\$ 1,958,570	\$ 4,115
Tyler	372	294	48	79%	30	13	79%	13%	8%	\$ 1,033,306	\$ 885,535	\$ 3,012
Walker	245	212	18	87%	15	7	87%	7%	6%	\$ 1,069,524	\$ 995,689	\$ 4,697
Waller	36	24	5	67%	7	6	67%	14%	19%	\$ 235,407	\$ 107,047	\$ 4,460
Washington	46	37	4	80%	5	1	80%	9%	11%	\$ 106,834	\$ 92,733	\$ 2,506
Wharton	71,462	51,248	9,680	72%	10,534	9,743	72%	14%	15%	\$ 354,107,824	\$ 259,967,131	\$ 5,073
33 County Total												

End Notes

¹Module B2 of TDI's Hurricane Ike data call. Includes data only for the 33 counties specified in TDI's data call. Data for other counties is not included.

²Includes experience for mobile homeowner policies reported as private passenger automobile

³One carrier was unable to report this figure. This carrier represents less than 0.5% of the total reported claims.

⁴"Settled" refers to a claim that was closed with a payment to the claimant.

