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September 1, 2026

Members of the Texas Windstorm Insurance Association Legislative and External Affairs Committee,

On behalf of Texas REALTORS® and its more than 150,000 members statewide, I write in opposition to Item 5, Secondary Home Coverage.

We are not an association of actuaries, and we do not dispute the catastrophe modeling in your materials. According to your numbers, excluding secondary-home policies would lower the probable maximum loss from \$4.305 billion to \$3.395 billion and reduce net reinsurance expenses by roughly \$60 million.

Our concern is the cost at which those savings are achieved. For many coastal homeowners, TWIA is the only available way to insure the largest asset they will ever purchase, and this recommendation does not account for what removing that option would do to coastal housing markets and the local economies built around them.

Item 5 would require that every residential policy be for an owner-occupied homestead. But non-primary residences house Texans in a variety of different situations. For example, one owner rents a beach house by the week. Another inherited the family place from a parent and keeps it so the family still has somewhere to gather. A third rents to a working family that has lived in that house for ten years. But what they have in common is that each of them is with TWIA because a private carrier would not write their coverage.

Coastal economies depend heavily on visitors, and the local economic benefit is not limited to rental income. Spending on groceries, fuel, restaurants, and retail supports jobs and sustains local businesses that have nothing to do with insurance. Those properties also pay property taxes, utilities, assessments, and continuous maintenance whether or not anyone occupies them year-round.

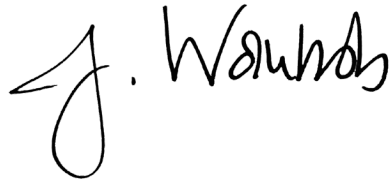
The effect the adoption of Item 5 would have on the coastal real estate market deserves particular attention. Owners left without a windstorm insurance option would likely list in large numbers at once. Inventory would rise, but potential buyers would discover that they cannot obtain windstorm coverage either, so the properties would stagnate. A market with growing supply and no financeable buyers loses value, and that loss does not stop with the individual owner. It carries into appraised values and into the tax rolls that fund our counties, cities, school districts and hospital districts.

With nearly 60 percent of the affected policies in Galveston and Nueces Counties, those two communities would absorb most of the blowback. Consider what is currently happening in the

Galveston real estate market, following the huge property-buying boom of 2021 – 2022. Many owners have been trying to resell those properties in the past year and have hit significant financing and insurance roadblocks already. The City of Galveston has over 13 months' supply of homes on the market – more than triple the number of a typical balanced market. Nueces County shows over eight months' supply currently for sale. Prices are falling and many owners are trapped in homes they no longer want or can afford. The impact of removing the only available windstorm insurance policy for many homes in those communities would be devastating.

We respectfully ask the Committee not to advance Item 5. Chapter 2210 currently determines eligibility based on the property itself and on whether coverage can be obtained anywhere else, and we ask that it stay that way.

Respectfully,

A handwritten signature in black ink, appearing to read "J. Wauhob". The signature is fluid and cursive, with a large initial "J" and a stylized "Wauhob".

Jennifer Wauhob
2026 Chairman, Texas REALTORS®