



**NEIGHBORHOOD
FEUD**

What We'll Cover Today



The Rate Crisis

Texas increases 2023–2025 and how we compare nationally



The Weather Story

North Texas hail corridor and recent disasters



Budget Impact

HOA assessments, deductibles, and special assessments



What Boards Can Do

Roofing, reserves, risk management, and broker strategy



Legislative & Outlook

What Austin did (and didn't do) in 2025, and what's ahead

Neighborhood 1

Neighborhood 2



Vs

**FACE-OFF
ROUND**

Name something that happens when a carrier loses too much money in Texas.

Neighborhood 1

VS

Neighborhood 2

They raise their rates

50

Homeowners get pushed
To the FAIR plan

5

They STOP selling new
Policies in Texas

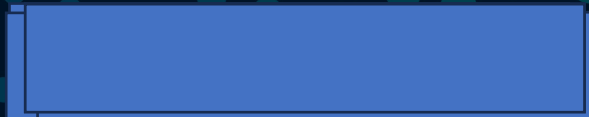
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Excess & Surplus
Lines Fill the Gap

3

They scale back/pull
back coverage

10



Name a state with CHEAPER Insurance than Texas.

California	50
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Georgia	5
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Hawaii	30
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Tennessee	3
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Nevada	10
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New York	2
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Name a reason Texas homeowners' insurance rates keep rising.

Severe Weather/Hail storms	50
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TDI approving all rate increases	5
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Carriers pulling out of TX	30
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FAIR Plan overload	3
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High Claim Payouts/losses	10
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Texas Rate Increases: 2023–2025

21.1%

TDI Approved
2023

18.7%

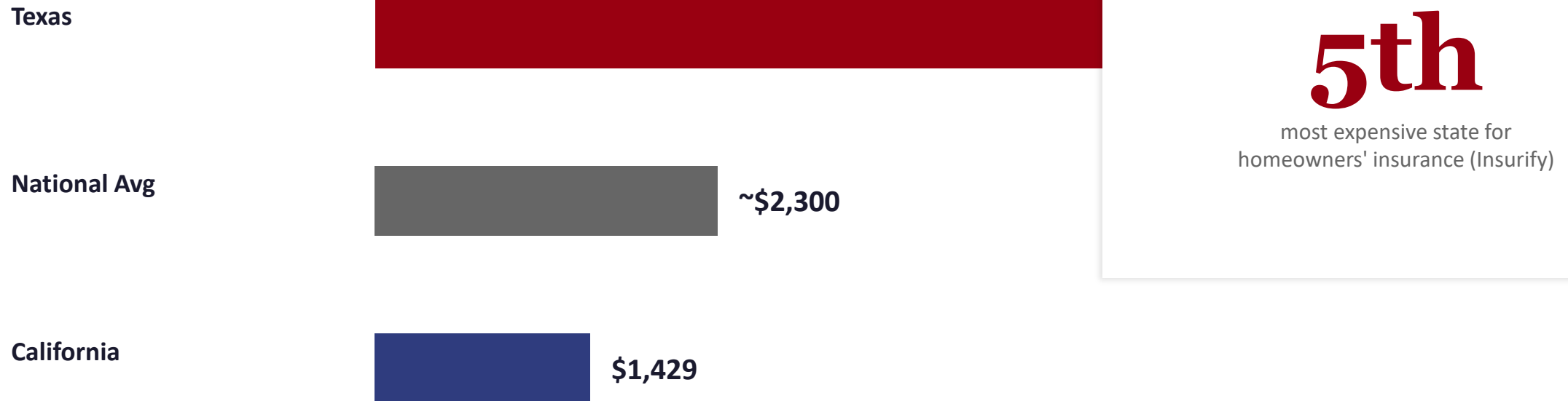
TDI Approved
2024

4.3%

TDI Approved
2025

Real-world premiums tell a starker story: Matic reports average new-policy premiums rose 8.5% in 2025 — on top of 18% in 2024.

How Texas Compares Nationally



5th

most expensive state for
homeowners' insurance (Insurify)

~\$4,900

among top 50 U.S. metros

Dallas metro avg premium — 9th

11%+

market nationally

of all U.S. homeowners' premiums — 2nd largest

The Regulatory Reality: TDI & Rate Approvals

22,000+

rate filings since 2017

ZERO

outright rejections by TDI

150+ double-digit rate increases requested in 2023
74 more filed January–July 2024

"There's not a lot of straight-up 'We don't like this and therefore you can't have it.'"

— David Bolduc, TX Office of Public Insurance Counsel

Carriers Are Pulling Back



Progressive

Restricted selling homeowners' policies in Texas — Texas storms = 40% of Q2 2024 losses



Foremost (Farmers)

Scaling back Texas homeowners' operations amid sustained losses



FAIR Plan Surging

Enrollment: 66K (2021) → 122K (Q1 2025)
→ projected 135K by year-end 2025

Excess & Surplus lines now account for 16% of policies in high-risk states (up from <2% in 2023) —Matic, Dec 2025



Round 2: The Weather Story

Name a type of extreme weather event that has caused a billion-dollar disaster in Texas.

Severe hail storms

50

Winter Storms

5

Droughts

30

Winter storms

3

Tropical cyclones/hurricanes

10

Wind Storms

2



Name something Winter Storm Fern (Jan 2026) did to North Texas.

Cut power to 14,000+ Texans

50

Put 125+ counties under disaster declarations

5

Caused \$4B+ in damages nationwide

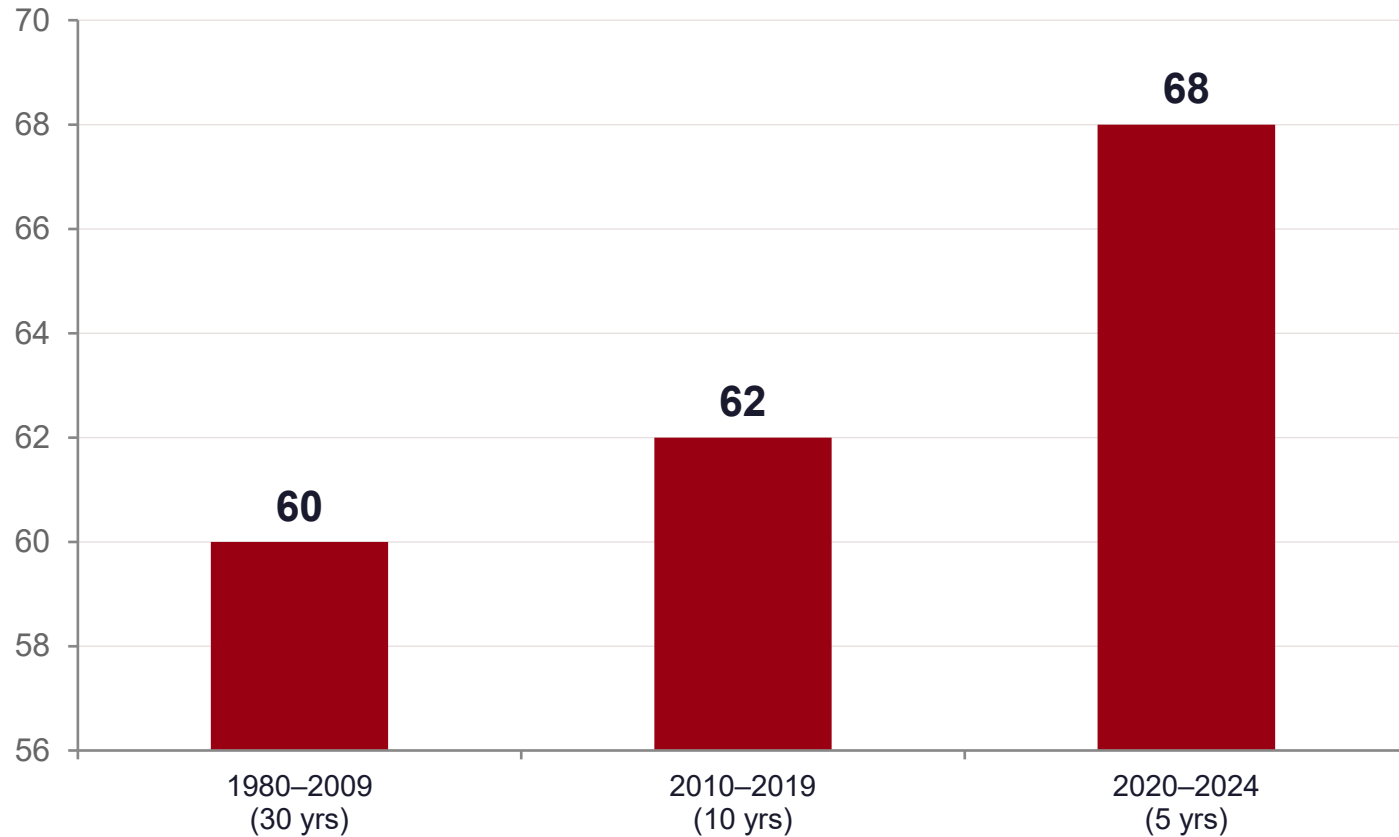
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Kept temps below freezing for 89 hours

10



Texas Billion-Dollar Disasters: Accelerating



North Texas: Ground Zero for Hail

1,123

major hail events in Texas in 2023 — a record
(up from 783 in 2015, a 12% increase over the period)

#2

Tarrant County (Fort Worth) ranks
2nd nationally in severe hail days
since 2000 —IBHS

\$2.3B+

property damage from May 2024 hail alone
(golf-ball to softball-sized hail across N. & E. Texas)

\$46B

national hailstorm damage in 2023
(IBHS)

2026: Winter Storm Fern Compounds the Crisis



**Jan 23–27,
2026**

Winter Storm Fern strikes Texas



\$4B+

Estimated damages across the U.S.



13+

Deaths in Texas



89 hrs

Below-freezing temps in N. Texas



125+

Counties under disaster declaration

North Texas Impact

2–5 inches

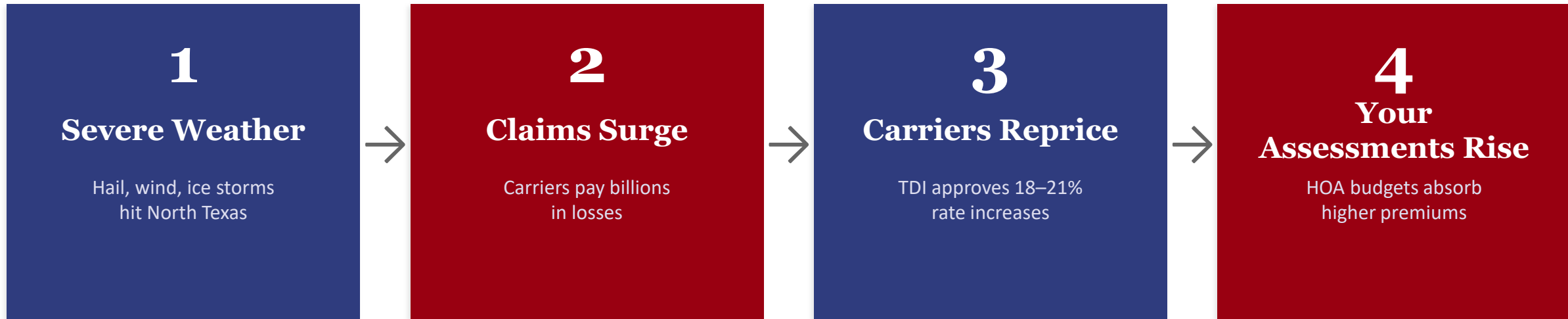
combined snow & sleet

Wind chill: –6°F

14,000+ Texans lost power

3,000+ in DFW counties

How Weather Losses Become Your Premiums



The feedback loop: As carriers leave Texas, remaining insurers face concentrated risk — which drives even higher premiums. The FAIR Plan (insurer of last resort) has nearly doubled enrollment since 2021.

Round 3: The Budget Impact

Name something covered under an HOA Master Policy.

Wind & Hail

50

D&O Insurance

5

Property/Building Structures

30

Fidelity Bond

3

General Liability

10

Workers' Comp

2



Name a reason an HOA board might have to levy a special assessment on homeowners.

Reserves can't cover the deductible
Gap after a storm

50

Insurance carrier pulled out/non-
renewal

5

A major hail or wind claim hit the
community

30

Premium increases blew the budget

10



Name something a unit owner can do to protect themselves from a special assessment.

Ass Loss Assessment Coverage to Their HO-6 Policy	50
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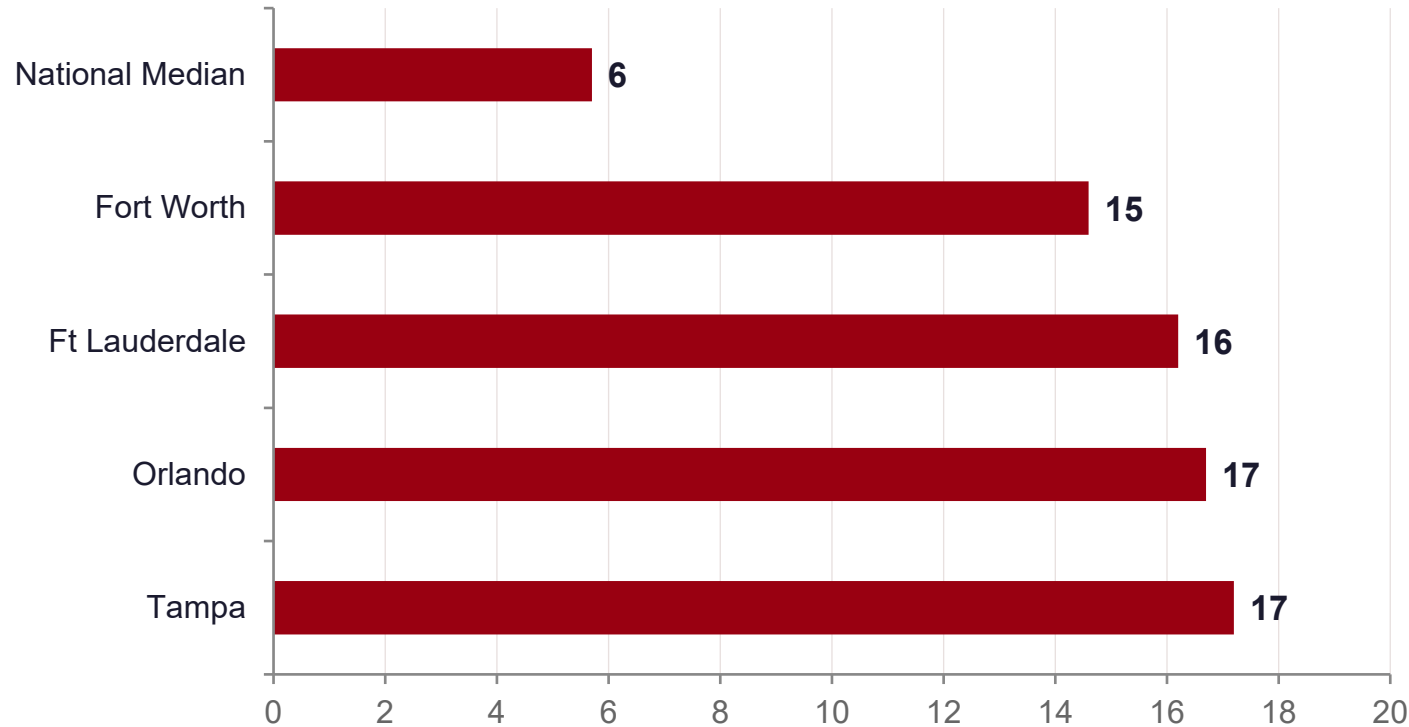
Attend HOA board meetings/stay informed	5
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Build persolan savings/emergency fund	30
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Review their condo/townhome Insurance policy	10
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HOA Assessments Are Surging — Fort Worth Among Hardest Hit



\$259/mo

national average HOA fee
(NAR, 2024)

91%

of associations experienced
premium increases —CAI

What's Inside Your HOA Master Policy?

Property Coverage

Building structures, common areas, shared systems

Wind & Hail

Typically, the largest cost driver — subject to % deductibles

General Liability

Slip-and-fall, visitor injuries, common-area incidents

Fidelity Bond

Protection against employee or volunteer theft of HOA funds

D&O Insurance

Protects board members from personal liability

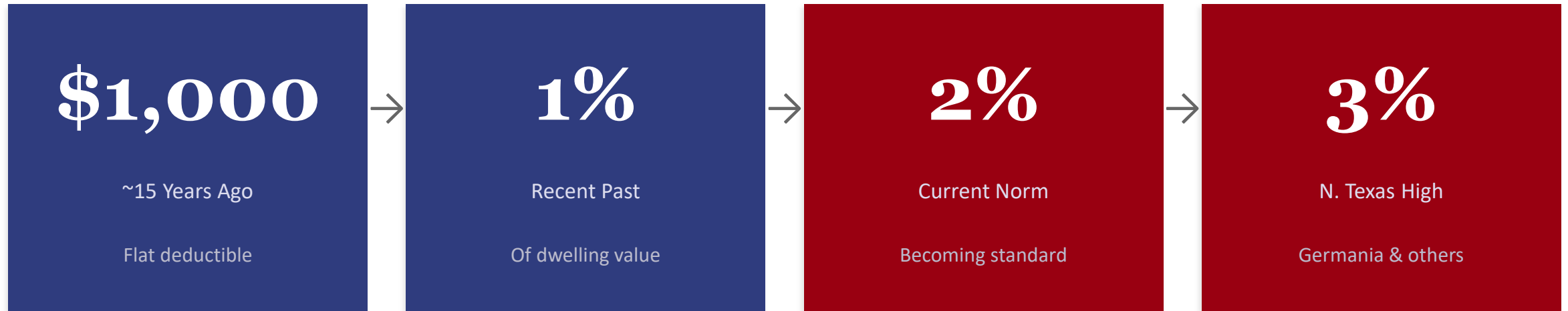
Workers' Comp

Required if association has employees on payroll

Wind & hail coverage is now the #1 cost driver for North Texas master policies

The Deductible Bomb

From \$1,000 flat to 3% of reconstruction value



Average deductibles rose **22% in 2025** (accelerating from 15% in 2024). The deductible is calculated on **full reconstruction value**, not just repair cost.

Special Assessments & Loss Assessment Coverage

⚠️ The Worst-Case Scenario

When reserves can't cover the deductible gap, boards must levy special assessments on homeowners.

Real example: One Clear Lake couple saw their annual premium jump from ~\$3,500 to \$12,000 after a single hail claim — tripling overnight.

71% of boards planned dues increases up to 10% in 2024; 19% pushed increases between 11–25%.

🛡️ Loss Assessment Coverage

Your members' personal shield

An endorsement on individual HO-6 condo/townhome policies that helps unit owners cover their share of special assessments.

Board action item: Educate homeowners about adding loss assessment coverage to their personal HO-6 policies. This is increasingly critical as deductibles rise.



**Round 4: What Boards
Can Do**

Name something HOA boards should do BEFORE a major storm Season.

Inspect the roof

50

Remind Homeowners About Loss Assessment Coverage

5

Review Reserve Funds

30

Talk with Insurance Broker

10



Name something your HOA board should document to help With insurance underwriting.

Roof Repairs & Upgrades

50

Photos of All Improvements

5

Inspection logs

30

Drainage & Common area work

3

Maintenance records

10

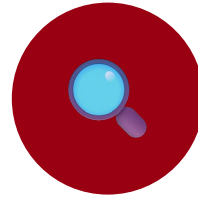


Reserve Planning & Risk Management



Build Reserves

- Target 15–40% of total budget
- Conduct full reserve studies periodically
- Update annually
- Plan for deductible gaps



Loss Control

- Regular roof & drainage inspections
- Security cameras & lighting
- Fire-resistant landscaping
- Proactive maintenance programs



Documentation

- Photograph all repairs & upgrades
- Maintain inspection logs
- Track every improvement
- Leverage records in underwriting

Your Action Checklist

5 Things Your Board Should Do Now

1

Mandate Class 4 Impact-Resistant Roofing

Update architectural guidelines — up to 35% premium savings

2

Commission a Reserve Study

Target 15–40% of budget; plan for deductible gaps of \$1M+

3

Hire a CIRMS-Designated Broker

Single expert broker beats multi-broker shopping in this market

4

Educate Homeowners on Loss Assessment Coverage

HO-6 endorsement protects members from special assessment shock

5

Document Everything

Inspections, repairs, upgrades — all serve as underwriting leverage

What the Texas Legislature Did — and Didn't Do — in 2025

✓ What Passed

SB 213 — Prohibits mandatory bundling of home + auto policies (signed Jun 2025)

HB 2067 — Requires written explanations for policy cancellations (eff. Jan 2026)

SB 1644 — Insurers must update credit scores every 3 years and adjust premiums

Windstorm Grant Program — TDI may oversee grants to help prepare homes for wind/hail

X What Didn't Pass

SB 1643 — Would have required TDI approval for any rate increase above 10%. Cleared the Senate but failed in the House.

Claims denial rates: 35% (2004) → 47% (2024)

600+ bills filed on P&C insurance in the 89th Legislature, yet meaningful reform proved elusive.



FAST MONEY

FAST MONEY

FAST MONEY

Name something that happens to homeowners when their HOA can't cover a big insurance deductible.

Special Assessments

500

Homeowners pay out of pocket

50

HOA Dues/Assessments go up

300

Persolan HO-6 Policy is Tapped
(loss assessment coverage)

30

Reserves Are Depleted

100



Name a major insurance carrier that has pulled back or restricted Homeowners' policies in Texas.

Progressive

500

Foremost (Farmers)

300

Texas FAIR Plan (insurer of last Resort – enrollment nearly doubled)

100





Sudden Death

Sudden Death

Sudden Death

**On a \$50 million HOA master policy, how much must the association
Pay OUT OF POCKET before the policy pays at a 3% deductible?**

\$1.5 Million

10,000



Real Math: What a 3% Deductible Means

Individual Home (\$400K value)

Deductible %	Out-of-Pocket
1%	\$4,000
2%	\$8,000
3%	\$12,000

HOA Master Policy (\$50M insured value)

3–4% deductible =

\$1.5M – \$2.0M

before the master policy
pays a single dollar

That gap falls to the association's reserves — or to special assessments levied on every homeowner.

Winning Team:



Neighborhood 1

Neighborhood 2