

Windstorm insurance falling short for owners of Ike-damaged homes

By Brad Woodard / KHOU TV/ Jan. 14, 2009

Rebuilding and recovery is an ongoing effort.

At first glance, Tiki Island resident Diane Morgan's home seemed to fare better than most.

But that was just at first glance.

"When we first pulled up, we thought, 'oh, we survived,'" Morgan recalled.

The reality was, her home was seriously damaged.

The biggest problem was water, but not the stuff rising from below.

The biggest problem was the water falling from above.

During the storm, the wind blew the water, and it came down the wall cavities into the interior and got all the insulation wet.

An independent inspection revealed another problem: Morgan's house was full of mold.

"So the house needs to be gutted. All of the exterior walls, the ceilings, the floor needs to be redone," Morgan said.

She said she sought bids from two contractors for the repairs.

The lowest bid, the one she submitted to the [Texas Windstorm Insurance Association](#), was for \$67,000.

"And what's Windstorm offering? They've given us \$13,000," Morgan said.

That is a fraction of what she's paid out in premiums over the years.

"We've lived in this house for seven years, and we pay over \$8,000 a year for insurance, because you have to have three policies: flood, homeowner's and windstorm. But your homeowner's policy has exclusions for the other two," Morgan said.

And the situation with the mold is equally bleak.

A Windstorm representative told Morgan mold was excluded under her policy, so they wouldn't be making any additional payments.

Windstorm said it covers the removal of sheetrock and

insulation, but not mold remediation.

Morgan was told she had the right to appeal.

Instead, she's one of 400 people so far who've turned to attorney Tony Buzbee for assistance.

"It's a very large issue. I expect there will be thousands and thousands of lawsuits because of it. The issue really is that someone has paid their insurance premiums for years and years and years, and in their time of need, they're having all kinds of problems," Buzbee said.

Windstorm insurance is expected to be a [major topic this session](#) among Texas legislators.

Many of them envision a more streamlined process, instead of homeowners having to deal with multiple adjustors for multiple policies.

"There should be one adjustor who comes out, because

the homeowner doesn't need to be fighting two separate insurance companies and two separate adjustors about which part of the loss is flood and which part is wind. The homeowner doesn't care," Rep. Craig Eiland said.

Legislators are also expected to focus on a state disaster fund that would help cities come up with matching funds to be eligible for federal assistance. The fund was created two years ago, but there's no money in it.

"There's no money in the fund because the Legislature is cheap. We created the legislation. We created the account. We just haven't put any money in it yet. And I think this hurricane showed we desperately need that money," Eiland said.

