

# **TEXAS WINDSTORM INSURANCE ASSOCIATION**

## **INSTRUCTIONS & GUIDELINES**

(This is an additional resource, and is not intended to supersede the Texas Windstorm Insurance Association Rules Manual)

Revised: January 1, 2013

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## GENERAL INFORMATION

### 1. **WWW.TWIA.ORG:**

Information about T.W.I.A., as well as the ability to quote premiums and print applications, is available online at [www.twia.org](http://www.twia.org). You can obtain general information about T.W.I.A., see the latest bulletins, get instructions for completing applications, find links to related websites, download forms and documents, find the answers to frequently asked questions, and much more.

### 2. **EFFECTING COVERAGE:**

#### **Dating Application and Renewal Notices**

All applications and renewal notices are stamped showing the date received in the Association office, and also the date postmarked when mailed “Certified,” “Registered,” Regular mail that has been “Hand Canceled,” or “United States Postal Service Express Mail.”

**Send Applications to: Texas Windstorm Insurance Association  
P. O. Box 99090  
Austin, TX 78709-9090**

**NOTE:** “Certified,” “Registered,” Regular mail that has been “Hand Canceled,” or “United States Postal Service Express Mail” has no bearing on the expiration of a binder. The corrected application must be received in the office of T.W.I.A. prior to the expiration of a binder.

#### **Normal Binding Procedure:**

New or increased coverage will be effective on the date the application\*, with all necessary attachments, is received in the T.W.I.A. office in Austin, Texas **or** effective the date mailed if sent by the following US Postal Service types of mail. Coverage will be effective a later date if requested.

- Registered Mail,
- Certified Mail,
- United States Postal Service Express Mail, or
- Regular mail if “Hand Canceled” by the United States Postal Service

\* “Application” refers to a T.W.I.A. E-Quote application or a renewal notice to issue a policy **OR** an endorsement request to bind new or increased coverage by endorsement.

#### **Binding Exception:**

No new or increased coverage applications will be accepted on the day (beginning at 12:01 A.M.) or after a windstorm designated as a hurricane by the United States National Weather Service is in the Gulf of Mexico or within the boundaries of 80 degrees west longitude and 20 degrees north latitude until the General Manager determines that the storm no longer threatens property within the designated catastrophe area of T.W.I.A.. This exception does not apply to any new or increased coverage application that meets underwriting criteria that is submitted as follows: delivered in person to T.W.I.A.’s Austin office during its normal business hours prior to a windstorm designated as a hurricane by the United States National Weather Service being in the Gulf of Mexico or within the boundaries of 80 degrees west longitude and 20 degrees north latitude; or mailed prior to the first day that a windstorm designated as a hurricane by the United States National Weather Service is in the Gulf of Mexico or within the boundaries of 80 degrees west longitude and 20 degrees north latitude by registered or certified mail or United States Postal Service Express Mail or regular mail that is hand-canceled by the United States Postal Service or such other mailing procedure as approved by the Board of Directors. Such applications will be accepted and become effective on the date delivered in person or mailed or a later date if stipulated on the applications. This exception also does not apply to any renewal policy affording windstorm coverage if the expiring policy was written by T.W.I.A. and if the application for renewal was received by T.W.I.A. on or before the expiration of the existing T.W.I.A. policy or if mailed by registered or certified mail or United States Postal Service Express Mail or by regular mail that is hand-canceled by the United States Postal Service, or if sent by such other similar mailing procedure as approved by the Board of Directors, prior to the expiration of the existing T.W.I.A. policy.

#### **Real Estate Closings during Storm Mode**

Applications submitted for coverage on newly acquired structures where the buyer has a closing date that transpires during the time when T.W.I.A. has stopped writing new or increased coverage, and that closing has been pre-established before T.W.I.A. invoked the “binding exception” rule stated in the T.W.I.A. Plan of Operation, will be accepted according to non-storm binding procedures.

NOTE: Agents should NOT HOLD applications, waiting for the HUD-1 Form from the real estate closing to attach to their submission with the application, but instead send the premium along with the application to T.W.I.A. noting on the application that this application is due to a pending sale and that the HUD-1 form will follow.

### 3. **SUBMISSION CRITERIA:**

#### **A. New Business Applications:**

T.W.I.A.'s web based quotation and application program is available online for all types of risks, including residential, commercial, builder's risk and mobile home. Log in at [www.twia.org](http://www.twia.org) and click on E-Quote to register as an E-Quote user. Once registered, a user can create and save quotes and applications, as well as convert quotes to applications. The E-Quote application must be printed and mailed to T.W.I.A. along with all items listed below.

#### **Coverage will not be placed under binder and will be returned to the sender unbound without:**

- A copy of the web application
- Payment of the full gross premium (including any applicable surcharges) for eligible property for residential and commercial property. (Refer to page 7, rule 4, "Payment" for additional information)
- A current T.W.I.A. Marshall & Swift/Boeckh (MSB) Replacement Cost Valuation for all new business applications.
- New business applications paid for via Electronic Fund Transfer (EFT), have separate submission criteria. (Refer to page 7, rule 4D, "Payment" for additional information)

Note: Builders risk applications will require a current photograph of the structure or vacant lot, in order to process the application.

#### **B. Renewal Notices:**

Renewal notices are not binding or guaranteed by T.W.I.A. Premium or policy conditions are subject to change due to changes in values or rates and may affect final policy issuance. They are meant to be a preliminary indication of forms and rates at the time of notice, but may change by the time of policy issuance. **T.W.I.A. assumes no responsibility and has no liability for failure of the insured or their agent to affect uninterrupted coverage. Records should be maintained by the agent to insure that all policies are properly renewed.**

The renewal notice will print 60 days in advance of the policy expiration date, containing the same information as on the existing policy at the time of its printing, including any changes, which have been made to the original policy during the policy term. The full gross premium (including any applicable surcharges) will be recalculated based on the amounts of insurance and forms on the policy at the time of printing, which will be indicated on the notice. Any additional information required to complete the file will be noted on a separate memo, which will be attached to the renewal notice. All correspondence must be returned together with the renewal notice. When submitting for coverage using the renewal notice, confirmation of receipt by T.W.I.A. will not be provided.

#### **Coverage will not be placed under binder and will be returned to the sender unbound without:**

- A copy of the renewal notice
- Payment of the full gross premium (including any applicable surcharges) for eligible property for residential and commercial property. (Refer to page 7, rule 4, "Payment" for additional information)

#### **C. Additional documentation for New Business and Renewal Notice Applications (to be kept in the agent's file and submitted to T.W.I.A. only at the request of the Association):**

In addition to the items listed previously, which are required for submission in order to bind coverage, agents are also required to maintain evidence of the following information in their files, and submit the documentation to T.W.I.A. only at the request of the Association.

#### **Declination of Coverage:**

Agents are required to maintain, and submit at the request of the Association, evidence of one declination of coverage for the property insured by T.W.I.A. from an insurer authorized to engage in the business of, and writing, property insurance providing windstorm and hail insurance in the first tier coastal counties (this does not include excess and surplus lines carriers). This must be done to obtain new Association coverage and again every three calendar years in order to obtain renewal Association coverage.

**Flood Insurance:**

Agents are required to maintain, and submit at the request of the Association, evidence of confirmation that flood insurance is in force for those policies where the structure is located in Zone V, Zone VE or Zone V1-V30, and was constructed, altered, remodeled or enlarged on or after September 1, 2009. Flood insurance must be available through the National Flood Program. The flood insurance requirement does not extend to structures being repaired. (TDI defines "repair" as meeting any reconstruction/restoration of an existing structure that is deteriorated or damaged.)

**4. PAYMENT:**

**A. Checks:**

One check cannot be applied to multiple submissions. You must attach a separate check for the full gross premium (including any applicable surcharges) with the submission of each T.W.I.A. E-Quote application or T.W.I.A. renewal notice. A down payment is not sufficient to bind coverage, even when the premium is financed.

**B. Premium Paid via Wellington Premium Finance:**

Wellington Premium Finance, Inc. provides premium financing for both new and renewal commercial and residential policyholders of T.W.I.A. In order to bind coverage, the **gross premium** (including any applicable surcharge) must be paid in full. This will require an agent to submit a separate check to T.W.I.A. in addition to the amount financed by Wellington Premium Finance, Inc. Mobile Home applications and Builder's Risk applications cannot be financed through Wellington Premium Finance, Inc. and such submissions will be rejected and returned unbound.

Please contact a **Wellington** Marketing Representative at 800-880-0474 for more information, or go to [www.cgpremiumfinance.com](http://www.cgpremiumfinance.com) to complete a financing agreement, to be signed by the named insured.

**C. Financed Premiums other than Wellington Premium Finance Inc.:**

A copy of the completed Premium Assignment Clause (Form TWIA-151A) or a copy of the Power of Attorney and a check for the **gross premium** (including any applicable surcharges) must be submitted with the application. The form must be signed by the named insured and must show the name of the premium financier. You must include the title or position of the person signing the form if the named insured is listed as a company. You must also indicate the name of the premium financier and their mailing address in the space provided on the application.

**D. Payment by Electronic Fund Transfer (EFT):**

The Electronic Fund Transfer program is only available when submitting payment via EFT on "new business" commercial and residential applications (Mobile Home applications do not qualify for EFT). The **gross premium** (including any applicable surcharges) must be paid in full. T.W.I.A. requires that agencies be registered and in good standing in order to pay premiums by EFT. To obtain additional information pertaining to the EFT program, contact the T.W.I.A. Accounting Department for submission criteria at [accounting@twia.org](mailto:accounting@twia.org).

**5. COMMISSION:**

**Dwelling policies** provide the agent with a 16% commission of the gross policy premium, excluding any applicable WPI-8 Waiver surcharges. The commission will be paid to the agent on a monthly basis via automated clearing house (ACH) transfer. The Waiver Surcharges are both non-commissionable and not refundable; therefore, payment to T.W.I.A. should be for the gross premium (including any applicable surcharges).

**Commercial policies** provide the agent with a 16% commission of the gross policy premium, which will be paid to the agent on a monthly basis via automated clearing house (ACH) transfer.

**Mobile Home policies** provide the agent with a 12% commission of the gross policy premium. The Mobile Home guidelines can be found beginning on page 65 of this manual.

**6. MAXIMUM LIMITS OF LIABILITY**

T.W.I.A. policies are subject to a maximum limit of liability. The maximum limits of liability have been set and approved for the items below. The following maximum limits of liability are set for policies effective on or after January 1, 2013.

**A. Dwellings:**

1. \$1,773,000 for a dwelling and the personal property located in or about the dwelling.
2. \$1,773,000 for a townhouse unit and the personal property located in or about the townhouse unit when rated as a dwelling.
3. \$374,000 for individually owned personal property located in an apartment, residential condominium or townhouse unit that is occupied by the owner of that property.

**B. Commercial Risks:**

1. \$4,424,000 for each commercial building/structure and the business personal property located in the building/structure, except farm and ranch dwellings and outbuildings used solely in connection with the farm and ranch dwelling.
2. \$1,773,000 for a farm and ranch dwelling and the personal property located in or about the farm and ranch dwelling.
3. \$4,424,000 for each building for an apartment, residential condominium or townhouse and the business personal property of the owner of the structure in which the apartment, condominium or townhouse is located.
4. \$374,000 for individually owned business personal property located in an apartment, residential condominium or townhouse unit that is occupied by the owner of that property.

**C. Public Buildings:** \$4,424,000 for each public building and the business personal property located in the building.

**7. MINIMUM PREMIUM:**

**A.** For policies effective on or after November 27, 2011, the minimum earned premium per policy shall be equal to the greater of 90 days of the annual policy term or \$100.00. The minimum earned premium shall be fully earned on the effective date of the policy.

**B. Exceptions:**

The actual unearned premium in excess of \$100.00 shall be refunded on a pro rata basis in the event of cancellation of the policy due to the following reasons:

1. A change of ownership in property, including sale of the insured property.
2. Foreclosure of the insured property.
3. The replacement of the Association policy with other similar coverage in the voluntary market.
4. The removal of the item(s) insured under a T.W.I.A. policy due to total loss of the item(s), including demolition of the item(s)
5. The death of the policyholder, or
6. Builder's risk policies

Note: The minimum retained premium does not apply to policies cancelled by T.W.I.A.

**C. Important Notice on Premium Financed Policies:**

Policies cancelled by a premium financier will be refunded to the premium financier on a pro rata basis, subject to a \$100 minimum retained premium; however, the policyholder will owe T.W.I.A. *any* unpaid balance of the 90-day minimum retained premium resulting from the cancellation, and will not be eligible for new coverage through T.W.I.A. until the balance is paid. Payment of the balance due for the 90-day minimum retained premium will not create or extend coverage beyond the policy's effective cancellation date resulting from the premium financier's request to cancel coverage. Additionally, on future policies for that insured, T.W.I.A. will no longer make a pro rata refund to any premium financier based on a \$100 minimum retained premium. Consequently, premium financiers are subject to the 90-day minimum retained premium provision for insureds that have had a prior premium financed policy cancelled within 90 days of the policy's inception.

NOTE: Premium financiers can get a daily email from T.W.I.A. showing the names of previously financed policyholders who have had an unpaid balance due to T.W.I.A.

T.W.I.A. suggests that agents inform their clients in advance by giving your client a copy of the "Important Cancellation Notice" to help explain the new minimum retained premium provisions. The notice is located on the T.W.I.A. web site at [www.twia.org](http://www.twia.org). Click on Agents, then select Agent Bulletins, then click on the 1/13/2012 bulletin titled "90-Day Minimum Premium and Declination Bulletin".

**8. PHOTOGRAPHS:**

- A current photograph will be required of the structure or vacant lot for each new business Builder's Risk application.
- A current photograph for each new Mobile Home policy is required on the 1<sup>st</sup> year and each subsequent 5-year interval. The photo must clearly show both the type of construction and physical condition.
- A photograph may also be requested by T.W.I.A. as needed to verify underwriting criteria.
- 

Note: Photographs of poor quality will not be acceptable.



**9. INSPECTIONS:**

An exterior inspection will be performed on most structures submitted for coverage, whether residential or commercial. The inspection will normally be performed within 60 days after issuance of a policy by a representative of T.W.I.A.

Note: It is the agent's responsibility to notify their client that T.W.I.A. makes inspections. Failure of the client to allow for a timely inspection may result in cancellation of coverage.

**10. BLANKET INSURANCE NOT PERMITTED:**

Blanket coverage is not permitted. See Church Form TWIA-26, or Lumber Yard Form TWIA-115, or School Form TWIA-176 for provisions allowing coverage items to be combined.

**11. REPLACEMENT COST VALUATION:**

A current Replacement Cost Valuation for all new business applications on the 1<sup>st</sup> year and each subsequent 5- year interval for both residential and commercial structures is required using the T.W.I.A. Marshall & Swift/Boeckh (MSB) Replacement Cost Calculator. An MSB access link is available at [www.twia.org](http://www.twia.org) in the following two places:

1) The T.W.I.A. Home Page menu (located on the left side of the screen) has a residential and commercial replacement cost calculator. Clicking on the appropriate menu item opens the MSB replacement cost valuation program.

**Or**

2) When completing "item" information in the coverage section of E-Quote, clicking on the underlined link titled, "Replacement Cost" opens the MSB replacement cost valuation program.

**12. AGENT/AGENCY LICENSE INFORMATION:**

In order to write coverage through T.W.I.A., an agent/agency must hold a General Lines Agent-Property & Casualty license, formerly a "Local Recording Agent License" or "Non-Resident License." An agent/agency name and address will be listed on the T.W.I.A. database exactly as they are registered with the Texas Department of Insurance (T.D.I.). If you are using a name and/or address that is different than shown on your license, you must register this information with T.D.I. To request changes, contact T.D.I. at 512-322-3503 or visit their website at [www.tdi.state.tx.gov](http://www.tdi.state.tx.gov) to obtain additional information and required forms.

**T.W.I.A. will require the following to complete our files:**

- A copy of your General Lines Agent-Property & Casualty license
- A copy of your dba and/or branch location registration on file with T.D.I. (if using a name and/or address other than shown on your license)
- A completed W-9 form (Refer to the form for instructions)

Note: E-Quote applications must show your current license number and your tax identification number or social security number in the spaces provided. **You must also include this information when changing the agent of record on a renewal notice.**

**13. FEDERAL COASTAL BARRIER RESOURCES ZONE:**

All residential structures, other than a condominium, apartment, duplex, or other multifamily residence, or a hotel or resort facility, which are located within those areas designated as units under the Federal Coastal Barrier Resources Act (Public Law 97-348) and for which a building permit or plat has been filed with the municipality, the county, or the United States Army Corps of Engineers prior to June 11, 2003 shall be considered insurable property, subject to other normal underwriting criteria.

**14. SUPERIOR CONSTRUCTION COMMERCIAL BUILDINGS:**

**Non-Class Rated Structures:**

A copy of the ISO Loss Cost report showing the BGII indication must be submitted to this Association on all non-class rated structures prior to qualifying as superior construction. (Refer to page 50-51 of this manual.)

**Class Rated Structures:**

For class rated structures, refer to pages 50-54 of this manual for instructions on obtaining the proper documentation to qualify for superior construction rating.

Note: For dwelling structures to qualify for superior construction rating, they must first be certified as such by the Texas Department of Insurance Residential Department.

**15. ENDORSEMENTS**

**When preparing a request for an endorsement, follow the steps outlined below:**

**A. When requesting an increase in an amount of insurance, please advise:**

- Requested effective date (Refer to “Effecting Coverage”, page 5).
  - Amount of increase desired
  - Reason for the increase
  - A new MSB Replacement Cost Summary if replacement cost value has changed
- Note:** If the increase is due to an addition, also forward the following items:
- Date construction commenced on addition
    1. Form WPI-8 from the Texas Department of Insurance for the addition AND
    2. New total area (including addition)

**B. When adding a new item, provide the following information and forward requested items:**

- Requested effective date (Refer to “Effecting Coverage”, page 5).
- Amount of insurance desired
- Complete description of item, i.e. number of stories, type of roof and construction type.
- Location
- Occupancy
- Total area
- A MSB Replacement Cost Summary
- Coinsurance desired
- Deductible desired
- Certificate of Compliance if applicable (WPI-8, POOL-BC-10-85, or Engineer’s Statement)
- ISO Loss Cost report showing the BGII indication on superior construction for commercial items.

**C. When requesting a decrease in coverage or deleting an item, please advise:**

- Date deletion or reduction is to be effective
- Reason for deletion or reduction, i.e. property sold.

**D. Miscellaneous Non-Money Endorsement Requests:**

For other types of requests, such as changing the named insured, the mortgagee, etc. send a written request stating the desired effective date.

**16. CANCELLATIONS:**

**When requesting a policy cancellation, state the reason for the cancellation and the requested effective date by using one of the following methods:**

- a. The original policy. Scanned copy of original policy is not acceptable; an original policy must be mailed.
- b. A completed lost policy voucher, signed by the named insured with each signature witnessed.
- c. A request for T.W.I.A. to send a 14-day Notice of Cancellation.

**When Coverage has been rewritten or there is duplicate coverage:**

When the T.W.I.A. policy is being cancelled due to the coverage being rewritten or due to duplicate coverage, a copy of the policy providing the duplicate coverage or the company name, policy number, and term of the duplicate coverage is required.

**When there is an NSF Check to the Agent:**

At the agent’s request, a notice of cancellation (NOC) will be sent due to the agent receiving an insufficient fund check as payment on an application. Coverage will be cancelled on the effective date indicated on the NOC, giving the appropriate number of days’ notice.

**Cancellation due to Non-payment of premium to the Premium Financier:**

The premium finance company holds an irrevocable power of attorney, authorizing the premium finance company to request cancellation of the policy on behalf of the insured if the insured defaults on the payment of the premium. In order to cancel a T.W.I.A. policy due to non-payment of premium to the premium financier, a completed Form TWIA-151-A or power of attorney must be on file with T.W.I.A. prior to proceeding with cancellation. Refer to page 8, rule 7C “Important Notice on Premium Financed Policies” for additional information regarding cancellation of premium financed policies.

The insurance contract shall be cancelled as if the insured(s) had requested cancellation, except that the return of the original policy or completed lost policy voucher is not required. Coverage will be cancelled as to the insured(s) on the date the request for cancellation is received by TWIA (or a later date if requested). Termination of the loss payee’s interests, if a loss payee has been identified to TWIA, will be determined according to the mortgage clause of the policy. The policy cancelled at the request of the Premium Financier for non-payment cannot be reinstated. A new application will be required if coverage is desired.

**Cancellations due to Insured's Request:**

Policies will be cancelled "Insured's Request" when a cancellation reason is not given. The policy will be cancelled on the date received or a later date, subject to the minimum earned premium per policy. Refer to page 8, rule 7 "Minimum Premium."

You should also refer to cancellation guidelines in the TDI Manual of the T.W.I.A. and to the Texas Windstorm Insurance Association policy for additional information.

**17. EMAIL POLICY CHANGE REQUESTS TO T.W.I.A.:**

Limited email usage is now available as a means to send certain types of requests to T.W.I.A. Requests formerly sent by fax may now be sent by email to [policychanges@twia.org](mailto:policychanges@twia.org). A template for use to request policy changes is available at [www.twia.org](http://www.twia.org) or can be found in the T.W.I.A. Downloads section of our internet web site. Examples of email use include endorsement requests for a specific policy, such as:

- Making changes to amounts of insurance for existing items or to add new items
- Requests to change mortgagees
- Insured's name or address change
- Add or delete coverage forms, i.e. I.C.C., Business Income, Replacement Cost, Indirect Loss Coverage.
- To send documentation for an existing policy (**should be sent by file attachment, not embedded in the email itself**)
- Request to cancel a policy, must include scanned copy of signed Lost Policy Voucher. **Note:** Scanned copy of original policy is not acceptable (see cancellation rules above).

**Email requests should be limited to one (1) policy per email with the requested changes. If multiple policies are referenced for change, the email will be sent back UNPROCESSED for resubmission, thereby delaying the request as well as the effective date for the requested changes. NOTE: If you get a message indicating your email was blocked by our Spam Firewall, you may send an email to [webmaster@twia.org](mailto:webmaster@twia.org) for assistance.**

Open the template, complete the fields of the Word document, and save it to your local computer. Then attach the saved document to your email, addressed to: [policychanges@twia.org](mailto:policychanges@twia.org). At a minimum, the information on the change request should have:

- The six digit policy number of the policy to be endorsed or cancelled
- The insured's name
- Description of the changes to be made to the policy in question, including item numbers of the affected items.
- Name, address, and telephone number of agency making the request

In return, you will receive an "auto reply" message, which acknowledges we have received the email transmission you sent. Please do not resend your email to us by other methods, such as fax or mail, unless directed to do so by T.W.I.A. personnel. Processing of your request will be handled in the order that it was received, along with all other correspondence. Note that email does not trigger a quicker response or have greater speed in the processing queue than any other type of correspondence received by T.W.I.A. Please be patient as sending a duplicate request or making phone calls to our office to advise us you have sent an email will only delay processing your email request.

**Email to T.W.I.A. is not to be used for:**

- New Business Applications (New applications must be processed through E-quote and mailed to the T.W.I.A. office with the appropriate premium)
- Renewal of policies (A renewal notice must be returned to T.W.I.A. by mail along with the appropriate premium)

**TERRITORY DIVISION  
(RESIDENTIAL ONLY)**

Note: All questions concerning manufactured homes should be directed to Laura McHale at 512-899-4994.

<b>Inside 1<sup>st</sup> Tier Counties (location of Agency)</b>	<b>Name of Agency Begins With</b>	<b>Underwriter</b>	<b>Telephone #</b>	
Aransas	A – Z	Gail Doerr	512-899-4981	
	Brazoria	A – D	Gail Doerr	512-899-4981
Calhoun	E	Gail Doerr	512-899-4981	
	F – H	Andrea Alvarado	512-637-2974	
	I – K	Andrea Alvarado	512-637-2974	
	L	Andrea Alvarado	512-637-2974	
	M	Stacy Sher	512-637-2934	
	N – Z	Stacy Sher	512-637-2934	
	Cameron	A – Z	Stacy Sher	512-637-2934
		A – C	Carolina Hernandez	512-899-4925
	Chambers	D – L	Carolina Hernandez	512-899-4925
		M – R	Carolina Hernandez	512-899-4925
S		Brandy Hellums	512-637-2965	
T – Z		Brandy Hellums	512-637-2965	
Galveston		A – Z	Linda Cox	512-899-4935
		A – B	Mary Engells	512-899-4908
Jefferson		C	Gerismisa Herrera	512-899-4919
		D – F	Shoby Patel	512-637-2973
		G – H	Lupe Ramirez	512-899-4912
		I – L	Rani Floyd	512-899-4992
	M – N	Debra Weaver	512-637-2969	
	O – Q	Brandy Hellums	512-637-2965	
	R	Stacy Sher	512-637-2934	
	S	Gerismisa Herrera	512-899-4919	
	T	Gail Doerr	512-899-4981	
	U – Z	Andrea Alvarado	512-637-2974	
Kenedy	A – F	Carolina Hernandez	512-899-4925	
	G	Mary Engells	512-899-4908	
	H – J	Mary Engells	512-899-4908	
	K – L	Mary Engells	512-899-4908	
	M	Brandy Hellums	512-637-2965	
	N – O	Lupe Ramirez	512-899-4912	
	P	Andrea Alvarado	512-637-2974	
	Q – R	Carolina Hernandez	512-899-4925	
	S	Gail Doerr	512-899-4981	
	T – Z	Lupe Ramirez	512-899-4912	
Kleberg	A – Z	Shoby Patel	512-637-2973	
	A – Z	Shoby Patel	512-637-2973	
Matagorda	A – Z	Debra Weaver	512-637-2969	
	Nueces	A	Brandy Hellums	512-637-2965
B		Lupe Ramirez	512-899-4912	
C		David Chase	512-637-2953	
D – F		David Chase	512-637-2953	
G		Stacy Sher	512-637-2934	
H		David Chase	512-637-2953	
I – K		Rani Floyd	512-899-4992	
L		Rani Floyd	512-899-4992	
M – O		Gayle Caldwell	512-637-2962	

Refugio San Patricio	P – Q	David Chase	512-637-2953
	R	Rani Floyd	512-899-4992
	S	Gayle Caldwell	512-637-2962
	T – Z	Andrea Alvarado	512-637-2974
	A - Z	Gayle Caldwell	512-637-2962
	A - C	Brandy Hellums	512-637-2965
	D - E	Rani Floyd	512-899-4992
	F	Lupe Ramirez	512-899-4912
	G	Shoby Patel	512-637-2973
	H – L	Shoby Patel	512-637-2973
	M – R	Lupe Ramirez	512-899-4912
	S	Lina Cox	512-899-4935
	T – Z	Stacy Sher	512-637-2934
	A – Z	Shoby Patel	512-637-2973

**Where Agency is  
Located Outside  
1<sup>st</sup> Tier Counties**

A	Gerismisa Herera	512-899-4919
B	Lupe Ramirez	512-899-4912
C	Gerismisa Herrera	512-899-4919
D	Shoby Patel	512-637-2973
E	Gerismisa Herrera	512-899-4919
F	Andrea Alvarado	512-637-2974
G	Linda Cox	512-899-4935
H – I	Linda Cox	512-899-4935
J	David Chase	512-637-2953
K – L	Debra Weaver	512-637-2969
M	Mary Engells	512-899-4908
N	Gayle Caldwell	512-637-2962
O	Linda Cox	512-899-4935
P	Rani Floyd	512-899-4992
Q – R	Gayle Caldwell	512-637-2962
S	Gail Doerr	512-899-4981
T – U	Stacy Sher	512-637-2934
V	Debra Weaver	512-637-2969
W – Z	Shoby Patel	512-637-2973

**COMMERCIAL UNDERWRITING TEAM**

The Commercial Underwriting Team will handle all commercial questions from all agencies in all counties. In addition to the direct numbers listed below, they may be contacted by calling the main TWIA number of (512) 899-4900 then choosing Option 3 for Underwriting, then Option 2 for Commercial.

<b>Commercial Team Underwriter</b>	<b>Telephone #</b>
Christine Reschke	512-899-4939
Jeannetter Taylor	512-899-4906
Laura McHale	512-899-4994
Maria Montoya	512-899-4943

**MOBILE HOME UNDERWRITING TEAM**

<b>Mobile Home Underwriter</b>	<b>Telephone #</b>
Laura McHale	512-899-4994

## **COMMERCIAL INSURANCE**

## COMMERCIAL INSURANCE PARAMETERS

### 1. COMMERCIAL DEDUCTIBLES:

The only commercial deductibles available for new and renewal policies are 1%, 2%, or 5% per item, per occurrence as indicated by the table, which follows. This is mandatory on all items rated from commercial rate tables A, B or C, and also for all Farm & Ranch barns and miscellaneous farm property. The appropriate commercial deductible will be applied without the attachment of an endorsement form. Multiple deductibles on a policy are not allowed. Both the deductible amount and the amount of credit are based on the insurance amount of each individually rated commercial item. The credits listed below shall be applied to the commercial rates printed in this manual.

**The following deductible credit percentages apply for a 1%, 2%, or 5% per item, per occurrence deductible:**

<u>Amount of Insurance corresponding to the coverage item listed on the declarations page</u>			<u>Credit based on selected percentage</u>		
			<u>1%</u>	<u>2%</u>	<u>5%</u>
0	to	100,000	10%	13%	20%
100,001	to	200,000	12%	15%	23%
200,001	to	250,000	15%	20%	24%
250,001	to	300,000	17%	21%	25%
300,001	to	400,000	18%	22%	27%
400,001	to	500,000	20%	23%	30%
500,001	to	1,000,000	23%	26%	34%
1,000,001	to	1,500,000	25%	30%	36%
1,500,001	to	2,000,000	27%	32%	37%
2,000,001	to	2,500,000	30%	34%	39%
2,500,001	to	3,500,000	32%	35%	41%
3,500,001	to	5,000,000	34%	36%	43%
5,000,001	to	7,500,000	36%	39%	45%
7,500,001	to	10,000,000	38%	41%	47%
10,000,001	to	15,000,000	40%	43%	49%
15,000,001	to	25,000,000	42%	45%	51%
25,000,001	to	Above	43%	46%	52%

Note: All deductibles subject to \$1,000 minimum.

The following deductible credit percentages apply for any coverage items where the selected percentage produces a deductible amount less than \$1000.

<u>Amount of Insurance corresponding to the coverage item listed on the declarations page</u>			<u>Credit for minimum deductible</u>
			<u>\$1,000</u>
1,000	to	1,110	90%
1,111	to	1,332	75%
1,333	to	1,999	60%
2,000	to	2,221	56%
2,222	to	2,499	51%
2,500	to	2,856	47%
2,857	to	3,332	42%
3,333	to	3,999	38%
4,000	to	4,999	33%
5,000	to	6,665	29%
6,666	to	9,999	24%
10,000	to	19,999	20%
20,000	to	24,999	18%
25,000	to	33,332	15%
33,333	to	49,999	13%
50,000	to	99,999	10%

**2. INCREASED COST OF CONSTRUCTION FORM TWIA-432:**

Increased Cost of Construction (ICC) coverage is available for Commercial structures to cover the increased cost of construction due to the enforcement of any ordinance or law. An insured may select one of the limits of liability for each structure item from the ICC table below. Apply the appropriate rate from the ICC table to the Final Structure Premium for each structure (before any Business Income adjustment), and then round to the nearest whole dollar. This calculation is independent of any other calculation, and the result is added to the final premium for each applicable item.

ICC Limit of Liability*	Rate as % of Structure Premium** (Multiply times final structure premium)
5% of coverage A limit of liability	7.0%
10% of coverage A limit of liability	11.6%
15% of coverage A limit of liability	14.0%
25% of coverage A limit of liability	15.7%

Example:

Structure limit of liability	\$100,000.00
Structure final premium (before any Business Income adjustment)	\$800.00
Percent of Coverage A limit of liability selected	25%

Structure limit of liability	\$100,000.00
ICC limit of Liability selected	x 25%
ICC coverage amount	<u>\$25,000.00</u>

Structure final premium	\$800.00
**ICC Rate as % of Structure Premium	x 15.7%
ICC Premium	<u>\$125.60</u>

Final ICC Premium	\$126.00
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**3. REPLACEMENT COST ENDORSEMENT FORM TWIA-164: (must be requested to be attachment to the policy)**

Form TWIA-164 provides replacement cost coverage for commercial property, building and business personal property, excluding dwellings and their contents. This Replacement Cost Endorsement may be extended to cover the difference between actual cash value and the cost of repair or replacement without deduction for depreciation (refer to Replacement Cost Endorsement Rules, page C-13 of the TDI Manual of the T.W.I.A.). While there is no additional premium for this endorsement, 80% or more of the replacement cost value must be carried as the amount of insurance to be eligible for this form when using the 80% coinsurance rates (or 100% of the replacement cost must be carried when using the 100% coinsurance rates) unless the first loss scale formula is being used based on the replacement cost (see #4 below).

**4. VALUES IN EXCESS OF T.W.I.A LIMIT OR WHEN INSURING THE DEDUCTIBLE ON AN EXCESS POLICY:**

If the statutory amount of insurance is not in compliance with the coinsurance requirement, or if the T.W.I.A. policy insures the deductible on an excess policy, the premium must be calculated by applying the First Loss Scale Formula set forth in the TDI Manual of the T.W.I.A. Please refer to the First Loss Scale Formula below and the commercial rating example of waiving coinsurance on page 28 of this manual.



## FIRST LOSS SCALE FORMULA:

1.00% of Total Value =	32.500% of Total Premium	33 1/3% of Total Value =	80.000% of Total Premium
1.10%	33.000%	34%	80.220%
1.20%	33.500%	35%	80.550%
1.30%	34.000%	36%	80.880%
1.40%	34.500%	37%	81.210%
1.50%	35.000%	38%	81.540%
1.60%	35.500%	39%	81.870%
1.70%	36.000%	40%	82.200%
1.80%	36.500%	41%	82.530%
1.90%	37.000%	42%	82.800%
2.00%	37.500%	43%	83.000%
2.10%	37.750%	44%	83.300%
2.20%	38.000%	45%	83.600%
2.30%	38.250%	46%	83.900%
2.40%	38.500%	47%	84.210%
2.50%	38.750%	48%	84.460%
2.60%	39.000%	49%	84.700%
2.70%	39.250%	50%	85.000%
2.80%	39.500%	51%	85.200%
2.90%	39.750%	52%	85.400%
3.00%	40.000%	53%	85.600%
3.10%	40.500%	54%	85.800%
3.20%	41.000%	55%	86.000%
3.30%	41.500%	56%	86.200%
3.40%	42.000%	57%	86.400%
3.50%	42.500%	58%	86.600%
3.60%	43.000%	59%	86.800%
3.70%	43.500%	60%	87.000%
3.80%	44.000%	61%	87.200%
3.90%	44.500%	62%	87.400%
4.00%	45.000%	63%	87.600%
4.10%	45.500%	64%	87.800%
4.20%	46.000%	65%	88.000%
4.30%	46.500%	66%	88.200%
4.40%	47.000%	67%	88.400%
4.50%	47.500%	68%	88.600%
4.60%	48.000%	69%	88.800%
4.70%	48.500%	70%	89.000%
4.80%	49.000%	71%	89.200%
4.90%	49.500%	72%	89.400%
5%	50.000%	73%	89.600%
6%	52.000%	74%	89.800%
7%	54.000%	75%	90.000%
7.5%	55.000%	76%	90.400%
8%	56.000%	77%	90.800%
9%	58.000%	78%	91.200%
10%	60.000%	79%	91.600%
11%	61.000%	80%	92.000%
12%	62.000%	81%	92.400%
13%	63.000%	82%	92.800%
14%	64.000%	83%	93.200%
15%	65.000%	84%	93.600%
16%	66.000%	85%	94.000%
17%	67.000%	86%	94.400%
18%	68.000%	87%	94.800%
19%	69.000%	88%	95.200%
20%	70.000%	89%	95.600%
21%	71.000%	90%	96.000%
22%	72.000%	91%	96.400%
23%	73.000%	92%	96.800%
24%	74.000%	93%	97.200%
25%	75.000%	94%	97.600%
26%	75.625%	95%	98.000%
27%	76.250%	96%	98.400%
28%	76.875%	97%	98.800%
29%	77.500%	98%	99.200%
30%	78.125%	99%	99.600%
31%	78.750%	100%	100.00%
32%	79.375%		

**5. EXCESS AREA CHARGE (APPLICABLE TO RATE TABLE 1 ONLY):**

If any division of a building or any building of one division contains a ground floor area in excess of 20,000 square feet the rate shall be increased by 20%. Refer to the TDI Manual for T.W.I.A., pages 38 & 39 for complete rule.

**6. BUSINESS INCOME COVERAGE FORM TWIA-17:**

Business Income coverage is applicable to all commercial risks (excluding builder’s risk and vacant buildings), as defined in the Texas Department of Insurance Manual of the Texas Windstorm Insurance Association. Coverage may be provided on new applications or may be added to existing policies by endorsement.

- The available daily limit for any building location is \$50 minimum to \$1,000 maximum per day.
- The number of days covered must be between 60 and 365 days (in 30 day increments unless 365 days is requested).
- The maximum amount of Business Income coverage available is \$100,000. Combinations where the daily limit and number of days exceed \$100,000 are not permitted.
- Business Income coverage is not available on a stand-alone basis; the Association must also provide the direct coverage.
- The premium for Business Income coverage will be calculated using the 80% coinsurance building rate and will be based on the occupancy of the risk. The occupancy should be shown on the Form TWIA-17 Schedule.
- **The number of units per building must be shown when insuring apartments.**
- All Business Income premiums will be fully earned, except for cancellation of an entire policy.
- There will be a waiting period (deductible) of 168 hours (7 days) after the loss before the coverage applies.
- This coverage is additional insurance; however, in no event will payment of a covered loss, including this endorsement, exceed the total T.W.I.A. maximum limit of liability established by law.
- A maximum of \$10,000 “Extra Expense” coverage will be included when Business Income coverage has been selected. This pays for additional expense incurred to avoid or minimize the suspension of the operation. This payment does not affect the daily limit specified in the Business Income schedule.

Number of days covered	Apartment Buildings						MFG.	Other
	3-25 Units	26-50 Units		51-100 Units				
	Daily Limit \$50-\$1000	Daily Limit \$50-\$399	Daily Limit \$400-\$1000	Daily Limit \$50-\$399	Daily Limit \$400-\$799	Daily Limit \$800-\$1000		
365	.641	.673	n/a	.705	n/a	n/a	1.052	.708
330	.650	.682	n/a	.715	n/a	n/a	1.060	.717
300	.665	.698	n/a	.731	n/a	n/a	1.082	.731
270	.690	.725	n/a	.759	n/a	n/a	1.125	.756
240	.724	.761	.724	.797	.761	n/a	1.176	.790
210	.758	.796	.758	.834	.796	n/a	1.235	.833
180	.799	.839	.799	.879	.839	n/a	1.301	.883
150	.874	.917	.874	.961	.917	n/a	1.430	.956
120	.945	.993	.945	1.040	.993	.945	1.554	1.027
90	1.008	1.058	<b>1.008*</b>	1.109	1.058	1.008	1.641	1.133
60	1.148	1.205	1.148	1.263	1.205	1.148	1.873	1.269

**Business Income Rating Example**

- Frame class building
- Business Income Coverage \$90,000 (\$1,000 per day X 90 days)
- Occupancy category “Apartment with 30 units”
- Assumes rent per unit = \$1,000 per month

80% Coinsurance Building Base Rate (Rate table A)		1.471
x.90	x	<u>0.90</u>
Adjusted EC Rate (Truncate to 3 decimal places)		1.323
Adjusted EC Rate		1.323
x BI Factor (per table above)	x	<u>1.008 *</u>
Business Income Rate (Truncate to 3 decimal places)		1.333
Business Income Insurance Amount (per \$100.00)		\$900.00
x Business Income Rate	x	<u>1.333</u>
Business Income Premium		\$1,199.70
Final Business Income Premium		\$1,200.00

Revised (1-1-2013)

**7. PUBLIC HOUSING CREDIT:**

A 40% credit shall be deducted from the EC building rate applicable to dwellings and apartments of Housing Projects and to apartments of privately owned apartment house projects, when such projects consist of eight or more apartment units, in one or more apartment buildings, and situated on the same premises. (Refer to the TDI Manual for T.W.I.A., Appendix C, page C-20 for complete rule)

Note: Contents rate is not affected by the foregoing.

**8. APARTMENT CONTENTS CREDIT:**

Personal property located in an apartment house, which consists of 3 or more units, a residential condominium, or a townhouse (when not individually owned) will rate as follows:

- For all construction types except those subject to Table 4, WR or SWR, a 50% credit shall be applied to the appropriate Modified EC rate from Rate Table “A” on page 22 of this manual.
- For construction types subject to Table 4, WR, and SWR, the appropriate Modified EC rate from Rate Table “C” on page 22 of this manual shall be applied **without the 50% credit**.

**9. INDIRECT LOSS ENDORSEMENT AND PERCENTAGES:**

**Apply the factors listed below to the Modified EC Premium, independent of any other adjustments.**

The factors shown below are based on the type of companion policy, which the windstorm exclusion endorsement has been attached to, and the occupancy of the risk. Also, where applicable, wind driven rain coverage may be included or excluded with the corresponding percentage factors applied to the Modified EC Premium. For commercial items and where there is no other companion policy multiply the Modified EC Premium times 90%.

Type of Companion Policy	Endorsement Forms						No Indirect Loss Coverage Provided	
	Form #310: Consequential Loss & Additional Living Expense & NO Wind Driven Rain		Form #320: Consequential Loss & Additional Living Expense & Wind Driven Rain		Form #330: Consequential Loss Only			
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
HO/Condo Unit Owner/ FRO/TDP-3/TFR-3	96%	91%	98%	93%	n/a	n/a	n/a	n/a
Tenant HO (contents only)	96%	91%	n/a	n/a	n/a	n/a	n/a	n/a
TDP-1 or 2 / TFR 1 or 2	n/a	n/a	n/a	n/a	91%	91%	n/a	n/a
No companion policy	n/a	n/a	n/a	n/a	n/a	n/a	90%	90%
Commercial	n/a	n/a	n/a	n/a	n/a	n/a	90%	

**10. REPLACEMENT COST ENDORSEMENT FORM TWIA-365:**

Form TWIA-365 provides replacement cost coverage on residential personal property. This form is void if the appropriate replacement cost form is not attached to the HO, TDP or FRO policy to which the windstorm exclusion endorsement is attached; **evidence will be required when a claim is submitted.** (Refer to page 19, rule C-1 of the TDI Manual of the T.W.I.A.)

Additional premium for this endorsement: 15% surcharge when covering personal property located in a commercially rated building.

**11. BUILDER'S RISK COVERAGE:**

**When submitting a New Business Builder's Risk application you must:**

- Prepare an E-Quote application form.
- Attach photograph of the construction site and/or structure.
- Indicate the complete date (month, day and year) construction began or is to begin (Construction officially begin when materials are delivered to the building site; exclusive of fill dirt and the grading of land.)
- Specify the policy term desired (1 through 365 days).
- If the application covers repairs and/or improvements this information must be indicated.
- If the application covers an addition to the building this must be indicated. You must also advise if the addition exceeds 10% of the original grade floor area.
- When insuring repairs, improvements, and/or additions, where the addition does not exceed 10% of the original grade floor area of the original structure, permanent building rate will apply in lieu of builder's risk rate.
- When you are insuring an addition, which exceeds 10% of the original grade floor area of the original structure, apply the appropriate builder's risk rate.

**For rating purposes refer to the following tables located on page 22 (Rate Table A) of this manual:**

Dwelling: Table 2\* (FR or SFR), Table 5 (Brick), 5A (Frame), 5B (Brick Veneer), or Table 11 (Boathouses located partially or wholly over water).

Commercial: Table 2\* (FR or SFR), Table 8 (Brick), Table 9 (Frame), or Table 11 (Boathouses located partially or wholly over water and also where construction type is frame class and structure is over 50% open).

\*A rating of FR or SFR requires a statement from a contractor or engineer certifying that the construction qualifies as FR or SFR and listing the criteria to support the designation.

**Form TWIA-21 (Actual Completed Value Form):**

Form TWIA-21 to be applicable:

- Coverage must be bound on or before the date construction begins with no lapse in coverage.
- The estimated completed cost cannot exceed the T.W.I.A. limit of liability, and
- The coverage cannot extend to the original structure when insuring repairs and improvements.

**Form TWIA-18 (Stated Value Form):**

Form TWIA-18 must be used when:

- Construction has already commenced or there has been a lapse in coverage.
- The estimated completed cost exceeds the T.W.I.A. limit of liability (coinsurance must be waived), or
- The application covers both the original structure and the repairs and improvements, which are being made.

# COMMERCIAL RATING

## PREMIUM CALCULATION INFORMATION (READ CAREFULLY):

There are multiple adjustments that may apply in the determination of a rate and/or the calculation of a premium. It is important that these debits and credits be applied in the proper sequence to insure that the final premium is correct. The sequence in which to apply adjustments is listed below. Failure to follow these guidelines may result in the final premium being incorrect.

### **Calculation Factors:**

Based on the coverage selected, multiple adjustments may apply to the base rate. **All applicable debits/credits are listed below in the sequence which they should be applied. Commercial rates are truncated to 3 decimal places after each adjustment.** (Refer to the "Rating information" section of this manual as indicated below for additional information).

### **Adjustments:**

	<b>Refer to:</b>
1. Deductible Adjustment	Page 15, Rule 1
2. Increased Cost in Construction Form-432 (ICC) Charge	Page 16, Rule 2
3. Replacement Cost Endorsement Form TWIA-164	Page 16, Rule 3
4. Value Exceeds Association Limit & First Loss Scale Formula (where coinsurance is being waived)	Page 16/17, Rule 4
5. Excess Area Surcharge	Page 18, Rule 5
6. Business Income Charge	Page 18, Rule 6
7. Public Housing Credit	Page 19, Rule 7
8. Apartment Contents Credit	Page 19, Rule 8
9. * Windstorm and Hail Factor (90%) for commercial items OR *Indirect Loss Adjustment for commercially rated residential personal property i.e. residential condominium contents and residential apartment contents	Page 19, Rule 9
10. Replacement Cost Endorsement Form TWIA-365 (for commercially rated personal property)	Page 19, Rule 10
11. Builder's Risk Coverage	Page 19/20, Rule 11

**\*Mandatory Factors that apply to all calculations.**

### COMMERCIAL RATING STEPS:

**Step #1.** Determine the appropriate base rate from pages 22 - 24.

- Rate Table A: Commercial Structures and commercially rated "Miscellaneous" Residential items and Residential Personal Property in a commercially rated structure not classified as WR or SWR Page 22
- Rate Table B: Condominium and Townhouse Association Structures Page 23
- Rate Table C: Business Personal Property and Residential Personal Property in a commercially rated structure classified as WR or SWR Page 22
- Farm & Ranch Barns and Miscellaneous Farm Property Page 24

**Step #2.** Apply adjustments 1-4 to the base rate in the sequence indicated above.

**Step #3.** Apply the deductible adjustment 5 to the rate calculated in step #2.

**Step #4.** Multiply the rate arrived at in step #3 times the amount of insurance (or the value where coinsurance is being waived). Refer to note\* below for the calculation of replacement cost surcharge for residential personal property (adjustment #6). Round to the nearest whole dollar to determine the premium.

**Step #5.** If coinsurance has been waived, apply the 1<sup>st</sup> Loss Scale Formula (Adjustment #4) to the premium calculated in step #4 prior to rounding. (Refer to the First Loss Scale Formula on page 17 of this manual and the commercial rating example of waiving coinsurance on page 28).

**Step #6.** Calculate the ICC premium by multiplying the insurance amount by the ICC rate (per \$100). Round to the nearest whole dollar.

**Step #7.** Calculate the Business Income premium by following the instructions on page 18. Round to the nearest whole dollar.

**Step #8.** The total premium for this item is determined by adding the results of steps 4 (or 5), 6, and 7.

**\*Note:** If Personal Property Replacement Cost Form TWIA-365 has been selected, you must also multiply the rate from step #2 times the amount of insurance, then multiply times 15% to determine the replacement cost surcharge. Add the surcharge to the premium from step #4 prior to rounding.

**COMMERCIAL BUILDING AND BUSINESS PERSONAL PROPERTY/PERSONAL PROPERTY  
OF BUILDINGS (OTHER THAN DWELLINGS)  
ANNUAL EXTENDED COVERAGE RATES (per \$100)**

TABLE*	COINSURANCE	BUILDING Rate Table A	BUSINESS PERSONAL PROPERTY Rate Table C
1 Frame (F)	50%	--	--
	80%	1.471	1.180
	100%	1.458	1.163
2 Brick (M)	50%	--	--
	80%	1.535	1.251
	100%	1.185	0.953
3	50%	--	--
	80%	1.251	0.999
	100%	1.059	0.824
(HC)	50%	1.820	--
	80%	1.127	0.895
	100%	1.077	0.882
4 (WR)	50%	0.727	--
	80%	0.457	0.359
	100%	0.426	0.352
(SWR)	50%	0.907	--
	80%	0.556	0.447
	100%	0.538	0.435
5 Brick **	50%	--	--
	80%	1.051	0.520
	100%	--	--
5A Frame **	50%	--	--
	80%	1.262	0.634
	100%	--	--
5B Brick Veneer **	50%	--	--
	80%	1.051	0.520
	100%	--	--
7	50%	--	--
	80%	3.577	2.844
	100%	3.075	2.454
8	50%	--	--
	80%	4.263	3.414
	100%	3.577	2.860
9	50%	--	--
	80%	5.104	4.084
	100%	4.183	3.352
10	50%	--	--
	80%	6.125	4.902
	100%	5.104	4.084
11	50%	--	--
	80%	7.950	6.376
	100%	6.729	5.378
12	50%	--	--
	80%	11.673	9.322
	100%	9.816	7.854
13	50%	--	--
	80%	15.909	12.729
	100%	13.398	10.722
14	50%	--	--
	80%	31.569	25.267
	100%	26.506	21.200

\* REFER TO THE SPECIAL INDEX & GENERAL INDEX OF THE T.W.I.A. MANUAL

\*\* FOR ACV BUILDERS RISK FORM 21 (DWELLINGS) USE THE 80% COINSURANCE RATE

Effective (1-1-2013)

**TOWNHOUSE ASSOCIATION BUILDINGS (3 OR MORE UNITS) AND CONDOMINIUM BUILDINGS  
ANNUAL EXTENDED COVERAGE RATES (per \$100)**

<b>TABLE*</b>	<b>COINSURANCE</b>	<b>BUILDING Rate Table B</b>
	50%	--
1	80%	0.874
Frame (F)	100%	0.864
	50 %	--
2	80%	0.919
Brick (M)	100%	0.699
	50%	--
3	80%	0.740
	100%	0.619
	50%	1.077
	80%	0.676
(HC)	100%	0.643
	50%	0.426
4	80%	0.267
(WR)	100%	0.259
	50%	0.538
	80%	0.339
(SWR)	100%	0.326

**\*REFER TO THE SPECIAL INDEX & GENERAL INDEX OF THE T.W.I.A. MANUAL.**

Effective (1-1-2013)

**MODIFIED EXTENDED COVERAGE RATES (per \$100)  
FOR MISCELLANEOUS FARM PROPERTY AND BARNs AND OUTBUILDINGS  
TERRITORY 1**

Rates for Miscellaneous Farm Property (Commercial Deductible applies)

<u>Table</u>	<u>Coinsurance</u>	<u>Rate</u>
15	.80	1.643
21	.80	3.222
22	.80	4.421
23	.80	6.398
24	.80	12.707

Rates for Barns and Outbuildings (Commercial Deductible applies)

Frame	3.190
Brick Veneer	2.739
Brick	2.289

**MODIFIED EXTENDED COVERAGE RATES (per \$100)  
FOR MISCELLANEOUS FARM PROPERTY AND BARNs AND OUTBUILDINGS  
TERRITORIES 8, 9, AND 10**

Rates for Miscellaneous Farm Property (Commercial Deductible applies)

<u>Table</u>	<u>Coinsurance</u>	<u>Rate</u>
15	.80	1.816
21	.80	3.560
22	.80	4.872
23	.80	7.074
24	.80	14.045

Rates for Barns and Outbuildings (Commercial Deductible applies)

Frame	3.521
Brick Veneer	3.026
Brick	2.529

Effective (1-1-2013)



## **COMMERCIAL RATING EXAMPLES**

**Individually Owned Personal Property in a Frame Class Apartment, Condominium, or Townhouse  
With Commercial Deductible and Indirect Loss Coverage**

Amount of Insurance	\$140,000	
1% Commercial Deductible		12% Credit (Page 15)
Form TWIA-310 Indirect Loss Coverage/Primary	96%	(Page 19)
Apartment Contents Credit	50%	(Page 19)
Form TWIA-365 Replacement Cost Coverage /Surcharge	15%	(Page 19)
Coinsurance	80%	
Apartment Contents Credit	50%	

**50% Apartment Contents Credit**

	1.471	Annual Extended Coverage Building Rate (page 22)
x	<u>50%</u>	Apartment Contents Credit
	0.7355	0.735 Truncated Revised Extended Coverage Rate

**Form TWIA - 310**

	0.735	Indirect Loss Coverage (96%)
x	<u>96%</u>	Revised Extended Coverage Rate
	0.7056	Indirect Loss adjustment factor
		0.705 Truncated Indirect Loss Rate to 3 decimal places

**IDL Premium**

	\$1,400.00	Per \$100 of the Amount of Insurance
x	<u>0.705</u>	Final Rate
	\$987.000	IDL Premium

**Form TWIA-365 Replacement Cost for Personal Property**

	987.000	IDL Premium
x	<u>15%</u>	Form TWIA-365 adjustment factor
	\$148.05	Charge for Form TWIA-365

**Commercial Deductible**

	987.00	IDL Premium
x	<u>12%</u>	Commercial Deductible Percentage Credit
	118.44	\$118.440 Commercial Deductible Credit Amount

**Final Premium**

	\$987.00	IDL Premium
+	\$148.05	Charge for TWIA-365
-	<u>\$118.44</u>	Deductible Credit Amount
	\$1,016.61	\$1,017.00 Final Premium

Revised (1-1-2013)

## Frame Class Commercial Building and Business Personal Property

Amount of Insurance	\$1,225,000.00 Building	\$41,000.00 Business Personal Property
Coinsurance	80%	
1% Commercial Deductible	25% Building	13% Business Personal Property
Wind & Hail percentage of the EC rate	90% (Page 19)	
Rate	1.401 Building	\$1.124 Business Personal Property

**Structure Premium:**

**Base Rate**

$$\begin{array}{r}
 1.471 \\
 \times \quad 90\% \\
 \hline
 1.3239
 \end{array}$$

Annual Extended Coverage Building Rate (page 22)  
 Apply a factor of 90% (Wind & Hail portion of the EC Rate)  
 1.323      Truncated Rate to 3 decimal places

**Adjusted Premium**

$$\begin{array}{r}
 \$12,250.00 \\
 \times \quad 1.323 \\
 \hline
 \$16,206.750
 \end{array}$$

Per \$100 of the Amount of Insurance  
 Final Rate  
 \$16,206.75      Modified EC Premium

**Commercial Deductible**

$$\begin{array}{r}
 \$16,206.75 \\
 \times \quad 25\% \\
 \hline
 \$4,051.69
 \end{array}$$

Modified EC Premium  
 Commercial Deductible Percentage Credit  
 \$4,051.69      Deductible Percentage Credit

**Final Premium**

$$\begin{array}{r}
 \$16,206.75 \\
 - \quad \$4,051.69 \\
 \hline
 \$12,155.06
 \end{array}$$

Modified EC Premium  
 Deductible Percentage Credit  
 \$12,155.00      Final Premium

**Business Personal Property Premium:**

**Base Rate**

$$\begin{array}{r}
 1.180 \\
 \times \quad 90\% \\
 \hline
 1.0620
 \end{array}$$

Annual Extended Coverage BPP Rate (page 22)  
 Apply a factor of 90% (Wind & Hail portion of the EC Rate)  
 1.062      Truncated Rate to 3 decimal places

**Adjusted Premium**

$$\begin{array}{r}
 \$410.00 \\
 \times \quad 1.06200 \\
 \hline
 \$435.42
 \end{array}$$

Per \$100 of the Amount of Insurance  
 Final Rate  
 \$435.00      Modified EC Premium

**Commercial Deductible**

$$\begin{array}{r}
 \$435.00 \\
 \times \quad 13\% \\
 \hline
 \$56.55
 \end{array}$$

Modified EC Premium  
 Commercial Deductible Percentage Credit  
 Commercial Deductible Percentage Credit Amount

**Final Premium**

$$\begin{array}{r}
 \$435.00 \\
 - \quad 56.55 \\
 \hline
 \$378.45
 \end{array}$$

Modified EC Premium  
 Deductible Percentage Credit  
 \$378.00      Final Premium

Revised (1-1-2013)

## Frame Class Commercial Structure With Waived Coinsurance

		\$4,424,000.00		Amount of Insurance		
Replacement Value		\$6,500,000.00				
1% Commercial Deductible		34%	Credit	(Page 15)		
First Loss Scale Formula		68061%		(Page 17)		
15% Increased Cost of Construction TWIA-432		14%	Charge	(Page 16)		
Wind & Hail percentage of the EC rate		90%		(Page 19)		
<b>To determine first loss scale percentage:</b>						
	\$4,424,000.00		Amount of Insurance			
÷	\$6,500,000.00		100% Replacement Value			
	68.061%		Percentage of Total Value insured thru TWIA (truncated to 4 places)			
<b>68.061% is not shown on the first loss scale* you must interpolate between 68% &amp; 69% (Page 17)</b>						
	88.80%		Percentage for 69% of total value			
-	88.60%		Percentage for 68% of total value			
	0.0020		Difference between percentages			
	0.00200		Difference between percentages			
x	0.061		Percentage portion exceeding smaller of two percentages			
	0.00012		Adjusted percentage portion			
	0.00012		Adjusted percentage portion			
+	0.8860		Percentage for 68% of total value (smaller of the two values used)			
	0.88612		.88612 First Loss Scale percentage of total premium percentage			
<b>Base Rate</b>						
	1.458		Annual Extended Coverage Building Rate (page 22)			
x	90%		Apply a factor of 90% (Wind & Hail portion of the EC Rate)			
	1.3122	1.312	Truncated Rate to 3 decimal places			
<b>Adjusted Premium</b>						
	\$65,000		Per \$100 of the 100% Replacement Value			
x	1.312		Final Rate			
	\$85,280.00		Modified EC Premium			
<b>Commercial Deductible</b>						
	\$85,280.00		Modified EC Premium			
x	34%		Commercial Deductible Percentage Credit			
	\$28,995.20		Commercial Deductible Percentage Credit Amount			
<b>Modified Adjusted EC Premium</b>						
	\$85,280.00		Modified EC Premium			
-	28,995.20		Deductible Percentage Credit			
	56,284.80		Modified Adjusted EC Premium			
<b>First Loss Scale Formula</b>						
	56,284.80		Modified Adjusted EC Premium			
x	88.612%		Percentage of Total Value Premium to be charged (1st Loss Scale)			
	49,875.20	\$49,875.00	First Loss Scale Premium			
<b>Form TWIA - 432 Increase Cost of Construction</b>						
	49,875.00		First Loss Scale Premium			
x	14%		ICC Factor for 15% ICC coverage			
	6,982.50	\$6,983.00	Rounded Charge for TWIA-432			
<b>Final Premium</b>						
	49,875.00		First Loss Scale Premium			
+	6,983.00		Charge for Form TWIA-432			
	\$56,858.00		Final Premium			
					Revised (1-1-2013)	

**Commercial Actual Completed Value Builder's Risk TWIA-21  
With Commercial Deductible**

Brick Construction  
 Estimated Completed Cost \$450,000.00  
 1% Commercial Deductible 20% Credit (Page 15)  
 Wind & Hail percentage of the EC rate 90% (Page 19)  
 No Coinsurance Applicable

**TWIA Form 21 Adjustment**

\$450,000.00	Estimated Completed Value
x <u>50%</u>	TWIA Form 21 Adjustment factor
\$225,000.00	Adjusted Value

**Wind & Hail Rate**

3.577	Base Rate (Use the 100% coinsurance rate on page 22)
x <u>90%</u>	Wind & Hail percentage of the EC rate
3.21930	3.219 Truncated rate to 3 decimal places

**To Calculate Premium:**

\$2,250.00	Adjusted Value \$225,000
x <u>3.219</u>	Truncated rate
\$7,242.75	Adjusted Annual Premium

**Commercial Deductible**

\$7,242.75	Adjusted Annual Premium
x <u>20%</u>	Commercial Deductible Percentage Credit
\$1,448.55	Commercial Deductible Credit Amount

**Final Premium**

\$7,242.75	Adjusted Annual Premium
- <u>1448.55</u>	Commercial Deductible Credit Amount
\$5,794.20	\$5,794.00 Final Annual Premium (X pro rate factor for short term)

Revised (1-1-2013)

**Dwelling Stated Value Builder's Risk Form TWIA-18  
With Commercial Deductible**

$$x \frac{90\%}{0.9459}$$

Wind & Hail percentage of the EC rate  
0.945      Truncated Rate to 3 decimal places

**Adjusted Premium**

$$\begin{array}{r} \$4,500.00 \\ x \quad 0.945 \\ \hline \$4,252.50 \end{array}$$

Per \$100 of the Amount of Insurance  
Truncated Rate  
Modified EC Premium

**Commercial Deductible**

$$\begin{array}{r} \$4,252.50 \\ x \quad 20\% \\ \hline \$850.50 \end{array}$$

Modified EC Premium  
Commercial Deductible Percentage Credit  
Commercial Deductible Percentage Credit Amount

**Final Premium**

$$\begin{array}{r} \$4,252.50 \\ - \quad 850.50 \\ \hline \$3,402.00 \end{array}$$

Modified EC Premium  
Commercial Deductible Percentage Credit Amount  
\$3,402.00      Final Premium (X pro rate factor for short term)

Revised (1-1-2013)

## **RESIDENTIAL INSURANCE**

**DWELLING AND FARM & RANCH DEDUCTIBLE OPTIONS**

**1. DEDUCTIBLE OPTIONS:**

Apply any applicable deductible debit or credit to the Adjusted Premium, independent of any other adjustment.

**A. Dwelling Standard 1% deductible clause – Modified EC premiums on pages 40-43 are based on this option**

- 1% deductible, but not less than \$100
- Applies to dwelling, personal property, and dwelling outbuildings
- Applies on a per item basis

**B. Dwelling: \$100.00 deductible clause - Refer to the Deductible Adjustment Percentage schedule, Page 35**

- Flat \$100 deductible
- Applies to dwelling, personal property, and dwelling outbuildings
- Applies on a per item basis

**C. Dwelling: \$250.00 deductible clause -- Refer to the Deductible Adjustment Percentage schedule, Page 35**

- Flat \$250 deductible
- Applies to dwelling, personal property, and dwelling outbuildings
- Applies on a per item basis

**D. Dwelling Optional Large Deductible -- Refer to the Optional Large Deductible Schedule, Page 36**

- Deductible Amounts of 1.5%, 2.0%, 2.5%, 3.0%, 4.0%, or 5.0%
- Applies to dwelling, personal property, and dwelling outbuildings
- Applies on a per item basis
- Insurance amount must be \$25,000 or more.

**2. INDIRECT LOSS ENDORSEMENT AND PERCENTAGES:**

Apply the factors listed below to the Modified EC Premium, independent of any other adjustments.

The factors shown below are based on the type of companion policy, which the windstorm exclusion endorsement has been attached to, and the occupancy of the risk. Also, where applicable, wind driven rain coverage may be included or excluded with the corresponding percentage factors applied to the Modified EC Premium. For items where there is no other companion policy, multiply the Modified EC Premium times 90%.

Type of Companion Policy	Endorsement Forms						No Indirect Loss Coverage Provided	
	Form #310: Consequential Loss & Additional Living Expense & NO Wind Driven Rain		Form #320: Consequential Loss & Additional Living Expense & Wind Driven Rain		Form #330: Consequential Loss Only			
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
HO/Condo Unit Owner/ FRO/TDP-3/TFR-3	96%	91%	98%	93%	n/a	n/a	n/a	n/a
Tenant HO (contents only)	96%	91%	n/a	n/a	n/a	n/a	n/a	n/a
TDP-1 or 2 / TFR 1 or 2	n/a	n/a	n/a	n/a	91%	91%	n/a	n/a
No companion policy	n/a	n/a	n/a	n/a	n/a	n/a	90%	90%
Commercial	n/a	n/a	n/a	n/a	n/a	n/a	90%	



**3. BUILDING CODE CREDITS:**

**Apply the factors listed below to the Modified EC Premium, independent of any other adjustments.**

The following credits shall be provided to **dwelling policies** where the dwelling was constructed to, or exceeding the standards of the Building Code for Windstorm Resistant Construction or the International Residential Code /International Building Code as modified by the Texas Department of Insurance (TDI). The TDI will provide a form WPI-8, building code certificate of compliance, which will indicate the code to which the structure was built. Credits will be applied per the table below, with the IRC/IBC code credits applied to policies effective on or after 07/31/2003 as appropriate. **Retrofit credits** apply to homes built prior to 09/01/1998 and retro-fitted with exterior opening protections that meet the windborne debris criteria standards of either the Building Code for Windstorm Resistant Construction, the International Residential Code, or the International Building Code.

LOCATION OF RISK	BUILDING CODE STANDARDS	WINDSTORM RESISTANT CONSTRUCTION Effective 9/1/98		INT'L. RESIDENTIAL CODE & INT'L. BUILDING CODE	
		DWELLING DISCOUNT	PERSONAL PROPERTY DISCOUNT	DWELLING DISCOUNT	PERSONAL PROPERTY DISCOUNT
Seaward	Seaward	26%	20%	28%	23%
Inland I	Inland I	24%	19%	26%	21%
Inland I	Seaward	29%	23%	31%	25%
Inland II	Inland II	0%	0%	26%	20%
Inland II	Inland I	27%	21%	28%	23%
Inland II	Seaward	32%	25%	33%	28%
All designated Catastrophe areas	Retrofit	10%	10%	10%	10%

**4. REPLACEMENT COST ENDORSEMENT FORM TWIA-365:**

**Apply the appropriate surcharge to the dwelling and personal property Adjusted Base premiums, independent of any other adjustments.**

Form TWIA-365 provides replacement cost coverage on residential personal property. This form is void if the appropriate replacement cost form is not attached to the HO, TDP, or FRO policy to which the windstorm exclusion endorsement is attached, **evidence will be required when a claim is submitted.**

Additional premium for this endorsement:

- 15% surcharge when covering personal property only
- 5% surcharge on the total premium for dwelling and personal property when covering both

**5. ACTUAL CASH VALUE ROOF ENDORSEMENT FORM TWIA-400:**

**Apply a 15% credit to the Modified EC premium, independent of any other adjustments.**

The Actual Cash Value Roof Endorsement, Form TWIA-400, provides Actual Cash Value coverage for a roof covering, and will be attached to dwelling policies which have roof coverings that:

- Are curling, cracking, or missing shingles,
- Show signs of significant deterioration, **OR**
- Exceed 15 years of age.

When applying Form TWIA-400, the deductible amount cannot exceed 1% of Coverage A (dwelling) limit of liability. A credit of 15% will be applied to the Modified Extended Coverage building premium (hereinafter referred to as Modified EC premium) upon receipt of the endorsement Form TWIA-400, signed by the insured. **Failure to sign the endorsement may result in the property being uninsurable through the Association.**

**Note: The provisions of this form will not supersede the requirement that all items must be in insurable condition for coverage to be provided through T.W.I.A.**

**6. RESIDENTIAL INCREASED COST OF CONSTRUCTION FORM TWIA-431:**

- Increased Cost of Construction (ICC) coverage is available for residential structures to cover the increased cost of construction due to the enforcement of any ordinance or law.
- An insured may select one of the limits of liability for each structure item from the ICC table below.
- Apply the appropriate rate from the ICC table to the Final structure premium for each structure then round to the nearest whole dollar. This calculation is independent of any other calculation, and the result is added to the final premium for each applicable item.

ICC Limit of Liability*	Rate as % of Structure Premium** (Multiply times final structure premium)
5% of coverage A limit of liability	7.0%
10% of coverage A limit of liability	11.6%
15% of coverage A limit of liability	14.0%
25% of coverage A limit of liability	15.7%

Example:

Structure limit of liability	\$100,000.00
Structure final premium	\$800.00
Percent of Coverage A limit of liability selected	25%

Structure limit of liability	\$100,000.00
ICC limit of Liability selected	x 25%
ICC coverage amount	\$25,000.00

Structure final premium	\$800.00
**ICC Rate as % of Structure Premium	x 15.7%
	\$125.60

Final ICC Premium	\$126.00
-------------------	----------

**7. ADJUSTED BUILDING COST ENDORSEMENT FORM 220**

Upon renewal, the coverage amount (limit of liability) on the dwelling will be increased by a percentage that is established by a building cost index for the property location. The adjusted limit of liability will be rounded up to the next \$1000. The dwelling limit is subject to the maximum limit of liability permitted by law.

The percentage increase in the dwelling limit of liability is established annually. It will be applied to the limit of liability for your dwelling at each renewal. The percentage increase is only an adjustment for inflation to the dwelling limit of liability on the expiring policy and does not ensure that the dwelling is adequately insured for the dwelling's full replacement cost.

The automatically adjusted dwelling limit of liability is shown on the renewal application that is sent approximately 60 days before expiration of the policy.

The insured has the right to request modification of the automatically adjusted dwelling limit of liability.

If the insured request modification of the adjusted dwelling limit of liability, the request will take effect on the date a renewal policy becomes effective if it is received by TWIA prior to the effective date of a renewal policy. The agent must include a valid Marshall & Swift/Boeckh replacement cost calculation with the request to modify the adjusted dwelling limit of liability. Requests for a modification of the adjusted dwelling limit of liability that are received by TWIA on or after the effective date of a renewal policy will become effective the date the request is received by TWIA.

The limits of liability for Additional Living Expense and other, optional extensions of coverage that are based on the limit of liability for the dwelling, if applicable, will also be adjusted, subject to the maximum limit of liability permitted by law.

It is the agent/insured's responsibility to review the coverage regularly and make sure the dwelling limit of liability is adequate to repair or replace the insured property. This endorsement and any changes that result from it do not guarantee that the policy will have adequate coverage. Only the agent/insured can determine the appropriate amount of coverage. Endorsement TWIA-220 does not automatically renew your policy.

**8. WPI-8 WAIVER PROGRAM:**

The WPI-8 Waiver program allows specific residential dwellings to qualify for coverage without the submission of one or more WPI-8(s). All structures and/or their contents that qualify under these regulations for a waiver of the WPI-8 requirement will be issued at the appropriate T.W.I.A. premium plus a 15% surcharge (refer to page 39), and will not be eligible for credits for building code compliance. The surcharge is both non-commissionable and non-refundable, and will be calculated from, and added to, the final total premium.

\* Refer to page 60 & 61 of this manual for additional information and eligibility criteria.

**9. MANDATORY ROOF COVERING CREDITS AND EXCLUSION OF COSMETIC DAMAGE TO ROOF COVERINGS CAUSED BY HAIL - FORM TWIA-420:**

**Apply the credits listed below to the Modified EC building premium, independent of any other adjustments.**

**Residential** roof covering credits apply to the building item when **replacement of** the existing roof covering or **new** residential construction is in compliance with U.L. Standard 2218 and is classified within one of the four resistance classifications shown in the following grid. Other standards, which are recognized and approved by the Texas Department of Insurance, are also acceptable. The class of roof, the date installed, and the territory are necessary to calculate the credit.

The Cosmetic Exclusion endorsement will be attached to any policy, which insures a residential building, to which the Mandatory Roof covering credit has been applied. The form **must be signed by the insured**. Refusal by the insured to sign the endorsement will result in revocation of any applicable roof covering credit. **The signed endorsement must be submitted to the Association prior to the applicant receiving a credit**

Territory	Class 1 Credit	Class 2 Credit	Class 3 Credit	Class 4 Credit
1, 8, 9, 10	4%	6%	10%	14%

10. **DEDUCTIBLE ADJUSTMENT SCHEDULE FOR DWELLING AND FARM & RANCH DWELLING BUILDING AND PERSONAL PROPERTY:**

Determine the Deductible Adjustment Premium Charge by applying the following percentages to the premium for any item that has either a \$100 flat or a \$250 deductible. This charge will be added to the Adjusted Base Premium.

AMOUNT OF INSURANCE	\$ 100 FLAT	\$ 250 FLAT
\$ 10,000 and under	-	-
11,000	3%	-
12,000	3	-
13,000	3	-
14,000	4	-
15,000	4	-
16,000	4	-
17,000	5	-
18,000	6	-
19,000	7	-
20,000	8	-
21,000	8	-
22,000	9	-
23,000	10	-
24,000	11	-
25,000	12	-
26,000	12	1%
27,000	13	2
28,000	14	2
29,000	15	3
30,000	16	4
31,000	16	4
32,000	17	5
33,000	18	6
34,000	19	7
35,000	20	8
36,000	21	8
37,000	22	9
38,000	23	10
39,000	24	11
40,000	25	12
45,000	26	14
50,000	30	16
55,000	34	18
60,000	38	20
65,000	42	22
70,000	46	24
75,000 and Over	50	25

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**11. OPTIONAL LARGE DEDUCTIBLE CHART FOR DWELLING AND FARM & RANCH DWELLING PROPERTY:**

Amount of Coverage*	Percentage of Credit					
	1.5%	2.0%	2.5%	3.0%	4.0%	5.0%
25,000	-6%	-12%	-18%	-23%	-33%	-41%
26,000	-7%	-13%	-19%	-24%	-34%	-42%
27,000	-7%	-13%	-19%	-25%	-35%	-43%
28,000	-7%	-14%	-20%	-26%	-36%	-44%
29,000	-7%	-14%	-20%	-26%	-37%	-45%
30,000	-7%	-14%	-21%	-27%	-38%	-46%
31,000	-8%	-15%	-22%	-28%	-38%	-46%
32,000	-8%	-15%	-22%	-28%	-39%	-47%
33,000	-8%	-16%	-23%	-29%	-40%	-48%
34,000	-8%	-16%	-23%	-30%	-40%	-48%
35,000	-8%	-16%	-24%	-30%	-41%	-49%
36,000	-9%	-17%	-24%	-31%	-42%	-50%
37,000	-9%	-17%	-24%	-31%	-42%	-50%
38,000	-9%	-17%	-25%	-32%	-43%	-51%
39,000	-9%	-17%	-25%	-32%	-43%	-51%
40,000	-9%	-18%	-26%	-33%	-44%	-51%
45,000	-10%	-19%	-27%	-34%	-46%	-53%
50,000	-10%	-20%	-29%	-36%	-47%	-55%
55,000	-11%	-21%	-30%	-37%	-48%	-56%
60,000	-11%	-21%	-30%	-38%	-49%	-57%
65,000	-12%	-22%	-31%	-39%	-50%	-57%
70,000	-12%	-22%	-32%	-39%	-50%	-58%
75,000	-12%	-23%	-32%	-40%	-51%	-58%
80,000	-12%	-23%	-32%	-40%	-51%	-58%
85,000	-13%	-23%	-33%	-40%	-51%	-58%
90,000	-13%	-24%	-33%	-40%	-51%	-58%
95,000	-13%	-24%	-33%	-41%	-52%	-59%
100,000	-13%	-24%	-33%	-41%	-52%	-59%
105,000	-13%	-24%	-33%	-41%	-52%	-59%
110,000	-13%	-24%	-33%	-41%	-52%	-59%
115,000	-13%	-24%	-33%	-41%	-52%	-59%
120,000	-13%	-24%	-34%	-41%	-52%	-59%
125,000	-13%	-24%	-34%	-41%	-52%	-59%
130,000	-13%	-24%	-34%	-41%	-52%	-59%
135,000	-13%	-24%	-34%	-41%	-52%	-59%
150,000	-13%	-25%	-34%	-41%	-52%	-59%
175,000	-13%	-25%	-34%	-41%	-52%	-59%
200,000	-14%	-25%	-34%	-41%	-52%	-59%
250,000	-14%	-25%	-34%	-41%	-52%	-59%
350,000	-14%	-25%	-34%	-41%	-52%	-59%
500,000	-15%	-25%	-34%	-41%	-52%	-59%
750,000 and over	-16%	-25%	-34%	-41%	-52%	-59%

- Optional Large Deductible is not applicable on amounts of insurance less than \$25,000.

**12. VALUES IN EXCESS OF ASSOCIATION LIMIT OR WHEN INSURING ON AN EXCESS POLICY:**

If the statutory amount of insurance is not in compliance with the coinsurance requirement, or if the T.W.I.A. policy insures the deductible on an excess policy, the premium must be calculated by applying the First Loss Scale Formula set forth in the TDI Manual of the T.W.I.A. (Refer to the First Loss Scale Formula and the dwelling rating example of waiving coinsurance on page 50 of this manual. Also refer to the Waiver of coinsurance guidelines on page 8, Rule H-2 of the TDI Manual of the T.W.I.A.)

**FIRST LOSS SCALE FORMULA:**

1.00% of Total Value =	32.500% of Total Premium	33 1/3%	80.000%
1.10%	33.000%	34%	80.220%
1.20%	33.500%	35%	80.550%
1.30%	34.000%	36%	80.880%
1.40%	34.500%	37%	81.210%
1.50%	35.000%	38%	81.540%
1.60%	35.500%	39%	81.870%
1.70%	36.000%	40%	82.200%
1.80%	36.500%	41%	82.530%
1.90%	37.000%	42%	82.800%
2.00%	37.500%	43%	83.000%
2.10%	37.750%	44%	83.300%
2.20%	38.000%	45%	83.600%
2.30%	38.250%	46%	83.900%
2.40%	38.500%	47%	84.210%
2.50%	38.750%	48%	84.460%
2.60%	39.000%	49%	84.700%
2.70%	39.250%	50%	85.000%
2.80%	39.500%	51%	85.200%
2.90%	39.750%	52%	85.400%
3.00%	40.000%	53%	85.600%
3.10%	40.500%	54%	85.800%
3.20%	41.000%	55%	86.000%
3.30%	41.500%	56%	86.200%
3.40%	42.000%	57%	86.400%
3.50%	42.500%	58%	86.600%
3.60%	43.000%	59%	86.800%
3.70%	43.500%	60%	87.000%
3.80%	44.000%	61%	87.200%
3.90%	44.500%	62%	87.400%
4.00%	45.000%	63%	87.600%
4.10%	45.500%	64%	87.800%
4.20%	46.000%	65%	88.000%
4.30%	46.500%	66%	88.200%
4.40%	47.000%	67%	88.400%
4.50%	47.500%	68%	88.600%
4.60%	48.000%	69%	88.800%
4.70%	48.500%	70%	89.000%
4.80%	49.000%	71%	89.200%
4.90%	49.500%	72%	89.400%
5%	50.000%	73%	89.600%
6%	52.000%	74%	89.800%
7%	54.000%	75%	90.000%
7.5%	55.000%	76%	90.400%
8%	56.000%	77%	90.800%
9%	58.000%	78%	91.200%
10%	60.000%	79%	91.600%
11%	61.000%	80%	92.000%
12%	62.000%	81%	92.400%
13%	63.000%	82%	92.800%
14%	64.000%	83%	93.200%
15%	65.000%	84%	93.600%
16%	66.000%	85%	94.000%
17%	67.000%	86%	94.400%
18%	68.000%	87%	94.800%
19%	69.000%	88%	95.200%
20%	70.000%	89%	95.600%
21%	71.000%	90%	96.000%
22%	72.000%	91%	96.400%
23%	73.000%	92%	96.800%
24%	74.000%	93%	97.200%
25%	75.000%	94%	97.600%
26%	75.625%	95%	98.000%
27%	76.250%	96%	98.400%
28%	76.875%	97%	98.800%
29%	77.500%	98%	99.200%
30%	78.125%	99%	99.600%
31%	78.750%	100%	100.00%
32%	79.375%		

## **DWELLING AND FARM & RANCH DWELLING RATING INFORMATION**

### **1. DWELLING PREMIUMS:**

The rounded premiums in this manual are provided for your convenience only. Use of these premiums will not affect the final policy premium in most cases. It is possible, however, that the use of these premiums, with additional adjustments, **could result in a slight difference in the final premium due to rounding.** For an exact calculation you must begin with the premiums in the Texas Personal Lines Manual.

#### **Residential Personal Property Located In a Commercially Rated Building:**

To calculate the premium for residential personal property located in a commercially rated structure, refer to the "Commercial Insurance" section of this manual.

### **2. RATING TERRITORIES:**

The designated catastrophe areas are in the following rating territories:

- Territory 1\*                      Harris County (Specified areas)
- Territories 8, 9 and 10\*      Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio and Willacy Counties

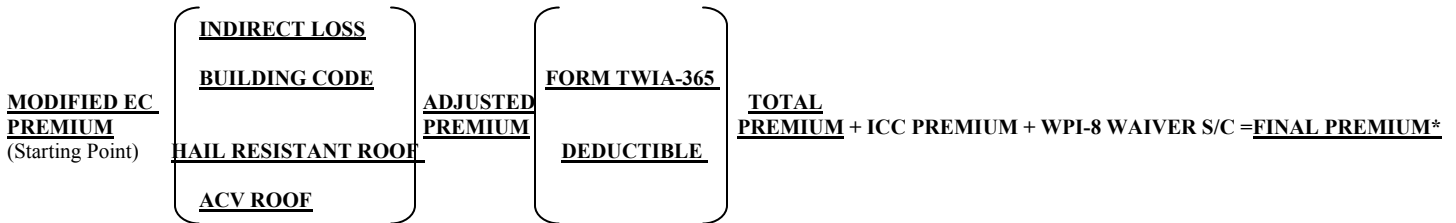
\*Refer to the TDI Manual of the T.W.I.A., page 3, rules D and E.

### **3. SUPERIOR CONSTRUCTION DWELLINGS:**

For a dwelling structure to qualify as superior construction it must first be certified as such by the Texas Department of Insurance Residential Department. Once certified as superior construction, use 20 percent of the brick premium for structures and 40 percent of the brick premium for personal property.

**DWELLING PREMIUM CALCULATION INFORMATION  
(READ CAREFULLY)**

Premiums must be calculated separately for all items. There are multiple adjustments that may apply in the calculation of the premium. It is important that these adjustments be applied in the proper sequence to insure that the premium is correct. The calculation diagram shown below and the following guidelines are provided to assist you in your calculation.



**CALCULATION STEPS:**

- Step #1.** Calculate the Modified Extended Coverage Premium (hereinafter referred to as the Modified EC Premium) based on a 1% (\$100 minimum) deductible from pages 41-42 of this manual.
- Step #2.** Calculate the Indirect Loss premium by applying the Indirect Loss factor from page 32 of this manual to the premium calculated in step #1.
- Step #3.** Where applicable, apply the following adjustments independently to the Modified EC premium calculated in step #1. Then add or subtract the results to the Indirect Loss premium calculated in step #2. This will result in the adjusted premium. If the coverages listed below do not apply, skip step #3 and go directly to step #4. If you skip step #3, the adjusted premium will be the same as the Indirect Loss premium.
- Calculate the Building Code Credit. Refer to:  
Page 33
  - Calculate the Hail Resistant Roof Credit. Page 34-35
  - Calculate the Actual Cash Value Roof Credit. Page 33
- Step #4** Where applicable, apply the following adjustments independently to the Adjusted premium calculated in step #3. Then add the results to the adjusted premium calculated in step #3 to equal the Total premium. If the coverages listed below do not apply, skip step #4. If this is done, the Total premium will be the same as the adjusted premium.
- Calculate any Replacement Cost Endorsement Form TWIA-365 surcharge. Page 33
  - Calculate Deductible Adjustment for a flat \$100 or \$250 flat. Page 35
  - Calculate Optional Large Deductible Percentage Chart Page 36
- Step #5** If coinsurance is being waived, you must apply the First Loss Scale Formula on page 37 of this manual to the premium calculated in step #4 prior to rounding. Also refer to the dwelling rating example for waiving coinsurance is on page 50 of this manual.
- Step #6** If Increased Cost in Construction (ICC) coverage is being added calculate the ICC premium by multiplying the premium calculated in step 4 (or 5) times the appropriate ICC rate, then round to the nearest whole dollar. Refer to Page 34, Rule 6. If ICC is not being added, skip to step #8.
- Step #7** Add the rounded ICC premium (step 6) to the premium determined in step 4 (or step 5 if coinsurance has been waived) to arrive at the Final premium.
- Step #8** The premium from step 4, 5, or 7 to equal the total *premium* due TWIA.
- Step #9** If the policy is being issued under the WPI-8 Waiver program, multiply the Final premium from step 4, 5, or 7 times 15% to calculate the WPI-8 Waiver surcharge, then round to the nearest whole dollar. Since the WPI-8 Waiver surcharge is both non-commissionable and non-refundable, there is no commission paid on the WPI-8 Waiver surcharge.
- Step #10** Add the WPI-8 Waiver surcharge calculated in step #9 to the total premium from steps 4, 5, or 7 to arrive at the total premium due T.W.I.A.



DWELLING/Farm and Ranch Dwelling BUILDING AND PERSONAL PROPERTY (TERRITORY 1)  
 MODIFIED EXTENDED COVERAGE PREMIUMS  
 (Rates for 1% Deductible - \$100 Minimum Premium Applies)

Amount of Insurance	Dwelling Chart 1A 80% Coinsurance Required			Personal Property Chart 1B		
	Frame	BV	Brick	Frame	BV	Brick
1,000	12	9	8	3	3	3
1,500	15	12	10	6	6	5
2,000	21	19	16	6	6	5
2,500	24	19	16	9	6	5
3,000	27	22	18	9	9	8
3,500	30	25	21	9	9	8
4,000	30	25	21	12	9	8
5,000	36	31	26	12	9	8
6,000	39	34	28	12	12	10
7,000	42	37	31	16	12	10
7,500	45	37	31	16	12	10
8,000	49	40	34	19	15	13
9,000	55	47	39	19	15	13
10,000	61	53	44	22	18	15
11,000	67	56	47	25	18	15
12,000	73	62	52	25	21	18
13,000	79	65	54	28	24	20
14,000	85	72	59	31	24	20
15,000	91	78	65	31	27	23
16,000	97	81	67	34	27	23
17,000	103	87	72	37	30	25
18,000	109	93	78	37	33	28
19,000	115	97	80	40	33	28
20,000	121	103	85	43	36	30
21,000	127	109	90	43	36	30
22,000	133	112	93	47	39	33
23,000	140	118	98	50	42	35
24,000	146	125	103	53	42	35
25,000	152	128	106	53	45	38
26,000	158	134	111	56	45	38
27,000	164	140	116	59	48	40
28,000	170	143	119	59	51	43
29,000	176	150	124	62	51	43
30,000	182	156	129	65	54	46
35,000	212	181	150	75	63	53
40,000	243	206	171	87	72	61
45,000	273	230	191	96	81	68
50,000	303	259	215	109	90	76
55,000	331	283	235	118	96	81
60,000	361	308	256	127	105	88
65,000	391	333	277	140	114	96
70,000	422	361	300	149	123	104
75,000	452	386	320	161	132	111
80,000	482	411	341	171	141	119
85,000	513	436	362	183	150	126
90,000	543	464	385	193	159	134
95,000	573	489	406	205	168	142
100,000	604	514	426	214	177	149
Each Add'l \$1000	6.04	5.14	4.26	2.14	1.77	1.49

\*\* To obtain premiums other than 1% deductible, refer to Deductible Adjustment Percentage Schedule

Effective (1-1-2013)

DWELLING/Farm and Ranch Dwelling BUILDING AND PERSONAL PROPERTY  
(TERRITORIES 8,9 and 10)

MODIFIED EXTENDED COVERAGE PREMIUMS  
(Rates for 1% Deductible - \$100 Minimum Premium Applies)

Amount of Insurance	Dwelling Chart 1A 80% Coinsurance Required			Personal Property Chart 1B		
	Frame	BV	Brick	Frame	BV	Brick
1,000	19	15	12	5	5	4
1,500	24	20	17	10	10	8
2,000	33	30	25	10	10	8
2,500	38	30	25	15	10	8
3,000	43	35	29	15	15	12
3,500	48	40	33	15	15	12
4,000	48	40	33	20	15	12
5,000	57	50	41	20	15	12
6,000	62	55	45	20	20	16
7,000	67	60	50	24	20	16
7,500	72	60	50	24	20	16
8,000	76	65	54	29	25	20
9,000	86	75	62	29	25	20
10,000	95	85	70	34	29	24
11,000	105	90	74	39	29	24
12,000	114	100	83	39	34	28
13,000	124	105	87	44	39	32
14,000	133	114	95	49	39	32
15,000	143	124	103	49	44	36
16,000	153	129	107	54	44	36
17,000	162	139	116	59	49	40
18,000	172	149	124	59	54	44
19,000	181	154	128	63	54	44
20,000	191	164	136	68	59	48
21,000	200	174	145	68	59	48
22,000	210	179	149	73	64	52
23,000	219	189	157	78	69	56
24,000	229	199	165	83	69	56
25,000	238	204	169	83	74	61
26,000	248	214	178	88	74	61
27,000	257	224	186	93	78	65
28,000	267	229	190	93	83	69
29,000	276	239	198	98	83	69
30,000	286	249	207	103	88	73
35,000	334	289	240	117	103	85
40,000	381	328	273	137	118	97
45,000	429	368	306	151	132	109
50,000	477	413	343	171	147	121
55,000	520	453	376	186	157	129
60,000	567	493	409	200	172	141
65,000	615	532	442	220	186	153
70,000	663	577	479	234	201	165
75,000	710	617	512	254	216	177
80,000	758	657	545	269	230	190
85,000	806	697	578	288	245	202
90,000	853	741	616	303	260	214
95,000	901	781	649	322	275	226
100,000	949	821	682	337	289	238
Each Add'l \$1000	9.49	8.21	6.82	3.37	2.892	2.38

\*\* To obtain premiums other than 1% deductible, refer to Deductible Adjustment Percentage Schedule

Effective (1-1-2013)

## **RESIDENTIAL RATING EXAMPLES**

**Frame Class Primary Dwelling and Personal Property  
1% Deductible (\$100 Min) and Replacement Cost Endorsement Form TWIA 365**

Territory 8							
Amount of Insurance		\$650,000	(Dwelling)				
Amount of Insurance		\$75,000	(Personal Property)				
Standard Deductible		1%					
TWIA 320 Indirect Loss Coverage		98%	(Wind Driven Rain coverage included)				
Replacement Cost		5%	Surcharge				
<b>Dwelling</b>							
<b>To Calculate Premium:</b>							
		\$5,219.50	Premium for each \$1,000 over \$100,000/\$550 x rate 9.49 (page 42)				
	+	949.00	Premium for \$100,000				
		<u>\$6,168.50</u>	Modified Extended Coverage Premium for \$650,000				
<b>Form 320 is 98% of the Modified Extended Coverage Premium</b>							
		\$6,168.50	Modified Extended Coverage Premium for \$650,000				
	x	98%	Percentage from Indirect Loss				
		<u>\$6,045.13</u>	Adjusted Premium				
<b>Form TWIA - 365 Replacement Cost for Personal Property</b>							
		\$6,045.13	Adjusted Premium				
	x	5%	Percentage Charge for Form TWIA-365				
		<u>\$302.26</u>	Charge for Form TWIA-365				
<b>Dwelling Total:</b>							
		\$6,045.13	Adjusted Premium				
	+	\$302.26	Charge for Form TWIA-365				
		<u>\$6,347.39</u>	\$6,347.00 Total Dwelling Premium				
<b>Personal Property</b>							
<b>Form 320 is 98% of the Modified Extended Coverage Premium</b>							
		\$254.00	Modified Extended Coverage Premium for \$75,000				
	x	98%	Percentage from Indirect Loss				
		<u>\$248.92</u>	Adjusted Premium				
<b>Form TWIA - 365 Replacement Cost for Personal Property</b>							
		\$248.92	Adjusted Premium				
	x	5%	Replacement Cost Surcharge				
		<u>\$12.45</u>	Charge for Replacement Cost				
<b>Personal Property Total:</b>							
		\$248.92	Indirect Loss Premium				
	+	\$12.45	Charge for Replacement Cost				
		<u>\$261.37</u>	\$261.00 Total Personal Property Premium				
<b>Final Premium</b>							
		\$6,347.00	Total Premium for Dwelling				
	+	\$261.00	Total Premium for Personal Property				
		<u>\$6,608.00</u>	Total Premium				
							Revised 1-1-2013

**Frame Class Primary Dwelling and Personal Property with \$250 Flat Deductible, Indirect Loss Coverage, Increased Cost of Construction and WPI-8 Waiver Surcharge**

Territory 8				
Amount of Insurance		\$381,000		
\$250 Deductible		25%	Charge	
TWIA-320 Indirect Loss Coverage		98%	(Wind Driven Rain coverage included)	
TWIA-365 Replacement Cost Coverage		5%	Charge	
Increased Cost of Construction (ICC) 15%		14%	Charge	
WPI-8 Waiver program		15%	Surcharge	
<b>To calculate premium:</b>				
	\$2,666.690		Premium For each \$1,000 over \$100,000/\$281 x rate 9.49 (page 42)	
+	949.000		Premium for \$100,000	
	<u>\$3,615.69</u>		Modified Extended Coverage Premium for \$381,000	
<b>Form 320 is 98% of the Modified Extended Coverage Premium</b>				
	\$3,615.69		Modified Extended Coverage Premium for \$381,000	
x	98%		Percentage from Indirect Loss	
	<u>\$3,543.38</u>		Indirect Loss Premium	
<b>\$250 Deductible</b>				
	\$3,543.38		Indirect Loss Premium	
x	25%		Deductible Percentage	
	<u>\$885.84</u>		Charge for \$250 Deductible	
<b>Form TWIA - 365 Replacement Cost for Personal Property</b>				
	\$3,543.38		Indirect Loss Premium	
x	5%		Percentage Charge for Form TWIA-365	
	<u>\$177.17</u>		Charge for Form TWIA-365	
<b>Total Premium</b>				
	\$3,543.38		Indirect Loss Premium	
+	\$885.84		Charge for \$250 Deductible	
+	<u>\$177.17</u>		Charge for form TWIA-365	
	\$4,606.39	\$4,606.00	Rounded Total Premium	
<b>Increased Cost of Construction</b>				
	\$4,606.00		Total Premium	
x	14%		ICC Factor based on 15% coverage option	
	<u>\$644.84</u>	\$645.00	Rounded Charge for ICC Form TWIA-431	
<b>Premium Including ICC Coverage</b>				
	\$4,606.00		Total Premium	
+	<u>\$645.00</u>		Charge for ICC form TWIA-431	
	\$5,251.00	\$5,251.00	Gross Premium Including ICC Coverage	
<b>WPI-8 Waiver Surcharge due TWIA</b>				
	\$ 5,251.000		Gross Premium Including ICC Coverage	
x	15%		WPI-8 Waiver surcharge percentage	

**Total Gross Amount**

\$5,251.00  
+     \$788.00  
\$6,039.00

Gross Premium Including ICC Coverage  
WPI-8 Waiver surcharge  
Total Gross Premium & Surcharges

Revised (1-1-2013)

**Frame Class Primary Dwelling (where Personal Property is also being insured)  
With Indirect Loss Coverage, Building Code Credit And Hail Resistant Roof Credit**

Territory 8	
Amount of Insurance	\$ 381,000
\$250 Deductible	25% Surcharge
TWIA-320 Indirect Loss Coverage	98% (Wind Driven Rain coverage included)
TWIA-365 Replacement Cost Coverage	5% Surcharge
TWIA-431 Increased Cost in Construction 15%	14% Charge
Building Code Credit "Seaward"	26% Credit
Hail Resistant Roof Class 2	6% Credit

**Form 320 is 98% of the modified Extended Coverage premium**

\$3,615.69	Modified Extended Coverage Premium for \$381,000 (page 41)
x 98%	Percentage from Indirect Loss
<u>\$3,543.38</u>	Indirect Loss Premium

**Building Code Credit**

\$3,615.69	Modified Extended Coverage Premium
x 26%	WRC "Seaward/Seaward" Building Code Adjustment
<u>\$940.08</u>	Building Code Credit

**Hail Resistant Roof Credit**

\$3,615.69	Modified Extended Coverage Premium
x 6%	(Class 2) Hail Resistant Roof Adjustment
<u>\$216.94</u>	Hail Resistant Roof Credit

**Dwelling Adjusted Premium**

\$3,543.38	Indirect Loss Premium
- \$940.08	Building Code Credit
- <u>\$216.94</u>	Hail Resistant Roof Credit
\$2,386.36	Adjusted Premium

**\$250 Deductible**

\$2,386.36	Adjusted Premium
x 25%	Deductible Percentage
<u>\$596.59</u>	Charge for \$250 Deductible

**Form TWIA-365 Replacement Cost for Personal Property**

\$2,386.36	Wind & Hail Adjusted Premium
x 5%	Percentage Charge for Form TWIA-365
<u>\$119.32</u>	Charge for Form TWIA-365

**Total Premium**

\$2,386.36	Adjusted Premium
+ \$596.59	Charge for \$250 Deductible
+ <u>\$119.32</u>	Charge for Form TWIA-365
\$3,102.26	\$3,102.00 Rounded Total Premium

**Increased Cost of Construction**

\$3,102.00	Total Dwelling Premium
x 14%	Increase Cost of Construction Factor
<u>\$434.28</u>	\$434.00 Rounded charge for ICC TWIA-431

**Final Premium**

\$3,102.00	Dwelling Premium
+ <u>\$434.00</u>	Charge for TWIA-431
\$3,536.00	Final Premium

Revised (1-1-2013)

**Frame Class Primary Dwelling (where Personal Property is also being insured)  
With Indirect Loss Coverage and Large Deductible**

Territory 8	
Amount of Insurance	\$381,000
Large Deductible / 4%	52% Credit
TWIA-320 Indirect Loss Coverage	98% (Wind Driven Rain coverage included)
TWIA-365 Replacement Cost Coverage	5% Surcharge

**To calculate premium:**

\$2,666.69	Premium for each \$1,000 over \$100,000 / \$281 x rate 9.49 (page 41)
+ \$949.00	Premium for the first \$100,000 of the Replacement value (page 41)
<u>\$3,615.69</u>	Modified Extended Coverage Premium for \$381,000

**Form 320 is 98% of the modified Extended Coverage Premium**

\$3,616	Base Rate
x 98%	Indirect Loss Factor
<u>\$3,543.38</u>	Adjusted Premium

**Optional Large Deductible Credit of 52%**

\$3,543.38	Adjusted Premium
x 52%	Deductible Percentage
<u>\$1,842.56</u>	Credit for Large Deductible

**Form TWIA-365 Replacement Cost for Personal Property**

\$3,543.38	Wind & Hail Premium
x 5%	Percentage Charge for TWIA-365
<u>\$177.17</u>	Charge for TWIA-365

**Final Premium**

\$3,543.38	Wind & Hail Premium
- \$1,842.56	Credit for Large Deductible
+ \$177.17	Charge for TWIA-365
<u>\$1,877.99</u>	\$1,878.00 Final Premium for Building

Revised (1-1-2013)



## Frame Class Primary Dwelling with Waived Coinsurance

Amount of Insurance	\$1,773,000
Replacement Value	\$3,300,000
TWIA-320 Indirect Loss Coverage	98% (Wind Driven Rain coverage included)
\$250 Deductible	25% Surcharge

**To determine first loss scale percentage:**

\$1,773,000	Amount of Insurance
÷ \$3,300,000	Replacement Value
53.72%	Percentage of Total Value Insured

Since 53.72%% is not shown on first loss scale\* you must interpolate

85.800%	Percentage for 54% of total value
- 85.600%	Percentage for 53% of total value
0.002	Difference between percentages
0.002	Difference between percentages
x 0.72	Decimal point portion of total value
0.00144	Adjusted percentage portion
0.00144	Adjusted percentage portion
+ 0.85600	Percentage for 53% of total value (Lower of the two values used)
0.85744	First Loss Scale Formula percentage

**To calculate premium :**

\$30,368.00	Premium for each \$1,000 over \$100,000 of the Replacement value (Page 41)
+ \$949.00	Premium for the first \$100,000 of the Replacement value (Page 41)
\$31,317.00	Modified Extended Coverage Premium for \$3,300,000

**Form 320 is 98% of the modified extended coverage premium**

\$31,317.000	Modified Extended Coverage Premium for \$3,300,000
x 98%	Indirect Loss Percentage
\$30,690.66	Adjusted Premium

**\$250 Deductible**

\$30,690.66	Adjusted Premium
x 25%	Deductible Percentage
\$7,672.67	Charge for \$250 Deductible

\$30,690.66	Indirect Loss Premium
+ \$7,672.67	Charge for \$250 Deductible
\$38,363.33	Adjusted Wind and Hail premium

**Final Premium**

\$38,363.33	Adjusted Wind and Hail base premium
x 85.744%	First Loss Scale Formula percentage
\$32,894.25	\$32,894.00 Final Premium

Revised (1-1-2013)

## SUPERIOR CONSTRUCTION

For a **non-class rated structure** to qualify as superior construction, a copy of the ISO Loss Cost report dated after December 31, 1998, showing the BGII indication, will be required for use with the tables on page 51 of this manual.

For a **class rated structure** to qualify as superior construction a completed copy of the *Superior Construction Worksheet for Class Rated Buildings* (shown on page 55) will be necessary. Where applicable, a *Roof Deck Assembly Certificate* (shown on page 56) must also be submitted. Copies of these forms may be obtained at the Downloads section of [www.twia.org](http://www.twia.org) via the internet.

Note: For dwelling structures to qualify for superior construction rating they must first be certified as such by the Texas Department of Insurance Residential Department.

**Insurance Service Office BGII List**

<b>CONSTRUCTION</b>	<b>DEFINITION</b>	<b>NEW BGII (1998)</b>
1 - Frame		B (11) – Ordinary
2 - Joisted Masonry		B (21) – No key factor present AB (22) – High rise AB (23) – Reinforced masonry AB (24) – Reinforced masonry and High rise
3 - Non-Combustible		B – (31) – Light steel AB (32) – Light steel and high rise AB (33) – Heavy steel AB (34) – Heavy steel and high rise
4 - Masonry Non-Combustible		B – (41) – Light steel AB (42) – Light steel and high rise AB (43) – Heavy steel A (44) – Heavy steel and high rise AB (45) – Reinforced masonry AB (46) – Reinforced masonry and high rise A (47) – Reinforced masonry and heavy steel A (48) – Reinforced masonry, heavy steel and high rise
5 – Modified Fire Resistive		AB (51) – Light steel A (52) – Light steel and high rise A (53) – Heavy steel AA (54) – Heavy steel and high rise A (55) – Light steel and reinforced masonry A (56) – Light steel, reinforced masonry and high rise AA (57) – Heavy steel and reinforced masonry AA (58) – Heavy steel, reinforced masonry and high rise
6 – Fire Resistive		AB (61) – Light steel A (62) – Light steel and high rise A (63) – Heavy steel AA (64) – Heavy steel and high rise A (65) – Light steel and reinforced masonry A (66) – Light steel, reinforced masonry and high rise AA (67) – Heavy steel and reinforced masonry AA (68) – Heavy steel, reinforced masonry and high rise
7 – Heavy Timber Joisted Masonry	Joisted Masonry with either 2” roof with min 6” support or wind uplift 90 or higher.	AB (71) – No key factor present AB (72) – High rise AB (73) – Reinforced masonry AB (74) – Reinforced masonry and High rise
8 – Superior non-Combustible	Non-combustible with: Roof 2” masonry on steel or roof 22 gauge on steel or wind uplift of 90 or higher.	AB (81) – Light steel and low rise AB (82) – Light steel and high rise AB (83) – Heavy steel AA (84) – Heavy steel and high rise
9 – Superior Masonry Non-Combustible	Masonry non-Combustible with roof 2” masonry on steel or roof 22 gauge on steel or wind uplift of 90 or higher	AB (91) – Light steel A (92) – Light steel and high rise A (93) – Heavy steel AA (94) – Heavy steel and high rise A (95) – Reinforced masonry A (96) – Reinforced masonry and high rise AA (97) – Reinforced masonry and heavy steel AA (98) – Reinforced masonry, heavy steel and high rise

<b>Windstorm Symbols</b>		
<b>ISO Designation</b>	<b>ISO Description</b>	<b>TWIA Rating</b>
<b>AA</b>	<b>Superior</b>	<b>WR</b>
<b>A</b>	<b>Wind Resistive</b>	<b>WR</b>
<b>AB</b>	<b>Semi-Wind Resistive</b>	<b>SWR</b>
<b>B</b>	<b>Ordinary</b>	<b>Frame or Brick</b>

**CONSTRUCTION CLASSIFICATION TABLE:**

**Appendix A-2**  
**SUPPLEMENTAL SPECIAL INDEX**  
**CONSTRUCTION CLASSIFICATION TABLE**  
**EXTENDED COVERAGE -- WINDSTORM, HURRICANE AND HAIL**

Exterior Walls	Floors and Supports	Roof Decks and Supports	Height in Stories	Class & Table
Masonry or Reinforced Concrete NOTE: Minimum thickness of material to comply with requirements of fire resistive standards of the Texas Commercial Property Rating Manual except not more than 40% of walls may be of non-combustible construction or no walls	* * Reinforced Concrete on non-combustible supports	Reinforced concrete or reinforced gypsum not less than 2" thick on non-combustible supports	1 or more	WR
		Concrete or gypsum at least 1-1/2" thick on non-combustible supports	1 or 2	SWR
			3 or more	WR
		False wood deck above reinforced concrete or reinforced gypsum not less than 2" thick on non-combustible supports with space between not designed for occupancy	1	HC
			2	SWR
			3 or more	WR
		Steel or other non-combustible deck on non-combustible supports	1	HC***
			2	SWR***
			3 or more	WR
		Wood deck, with no slab immediately underneath on wood or non-combustible supports	1	M+
	2	HC		
	3 or more	SWR		
		Certified as Class 60****	1	SWR*
		Certified as Class 90****	1 or 2	WR*

**Appendix A-2**  
**SUPPLEMENTAL SPECIAL INDEX**  
**CONTINUED**

Exterior Walls	Floors and Supports	Roof Decks and Supports	Height in Stories	Class & Table
Non-Combustible or no walls	**Non-combustible on non-combustible supports	Steel or other non-combustible deck on non-combustible supports	1 or more	M+
				HC*
	**Reinforced Concrete on non-combustible supports	Concrete or gypsum at least 1-1/2" thick on non-combustible supports	1	HC
			2	SWR
			3 or more	WR
		Certified as Class 60****	1	SWR*
		Certified as Class 90***	1 or 2	WR*
	Steel or other non-combustible deck on non-combustible supports	2	SWR	
		3 or more	WR	
		Reinforced Concrete or reinforced gypsum not less than 2" thick on non-combustible supports	1 or more	WR
Masonry or Reinforced Concrete	Wood or other material	Wood or other material	1 or more	M+ HC*
Wood, metal, asbestos cement, stucco or brick veneer on skeleton wood frame	Wood or other material	Wood or other material	1 or more	F+
Heavy Timber as described in the Texas Commercial Property Rating Manual -- Except concealed spaces and unprotected vertical openings permitted			1 or more	SWR
ICMS as described in the Texas Commercial Property Rating Manual			1 or more	M+

\* These buildings must be certified as required in Special Index of this manual

\*\* Combustible Floor Finish Permissible

\*\*\* Roof deck assembly Certified as Class 90 (lbs./sq. ft.) for wind uplift and with roof deck assembly anchored to main structure in accordance with good engineering practice shall be classed as WR.

\*\*\*\* Roof deck assembly Certified as Class 60 (lbs/sq.ft.) for wind uplift and with roof deck assembly anchored to main structure in accordance with good engineering practice and limited to one story buildings not exceeding 30 feet in height shall be classed as SWR.

Constructions as outlined herein shall be certified by the manufacturer for the roof deck material and by the erector, if other than the manufacturer, that the roof deck assembly was constructed according to good engineering practices and as indicated by the listing requirements of Underwriters' Laboratories, Inc.

+ Buildings which are over 35' high (at eave line) and one story in height shall be subject to an additional 20% charge.

Abbreviations: WR = Wind resistive; SWR = Semi-wind resistive; HC = Heavy Construction; M = Masonry; F = Frame.

# Superior Construction Worksheet

## For Class Rated Buildings

**(This form is to be completed by the building's contractor, a professional engineer, or architect.)**

I have conducted an inspection of the building located at: \_\_\_\_\_.

I have determined from my inspection and hereby certify that the building is classified as: (check one below)

- HC \_\_\_\_\_
- SWR \_\_\_\_\_
- WR \_\_\_\_\_

This is based on criteria as set forth on pages A-2 and A-3 in the Texas Department of Insurance (TDI) Supplemental Special Index (Appendix A) in the TDI Manual of the Texas Windstorm Insurance Association.

The appropriate criteria to support the designation, is indicated below:

- Exterior Walls \_\_\_\_\_
- Floors & Supports \_\_\_\_\_
- Roof Decks and Supports\* \_\_\_\_\_
- Height in Stories \_\_\_\_\_

**\* Note: Where a roof deck assembly is certified as Class 60 or Class 90 a copy of the certificate must be provided with this form.**

Name: (Please print) \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**CERTIFICATE FOR U.L. CLASS 60 U.L. CLASS 90  
ROOF DECK ASSEMBLY**

Name of Risk \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

File Number \_\_\_\_\_

THIS CERTIFIES that the roof deck assembly on the building indicated above has been designed and fabricated according to specifications for Construction No. \_\_\_\_\_ Class \_\_\_\_\_ as prescribed in the Underwriter's Laboratories Building Material List, and has been anchored to the building in accordance with good engineering practices.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Manufacturer or Authorized Representative \_\_\_\_\_

Address: \_\_\_\_\_

City/State: \_\_\_\_\_

Zip Code: \_\_\_\_\_ Date: \_\_\_\_\_

THIS CERTIFIES that the roof deck assembly on the building indicated above has been installed and anchored to the building according to good engineering practices and specifications for Construction No. \_\_\_\_\_ Class \_\_\_\_\_ as prescribed in Underwriter's Laboratories Building Material List.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State: \_\_\_\_\_

Zip Code: \_\_\_\_\_ Date: \_\_\_\_\_

Art. 21.47, Texas Insurance Code: "Any person who knowingly or willfully makes, files or uses any instrument in writing required to be made to or filed with the State Board of Insurance or the Insurance Commissioner, either by the Insurance Code or by rule or regulation of the State Board Of Insurance, when the instrument in writing contains any false, fictitious or fraudulent statement or entry with regard to any material fact, shall be fined not more than \$5,000 or imprisoned for not more than five years in the State penitentiary, or both."

## BUILDING CODE INFORMATION

### Building Code Diagram:

PRIOR TO 6-1-72	6-1-72 TO 1-1-88	1-1-88 TO PRESENT																								
<p>All construction (including original construction, repairs, alterations, and additions) that commenced prior to 6-1-1972 is “Grandfathered,” and does not require certification*.</p> <p>*However, repairs and alterations commenced on or after 6-1-1972 on a given structure will require the appropriate documents based on the start of construction date. Refer to the two sections to the right. <span style="font-size: 1.2em;">→</span></p>	<p style="text-align: center;"><b><u>POOL-BC-10-85</u></b></p> <p><b>Must be signed by:</b></p> <ul style="list-style-type: none"> <li>● The contractor</li> <li>● An Engineer</li> <li>● An Architect</li> <li>● A Local Building Official</li> </ul> <p><b>Exemptions:</b></p> <ul style="list-style-type: none"> <li>● Inside City Limits*</li> <li>● Prior Coverage*</li> </ul> <p>* (Refer to page 62 for a complete set of guidelines).</p>	<p style="text-align: center;"><b><u>WPI-8</u></b></p> <p><b>This certificate must be obtained from the Texas Department of Insurance, and is applicable to risks located in the 1st tier counties, in addition to the following cities in Harris County:</b></p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;"><b>Location*</b></th> <th style="text-align: left;"><b>Constructed After</b></th> </tr> </thead> <tbody> <tr> <td>Seabrook</td> <td>3-1-96</td> </tr> <tr> <td>LaPorte</td> <td>3-1-96</td> </tr> <tr> <td>Morgan’s Point</td> <td>6-1-96</td> </tr> <tr> <td>Pasadena</td> <td>3-1-97</td> </tr> <tr> <td>Shore Acres</td> <td>3-1-97</td> </tr> </tbody> </table> <p style="text-align: center;"><b>Harris County Exceptions:</b>  <b>In lieu of a WPI-8, a statement from the local building inspector, an engineer, or an architect will be accepted for construction between the following dates:</b></p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;"><b>Location*</b></th> <th style="text-align: left;"><b>If Constructed</b></th> </tr> </thead> <tbody> <tr> <td>Seabrook</td> <td>1-1-88 to 3-1-96</td> </tr> <tr> <td>LaPorte</td> <td>1-1-88 to 3-1-96</td> </tr> <tr> <td>Morgan’s Point</td> <td>1-1-88 to 6-1-96</td> </tr> <tr> <td>Pasadena</td> <td>1-1-88 to 3-1-97</td> </tr> <tr> <td>Shore Acres</td> <td>1-1-88 to 3-1-97</td> </tr> </tbody> </table> <p>*Inside the city limits of these cities and East of Highway 146.</p> <p>(Refer to example of Building Official’s Statement on page 59)</p>	<b>Location*</b>	<b>Constructed After</b>	Seabrook	3-1-96	LaPorte	3-1-96	Morgan’s Point	6-1-96	Pasadena	3-1-97	Shore Acres	3-1-97	<b>Location*</b>	<b>If Constructed</b>	Seabrook	1-1-88 to 3-1-96	LaPorte	1-1-88 to 3-1-96	Morgan’s Point	1-1-88 to 6-1-96	Pasadena	1-1-88 to 3-1-97	Shore Acres	1-1-88 to 3-1-97
<b>Location*</b>	<b>Constructed After</b>																									
Seabrook	3-1-96																									
LaPorte	3-1-96																									
Morgan’s Point	6-1-96																									
Pasadena	3-1-97																									
Shore Acres	3-1-97																									
<b>Location*</b>	<b>If Constructed</b>																									
Seabrook	1-1-88 to 3-1-96																									
LaPorte	1-1-88 to 3-1-96																									
Morgan’s Point	1-1-88 to 6-1-96																									
Pasadena	1-1-88 to 3-1-97																									
Shore Acres	1-1-88 to 3-1-97																									



## **BUILDING CERTIFICATION**

**A building certificate is not required if:**

Original structure, additions, repairs, or structural alterations were commenced prior to June 1, 1972.

**1. A POOL-BC-10-85 form is required if:**

Original construction, additions, structural repairs, or structural alterations were commenced on or after June 1, 1972 and prior to January 1, 1988.

**POOL-BC-10-85 Exemptions - A POOL-BC-10-85 is not required if:**

- A. The original construction, additions, structural repairs, or structural alterations were made to a structure that was located inside the city limits of a city or town covered by a building code (Standard Building Code for property Inland of the Intracoastal Canal & T.W.I.A. Windstorm Resistant Construction Code for property Seaward of the Intracoastal Canal) recognized by T.W.I.A. at the time when construction began.
  - If located “Inside City Limits” the submission of a POOL-BC-10-85 is not required.
- B. The risk was previously insured for windstorm coverage through a licensed insurance company authorized to do business in this State and the structure is still in insurable condition.
  - If so, attach a photocopy of policy providing previous windstorm coverage.
- C. The structure was previously insured through T.W.I.A., and no alterations have been made since expiration.
  - If so, provide previous policy number.

**2. A WPI-8 is required if:**

Original construction, additions, structural repairs or structural alterations were commenced on or after January 1, 1988.

**WPI-8 Exception:**

For property located east of the boundary line of State Highway 146, situated inside the city limits of a city listed below, and where original construction, additions, structural repairs, or structural alterations were between the beginning and ending dates listed below, a statement signed by the city building official is required. (Refer to page 59 of this manual).

This statement must certify that, to their best belief and knowledge, the construction of the original structure, addition, structural repair or structural alteration is in compliance with the T.W.I.A. Inland Building Code (1973 Edition State Building Code).

<u>City:</u>	<u>Beginning Date:</u>	<u>Ending Date:</u>
Seabrook	1-1-1988	3-1-1996
La Porte	1-1-1988	3-1-1996
Morgan’s Point	1-1-1988	6-1-1996
Pasadena	1-1-1988	3-1-1997
Shore Acres	1-1-1988	3-1-1997

**NOTE:**

All requirements listed on this page apply to the entire Windstorm coverage area, including Seabrook, La Porte, Morgan’s Point, Shore Acres, and Pasadena, except where otherwise indicated in the “WPI-8 Exception.”

**\*\*EXAMPLE\*\***

**BUILDING OFFICIAL'S STATEMENT  
(For property in Harris County located East of Highway #146)**

Note:

For complete information concerning building certificate requirements for Seabrook, La Porte, Morgan's Point, Pasadena and Shore Acres refer to the TDI Manual of the T.W.I.A. (page 3 through 7).

This certificate applies to: (Indicate one) \_\_\_\_\_ The original structure  
\_\_\_\_\_ The addition to original structure only  
\_\_\_\_\_ Repairs only

\_\_\_\_\_

Number	Street Name	County	City
--------	-------------	--------	------

**“To the best belief and knowledge of the undersigned, the structure indicated above was constructed, repaired or an addition was made in accordance with building specifications and standards which comply with the Standard Building Code (1973 Edition) or an equivalent recognized code, and that the city has inspected the structure and enforced compliance to said code.”**

Signature and Title \_\_\_\_\_

Building Official of (Name of city) \_\_\_\_\_

## **Texas Windstorm Insurance Association WPI-8 (Certificate of Compliance) Waiver Program for Residential Dwellings**

The initial WPI-8 waiver program, which allowed specific residential dwellings to qualify for coverage through the Texas Windstorm Insurance Association, without a WPI-8, certificate of building code compliance, became effective June 5, 2006. Effective September 1, 2009 House Bill 4409 (HB4409), which was passed by the 81st Legislature, implemented several changes to the original program and the Texas Department of Insurance (TDI) adopted Texas Administrative Code (TAC) rules §5.4906 and TAC §5.4907 to implement these changes. Effective September 28, 2011 House Bill 3 (HB3), which was passed by the 82nd Legislature, implemented a new WPI-8 waiver program. In addition to the original basic requirements, which are listed below, the three programs are outlined, along with the eligibility to qualify for each program

### **Basic Requirements:**

- Effective with new and renewal residential dwelling policies on and after October 15, 2009 the WPI-8 Waiver surcharge is not a commissionable item, and is not refundable to the policyholders when it applies to their policies. If coverages are increased during the policy term, the appropriate additional surcharge will be added, however, should coverage be decreased during the policy term, there is no refund of surcharges previously paid. If all missing certificates of compliance (WPI-8's) are provided to T.W.I.A. during the policy term, there will not be a return of surcharge already paid during the current policy term; however, the surcharge will no longer be added at the next renewal.

(EXAMPLE: If a T.W.I.A. policy premium for all coverages on a particular dwelling policy total \$1,000, and the WPI-8 Waiver applies, then the waiver surcharge will be an added \$150 (15%), no commission is paid to the agent on the surcharge amount. If the policy is cancelled prior to its expiration, the surcharge is non-refundable to the policyholder, or anyone else with an interest in the policy, i.e. premium financier. In this example, agents would receive 16% commission on the premium portion only, i.e. \$160 on the \$1,000 premium.)

- While the WPI-8 Waiver surcharge(s) will be noted as a separate item on the policy declarations page(s), failure to pay the surcharge constitutes failure to pay premium for purposes of policy cancellation.
- Residential policies with property insured under any of three WPI-8 waiver programs are subject to the WPI-8 surcharge.
- All structures and/or their contents that qualify under these regulations for a waiver of the WPI-8 requirement will be issued at the appropriate T.W.I.A. premium plus a 15% surcharge (refer to page 34, rule 7) and will not be eligible for credits for building code compliance. The 15% surcharge will be calculated from and added to the final total premium.
- When submitting E-Quote applications, agents must advise T.W.I.A. whether or not they want their policies issued under the WPI-8 Waiver Program by noting that the waiver should be applied in the appropriate field in the "Risk Item" screen. This information will also be shown on the printed E-Quote application.

### **Eligibility criteria:**

#### **A. "Certificate of Compliance Approval Program" (TAC §5.4906):**

This program applies to certain residential structures insured by T.W.I.A. under a policy that was issued in accordance with the approval process initiated April 12, 2006 and continue to be eligible for coverage on September 1, 2009. Policyholders who have a structure insured under the WPI-8 waiver certificate of compliance approval program may continue to be eligible for coverage on the structure under the program if the policyholder also meets the T.W.I.A. underwriting eligibility requirements as noted below:

1. Comply with the mandatory building code requirements to secure a WPI-8 on all alterations, additions, repairs, or new construction on or after June 19, 2009.
2. Meet the declination requirements (refer to page 6, rule C).
3. Meet the flood insurance requirements (refer to page 6, rule C).
4. Satisfy all other Association Underwriting requirements, including maintenance of the structure in an insurable condition.

**Residential structures insured by TWIA under this program are not required to have an "alternative certification".**

**B. “Alternative Eligibility Program” (Texas Insurance Code §2210.260):**

To help residential property owners obtain windstorm and hail insurance coverage through the Texas Windstorm Insurance Association (TWIA), the legislature created the Alternative Eligibility Program. This program allows property owners who do not have a Certificate of Compliance (Form WPI-8) for their entire structure the opportunity to obtain windstorm and hail insurance coverage through TWIA.

To maintain TWIA coverage, an Alternative Certification (Form WPI-12) must be completed for one of three qualifying structural building components. After August 30, 2013, TWIA will not renew your coverage if you do not have an Alternative Certification.

You may obtain an Alternative Certification (Form WPI-12), on any one of the following building components:

1. Entire roof of the dwelling, meaning all roof surfaces attached to the structure, including porches, overhangs, lean-tos, breezeways, carports, garages, and other roof surfaces.
2. Windborne debris protection for all exterior openings, including exterior doors, windows, garage doors, skylights, and other openings. Note: You may not use wood structural panels, including plywood and oriented strand board, to obtain an Alternative Certification for this component.
3. Exterior wall coverings for the entire structure, including porches, carports, garages, lean-tos, and other parts attached to the structure.

You may obtain an Alternative Certification (Form WPI-12) by doing one of the following:

- Convert an existing Certificate of Compliance (Form WPI-8) issued for one of the three items listed above to a Form WPI-12, if the construction was based on the windstorm building standard in effect on or after February 1, 2003. To convert the Form WPI-8 to a Form WPI-12, you, your agent, or a qualified inspector must complete and submit the necessary forms available from the Texas Department of Insurance website, or by mailing a request to:

Texas Department of Insurance / Windstorm Inspections  
P.O. Box 149104  
Mail Code 103-1E  
Austin, Texas 78714-9104

OR

- Improve one of the three building components listed above and have it inspected by a TDI –employed qualified inspector or a Texas licensed professional engineer appointed as a qualified inspector. The list of appointed engineers is on TDI’s website at <http://www.tdi.texas.gov/wind/Engappointment.html#list>, under the link that says “Appointed Engineers (PDF)”.

You will find more information on TWIA’s website at:

[http://twia.org/Portals/0/Documents/Alternative\\_Eligibility\\_FAQ.pdf](http://twia.org/Portals/0/Documents/Alternative_Eligibility_FAQ.pdf). You may also call TWIA at 1-800-788-8247 and press 3 for the Underwriting Dept and select option 1 for a Residential Underwriter, when prompted.

OR

You can find more information on TDI’s website at <http://www.tdi.texas.gov/wind/alteligprogram.html>. You may call TDI at 1-800-248-6032 for additional help.

**HOUSE BILL 2 EXEMPTION  
(FROM OBTAINING FORM POOL-BC-10-85)**

**Two exemptions:**

**1. Inside City Limits:**

A structure constructed, repaired, or to which additions were made after June 1, 1972 and prior to January 1, 1988, that is located in an area covered at the time by a building code recognized by the Association shall be considered an insurable property for windstorm and hail insurance from the Association without compliance with the inspection or approval requirements of this section or the Plan of Operation.

**2. Prior Windstorm Coverage through a Texas Licensed Company:**

A structure constructed, repaired, or to which additions were made after June 1, 1972 and prior to January 1, 1988, that is located in an area not covered by a building code recognized by the Association shall be considered an insurable property for windstorm and hail insurance from the Association without compliance with the inspection or approval requirements of this section or the Plan of Operation **if that structure has been previously insured by a licensed insurance company authorized to do business in this state** and the risk is in essentially the same condition as when previously insured, except for normal wear and tear, and without any structural change other than a change made according to code. Evidence of previous insurance includes a copy of a previous policy.

**This exemption applies only to construction made after June 1, 1972 and prior to January 1, 1988. It DOES NOT apply to construction on or after 1/1/1988.**

**PROPERTIES ELIGIBLE FOR RE-ENTRY INTO T.W.I.A.WHERE  
AN INTERRUPTION IN COVERAGE EXISTS**

Coverage on any one or two family dwelling constructed on or after 6-1-72 and prior to 1-1-88, which was previously insured by the Texas Windstorm Insurance Association, without certificate of compliance, may be re-applied for, under the same conditions, for insurance through the T.W.I.A. subject to the following:

1. The risk has been maintained in essentially the same condition as when previously insured by the T.W.I.A., except for normal wear and tear and without any structural change except those made according to prescribed code.
2. The applicant shall, in the absence of T.W.I.A. records of a previous T.W.I.A. policy providing coverage on the risk, have the burden of presenting acceptable evidence verifying previous coverage with the T.W.I.A. Acceptable evidence may be the application and/or insurance agent's record verifying a previous T.W.I.A. policy providing coverage on this risk. The verifying record may be, but not limited to:
  - Copy of previous T.W.I.A. policy,
  - Copy of Agent's accounting record showing payment for a T.W.I.A. policy,
  - Copy of a canceled check showing payment of premium to T.W.I.A., or
  - Copy of a title company's or mortgagee's accounting records showing payment for a T.W.I.A. policy.

A risk complying with (1) and (2) of the above shall be considered an insurable risk, provided the property is in an insurable condition against windstorm and hail, as determined by normal underwriting standards.

# WINDSTORM INSURANCE INSPECTIONS

## BEFORE You Build Inquire About A Windstorm Insurance Inspection

The Texas Windstorm Insurance Association (T.W.I.A.) is the state’s insurer of last resort for wind and hail coverage in the 14 coastal counties and parts of Harris County (specified below). T.W.I.A. provides wind and hail coverage when insurance companies exclude it from homeowners and other property policies sold to coastal residents.

**If you are planning to build or renovate any structure in the counties listed below, then you are advised to contact your insurance agent about the Windstorm Inspection Program in order to obtain or maintain windstorm and hail insurance through T.W.I.A.**

### Coastal Counties and Areas Affected:

Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Willacy, or in the following cities east of State Highway 146 in Harris County: La Porte, Morgan’s Point, Pasadena, Seabrook, or Shore Acres

While not required for all construction, the following projects typically do require an inspection for windstorm insurance purposes:

- New Structures
- Additions
- Alterations
- Re-roofs
- Repairs

Windstorm insurance inspections under this program must be made by either a Texas Department of Insurance (TDI) inspector or an engineer who has been appointed by the Commissioner of Insurance. There is no fee for any inspection conducted by TDI.

**Important: All inspections need to be made during the construction phase – TDI inspectors are unable to inspect a property after construction is completed.**

If you have any questions or need additional information please visit the TDI web site at:

[www.tdi.state.tx.gov](http://www.tdi.state.tx.gov)

Or call one of the TDI offices listed below:

Austin.....	800-248-6032
Beaumont .....	409-833-3756
La Marque .....	409-986-9552
Corpus Christi .....	361-881-9463
Angleton (Brazoria County).....	979-848-0953

This information was published by the Texas Department of Insurance.

**ITEMS WHICH WERE CONSTRUCTED ON OR AFTER 01-01-1988  
THAT DO NOT REQUIRE A CERTIFICATE OF COMPLIANCE FORM WPI-8**

The following items do not require an inspection for compliance for the purposes of windstorm and hail insurance coverage through the Texas Windstorm Insurance Association provided that any repairs, replacements, or procedures are made with like kind and quality materials, fasteners and craftsmanship as compared to the structure before the repairs, replacements, or procedures are made, and as compared to the parts of the building which are not repaired. In addition, if no structural change is made, the initial installation or replacement of the listed items may be made without requiring an inspection. The

1. repairs to roofs less than 100 square feet (one square),
2. repairs or replacement of gutters,
3. replacement of decorative shutters
4. repairs to breakaway walls,
5. fascia repairs
6. repairs to porch and balcony railings,
7. repairs to stairways/steps and wheelchair ramps,
8. protective measures before a storm,
9. temporary repairs after a storm,
10. leveling and repairs to an existing slab on grade foundations, unless wall and/or foundation anchorage is altered or repaired,
11. fence repair,
12. painting, carpeting, and refinishing,
13. plumbing and electrical repairs,
14. repairs to slabs poured on the ground for patios (including slabs under homes on pilings),
15. repairs or replacement of soffits less than 24 inches in width,
16. repairs or replacement of non-structural interior fixtures, cabinets, partitions (non-loadbearing), surfaces, trims or equipment,
17. replacement of glass in windows or glass doors or replacement of exterior doors not involving the frames provided that the area is less than 10% of the surface area of the affected side (elevation) of the structure, and
18. replacement of exterior siding provided that the area is less than 10% of the surface area of the affected side (elevation) of the structure.

## **MOBILE HOME INFORMATION**



## GENERAL INFORMATION -- MOBILE HOMES

### 1. **TO QUALIFY FOR COVERAGE THROUGH THIS ASSOCIATION THE MOBILE HOME MUST BE:**

- Occupied solely as a dwelling
- 8 body feet or more in width and 32 body feet in length (excluding tongue)
- Properly blocked and tied

### 2. **BINDING FOR COVERAGE:**

A binder will not be issued on “new business” applications (E-Quote) if any of the following items are missing when being submitted to T.W.I.A.:

- A completed application (E-Quote)
- A current photograph
- A check for the **full gross premium**. (Including the agent’s commission)
- Copy of the approval report verifying that the home is blocked and tied down according to current Texas Department of Housing & Community Affairs (hereinafter referred to as TDHCA) guidelines. Refer to Rule 3 below.

**(Without all of the above information the application will be rejected and returned to you unissued.)**

Note: If coverage is desired on adjacent, unattached structures you must submit those items for coverage on a separate E-Quote application through the T.W.I.A. regular program.

Send Applications to: Texas Windstorm Insurance Association  
P. O. Box 99090  
Austin, TX 78709-9090

### 3. **APPROVAL REPORT:**

An approval report may be obtained from the TDHCA if the home has been blocked and tied within the past 5 years. This report must indicate that the home is blocked and tied with “No violations or Violations Corrected”. There is a charge for this report. TDHCA may be contacted at:

Texas Department of Housing & Community Affairs  
Manufactured Housing Division  
P. O. Box 12489  
Austin, TX 78711-2489  
Telephone: 1-800-500-7074

If there is no approval report on file with the TDHCA or if the report is over 5 years old, you must contact an installer who is licensed with the TDHCA to make an inspection and provide a report. A copy of the completed report, on the form normally sent to TDHCA which indicates “For T.W.I.A. use only: Home is blocked and tied with no violations” or the T.W.I.A.-MH96 form provided by T.W.I.A. may be used. (See page 70) **A new tie down approval report is required the 1<sup>st</sup> year and each subsequent 5- year interval.**

### 4. **RATES:**

Rates per \$100 of coverage:	\$ 2.50 -	If risk is located Inland of the Intracoastal Waterway
	\$ 5.00 -	If risk is located Seaward of the Intracoastal Waterway

### 5. **COMMISSION:**

Commission on a mobile home application is 12%.

### 6. **LIMIT OF LIABILITY:**

Limit of liability on a mobile home and/ or the personal property is \$ 84,000.

### 7. **DEDUCTIBLES:**

For property located Inland of the Intracoastal Waterway	-	1% with a \$ 250.00 minimum
For property located Seaward of the Intracoastal Waterway	-	2% with a \$ 250.00 minimum

### 8. **BUILDING CERTIFICATIONS:**

If there is a site built addition attached to a mobile home it will rate as part of the mobile and a building certificate will be required.

Refer to page 57 of this manual for complete information.

### 9. **HOMES MANUFACTURED SEPTEMBER 1, 1997 AND AFTER:**

Homes manufactured September 1, 1997 and after must be designated as Zone II homes in order to be placed in the tier one counties. For additional information concerning this requirement contact the manufacturer or the TDHCA.

## 10. INSTRUCTIONS FOR USING A T.W.I.A. MOBILE HOME RENEWAL NOTICE

### Renewal Notice:

Renewal notices are not binding or guaranteed by T.W.I.A. Premium or policy conditions are subject to change due to changes in values or rates and may affect final policy issuance. They are meant to be a preliminary indication of forms and rates at the time of notice, but may change by the time of policy issuance. **T.W.I.A. assumes no responsibility, and has no liability for failure of the insured or their agent to effect uninterrupted coverage. Records should be maintained by the agent to insure that all policies are properly renewed.**

The renewal notice will print 60 days in advance of the policy expiration date, containing the same information as on the existing policy **at the time of its printing**, including any changes, which have been made to the original policy during the policy term. The premium will be recalculated based on the amounts of insurance and forms on the policy at the time of printing. The gross premium will be indicated on the notice. Any additional information required to complete the file will be noted on a separate memo, which will be attached to the renewal notice. **All correspondence must be returned together with the renewal notice.** When submitting for coverage using the renewal notice, confirmation of receipt by T.W.I.A. will not be provided.

The following must be submitted to be considered for a binder:

### Refer to:

- A completed Renewal Notice application.
- A check for the full gross premium (Including the agent's commission)
- A separate check is required for each application
- **Note: T.W.I.A. Mobile Home applications may not be financed through Wellington Premium Finance Inc.** Page 6, rule 4
- A current photograph for each new policy term on the 1<sup>st</sup> year and each subsequent 5- year interval. Page 8, rule 8 (Photo must clearly show both the type of construction and physical condition)

To renew a policy using the renewal notice you must:

- Review the renewal notice to verify that any changes that have been requested recently are included. If not, you must note the changes on the renewal notice prior to submission.
- Indicate changes to the notice in "red". Make sure all changes are clear and legible.
- **Note: If changes are made that may affect the premium you must recalculate the premium and forward the correct check amount. An amended renewal notice will not be provided.**
- Answer all questions on the bottom of the form. Additional information and/or forms will be required before a policy can be issued if any of these questions are answered yes. Attach the applicable information and/or forms.
- If changes are being made, place a check mark in the appropriate box at the bottom of the notice.
- If the submitting agent is different from the agent printed on the renewal notice it will be necessary to enter the new agent information including their tax identification number and their current General Lines Agent-Property & Casualty License number.
- Have the notice signed by each insured and return along with a check for the full net premium.

**MOBILE HOME RENEWAL NOTICE**

**Texas Windstorm Insurance Association  
P.O. Box 99090 Austin, Texas 78709-9090**

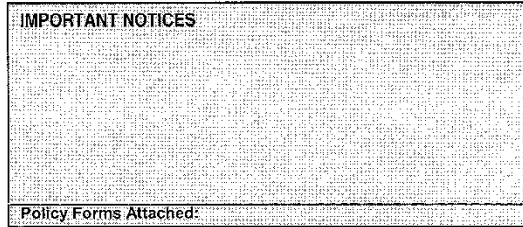
Policy Number:

Policy Period:

12:01 A.M. Standard Time at the property location

Name of Insured and Mailing Address:

Name of Agent and Mailing Address:



**COVERAGES - Windstorm and Hail Only**

Item No.	Property and Form Description	Deductible	Limit of Liability	Premium
1	<i>Property Description:</i> Mobile Home  <i>Underwriting Details:</i>  <p align="center">----- End of Items Schedule -----</p>			
<p>In consideration of the issuance of this policy and as an inducement for its issuance it is hereby agreed, contracted and represented and made a condition of this policy that the insured property was constructed and will continue to be maintained in compliance with the Texas Mobile Home Standards Rules and Regulations or the Mobile Home Construction and Safety Standards established under the National Mobile Construction and Safety Standards Act of 1974 as may be appropriate under Article 5221f, V.A.C.S., in effect at the time of manufacture. In consideration of the issuance of this policy and as an inducement for its issuance it is hereby agreed, contracted and warranted and made a condition of this policy that the insured property has been, and will continue to be blocked anchored and secured and an appropriate support and anchoring system installed in compliance with current Texas Mobile Home Standards Rules and Regulations and the Mobile Construction and Safety Standards Act established under the National Mobile Home Construction and Safety Standards Act of 1974 as may be appropriate under Article 5221f, V.A.C.S. The Texas Windstorm Insurance Association shall not be liable for windstorm loss occurring during failure to comply with any of the conditions of the above representations or warranties.</p> <p>THE ABOVE STATEMENTS ARE CORRECT TO THE BEST OF MY KNOWLEDGE.</p> <p align="right">_____ Signature(s) of Insured(s)</p>				

Total Limit / Total Premium:

Total Surcharges:

Total Premium + Total Surcharges:

**Renewal Notice - Not a Binder or a Policy**  
Page 1 of 2

### COVERAGES - Windstorm and Hail Only

#### RENEWAL INSTRUCTIONS

Check this box if any changes are made.

Please complete the following questions and indicate any desired changes to the policy on this renewal notice. Line through and clearly show new information. Obtain signature(s) as indicated. Additional renewal notices will not be mailed.

Return ALL pages of the signed renewal notice with a check for \_\_\_\_\_ to T.W.I.A. prior to \_\_\_\_\_. This amount is less commission of: \_\_\_\_\_

Please note, continuous coverage will not be bound unless a copy of this renewal notice is received by T.W.I.A. with a check for the total amount due prior to the above date. Note: Surcharges are not subject to commission and are non-refundable.

- 1. Is the premium financed? If yes, attach a completed Form 151-A, Premium Assignment Clause.  Yes  No
- 2. Have there been any repairs, alterations or additions to the building structure in the past 12 months?  Yes  No  
If yes, indicate item number(s) and description of repairs or alterations. If applicable, attach a WPI-8.

Item # (s): \_\_\_\_\_

- 3. Companion Coverage Company: \_\_\_\_\_  No Companion Policy

Renewal notices are not binding or guaranteed by T.W.I.A. Premium or policy conditions are subject to change and may affect final policy issuance. The renewal notice is meant to be a preliminary indication of forms and rates. T.W.I.A. assumes no responsibility and has no liability for failure of the insured or their agent to effect uninterrupted coverage.

#### IMPORTANT LEGAL NOTICES:

##### Evidence of Declination:

An agent returning a Renewal Notice as an offer for insurance with TWIA is responsible for obtaining evidence of a current declination for wind and hail property coverage from a standard market insurer, excluding surplus lines carriers, for each new policy term. With the act of submitting this Renewal Notice for property coverage with TWIA, I, the insured's agent, acknowledge I am in possession of the required proof of prior declination for wind and hail property coverage, and it is my intent to keep record of that document. This evidence of a prior declination must be made available to TWIA, if specifically requested.

NOTE: The declination may either be:

- a refusal to offer new or renewal wind and hail coverage on the property, or
  - a refusal to offer basic insurance sought by the applicant that is substantially equivalent to that offered by TWIA.
- For example, the lowest deductible offered by a standard market company is greater than that which can be obtained from TWIA.  
(See TWIA Declination Worksheet posted under Documents & Downloads on the TWIA website)

##### Flood Insurance Requirement:

An agent returning a Renewal Notice as an offer for insurance with TWIA is responsible for verifying that a current, in-force flood policy is in effect for the term of the TWIA policy, when required. With the act of submitting this Renewal Notice for property coverage with TWIA, I, the insured's agent, acknowledge I am in possession of the required evidence of a companion flood insurance policy that provides coverage concurrent with the term of the TWIA policy, and it is my intent to keep record of that documentation. This evidence of an in-force flood policy must be made available to TWIA, if specifically requested.

Date Printed: \_\_\_\_\_

**Renewal Notice - Not a Binder or a Policy**

Page 2 of 2

**TEXAS WINDSTORM INSURANCE ASSOCIATION  
MANUFACTURED HOUSING INSPECTION APPROVAL FORM**

**(All sections of this form must be completed, report must be signed by an Installer Registered with the Texas Department of Housing & Community Affairs)**

Owner Information:

Name: \_\_\_\_\_

Location of Home: \_\_\_\_\_

Home Identification: \_\_\_\_\_

Manufacturer: Make or Model \_\_\_\_\_

HUD Label No. or Texas Seal No. \_\_\_\_\_

Serial No. \_\_\_\_\_ Date of Mfg.: \_\_\_\_\_ Wind Zone: \_\_\_\_\_

Box Size: Length (excluding tongue) \_\_\_\_\_ Width: \_\_\_\_\_

**Installer or Inspector Information:**

Company Name: \_\_\_\_\_

Company Address: \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Phone No. \_\_\_\_\_

Name of Installer or Inspector: \_\_\_\_\_ Registration No. \_\_\_\_\_  
(please print)

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**INSTALLATION CERTIFICATION:**

**To the best of my knowledge, this manufactured (mobile) home is blocked and tied down in accordance with:  
(Check appropriate method)**

\_\_\_\_\_ **Manufacturer's Installation Instructions**

\_\_\_\_\_ **State Generic Standards at the time of installation with no violations.**

\_\_\_\_\_  
**(Signature)**

\_\_\_\_\_  
**(Date)**

(Form: T.W.I.A.-MH96)