



## MEMORANDUM

DATE: September 10, 2009

TO: TWIA Agents

FROM: Randy Wipf  
Vice President, Underwriting/Agent Services

**RE: Implementation Of HB 4409 For Declination Of Coverage In The Standard Market  
(begin collecting this information immediately):**

---

### **Declination of Coverage**

To assist agents in keeping records for their internal files, TWIA has developed a “Declination Worksheet” for your use. (See TWIA Declination Worksheet posted under Documents & Downloads on the TWIA web site).

Agents are required to maintain, and submit at the request of the Association, evidence of one declination of coverage for the property insured by the Association 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 change applies to both new and renewal policies. By act of submitting an application for property coverage to TWIA, an agent is acknowledging possession of the required declination, and intent of maintaining that record. 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 the Association.  
(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 web site)**

*For a detailed explanation concerning the declination requirements and what constitutes acceptable documentation, please read the Commissioner’s Order 09-0714. Go to: [www.tdi.state.tx.us](http://www.tdi.state.tx.us) , then click on: **NEW - TWIA Emergency Rule** , on the next screen to appear click on the underlined link, [5.4902-5.4908](#), found under the heading “Section Number”, to open Commissioner’s Order 09-0714. The direct web address is: <http://www.tdi.state.tx.us/rules/2009/documents/09-0714.pdf> . The declination information is contained on page 6, and from pages 13 – 14 of the document.*

### **Texas Windstorm Insurance Association**

5700 South MoPac Expressway, Building E, Suite 530, Austin, Texas 78749 • P.O. Box 99090, Austin, Texas 78709-9090  
512-899-4900 / Fax 512-899-4950

**TWIA DECLINATION WORKSHEET**

**For**

**Evidence Of Declination In Conjunction With Coverage Written By TWIA  
(Pursuant to TAC §§ 5.4902 – 5.4908)**

**Insurance Company declining to write coverage:** \_\_\_\_\_

**Agency submitting application to TWIA** Agency Name: \_\_\_\_\_  
Agency Location: City/State \_\_\_\_\_

**Applicant's Name:** \_\_\_\_\_

**Physical Address of Property to be Insured:** Street No. & Name \_\_\_\_\_  
City/State \_\_\_\_\_, TX  
Zip \_\_\_\_\_

1. The insurance company shown above is an insurer authorized to engage in the business of property insurance in the state of Texas (surplus lines companies DO NOT QUALIFY).
2. The insurance company shown above is writing at least one policy of property insurance providing windstorm and hail insurance coverage in the first tier coastal counties.
3. The insurance company shown above declines to provide windstorm and hail insurance coverage for (mark one of the two reasons below):
  - \_\_\_\_\_ a) the subject property (copy of current declining company's underwriting guideline or letter of specific declination to be kept in client's file of the agent submitting the application to TWIA).
  - \_\_\_\_\_ b) basic insurance coverage sought by the applicant that is substantially equivalent to that offered by the Association.  
(For example, the lowest deductible offered by a standard market company is greater than that which can be obtained from TWIA)

**DATE OF ANNUAL DECLINATION:** \_\_\_\_\_  
Month / Date / Year

*For a detailed explanation concerning the declination requirements and what constitutes acceptable documentation, please read the Commissioner's Order 09-0714. Go to: [www.tdi.state.tx.us](http://www.tdi.state.tx.us) , then click on: **NEW - TWIA Emergency Rule** , on the next screen to appear click on the underlined link, **5.4902-5.4908**, found under the heading "Section Number", to open Commissioner's Order 09-0714. The direct web address is: <http://www.tdi.state.tx.us/rules/2009/documents/09-0714.pdf> . The declination information is contained on page 6, and from pages 13 – 14*