



## MEMORANDUM

DATE: September 10, 2009

TO: TWIA Agents

FROM: Randy Wipf  
Vice President, Underwriting/Agent Services

**RE: Implementation Of HB 4409 For Evidence Of Flood Coverage In Conjunction With  
Coverage Written By TWIA  
(Pursuant to TAC §§ 5.4902 – 5.4908)  
(begin collecting this information immediately):**

---

### **Flood Coverage**

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

Agents will be required to provide confirmation to TWIA, upon request, that flood insurance is in force for those policies that are required to have a companion flood policy. This section applies to a structure constructed, altered, remodeled or enlarged on or after September 1, 2009. The structure must be in Zone V, Zone VE or Zone V1-V30. 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 any reconstruction/restoration of an existing structure that is deteriorated or damaged.

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 flood information, and intent of maintaining that record.

**(See TWIA Flood Worksheet posted under Documents & Downloads on the TWIA web site)**

*For a detailed explanation concerning the flood 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 flood information is contained on pages 6 – 8, and from pages 14 – 16 of the document.*

**NOTE: TWIA STRONGLY RECOMMENDS THAT AGENTS SOLICIT FLOOD COVERAGE IN ALL FLOOD ZONES.**

### **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 FLOOD WORKSHEET

For

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

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. Is the property located in one of the designated National Flood Insurance Program (NFIP) flood zones (Zone V, Zone VE, or Zone V1-V30)?  
\_\_\_ Yes \_\_\_ No
2. Is the structure being constructed, altered, remodeled, or enlarged beginning on or after September 1, 2009? \_\_\_ Yes \_\_\_ No

**If the answers to BOTH items 1 and 2 above are YES, the agent submitting an application to TWIA for the subject property, is REQUIRED to maintain proof of flood coverage in written form and provide such proof to the Association if requested.**

Key criteria are summarized as follows (This summary is not meant to replace actual terms stipulated in the Commissioner's Order 09-0714):

- A. Minimum amount of flood coverage must be at least equal to the lesser of:
  - i. 90% of the amount of insurance for the property insured by TWIA, if NFIP coverage is on a replacement cost basis.
  - ii. 90% of ACV if replacement cost is not available through the NFIP.
  - iii. The maximum amount available under the NFIP for the property.
- B. Flood coverage must be maintained throughout the entire period the Association policy is in effect.
- C. Flood coverage is not required for "REPAIR" of a structure. This includes reconstruction/restoration of an existing structure that is deteriorated or damaged.
- D. Flood coverage is not required if the NFIP or a "write your own company" refuses to insure the subject property.
- E. Contents located on or above the third floor of a structure are not subject to the requirements for flood coverage in order to be eligible for wind and hail coverage with TWIA.

*For a detailed explanation concerning the flood 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 flood information is contained on pages 6 – 8, and from pages 14 – 16 of the document.*

**NOTE: TWIA STRONGLY RECOMMENDS THAT AGENTS SOLICIT FLOOD COVERAGE IN ALL FLOOD ZONES.**

### 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