



MEMORANDUM

DATE: October 27, 2008
TO: All Agents
FROM: Randy Wipf
Director, Underwriting/Pricing

RE: Buildings with unrepaired damage in six counties affected by Hurricane Ike

T.W.I.A. will assume that buildings in the six counties affected by Hurricane Ike have damage. Consequently, all new business applications (including previous T.W.I.A. policies with a lapse in coverage during hurricane Ike) submitted to T.W.I.A. for building or contents coverages on structures (commercial or residential) in Jefferson, Chambers, Harris, Galveston, Brazoria, or Matagorda counties will be inspected by T.W.I.A. to determine insurability. All new business applications will be put on a temporary binder, pending outcome of the exterior inspection.

This inspection is **NOT** an inspection for a WPI-8 (certificate of building code compliance) but only to ensure that the building(s) meet “reasonable underwriting standards” confirming that any structural damages from Hurricane Ike, Rita, or other storms have been repaired. Therefore structures that have been tarped awaiting repair, or that have missing shingles, siding, or that have damage that may allow the weather elements to add additional damage are **NOT** insurable and should **NOT** be submitted for coverage until appropriate permanent repairs have been made. NOTE: Structures not meeting reasonable underwriting standards are not eligible for builders risk coverage since most often it would not be possible to segregate previous damage from new damage. Once repairs are completed, an application may be submitted to T.W.I.A., however, an inspection will be made on structures to determine if they are in insurable condition.

In summary, T.W.I.A.’s process will be the following in the six counties affected by Ike:

1. An inspection will be ordered for all buildings where coverage for the buildings and/or their contents have been requested. NOTE: The agent needs to advise the applicant that an inspection will take place and failure to allow the inspector access to the property or failure to cooperate with timely inspection will result in immediate rejection of the application with no coverage.
2. The inspection report will be reviewed by T.W.I.A. Underwriters. If the inspection shows that the building(s) meet reasonable underwriting standards and the underwriting information is complete, i.e. WPI-8’s provided, then T.W.I.A. will issue a policy based on T.W.I.A.’s binding rules for receipt of applications. **NOTE: IF THE REPORT SHOWS THE STRUCTURE IS NOT IN INSURABLE CONDITION, THE BINDER WILL BE TERMINATED WITH 10 DAYS NOTICE PLUS 5 DAYS MAILING AND APPROPRIATE PREMIUM CHARGED FOR THE BINDING PERIOD.**

Texas Windstorm Insurance Association

5700 South MoPac Expressway, Building C, Suite 300, Austin, Texas 78749 • P.O. Box 99090, Austin, Texas 78709-9090
512-899-4900 / Fax 512-899-4950