



MEMORANDUM

DATE: December 16, 2011

TO: All Agents

RE: **TWIA Billing and Commission Project Update for January 1, 2012 “Go-Live”**

NOTE: Due to the TWIA system conversion to implement the Billing and Commission program over New Year’s weekend, TWIA’s E-Quote system will be shut down beginning on Friday December 30th at 5:00 pm and will re-open on Tuesday, January 3rd at 8:00 am. The Policyholder Portal will also be unavailable.

Any transactions processed in TWIA’s office after 1/1/12 will require gross premium, including surcharges if applicable, regardless of effective date. Since the Holidays can affect mail service, we suggest you begin remitting gross premium immediately to avoid the extra work of sending another check to reach the required 100% of gross premium remitted. If the gross premium payment is processed prior to the end of the year, TWIA will return a check for the commission amount back to the agent. If the gross premium payment is processed after the end of the year, TWIA will post your commission to the January Commission statement paid on 5th business day of February.

In an effort to streamline processing so that more applications are “Issued” rather than returned to agents under “Binder”, included with this memo is a chart that the Underwriting Department has constructed for agents to use as a guide for what is required in order to have a policy “Issued”. The advantage of having a policy “Issued” rather than returned under “Binder” is that the Billing system will credit policies that are “Issued” on the respective agent’s commission statement, but policies put under “Binder” are not credited to an agent’s commission statement until the underwriting requirements are resolved and a policy is “Issued”. Commissions will not be paid on “Binders”.

With regard to commission payments, we’d ask if you haven’t returned your ACH Authorization forms to designate the bank account you’d like your commission deposited to, please do so now. The agent bulletin of December 1, 2011, posted to TWIA’s web site, contains an ACH Authorization Form and instructions on how to complete and submit the form to TWIA. All commission payments will be made electronically by direct deposit to each agency’s bank account, to avoid issuing checks and the delay of paying commissions through regular mail.

One source for TWIA Billing and Commission ‘questions and answers’ is the TWIA web site. We have posted frequently asked questions (FAQ’s) about the Billing and Commission system under the Agent tab at www.twia.org. You can find ‘Billing and Commission FAQ’s’ in the menu list on the left side of the web page to answer many of the questions we’ve been getting. You can also call the Accounting Department or Underwriting Department at 800-788-8247 and follow the prompts to speak to someone on such matters. In addition, billing questions can be sent to Billingquestions@twia.org. An answer will be returned to you in timely fashion as the mailbox is monitored during normal business hours.

Please distribute this reference document to everyone in your office who might work with T.W.I.A.

<p><u>New Business (Reasons application is placed under binder and policy is not issued)</u></p> <p>Signatures: Application not signed however, EFT applications are signed electronically so does not apply to them.</p> <p>MSB: Questions regarding MSB where the information does not match the application: i.e.</p> <ul style="list-style-type: none"> •Risk address •Year Built •Total area •Construction type •Replacement Cost Value. <p>Non-compliance with Co-Insurance: When the replacement cost value on the MSB report is different than the application.</p>	<p><u>Renewals (Reasons application is placed under binder and policy is not issued)</u></p> <p>Signatures: Renewal not signed.</p> <p>MSB: •MSB not submitted when required. OR</p> <p>Questions regarding MSB where the information does not match the application: i.e.</p> <ul style="list-style-type: none"> •Risk address •Year Built •Total area •Construction type •Replacement Cost Value. <p>Non-compliance with Co-Insurance: When the replacement cost value on the MSB report is different than the application.</p>	<p><u>Rejected Applications: New Business or Renewals (Reasons a binder or policy would not be issued)</u></p> <p>Previously cancelled by TWIA for: missing data and resubmitted without outstanding information.</p> <p>Uninsurable Property:</p> <ul style="list-style-type: none"> •New Business submission for property found on the "TWIA uninsurable list". i.e. TWIA paid claim and application received without evidence of WPI-8 for repairs and no WPI-8 found at TDI. •Uninsurable physical condition.
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<p><u>Non-Compliant with co-insurance requirement:</u> When the minimum amount of insurance to meet coinsurance is not being carried.</p> <p><u>Premium Financing:</u> Incomplete Power Of Attorney form or 151-A, i.e.</p> <ul style="list-style-type: none"> • form not signed • financier not designated 	<p><u>Non-Compliant with co-insurance requirement:</u> When the minimum amount of insurance to meet coinsurance is not being carried.</p> <p><u>Premium Financing:</u> Incomplete Power Of Attorney form or 151-A, i.e.</p> <ul style="list-style-type: none"> • form not signed • financier not designated
<p><u>Primary Versus Secondary occupancy will be questioned:</u> If mailing address (excluding local PO Boxes) is different than insured risk address, and "Primary Dwelling" is indicated on the application.</p> <p><u>Agent Eligibility:</u> Agent is "Ineligible" due to required information not registered with TDI and/or TWIA.</p>	<p><u>Primary Versus Secondary occupancy will be questioned:</u> If mailing address (excluding local PO Boxes) is different than insured risk address, and "Primary Dwelling" is indicated on the application.</p> <p><u>Agent Eligibility:</u> Agent is "Ineligible" due to required information not registered with TDI and/or TWIA.</p>
<p><u>Business Interruption:</u> Incomplete information regarding Business interruption coverage, i.e.. Daily limit, etc...</p>	<p><u>Business Interruption:</u> Incomplete information regarding Business interruption coverage, i.e.. Daily limit, etc...</p>

<p><u>COBRA Zone:</u> Risk is located in the Coastal Barrier Zone and built after grandfather date expired.</p>	<p><u>Indebted to TWIA:</u> Policy previously cancelled subject to the 180-day / 90-day Minimum Earned Premium and outstanding balance not paid / not submitted with new submission.</p>	<p><u>NSF:</u> TWIA receives a Non-sufficient fund check while the application is under binder. Note: if the NSF is received after a policy has been issued, TWIA will issue a Notice of Cancellation.</p>	<p><u>Outside of the TWIA coverage area:</u> New Business application is received for property outside of the TWIA coverage area.</p>	<p><u>Mobile Homes:</u></p> <ul style="list-style-type: none"> • New Business mobile home application submitted without tie down inspection form I.e. MH-96 or Form T • Mobile homes manufactured September 1, 1997 and after must be designated as Zone II homes and tie down report shows Zone I.
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<ul style="list-style-type: none"> • Park model homes (travel trailers) are not insurable through TWIA. 				
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<p><u>Certification requirement:</u></p> <ul style="list-style-type: none"> • WPI-8 not on file with TDI & Waiver not requested • Waiver requested but applicant does not qualify for the Waiver. 	<p><u>Indebted to TWIA:</u></p> <p>Balance due on a expiring or expired policy.</p>			
<p><u>Discrepancies on Certification:</u> i.e. Addresses don't match between the WPI-8 and application</p>	<p><u>Renewal Application:</u></p> <p>3 questions at the bottom of renewal application are not answered.</p>			
<p><u>Verification of construction type:</u></p> <p>Superior construction requested on items without supporting documentation.</p>	<p><u>Mobile Homes:</u></p> <p>Current mobile home tie down report and photograph are not submitted on every "5th year" renewal.</p>			
<p><u>Contents coverage in Condominiums, Townhouses and Apartments Units:</u></p> <p>If name of complex and building number are not provided</p>				

<p><u>Diagram:</u> If no labeled diagram is provided when there are multiple buildings at same location.</p>				
<p><u>Builders risk:</u></p> <ul style="list-style-type: none"> • Applications submitted without a photo. • Verification of intended occupancy. • Confirmation of FR or SFR construction. 				
<p><u>Mobile Homes:</u> Current photo of home not included with submission.</p>				