



Randy Wipf, CIC  
Director - Underwriting/Pricing

MEMORANDUM

DATE: February 11, 2003  
TO: ALL AGENTS  
RE: **MOLD Clarification Exclusion**

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*Please read and route to interested personnel in your agency!*

Please note that all Texas Windstorm Insurance Association (T.W.I.A.) policies will have the attached notice included for an agent to deliver to their insured(s) as part of the policy package sent to agents for distribution.

Please take time to read the change, which has been incorporated into the policy itself. While this is not a change in the original intent of coverage provided by T.W.I.A.'s policies, it has been added as a means to help clarify T.W.I.A.'s position, that mold is not a covered peril.

## **\*\*Important\*\***

Please read the following:

All Texas Windstorm Insurance Association (T.W.I.A.) policies issued after March 1, 2003 have a clarification added to the exclusion section of the policy. **Please read the exclusion below titled, “Mold, Fungi, or Other Microorganisms”.** If you have questions relating to this clarification, please call your agent or T.W.I.A. at 1-800-788-8247.

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### **CLARIFYING LANGUAGE REGARDING MOLD, FUNGI, AND OTHER MICROORGANISMS**

This endorsement modifies insurance provided under each policy form listed below:

T.W.I.A. Dwelling Policy

T.W.I.A. Commercial Policy

T.W.I.A. Texas Special Mobile Home Windstorm and Hail Insurance Policy

The following exclusion is added to each policy form as follows:

Exclusion 9 to the T.W.I.A. Dwelling Policy,

Exclusion 10 to the T.W.I.A. Commercial Policy,

After the second paragraph of SECTION III - SPECIFIC COVERAGE CONDITIONS to the T.W.I.A. Texas Special Mobile Home Windstorm and Hail Insurance Policy.

#### **Mold, Fungi, or Other Microorganisms:**

a. “Fungi or mold and other microorganisms” when used in the policy or in this exclusion means the presence, growth, proliferation, spread or any activity of fungi or mold and other microorganisms.

This exclusion also applies to the cost:

- (1) to remove fungi or mold and other microorganisms from covered property covered under this Texas Windstorm Insurance Association policy.
- (2) to tear out and replace any part of the building or other covered property as needed to gain access to the fungi or mold and other microorganisms; and
- (3) of testing of air or property to confirm the absence, presence or level of fungi or mold and other microorganisms;

b. This exclusion applies unless the fungi or mold and other microorganisms are located upon the portion of covered property which must be repaired or replaced because of direct physical damage resulting from sudden and accidental wind or hail which would otherwise be covered under this policy. For purposes of this exclusion, sudden and accidental shall include a loss event that is hidden or concealed for a period of time until it is detectable. A hidden loss must be reported to us no later than 30 days after the date it was detected or should have been detected.

c. However, the exception to the exclusion described in “b.” above does not include:

- (1) the cost to treat, contain, remove or dispose of the fungi or mold and other microorganisms beyond that which is required to repair or replace the covered property physically damaged by water;
- (2) the cost of any testing of air or property to confirm the absence, presence or level of fungi, mold and other microorganisms whether performed prior to, during or after the removal, repair, restoration or replacement;
- (3) the cost of any decontamination of the covered property covered under this Texas Windstorm Insurance Association policy;
- (4) any increase in loss under this Texas Windstorm Insurance Association policy related to loss of use, debris removal, additional living expense, or diminution in value resulting from c. (1), (2), and (3).