



Randy Wipf, CIC

Director - Underwriting/Pricing

MEMORANDUM

DATE: November 20, 2006

TO: ALL AGENTS

RE: 1) Commercial & Residential rate changes – Effective 1/1/2007
2) 2007 Maximum Limits

Please read and route to interested personnel in your agency!

Effective 1/1/2007 T.W.I.A. rates are increasing for new and renewal policies, as follows:

- + 3.7% / All Commercial rates, to include Farm and Ranch and all Builders Risk policies
- + 4.2% / All Residential dwelling premiums

Important Note:

- Renewal notices with renewal dates of January 1 or later will include the new rates. Renewal coverage will not be bound without a copy of the renewal notice and a check for the full net premium submitted to T.W.I.A. along with any other required documents, i.e. replacement cost valuation for residential dwelling structures.
- New applications previously generated on E-quote with effective dates on or after 1/1/2007 should be recalculated before sending them to T.W.I.A. Updated rates for 2007 are now on the E-quote system. Any 2007 applications using 2006 rates will be issued with an invoice for the balance due. *(While E-quote is meant to be a preliminary indication of rates at the time of its use, derived results are not binding or guaranteed by T.W.I.A.)*

2007 Maximum Limits

- Effective 1/1/2007 Texas Windstorm Insurance Association (T.W.I.A.) maximum limits of liability will be as follows:

Coverage	Current limits / 2006	Revised Limits eff. 1/1/2007
Dwellings and Individually Owned Townhouses and Corporeal Movable Property	\$1,500,000	\$1,597,000
Individually Owned Corporeal Moveable Property in Apartments, Condominiums, or Townhouses	\$163,000	\$173,000
Commercial Buildings and Corporeal Moveable Property	\$3,000,000	\$3,206,000
Governmental Buildings and Corporeal Moveable Property	\$3,000,000	\$3,206,000

New business and renewal applications with effective dates of coverage of January 1, 2007 or after may now be submitted using limits of liability up to the new maximums shown for each category in the table above. As an example, contents coverage for condominium unit owners can be written up to a maximum amount of \$173,000 for policies effective in 2007.

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

**COMMERCIAL BUILDING AND BUSINESS PERSONAL PROPERTY
ANNUAL EXTENDED COVERAGE RATES (per \$100)**

TABLE*	COINSURANCE	BUILDING Rate Table A	BUSINESS PERSONAL PROPERTY Rate Table C
1 Frame (F)	50%	---	---
	80%	1.044	.837
	100%	1.034	.825
2 Brick (M)	50%	---	---
	80%	1.089	.888
	100%	.842	.676
3	50%	---	---
	80%	.888	.709
	100%	.751	.585
(HC)	50%	1.292	---
	80%	.800	.636
	100%	.765	.625
4 (WR)	50%	.516	---
	80%	.325	.255
	100%	.303	.250
(SWR)	50%	.643	---
	80%	.395	.318
	100%	.382	.310
5 Brick **	50%	---	---
	80%	.746	.370
	100%	---	---
5A Frame **	50%	---	---
	80%	.896	.451
	100%	---	---
5B Brick Veneer **	50%	---	---
	80%	.746	.370
	100%	---	---
7	50%	---	---
	80%	2.537	2.017
	100%	2.181	1.741
8	50%	---	---
	80%	3.023	2.422
	100%	2.537	2.028
9	50%	---	---
	80%	3.620	2.897
	100%	2.967	2.378
10	50%	---	---
	80%	4.344	3.476
	100%	3.620	2.897
11	50%	---	---
	80%	5.638	4.522
	100%	4.771	3.814
12	50%	---	---
	80%	8.277	6.611
	100%	6.960	5.568
13	50%	---	---
	80%	11.280	9.026
	100%	9.500	7.602
14	50%	---	---
	80%	22.383	17.910
	100%	18.793	15.031

* REFER TO THE SPECIAL INDEX & GENERAL INDEX OF THE T.W.I.A. MANUAL

** FOR ACV BUILDERS RISK FORM 21 (DWELLINGS) USE THE 80% COINSURANCE RATE

Effective (1-1-2007)

**TOWNHOUSE ASSOCIATION BUILDINGS (3 OR MORE UNITS) AND CONDOMINIUM BUILDINGS
ANNUAL EXTENDED COVERAGE RATES (per \$100)**

TABLE*	COINSURANCE	BUILDING Rate Table B
1 Frame (F)	50%	---
	80%	.621
	100%	.613
2 Brick (M)	50%	---
	80%	.654
	100%	.496
3	50%	---
	80%	.526
	100%	.440
(HC)	50%	.765
	80%	.480
	100%	.457
4 (WR)	50%	.303
	80%	.191
	100%	.185
(SWR)	50%	.382
	80%	.241
	100%	.232

***REFER TO THE SPECIAL INDEX & GENERAL INDEX OF THE T.W.I.A. MANUAL.**

Effective (1/1/2007)

**MODIFIED EXTENDED COVERAGE RATES (per \$100)
FOR MISCELLANEOUS FARM PROPERTY AND BARNs AND OUTBUILDINGS
TERRITORY 1**

Rates for Miscellaneous Farm Property (Commercial Standard Deductible applies)

<u>Table</u>	<u>Coinsurance</u>	<u>Rate</u>
15	.80	1.164
21	.80	2.286
22	.80	3.135
23	.80	4.539
24	.80	9.016

Rates for Barns and Outbuildings (Commercial Standard Deductible applies)

Frame	2.262
Brick Veneer	1.942
Brick	1.623

**MODIFIED EXTENDED COVERAGE RATES (per \$100)
FOR MISCELLANEOUS FARM PROPERTY AND BARNs AND OUTBUILDINGS
TERRITORIES 8, 9, AND 10**

Rates for Miscellaneous Farm Property (Commercial Standard Deductible applies)

<u>Table</u>	<u>Coinsurance</u>	<u>Rate</u>
15	.80	1.288
21	.80	2.525
22	.80	3.455
23	.80	5.018
24	.80	9.963

Rates for Barns and Outbuildings (Commercial Standard Deductible applies)

Frame	2.497
Brick Veneer	2.146
Brick	1.794

DWELLING BUILDING AND PERSONAL PROPERTY (TERRITORY 1)
 MODIFIED EXTENDED COVERAGE PREMIUMS
 (Rates for 1% Deductible - \$100 Minimum Premium Applies)

Amount of Insurance	Dwelling Chart 1A 80% Coinsurance Required			Personal Property Chart 1B		
	Frame	BV	Brick	Frame	BV	Brick
1,000	9	7	6	2	2	2
1,500	11	9	7	4	4	4
2,000	15	13	11	4	4	4
2,500	17	13	11	7	4	4
3,000	19	16	13	7	6	5
3,500	22	18	15	7	6	5
4,000	22	18	15	9	6	5
5,000	26	22	18	9	6	5
6,000	28	24	20	9	9	7
7,000	30	27	22	11	9	7
7,500	32	27	22	11	9	7
8,000	35	29	24	13	11	9
9,000	39	33	28	13	11	9
10,000	43	38	31	15	13	11
11,000	47	40	33	18	13	11
12,000	52	44	37	18	15	13
13,000	56	47	39	20	17	14
14,000	60	51	42	22	17	14
15,000	65	55	46	22	19	16
16,000	69	58	48	24	19	16
17,000	73	62	52	27	21	18
18,000	78	66	55	27	23	20
19,000	82	69	57	29	23	20
20,000	86	73	61	31	26	22
21,000	91	78	64	31	26	22
22,000	95	80	66	33	28	23
23,000	99	84	70	35	30	25
24,000	104	89	74	38	30	25
25,000	108	91	75	38	32	27
26,000	112	95	79	40	32	27
27,000	117	100	83	42	34	29
28,000	121	102	85	42	36	31
29,000	125	106	88	44	36	31
30,000	129	111	92	46	38	32
35,000	151	128	107	53	45	38
40,000	173	146	121	62	51	43
45,000	194	164	136	69	57	49
50,000	216	184	153	77	64	54
55,000	235	202	167	84	68	58
60,000	257	219	182	91	75	63
65,000	278	237	197	99	81	68
70,000	300	257	213	106	87	74
75,000	322	275	228	115	94	79
80,000	343	292	243	122	100	85
85,000	365	310	258	130	106	90
90,000	386	330	274	137	113	95
95,000	408	348	289	146	119	101
100,000	429	366	304	152	126	106
Each Add'l \$1000	4.29	3.66	3.04	1.52	1.26	1.06

** To obtain premiums other than 1% deductible, refer to Deductible Adjustment Percentage Schedule

Effective (1-1-2007)

DWELLING BUILDING AND PERSONAL PROPERTY (TERRITORIES 8,9 and 10)

MODIFIED EXTENDED COVERAGE PREMIUMS

(Rates for 1% Deductible - \$100 Minimum Premium Applies)

Amount of Insurance	Dwelling Chart 1A			Personal Property Chart 1B		
	Frame	BV	Brick	Frame	BV	Brick
1,000	14	11	9	3	3	3
1,500	17	14	12	7	7	6
2,000	24	21	18	7	7	6
2,500	27	21	18	10	7	6
3,000	31	25	21	10	10	9
3,500	34	28	24	10	10	9
4,000	34	28	24	14	10	9
5,000	41	35	29	14	10	9
6,000	44	39	32	14	14	11
7,000	47	42	35	17	14	11
7,500	51	42	35	17	14	11
8,000	54	46	38	21	17	14
9,000	61	53	44	21	17	14
10,000	68	60	50	24	21	17
11,000	75	64	53	28	21	17
12,000	81	71	59	28	24	20
13,000	88	74	62	31	28	23
14,000	95	81	68	35	28	23
15,000	102	88	73	35	31	26
16,000	108	92	76	38	31	26
17,000	115	99	82	42	35	29
18,000	122	106	88	42	38	32
19,000	129	110	91	45	38	32
20,000	136	117	97	49	42	34
21,000	142	124	103	49	42	34
22,000	149	127	106	52	45	37
23,000	156	135	112	56	49	40
24,000	163	142	118	59	49	40
25,000	170	145	120	59	52	43
26,000	176	152	126	63	52	43
27,000	183	159	132	66	56	46
28,000	190	163	135	66	59	49
29,000	197	170	141	69	59	49
30,000	203	177	147	73	63	52
35,000	237	205	170	83	73	60
40,000	271	234	194	97	84	69
45,000	305	262	217	108	94	77
50,000	339	294	244	122	105	86
55,000	370	322	267	132	112	92
60,000	403	350	291	142	122	100
65,000	437	379	314	156	132	109
70,000	471	411	341	167	143	118
75,000	505	439	364	181	153	126
80,000	539	467	388	191	164	135
85,000	573	496	411	205	174	143
90,000	607	527	438	215	185	152
95,000	641	556	461	229	195	161
100,000	675	584	485	240	206	169
Each Add'l \$1000	6.75	5.84	4.85	2.40	2.06	1.69

** To obtain premiums other than 1% deductible, refer to Deductible Adjustment Percentage Schedule

Effective (1-1-2007)

FARM AND RANCH DWELLING BUILDING AND PERSONAL PROPERTY (TERRITORY 1)
 MODIFIED EXTENDED COVERAGE PREMIUMS
 (Rates for 1% Deductible - \$100 Minimum Premium Applies)

Amount of Insurance	Dwelling Chart 1A			Personal Property Chart 1B		
	Frame	BV	Brick	Frame	BV	Brick
1,000	18	19	16	18	19	16
1,500	23	19	16	18	19	16
2,000	28	24	20	18	19	16
2,500	32	28	24	18	19	16
3,000	37	33	28	18	19	16
3,500	42	33	28	18	19	16
4,000	46	38	32	18	19	16
5,000	51	43	36	18	19	16
6,000	55	47	40	18	19	16
7,000	60	52	44	23	19	16
7,500	65	57	48	23	19	16
8,000	69	57	48	23	19	16
9,000	79	66	55	28	24	20
10,000	88	76	63	32	24	20
11,000	92	81	67	32	29	24
12,000	102	90	75	37	29	24
13,000	111	95	79	37	34	28
14,000	120	104	87	42	39	32
15,000	129	109	91	46	39	32
16,000	139	118	99	46	43	36
17,000	148	123	103	51	43	36
18,000	152	133	111	55	48	40
19,000	162	137	115	55	48	40
20,000	171	147	123	60	53	44
21,000	180	156	131	65	53	44
22,000	189	161	135	65	58	48
23,000	199	171	143	69	58	48
24,000	208	175	147	74	63	52
25,000	217	185	155	74	68	56
26,000	222	190	158	79	68	56
27,000	231	199	166	83	72	60
28,000	240	204	170	83	72	60
29,000	249	213	178	88	77	64
30,000	259	223	186	92	77	64
35,000	300	256	214	106	92	76
40,000	342	294	246	120	106	88
45,000	388	332	277	134	116	97
50,000	430	370	309	152	130	109
55,000	471	403	337	166	145	121
60,000	517	441	369	180	154	129
65,000	559	479	400	194	169	141
70,000	600	516	432	213	183	153
75,000	647	550	460	226	198	165
80,000	688	588	491	240	207	173
85,000	730	625	523	254	222	185
90,000	771	663	555	273	236	197
95,000	818	697	582	286	246	205
100,000	859	734	614	300	260	217
Each Add'l \$1000	8.59	7.34	6.14	3.00	2.60	2.17

** To obtain premiums other than 1% deductible, refer to Deductible Adjustment Percentage Schedule

Effective (1-1-2007)

FARM & RANCH DWELLING BUILDING & PERSONAL PROPERTY (TERRITORIES 8,9 and 10)

MODIFIED EXTENDED COVERAGE PREMIUMS

(Rates for 1% Deductible - \$100 Minimum Premium Applies)

Amount of Insurance	Dwelling Chart 1A			Personal Property Chart 1B		
	Frame	BV	Brick	Frame	BV	Brick
1,000	20	21	18	20	21	18
1,500	25	21	18	20	21	18
2,000	31	26	22	20	21	18
2,500	36	31	26	20	21	18
3,000	41	37	31	20	21	18
3,500	46	37	31	20	21	18
4,000	51	42	35	20	21	18
5,000	56	47	39	20	21	18
6,000	61	52	44	20	21	18
7,000	66	58	48	26	21	18
7,500	71	63	53	26	21	18
8,000	76	63	53	26	21	18
9,000	87	73	61	31	27	22
10,000	97	84	70	36	27	22
11,000	102	89	74	36	32	27
12,000	112	99	83	41	32	27
13,000	122	105	88	41	37	31
14,000	133	115	96	46	43	36
15,000	143	120	101	51	43	36
16,000	153	131	109	51	48	40
17,000	163	136	114	56	48	40
18,000	168	147	123	61	53	44
19,000	178	152	127	61	53	44
20,000	189	162	136	66	59	49
21,000	199	173	144	71	59	49
22,000	209	178	149	71	64	53
23,000	219	189	158	77	64	53
24,000	229	194	162	82	69	58
25,000	240	204	171	82	75	62
26,000	245	209	175	87	75	62
27,000	250	220	184	92	80	67
28,000	260	225	188	92	80	67
29,000	275	236	197	97	85	71
30,000	286	246	206	102	85	71
35,000	331	283	236	117	101	84
40,000	377	325	271	133	117	98
45,000	428	367	306	148	128	107
50,000	474	408	341	168	144	120
55,000	520	445	372	184	160	133
60,000	571	487	407	199	171	142
65,000	617	529	442	214	187	156
70,000	663	571	477	235	202	169
75,000	714	607	508	250	218	182
80,000	760	649	543	265	229	191
85,000	806	691	578	281	245	204
90,000	851	733	613	301	261	218
95,000	902	770	643	316	272	227
100,000	948	812	678	332	288	240
Each Add'l \$1000	9.48	8.12	6.78	3.32	2.88	2.40

** To obtain premiums other than 1% deductible, refer to Deductible Adjustment Percentage Schedule

Effective (1-1-2007)