



MEMORANDUM

DATE: June 5, 2006

TO: All Agents

FROM: Randy Wipf  
Director, Underwriting/Pricing

RE: WPI-8 (Certificate of Compliance) Waiver Program for Residential Dwellings

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TWIA requires a Certificate of Compliance (WPI-8) verifying that a dwelling was built, repaired, remodeled, etc., to the appropriate windstorm building code. *Effective as of the date of this memo, TWIA is implementing a waiver program to allow specific residential dwellings to qualify for coverage without the WPI-8(s).* The attached guideline outlines the criteria for eligibility to receive a WPI-8 waiver.

Agents must keep evidence that the property or applicant had prior wind/hail coverage on an annual basis within the past 12 months by retaining in their files copies of their clients' previous policies, and/or other documentation that provides evidence of the previous wind/hail coverages.

All structures and/or their contents that qualify under these regulations for a waiver of the WPI-8 requirement will be issued at the applicable TWIA base rate plus a 5% surcharge and will not be eligible for credits for building code compliance. The 5% surcharge will be calculated from and added to the final total premium.

When submitting E-Quote applications, agents need to tell us whether or not they want their policies issued under the WPI-8 Waiver Program by noting the waiver should be applied on the front page of the E-Quote application.

T.W.I.A's E-quote system will be programmed beginning July 18<sup>th</sup>, to allow users to choose the WPI-8 waiver starting with policies effective September 1, 2006 or later. Until the computer system can quote the surcharge, there will be no surcharge applied.

**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

**Texas Windstorm Insurance Association**  
**WPI-8 (Certificate of Compliance) Waiver Program for Residential Dwellings**

Eligibility Criteria:

1. The structure (or structure containing the contents to be insured) must be eligible for a TWIA residential dwelling policy per the TDI Manual for TWIA, under General Rules, C. Definitions, 1. Dwellings.
2. Within twelve months prior to the date of application for coverage with TWIA, the applicant or property to be insured must have been insured on an annual basis under a residential property policy that included windstorm and hail coverage that was underwritten by an eligible surplus lines insurer or an authorized insurer, not including TWIA, and
  - a. the insurer that underwrote the applicant's policy or the policy on the residential property to be insured discontinues providing windstorm and hail coverage under the applicant's policy or under the policy insuring the property, or
  - b. the insurer that underwrote the applicant's policy or the policy on the residential property to be insured discontinues providing residential property policies in all or a portion of the designated catastrophe area.
3. The property must meet all other TWIA underwriting standards and rules regarding its insurability.
4. Existing TWIA Policy holders are not eligible for the WPI-8 waiver program.
5. Policies with the WPI-8 waiver option are not eligible for building code credits while the waiver is in place. By securing all necessary WPI-8s for a given structure, the property will become eligible for coverage under normal TWIA guidelines outside of the waiver program.
6. This waiver does not apply to newly constructed dwellings that were not previously insured within the last 12 months unless the applicant's insurance company is no longer writing wind/hail coverages.
7. Contents of an apartment or condo cannot be covered under this waiver program.
8. Once accepted for coverage by TWIA, all subsequent additions, alterations, re-roofs, or other repairs on the subject property must comply with required windstorm code specifications and certification through acquisition of needed WPI-8(s) for the changes described above in order to remain insurable with TWIA.

9. No applicant or property shall be eligible for coverage with TWIA under these regulations and the approval process after December 31, 2007, unless extended by the Texas Commissioner of Insurance. However, TWIA residential policies issued pursuant to these regulations and the approval process shall remain eligible for renewal if the property continues to satisfy TWIA underwriting and eligibility criteria other than the requirement to have a WPI-8, subject to continued loss of building code credits, if applicable, and imposition of the WPI-8 waiver surcharge.
10. Texas Windstorm Insurance Association Manual Rule F relating to “Insurable Property” does not apply to the WPI-8 Waiver Regulations pursuant to this regulation and approval process.

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