



MEMORANDUM

DATE: March 22, 2006
TO: ALL AGENTS
FROM: Randy Wipf
Director, Underwriting/Pricing
RE: Residential Replacement Cost Valuations

**ALL NEW AND RENEWAL RESIDENTIAL APPLICATIONS MUST BE ACCOMPANIED
BY A REPLACEMENT COST CALCULATION.**

The T.W.I.A. Board of Directors and the Texas Department of Insurance feel that proper insurance to value is too important to Texas residents to ignore, prompting stricter control and a timelier requirement for receipt of proper replacement cost valuations. After May 1, 2006, T.W.I.A. will be returning all residential new business and renewal applications UNBOUND back to the agent if not accompanied by an appropriate replacement cost valuation, possibly delaying the start of coverage and/or leaving a potential gap in coverage for your clients.

Please advise agency personnel that a valid replacement cost calculation must accompany all residential applications. Valuations can be calculated using the Marshall & Swift/Boeckh valuation program located on the T.W.I.A. web site at: www.twia.org or a valid replacement cost valuation program from another source (real estate appraisals are not acceptable). See previous memo located on the T.W.I.A. web site under *NEWS*, dated March 16, 2005 for information about replacement cost valuation use instructions.

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