



MEMORANDUM

DATE: April 1, 2002
TO: All Agents
RE: **T.W.I.A. Indirect Loss Coverages (Wind Driven Rain)**

Because homeowners policy forms are changing, T.W.I.A. is modifying the approach we take when writing Indirect Loss Coverages. **For policies effective on or after June 1, 2002, it will be the responsibility of the agents to tell us if insureds want to include or exclude “wind driven rain” from Indirect Loss Coverages.**

Please use the following guidelines to determine eligibility for Indirect Loss Coverages:

- Insureds are eligible for wind driven rain coverage when a Homeowners Policy (H.O.), Farm & Ranch Owner Policy (FRO), Texas Dwelling Policy –3 (TDP –3), or Texas Farm & Ranch Policy –3 (TFR –3) is written as a companion policy. An additional premium of 2% is added to the base premium when wind driven rain is included on the policy.
- However, when the companion policy is a Tenant Homeowners Policy, Texas Dwelling Policy -1 or –2 (TDP –1 or –2), Farm Texas & Ranch Policy –1 or –2 (TFR –1 or –2), or equivalent type policies, the T.W.I.A. policy is not eligible for wind driven rain coverage. Also, residential policies with no companion coverage and all commercial policies, regardless of companion coverage, are not eligible for wind driven rain coverage. Note that for the policy types listed in this paragraph, there is no change from current underwriting procedure.

We have revised the T.W.I.A. ACORD application (new edition date 2002/04) to provide a place for including or excluding wind driven rain coverage (copy attached). Please destroy all prior editions of the ACORD 64 TX.

Note the attached chart that confirms the companion policies and appropriate T.W.I.A. endorsement forms. If you have questions or comments, please call.

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T.W.I.A. Indirect Loss Chart

Type of Companion Policy	Endorsement Forms						No Indirect Loss Coverage Provided	
	Form #310: Consequential Loss & Additional Living Expense & NO Wind Driven Rain		Form #320: Consequential Loss & Additional Living Expense & Wind Driven Rain		Form #330: Consequential Loss Only			
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
HO/FRO/TDP-3/TFR-3	96%	91%	98%	93%	n/a	n/a	n/a	n/a
Tenant HO (contents only)	96%	91%	n/a	n/a	n/a	n/a	n/a	n/a
TDP-1 or 2 / TFR 1 or 2	n/a	n/a	n/a	n/a	91%	91%	n/a	n/a
No companion policy	n/a	n/a	n/a	n/a	n/a	n/a	90%	90%
Commercial	n/a	n/a	n/a	n/a	n/a	n/a	90%	

The T.W.I.A. WEB site at: www.twia.org has a copy of the referenced endorsement forms (TWIA form 310, 320, & 330) and revised ACORD 64 TX application for viewing and/or printing. Access the T.W.I.A. WEB site, then click on the 'agents' tab, and click on 'Download forms and documents', and scroll down to find the desired form listed under Policy Endorsements.

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