



Randy Wipf, CIC
Director - Underwriting/Pricing

MEMORANDUM

DATE: October 15, 2002
TO: All Agents
RE: **Binding Procedures during threat of Hurricane**

The rule that governs binding of coverage with the Texas Windstorm Insurance Association (T.W.I.A.) when a hurricane is threatening the Texas Gulf has been clarified. Attached is a copy of the new wording that is now part of the T.W.I.A. Plan of Operation.

It is important for agents to understand that no new or additional coverage can be written after a storm is declared a hurricane and is within the boundaries of 80 degrees west longitude and 20 degrees north latitude or is in the Gulf of Mexico. In addition if a storm as described above is downgraded from hurricane status, but still poses a threat to the Texas coast, T.W.I.A. will not allow any new or additional coverage until the T.W.I.A. General Manager determines that the threat no longer exists.

Also be sure that everyone in your agency is familiar with the correct mailing procedures as outlined in the attached document. If anyone has a question, please call.

Excerpt from T.W.I.A. Plan of Operation

Binding Exception:

No new or increased coverage applications will be accepted on the day (beginning at 12:01 A.M.) or after a windstorm designated as a hurricane by the United States Weather Bureau is in the Gulf of Mexico or within the boundaries of 80 degrees west longitude and 20 degrees north latitude until the General Manager determines that the storm no longer threatens property within the designated catastrophe area of the Texas Windstorm Insurance Association. This exception does not apply to any new or increased coverage application that meets underwriting criteria that is submitted as follows: delivered in person to the Texas Windstorm Insurance Association's Austin office during its normal business hours prior to a windstorm designated as a hurricane by the United States Weather Bureau being in the Gulf of Mexico or within the boundaries of 80 degrees west longitude and 20 degrees north latitude; or mailed prior to the first day that a windstorm designated as a hurricane by the United States Weather Bureau is in the Gulf of Mexico or within the boundaries of 80 degrees west longitude and 20 degrees north latitude by registered or certified mail or United States Postal Service Express Mail or regular mail that is hand-cancelled by the United States Postal Service or such other mailing procedure as approved by the Board of Directors. Such applications will be accepted and become effective on the date

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delivered in person or mailed or a later date if stipulated on the applications. This exception also does not apply to any renewal policy affording windstorm coverage if the expiring policy was written by the Texas Windstorm Insurance Association and if the application for renewal was received by the Texas Windstorm Insurance Association on or before the expiration of the existing Texas Windstorm Insurance Association policy or if mailed by registered or certified mail or United States Postal Service Express Mail or by regular mail that is hand-cancelled by the United States Postal Service, or if sent by such other similar mailing procedure as approved by the Board of Directors, prior to the expiration of the existing Texas Windstorm Insurance Association policy.

Please distribute this reference document to everyone in your office who might work with T.W.I.A.

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