



**TEXAS WINDSTORM
INSURANCE ASSOCIATION**



Assumption Reinsurance Depopulation Program

Participation Agreement



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Participation Agreement

_____ is an insurance company engaged in the business of property and casualty insurance in Texas (hereinafter Participating Company) with offices located at _____, and

Participating Company has notified the Texas Windstorm Insurance Association (hereinafter TWIA) of its intent to participate in the Assumption Reinsurance Depopulation Program.

RECITALS:

1. Insurance Code Chapter 2210, Subchapter O, authorizes the creation of a depopulation program consisting of voluntary market and assumption reinsurance components.
2. Section 2210.701, Texas Insurance Code, requires TWIA to administer, subject to commissioner approval, a depopulation program that encourages the transfer of TWIA policies to insurers through the voluntary market or assumption reinsurance.
3. The Texas Department of Insurance (hereinafter TDI) has adopted rules (28 TAC §§5.4301 – 5.4309) to implement Insurance Code Chapter 2210, Subchapter O. The Insurance Code provisions and Department rules establish requirements for insurers participating in the depopulation program.

AGREEMENTS:

Whereas Participating Company has notified TWIA of its intent to participate in the Assumption Reinsurance Depopulation Program, as a condition to participating in the Assumption Reinsurance Depopulation Program Participating Company:



1. Agrees to file rates and forms with TDI, including evidence of general comparability to TWIA's rates and forms, by May 1, 20__.

Participating Company agrees to provide TDI and TWIA a side-by-side comparison that identifies differences between the filed forms and the corresponding TWIA policy form and endorsements; differences must be clearly indicated and explained. The comparison must be formatted so the corresponding provisions of the filed forms are adjacent to the TWIA provisions. The comparison must include all contents and provisions of the filed forms, even if the TWIA form doesn't include corresponding provisions (and vice versa). An example of the side-by-side comparison format is attached.

If the filed forms are amended versions of the TWIA policy form and endorsements, Participating Company can simply provide a "redline" comparison instead and using underlining to denote any language added to the applicable TWIA form and strikethroughs to indicate language removed from the TWIA form.

Participating Company acknowledges that the provisions of Insurance Code Chapter 2210, Subchapter L-1 (§§ 2210.571-2210.582) apply exclusively to TWIA and may not be included in filed forms.

2. Agrees to provide to TWIA the State Tracking Numbers of the approved insurance forms and filed rates that Participating Company will use in connection with the depopulation program.
3. Agrees to file the **Insurer's Financial Submission to the Texas Department of Insurance**, together with all required attachments and supporting documentation, with the Texas Department of Insurance by May 1, 20__, and respond to requests from TDI as the Department conducts its financial review.
4. Agrees to provide to TWIA, within the timeframe and in the manner to be specified by TWIA, information regarding each policyholder identified to receive an offer.
5. Agrees to solicit offers under this program through the existing agent of record under the prevailing terms, conditions, and commissions of the agent at that time, either through appointment of the agent of record or through the use of a limited servicing agreement or other similar agreement between Participating Company and the agent of record.
6. Agrees not to contact the agent of record regarding any offers until TWIA has advised the Participating Company that: (i) TDI has approved the general comparability of the Participating Company's approved forms and filed rates that Participating Company will



use in connection with the depopulation program; and (ii) TWIA has demonstrated to TDI that the proposed offers, if accepted, will not impair TWIA's public security obligations.

7. Agrees to provide notice to agents representing policies identified by Participating Company to receive an offer, such notice to include the commission that will be paid to the agent; instructions on how the agent can obtain an appointment or limited service agreement with Participating Company; an affirmative statement that the policy will be offered under the agent's prevailing terms, conditions, and commissions; and Participating Company's contact information.
8. Agrees to make all applicable policy forms and rates available for inspection to any agent representing policyholders identified to receive an offer prior to the time an offer of coverage is made.
9. Agrees not to directly contact or solicit any policyholders identified from the Electronic Information Repository without prior authorization from TWIA.
10. Authorizes TWIA to publicly disclose that it has entered into this agreement and has been granted access to the Confidential Information.

I, THE UNDERSIGNED, AM A DULY AUTHORIZED REPRESENTATIVE OF PARTICIPATING COMPANY AND AFFIRM THAT PARTICIPATING COMPANY WILL ABIDE BY THE TERMS OF PARTICIPATION SET FORTH HEREIN.

Signature: _____

Printed Name: _____

Title: _____

Date: _____