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TEXAS WINDSTORM  
INSURANCE ASSOCIATION

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# Assumption Reinsurance Depopulation Program

Annual Process



# Annual Process for the Assumption Reinsurance Depopulation Program

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## Summary Timeline

<b>Carrier Period</b> (February & Prior)	<ul style="list-style-type: none"><li>• Rates filed with and forms approved by TDI</li><li>• Carriers provide all required information to TWIA and TDI</li><li>• Authorized by TDI</li><li>• Review TWIA data</li><li>• Identify policies for depopulation</li><li>• TWIA reviews total offers for financial impact</li></ul>
<b>Agent Period</b> (April - May)	<ul style="list-style-type: none"><li>• Contract with participating carriers</li><li>• Review and approve or reject offers</li><li>• Additional financial review by TWIA</li></ul>
<b>Pre-Offer Period</b> (June - November)	<ul style="list-style-type: none"><li>• TWIA completes financial analysis</li><li>• Carriers execute assumption agreements</li></ul>
<b>Opt-Out Period</b> (December - January)	<ul style="list-style-type: none"><li>• Policyholders notified of depopulation by TWIA and carriers (12/1 notice)</li><li>• Policyholders able to opt out and remain with TWIA</li></ul>
<b>Assumption</b> (March 1)	<ul style="list-style-type: none"><li>• All policies that have not opted out are assumed by the participating carriers as of 3/1</li><li>• Assumed policies renewing between 3/1 and 4/30 will be renewed once on the TWIA form</li><li>• Assumed policies renewing on or after 5/1 will be renewed by the participating carrier on its policy form</li></ul>



## Annual Process

Date	Milestone	Details
<b>Monthly</b>	TWIA depopulation data updated	Data will be available through same portal as existing voluntary depopulation process.  (Carriers authorized to access data at any time after execution of confidentiality agreement; however, official Assumption Reinsurance data set available 1/15.)
<b>9/1</b>	Deadline for carriers to apply to TDI for authority to write	Carriers not yet authorized to write business in Texas should apply to TDI for a certificate of authority no later than 9/1.
<b>10/1</b>	Carriers file rates and forms with TDI	TDI reviews rate and coverage comparability 10/1 – 12/31.  Carriers file forms, rates and rating rules with TDI, or submit a supplemental “reference” filing if company will use forms and/or rates already on file. Filing must include information required under 28 TAC §5.4302(e).  Note: before a carrier may make an assumption reinsurance offer, TDI must find that the participant’s approved forms and filed rates are generally comparable to TWIA’s.
<b>10/1</b>	Carriers file required financial information with TDI	TDI conducts financial review of carriers 10/1 – 12/31.  Note: before a carrier may make an assumption reinsurance offer, TDI must approve the financial capability of the carrier and impose any necessary financial conditions on the carrier.
<b>1/15</b>	Annual data set uploaded	Official data set for use in assumption reinsurance depopulation process.  Data as of 12/31; new business received after this date ineligible until following year.  Policies renewing prior to assumption date will continue to be included as renewed; policies cancelled or nonrenewed will be removed.
<b>1/15 – 3/1</b>	Carrier review period	Carriers review data to select policies for offers



Date	Milestone	Details
<b>3/1</b>	Carrier offer deadline	Carriers submit lists of policies from data set on which they are requesting to make offers
<b>3/1 - 3/31</b>	TWIA Financial Analysis & Administrative Period	Initial financial analysis will be performed; if total offers exceed maximum depopulation threshold, offers will be reduced pro rata by TWIA.
<b>4/1 - 5/31</b>	TWIA depopulation website available to producers	TWIA agents will be able to view and approve or reject any offers on their policies.  (Agents must have entered into a limited servicing agreement or been appointed by a depopulation carrier in order to approve an offer by that carrier.)
<b>6/1 – 11/20</b>	TWIA Financial Analysis & Administrative Period	All required financial analysis will be finalized and communicated to TDI and the Texas Public Finance Authority in accordance with disclosure and regulatory requirements.
<b>11/20</b>	Assumption agreements to carriers	TWIA will notify each company of approved offers and provide an assumption agreement for those policies.
<b>12/1</b>	Notice of Offer Letters to Policyholders	Depopulation carriers will notify affected policyholders of assumption offer.  TWIA will notify affected policyholders separately.
<b>~12/3 - 1/31 (60 days)</b>	Opt-out period for policyholders	Policyholders able to opt out of depopulation during this period; opt-outs processed through the TWIA depopulation website.
<b>2/15</b>	Notice of Assumption and Certificate of Assumption	TWIA will provide Notice of Assumption and carriers will provide Certificate of Assumption to policyholders who have not opted out.
<b>3/1</b>	Assumption of TWIA policies by depopulation carriers	Remaining policies will be assumed by depopulation carriers on March 1. TWIA will continue issuing renewals on policies effective through April 30. Depopulation carriers will begin issuing policies directly for policies effective on or after May 1. Depopulation carriers are required to offer three renewals on policies effective on or after May 1.  Claim services will be handled by the depopulation carrier.



## Electronic Information Repository Data Fields

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|---------------------------------|---|
| (1) Policy Expiration Date;     | (32) Repair Reason;                                   |
| (2) Policy ID;                  | (33) Increased Cost of Construction;                  |
| (3) Policy Holder Name;         | (34) Contents Replacement Cost;                       |
| (4) Mailing Address;            | (35) ACV Roof Endorsement;                            |
| (5) Item Number;                | (36) WPI-8 Waiver;                                    |
| (6) Item Description;           | (37) Location of Risk;                                |
| (7) Premium;                    | (38) Building Code;                                   |
| (8) Structure Coverage Amount;  | (39) Building Code Credit Type;                       |
| (9) Contents Coverage Amount;   | (40) Mortgage;  |
| (10) Deductible;                | (41) Agent Name                                       |
| (11) Coinsurance;               | (42) Agent Phone Number;                              |
| (12) Construction Type;         | (43) Agent Address;                                   |
| (13) Roof Type;                 | (44) Policy Type;                                     |
| (14) Total Area;                | (45) Class Code;                                      |
| (15) Stories;                   | (46) Structure Value;                                 |
| (16) Risk Location Address;     | (47) Structure Deductible;                            |
| (17) City;                      | (48) Appurtenant Structures Coverage Amount;          |
| (18) County;                    | (49) Appurtenant Structures Value;                    |
| (19) Zip;                       | (50) Appurtenant Structures Deductible;               |
| (20) Occupancy;                 | (51) Contents Value;                                  |
| (21) Primary/Secondary;         | (52) Contents Deductible;                             |
| (22) Replacement Cost;          | (53) Additional Living Expense (ALE) Coverage Amount; |
| (23) Cash Value;                | (54) Business Interruption (BI) Coverage Amount;      |
| (24) Companion Policy Type;     | (55) List of Endorsements;                            |
| (25) Wind Driven Rain;          | (56) Claim - Loss Date;                               |
| (26) Companion Policy Provider; | (57) Claim - Report Date;                             |
| (27) Construction Date;         | (58) Claim - Loss Paid;                               |
| (28) Addition Date;             | (59) Claim - ALE Paid;                                |
| (29) Re-Roof Date;              | (60) Claim - BI Paid;                                 |
| (30) Re-Roof Description;       | (61) Claim - Adjustment Expense Paid; and             |
| (31) Repair Date;               | (62) Claim - Closed Date.                             |