



**Texas Windstorm
Insurance Association**

2014

Annual Report Card

John W. Polak, CPCU

May 30, 2014

May 30, 2014

The Honorable Rick Perry
Governor

The Honorable David Dewhurst
Lieutenant Governor

The Honorable Joe Straus
Speaker, Texas House of Representatives

The Honorable John Carona
Chair, Windstorm Insurance Legislative Oversight Board

The Honorable Robert Duncan
The Honorable Larry Taylor
The Honorable Leticia Van de Putte
The Honorable Ryan Guillen
The Honorable Todd Hunter
The Honorable John Smithee
The Honorable Greg Bonnen, M.D.
Members, Windstorm Insurance Legislative Oversight Board

The Honorable Julia Rathgeber
Commissioner of Insurance

RE: Annual Report Pursuant to Tex. Ins. Code, Section 2210.107(c)

Pursuant to Tex. Ins. Code, Section 2210.107(c), please find the Annual Report ("Report Card") for the 12-month period immediately preceding the date of this report evaluating the extent to which the Texas Windstorm Insurance Association ("TWIA" or "Association") has met the objectives described by Section 2210.107(a). House Bill 3 became effective on September 28, 2011, and many changes have occurred at TWIA since the passage of this legislation. This Report Card focuses on those changes directly related to the objectives.

Should you have any questions, please feel free to contact me at (512) 899-4949.

Sincerely,



John W. Polak, CPCU
General Manager

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About This Report

In 2011, the 82nd Texas Legislature, 1st Called Special Session, passed House Bill 3 (“HB3”), modifying various aspects of the operations of the Texas Windstorm Insurance Association (“TWIA” or “Association”). Amendments to Tex. Ins. Code, Section 2210.107 directed TWIA to report bi-monthly to the TWIA Board of Directors (“Board”) and report annually to the Commissioner, the Legislative Oversight Board, the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives the extent to which TWIA met the objectives in Section 2210.107(a).

The primary objectives of the Board of Directors are to ensure that the Board and TWIA:

- (1) Operate in accordance with this chapter, the plan of operation, and commissioner rules;
- (2) Comply with sound insurance principles;
- (3) Meet all standards imposed under this chapter;
- (4) Establish a code of conduct and performance standards for Association employees and persons with which the Association contracts; and
- (5) Establish, and adhere to terms of, an annual evaluation of Association management necessary to achieve the statutory purpose, Board objectives, and any performance or enterprise risk management objectives established by the Board.

This Report Card satisfies these reporting requirements and illustrates the measures and improvements taken to meet the objectives. The Report Card presents this information by referencing applicable sections of the TWIA governing statute in order of appearance.

Executive Summary

In 2008, the combination of Hurricanes Dolly and Ike resulted in over 100,000 claims and an estimated \$3 billion in losses. Concerns over claims handling led to TWIA being placed under Administrative Oversight by TDI and the passage of HB3 in 2011.

HB3 required numerous changes to TWIA operations. Among the improvements are new residential and commercial policy forms, more transparency via additional information on the TWIA website and live broadcasts of TWIA meetings, the funding of an ombudsman program, and the implementation of new claims handling procedures.

A new management team is now in place with a broader range of experience and a focus on accountability. In 2008, there were four members of senior management whose only insurance carrier experience was with TWIA, which was a very small company for most of their tenure. Today, not only does TWIA have significantly greater insurance carrier experience within its senior management ranks, but a greater portion of that experience is with larger carriers outside of TWIA. This bodes well for the future of the Association as it has not only greater depth of experience but a far greater breadth of experience in terms of skills and sophistication.

TWIA has undergone more than ten audits and examinations in recent years with varying areas of concentration, including four examinations by the Texas Department of Insurance (“TDI”), one of which is currently underway; two by Deloitte & Touche, LLP; and audits performed by Robert E. Nolan, KPMG, the State Auditor’s Office, and Alvarez & Marsal. The Association has diligently developed and implemented corrective measures and created action plans to track and report the Association’s progress in addressing the recommendations of each review.

TWIA has addressed 100% of the non-IT related recommendations outlined in the completed TDI audits, the Nolan report, the Deloitte audit, the Operations Improvement Plan, and the State Auditor’s Office report. The KPMG audit of IT controls outlined 11 areas of primary concern due to faults of existing controls or potential vulnerabilities. The Association has completed 100% of the corrective actions for these areas. Only one IT related recommendation in the SAO report is pending at this time and completion is scheduled concurrently with implementation of the new policy administration system - Policy Center.

Current leadership is committed to fostering a culture of continuous improvement. TWIA has and continues to identify areas of improvement outside of audit observations to enhance processes and procedures and ensure the Association is in compliance with applicable statutes, regulatory guidelines, and industry best-practices. The new management team has successfully implemented initiatives to address legislative changes, improve operational efficiency, create cultural transformation within the Association, and increase management controls and accountability. TWIA now has extensive controls and detailed financial and operational metrics

in place to measure and evaluate the performance of every level of the Association, from the organization as a whole to individual departments and each individual employee. There are documented procedures and practices in place in all operational areas, and TWIA has greatly increased the level of transparency and communication between all levels of the Association and with outside stakeholders. The management team has begun a process of continuously refocusing the culture from task-based behavior to outcome-focused accountability.

The TWIA Claims Department has experienced the most significant improvements. The new claims management team has developed a detailed catastrophe plan; improved communications with policyholders, adjusters, and agents; and ensured faster and more accurate claims handling using more modern technology and quality control measures. These changes have resulted in a measurable improvement in customer service. TWIA Claims has implemented an ongoing customer survey program with very positive results. Additionally, Claims has implemented a number of key performance metrics to provide an objective measure of the claims handling process, including:

- average number of days from receipt of claim by TWIA to inspection of the property
- average number of days from inspection to receipt of the independent adjuster's report by TWIA, and
- average number of days from receipt of the adjuster's report to payment.

Similarly, the TWIA Underwriting Department has undergone significant changes to increase the efficiency and effectiveness of the underwriting process. The department segments work between residential and commercial lines with further division of the residential underwriting work by complexity. In addition, a Support Services function facilitates procedural improvements, automation support, training, quality assurance, agent audits and fraud investigations. Key performance metrics are monitored and reported in a monthly scorecard, including:

- percentage of transactions completed within 14 days of receipt
- agent and policyholder survey scores
- budget conformance and cost per transaction
- quality assurance scores

In addition, TWIA-controllable expenses were at or below budget from 2011 to 2013 and through April 30, 2014. TWIA expenses compare favorably both to the insurance industry as a whole and to other state residual market plans. TWIA is the second largest property insurance plan in the U.S., yet it still maintains the second lowest cost per policy among the 37 property insurance plans in the U.S.

The initiatives management has implemented are indicative of a culture of continuous improvement and have better positioned TWIA to fulfill its mission of *efficiently providing*

essential property insurance products and services for eligible Texas policyholders when no one else will. The State Auditor's Office final report confirms that TWIA has improved its claims processing and has implemented controls to produce accurate financial statements, ensure accountability of Association funds, and adequately support and authorize non-claims-related expenditures.

Most recently, TDI amended the terms of Administrative Oversight citing TWIA's operational improvements as a factor in TDI's decision to revise the conditions of Oversight.

Biennial Report to the Legislature

Texas Insurance Code Section 2210.0025¹ requires TWIA to submit to the Commissioner, the appropriate committees of each house of the Legislature, and the Sunset Advisory Commission a written report relating to the operations of the Association during the preceding biennium. The report must include:

- (1) any proposed changes in the laws relating to regulation of the Association and a statement of the reasons for the changes; and
- (2) any information regarding Association operations or procedures that is requested by the department to be addressed in the report.

At the direction of the TWIA Board of Directors, the Legislative/External Affairs Committee (“LEA Committee”) met in 2012 to develop potential recommendations regarding Item 1 above for the Board’s consideration. The Board-approved recommendations of the LEA Committee were included in the Biennial Report to the Legislature on December 28, 2012.

The Board and Committee will prepare an updated report for submission to the applicable parties no later than December 31, 2014.

Insurable Property

Section 2210.004 defines insurable property for the purposes of eligibility for TWIA insurance as a structure located in the catastrophe area, built or repaired in compliance with appropriate building code specifications, and determined to be in an insurable condition. TWIA has implemented several initiatives in 2013 and 2014 to ensure properties insured by the Association meet this definition.

Under new leadership, the Underwriting Department was reorganized in 2014 into functional areas to increase the efficiency and effectiveness of the underwriting process while improving management controls. Prior to the reorganization, all work was distributed on a first in first out basis amongst all underwriters. The department now segments work assignments between residential and commercial lines with further division of the residential underwriting work by complexity. Segmentation by type and complexity ensures greater accuracy in underwriting decisions by routing the most complicated issues to the most experienced underwriters. In

¹ All statutory references are to the Texas Insurance Code unless otherwise noted.

addition, a Support Services function facilitates procedural improvements, automation support, training, quality assurance, agent audits and fraud investigations to improve decision-making on the back-end.

Underwriting is also implementing risk visualization technology to improve the efficiency and effectiveness of front line underwriting. Risk visualization employs high resolution aerial imagery of virtually the entire coverage territory, produces accurate structural diagrams and measurements, facilitates address validation and geo-coding, and integrates third-party data to improve eligibility decisions and pricing accuracy.

TWIA is utilizing this technology as part of a tiered inspection model that will increase visibility into the entire book of business and enable TWIA to better manage onsite inspections, thus optimizing the use of inspection dollars. The inspection model encompasses three types of inspections that are utilized successively if and when additional information is needed. The three types of “inspections” are aerial imagery, risk management reports, and field inspections. Each type of inspection yields significantly more data than the prior step and is used to validate the information received in the application for coverage and determine eligibility for coverage. The first tier inspection, aerial imagery, provides underwriters with immediate access to high-resolution photos of the property. The second tier inspection, or risk management report, provides roof measurements and other property characteristics such as the building footprint, estimated living area, number of stories, as well as the year the property was constructed and subsequent building permits filed. Combined data from the first and second tier inspections allow TWIA to determine if the structure has undergone certain repairs or alterations that may require windstorm certification in order to be eligible for coverage. The final approach in the tiered inspection process is a physical field inspection of the exterior of the property, which is used when underwriting questions and issues cannot be resolved with the first and second tier inspections.

Overall, risk visualization creates a more efficient underwriting inspection process by providing TWIA underwriters with a greater volume of accurate information earlier in the underwriting process than was previously available. The program will provide the following benefits applicable to coverage and eligibility:

- (1) Improve assessments of property insurability and assist in determining adequacy of insurance and accurate premium for each risk;
- (2) Increase total number of properties inspected annually while lowering the average cost per policy;
- (3) Maximize the efficient use of budgeted inspection dollars by more specifically targeting properties requiring onsite inspection;

- (4) Identify potential building code non-compliance and unrepaired damage; and,
- (5) Identify other underwriting concerns related to the general condition of the structure

This program is being implemented in conjunction with Claims and will leverage resources across the organization. Additional benefits of the program include positive impacts on downstream claims loss costs, processing time and reduced opportunities for fraud. The Claims Department is currently utilizing the high-resolution photos and roof measurements in the Claims process. Implementation for Underwriting is anticipated for later this year. A sample risk management report is included in [Appendix A](#).

The reorganization of Underwriting also includes developments and improvements in Quality Assurance and Training (QA&T), a function of the Shared Services segment. The purpose of the QA&T function is to ensure department processes and procedures are properly documented, to verify the correct eligibility decisions are being made by adherence to those procedures, and to identify training opportunities and areas for additional improvement. Each month, all underwriters receive a QA report evaluating their performance across six areas regarding processing and customer experience. The report includes production data (i.e. type and volume of work processed) as well as customer experience, accuracy, and thoroughness. The QA goal for 2014 is to achieve a 90% QA score for the entire department by year end.

Rulemaking Authority

Section 2210.008 provides the Commissioner of Insurance general rulemaking authority to issue any orders necessary to implement Section 2210. The following rules were adopted pertaining to TWIA operations during this reporting period:

Subject	Section Number	Adoption Filed	Effective Date
Subchapter E. Texas Windstorm Insurance Association. Proposed Repeal Regarding Loss Funding	5.4131 and 5.4132	05/23/2014	06/12/2014
Subchapter E. Texas Windstorm Insurance Association. Proposed New and Amended Loss Funding	5.4101, 5.4102, 5.4121, 5.4123-5.4128, 5.4133, 5.4135, 5.4136, 5.4141-5.4147, 5.4148, 5.4149 and 5.4164	05/23/2014	06/12/2014

Subchapter E. Texas Windstorm Insurance Association. Proposed Repeal Regarding Premium Surcharge	5.4183	05/23/2014	06/12/2014
Subchapter E. Texas Windstorm Insurance Association. Proposed Amendments to Premium Surcharge	5.4171-5.4173, 5.4182, 5.4184-5.4187, 5.4189-5.4192	05/23/2014	06/12/2014
REPEAL Subchapter E. Texas Windstorm Insurance Association Division 10. Eligibility and Forms	5.4920 - 5.4926	12/13/2013	12/23/2013

Depopulation

Sections 2210.009 and 2210.053(b) require TDI to develop incentive programs to encourage authorized insurers to write insurance voluntarily to minimize the use of the Association as a means to obtain insurance. Pursuant to these sections and in conjunction with TDI, TWIA is developing two initiatives: a Voluntary Coastal Wind Insurance Portal and a formal Depopulation Process.

Voluntary Coastal Wind Insurance Portal

In August 2013, TWIA staff presented to the Board a Clearinghouse Feasibility Study which examined various alternatives to encourage authorized insurers to voluntarily write business currently with TWIA. The study recommended the creation of a clearinghouse, formally named the Voluntary Coastal Wind Insurance Portal, an online facility where insurers could obtain detailed information about current TWIA policies. The clearinghouse would allow insurers to identify those policies that meet their respective underwriting standards and could be written in the voluntary market. The Board formed a sub-committee and assembled a working group of stakeholders to review and evaluate the clearinghouse concept. After several meetings of the working group and the subcommittee, the Portal was approved at the May 21, 2014 Board meeting. Implementation will begin immediately and the Portal is planned to be online by the end of 2014.

Depopulation Process

Late in 2013, TWIA was approached by an insurer offering to assume, or “take out,” over 40,000 TWIA policies. Since then, TWIA has been made aware of other insurers who may want to take out policies in a similar fashion. This type of transaction has been used effectively in

Florida and Louisiana to minimize the use of those states' residual markets. To provide an objective and transparent process, TWIA began developing a formal depopulation process to detail the requirements and procedures for these and similar proposals. The development of the process is ongoing and is expected to be completed in 2014.

Standards of Conduct

Ethics & Conflicts of Interest Policy

TWIA developed and implemented a comprehensive Ethics & Conflict of Interest Policy ("Ethics Policy") in February 2011. The policy was subsequently revised in September 2011 and April 2012, to incorporate changes mandated by HB3 and to further describe prohibited employment relationships. The Ethics Policy uses the statutory language of Sections 2210.012 and 2210.013 and states that a member of the TWIA Board of Directors, employee or contactor shall not:

- (1) accept or solicit any gift, favor, or service that might reasonably tend to influence the member or employee in the discharge of duties related to the operation or business of the association or that the member or employee knows or should know is being offered with the intent to influence the member's or employee's conduct related to the operation or business of the association;
- (2) accept other employment or engage in a business or professional activity that the member or employee might reasonably expect would require or induce the member or employee to disclose confidential information acquired by reason of the member's or employee's position with the association;
- (3) accept other employment or compensation that could reasonably be expected to impair the member's or employee's independence of judgment in the performance of the member's or employee's duties related to the operation or business of the association;
- (4) make personal investments that could reasonably be expected to create a substantial conflict between the member's or employee's private interest and the interest of the association; or
- (5) intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the member's or employee's powers related to the operation or business of the association or having performed, in favor of another, the member's or employee's duties related to the operation or business of the association. (See [Appendix B](#))

Section 2210.015, enacted in 2011, prohibits certain contracts and employment relationships.

Specifically, the Association is prohibited from contracting with or employing individuals related to a Board member or current employee within the second degree of affinity or the third-degree of consanguinity. The revised Ethics Policy mirrors the Insurance Code provisions to ensure adherence to both the letter and spirit of the law, as well as to avoid even the appearance of improprieties.

Ethics Training & Initiatives

TWIA leadership understands the importance of creating and maintaining a standard of conduct that is above reproach. In the fourth quarter of 2013, senior leadership completed strategic planning exercises to update the Association's mission, vision and 2014 objectives. One of these statements describes the Association's vision to "be a steward of the public trust and hold ourselves to a high standard of ethics." TWIA implemented the following initiatives to promote this vision, support a comprehensive Ethics Policy, and create a culture that stresses ethical behavior from the top down:

- (1) The Association has previously conducted annual stand-alone Ethics training for existing employees as well as training for new employees and contractors. In the last half of 2013, the TWIA Compliance and Human Resource teams developed a comprehensive orientation program for new employees called TWIA 101, including an hour-long module entitled Ethical Considerations. TWIA 101 includes relevant discussion of ethics and conflicts of interest, and the Association's policy and requirements. After completion, employees are able to:
 - a. Define ethics and conflicts of interest
 - b. Understand how to deal with conflicts of interest
 - c. Recognize the significance of the appearance of impropriety
 - d. Understand how ethics impacts the organization
 - e. Understand the TWIA/TFPA Ethics & Conflicts of Interest Policy
 - f. Know what types of relationships are prohibited and what types must be disclosed
 - g. Understand what gifts can be accepted, how to reject a gift and how to complete the appropriate forms

The training was completed for all existing employees in March 2014, and all new employees and contractors in May 2014. Quarterly sessions are currently scheduled for August and November for new employees and contractors retained in the third and fourth quarters of 2014. The Association will continue to have annual Ethics refresher training for all employees.

- (2) Since 2011, all Board members, employees, and contractors have been required to complete an Annual Certification acknowledging review of the Ethics Policy and agreeing to adhere to its terms.

- (3) At the onset of employment or at first discovery, certain business and personal relationships must be disclosed. Extra controls were implemented in the Claims Department in 2012 to ensure Claims Examiners did not issue payments to former employers.
- (4) All employees and contractors must file gift disclosures for the acceptance of permissible gifts as well as the rejection of prohibited gifts. Gift disclosures are tracked in a database and monitored to ensure compliance with limits outlined in the Ethics Policy.
- (5) The Ethics Policy is easily accessible to all employees and contractors via a desktop shortcut automatically installed on each PC on the network, as well as a shared central repository dedicated exclusively to housing the Association's policy and procedural documents.
- (6) The Association developed a database to record and monitor required certifications and training, such as the Annual Ethics Certification, gift disclosures, and training classes.
- (7) Ethics & Compliance training was incorporated into field adjuster training beginning in February 2012, and it continues to be a central theme.

Fraud Reporting

Section 2210.012 also mandates that “a board member or employee of the association who reasonably suspects that a fraudulent insurance act has been or is about to be committed by any board member or employee of the association shall, not later than the 30th day after discovering the conduct, report the conduct and identity of the person engaging in the conduct to the department and may report the conduct and the identity of the person engaging in the conduct to another authorized governmental agency. The department shall forward a report received under this subsection to the authorized governmental agency in accordance with Chapter 701.”

TWIA has implemented the following initiatives to ensure compliance with applicable Insurance Code provisions:

Special Investigations Unit/Fraud Abatement

In August 2012, TWIA implemented a Claims Special Investigation program utilizing an experienced investigation firm, Veracity Research Company Investigations. The program includes mandatory and recommended Special Investigations Unit (“SIU”) referral guidelines based on industry standards and best practices. Implementation kicked off with 5 modules of in-depth training for Claims personnel regarding insurance fraud and fraud indicators. TWIA's

SIU program tracks referrals rates, results and reports made to the Texas Department of Insurance Fraud Intake Unit. Generally, wind and hail claims do not generate the number of SIU referrals and fraud reports as policies with coverage for perils like fire, theft, vandalism, etc. The following chart illustrates a sharp increase in fraud investigations and reports since 2010, evidencing TWIA’s increased focus and responsibility on fraud abatement and reporting.

Reports Filed	12/31/10	12/31/11	12/31/12	12/31/13	4/30/14
TDI Fraud	6	32	35	15	11
TDI Enforcement	5	7	24	9	0

With the utilization of Veracity Research, reporting levels moderated in 2013, reflecting a more sophisticated assessment by the vendor of the “reasonable suspicion of fraud” standard.

To ensure TWIA stays abreast of current trends and information regarding insurance fraud, key personnel attend the Texas Department of Insurance Annual Fraud Conference. Additionally, key personnel with TWIA and TDI’s Fraud and Enforcement Units meet periodically to discuss ongoing cases, trends and issues. TWIA is currently in the process of expanding the SIU and fraud abatement program to the Association’s underwriting functions as well and has conducted several training sessions with VRC and underwriters in 2014.

Whistleblower Policy

As part of TWIA’s comprehensive Ethics Policy and commitment to creating a culture where unethical behavior can be reported and properly addressed, TWIA created an anonymous Whistleblower Policy in February 2011. TWIA contracts with a third-party vendor to provide anonymous hotline reporting of fraud or ethics violations. Monthly reports are transmitted by the vendor to the Association’s General Counsel, Compliance Director, and General Manager. To date, we have received zero reports.

Annual Statement

Section 2210.054 requires TWIA to file annually with TDI and the State Auditor's Office a financial statement summarizing the transactions, conditions, operations, and affairs of the Association during the preceding year.

TWIA submitted the 2013 Annual Statement to TDI on February 26, 2014. The following charts illustrate TWIA’s most recent balance sheet and statutory income statement. The statutory balance sheet shows the financial position of TWIA at the end of 2013 compared to April 30, 2014. The statutory income statement shows a comparison between YTD actual and budgeted revenues and expenses.

TEXAS WINDSTORM INSURANCE ASSOCIATION		
Statutory Balance Sheet (000's omitted)		
	April-14	December-13
Admitted Assets		
Cash and short term investments	\$ 518,131	\$ 439,193
Premiums receivable & other	1,144	1,039
Amounts recoverable from reinsurers	-	-
Total admitted assets	\$ 519,275	\$ 440,231
Liabilities, Surplus and other funds		
Liabilities:		
Loss and Loss adjustment expenses	\$ 149,212	\$ 132,959
Underwriting expenses payable	10,690	10,366
Unearned premiums, net of ceded unearned premiums	218,191	234,739
Ceded reinsurance premiums payable	-	24,745
Principal & Interest Payable - Debt	-	-
Provision for reinsurance	-	-
Other payables	24,401	14,592
Statutory fund payable	116,781	22,830
Total liabilities	519,275	440,231
Surplus and others funds		
Unassigned surplus (deficit)	-	-
Total liabilities, surplus and other funds	\$ 519,275	\$ 440,231
Balance in CRTF	\$ 188,042	\$ 186,183



TEXAS WINDSTORM INSURANCE ASSOCIATION
Statutory Income Statement (000's omitted)

	for the four months ended April 30,			
	Actuals - 2014	Budget - 2014	Variance - 2014	Actuals - 2013
Premiums Written:				
Direct	\$ 139,136	\$ 138,980	\$ 156	\$ 131,052
Ceded	0	0	0	0
Net	139,136	138,980	156	131,052
Premiums Earned:				
Direct	\$ 155,684	\$ 156,726	\$ (1,042)	\$ 145,878
Ceded	0	0	0	(36,135)
Net	155,684	156,726	(1,042)	109,743
Deductions:				
Direct Losses and LAE Incurred	27,188	35,987	(8,799)	75,054
Direct Losses and LAE Incurred - Ike & Dolly	0	0	0	0
Ceded Losses and LAE Incurred	0	0	0	0
Operating Expenses	8,847	9,750	(903)	7,836
Commission Expense	22,267	22,237	30	20,990
Ceding commissions / brokerage	0	0	0	0
Premium / Maintenance Tax	2,750	2,696	54	2,507
Total Deductions	61,052	70,670	(9,618)	106,388
Net Underwriting Gain or (Loss)	94,632	86,056	8,576	3,355
Other Income or (Expense):				
Gross Investment Income	360	362	(2)	419
Interest Expense on Debt	0	0	0	0
Debt Issuance & Other Investment Expenses	(140)	(140)	0	(170)
Sales Tax Refund and Other Income (Expense)	1,877	0	1,877	6
Total Other Income or (Expense)	2,096	222	1,874	256
Net Income (Loss)	\$ 96,728	\$ 86,278	\$ 10,451	\$ 3,611
Surplus (Deficit) Account:				
Beginning Surplus (Deficit)	0	0	0	(182,979)
Net Income (Loss)	96,728	86,278	10,451	3,611
Change in Provision for Reinsurance	0	0	0	1,024
Change in nonadmitted assets & deferred taxes	(2,778)	(2,982)	204	(1,788)
Other	0	0	0	0
Statutory Fund Cost	(93,951)	(83,296)	(10,655)	0
Ending Surplus (Deficit)	\$ (0)	\$ -	\$ (0)	\$ (180,132)
Key Operating Ratios:				
Direct:				
Loss & LAE Ratio	17.5%	23.0%	-5.5%	51.4%
UW Expense Ratio:				
Acquisition	18.0%	17.9%	0.0%	17.9%
Non Acquisition	5.7%	6.2%	-0.5%	5.4%
UW Expense Ratio	23.6%	24.2%	-0.5%	23.3%
Combined Ratio	41.1%	47.1%	-6.0%	74.8%
Net:				
Loss & LAE Ratio	17.5%	23.0%	-5.5%	68.4%
UW Expense Ratio:				
Acquisition	18.1%	17.9%	0.1%	21.6%
Non Acquisition	5.7%	6.2%	-0.5%	7.1%
UW Expense Ratio	23.7%	24.1%	-0.4%	28.7%
Combined Ratio	41.2%	47.1%	-5.9%	97.1%

Examination of Association

Section 2210.057 states that the Association is subject to examination by TDI pursuant to Sections 401.051, 401.052, 401.054-401.062, 401.151, 401.152, 401.155, and 401.156 and Subchapter A, Chapter 86. Accordingly, TDI commenced a financial audit of the Association in November 2013. TWIA has cooperated fully with Department auditors and there have been no material deficiencies communicated to Association management to date. The audit is expected to be completed in June with a final report following in the third quarter of 2014.

State Auditor's Office Examination

Section 2210.058 states “the association is subject to audit by the state auditor and shall pay the costs incurred by the state auditor in performing an audit under this section.”

The State Auditor's Office (SAO) concluded in their August 1, 2012 final report that “the Texas Windstorm Insurance Association (Association) has improved its processing of claims. The Association also has controls to help produce accurate financial information, ensure accountability for Association funds, and adequately support and authorize non-claims-related expenditures.” The SAO Report identified 13 observations and recommendations which resulted in 15 corrective measures. Implementation of these measures is 100% complete with the exception of one IT-related item scheduled for implementation with Policy Center.

Additionally, TWIA was required to submit status reports to the State Auditor's Office. TWIA has submitted all reports requested by SAO, including the status of the IT implementation on 11/30/2012, 5/31/2013, 11/29/13, and 5/30/2014, as well as the status of the Association-wide implementation plan on 2/1/2013.

Compensation and Bonuses

Section 2210.061 requires the Association “to post on the association's Internet website any compensation, monetary or otherwise, and any bonus that, when aggregated, exceed \$100,000 in a calendar year and that are paid or given by the association to:

- (1) a vendor or independent contractor with whom the association has a contract; or
- (2) an association employee.”

TWIA posted the required listing for 2014 on the Association's website (www.twia.org) under the Compensation heading of the House Bill 3 tab prior to the statutory deadline of January 31, 2014.

Catastrophe Funding

Subchapter B-1 of Chapter 2210 (Sections 2210.071 – 2210.075) describe the different sources of funding available to pay TWIA losses. Those sources are, in order:

- TWIA premiums and other revenue
- Available reserves and amounts in the Catastrophe Reserve Trust Fund (“CRTF”)
- Up to \$1 billion in Class 1 public securities, to be repaid by TWIA premiums
- Up to \$1 billion in Class 2 public securities, to be repaid by surcharges on coastal property policies and assessments of TWIA member companies
- Up to \$500 million in Class 3 public securities, to be repaid by assessments of TWIA member companies

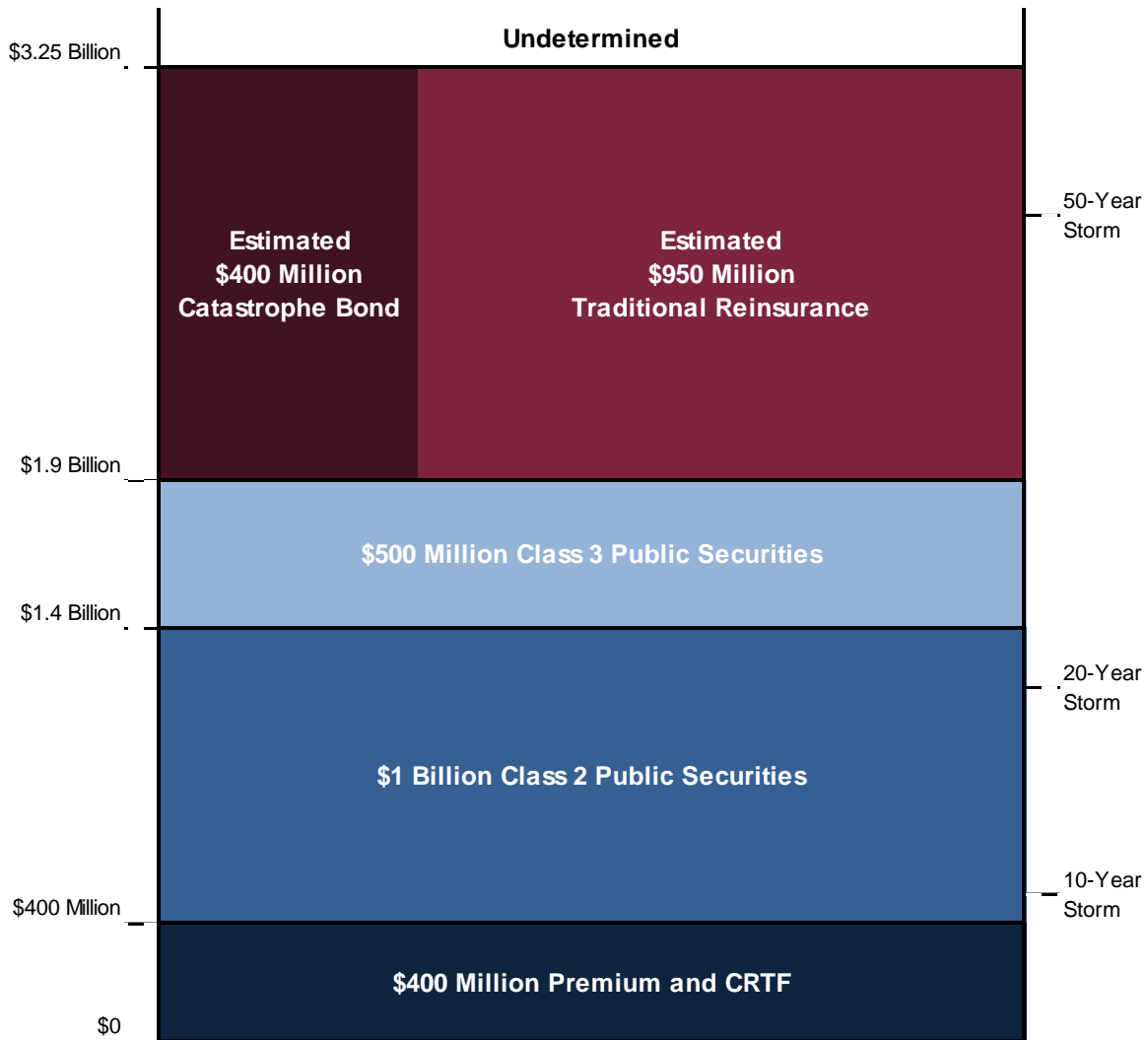
Additionally, reinsurance may be purchased in addition to or in concert with the trust fund and public securities.

TWIA staff is working with the Texas Public Finance Authority (“TPFA”) and TDI to make all necessary preparations for the issuance of public securities.

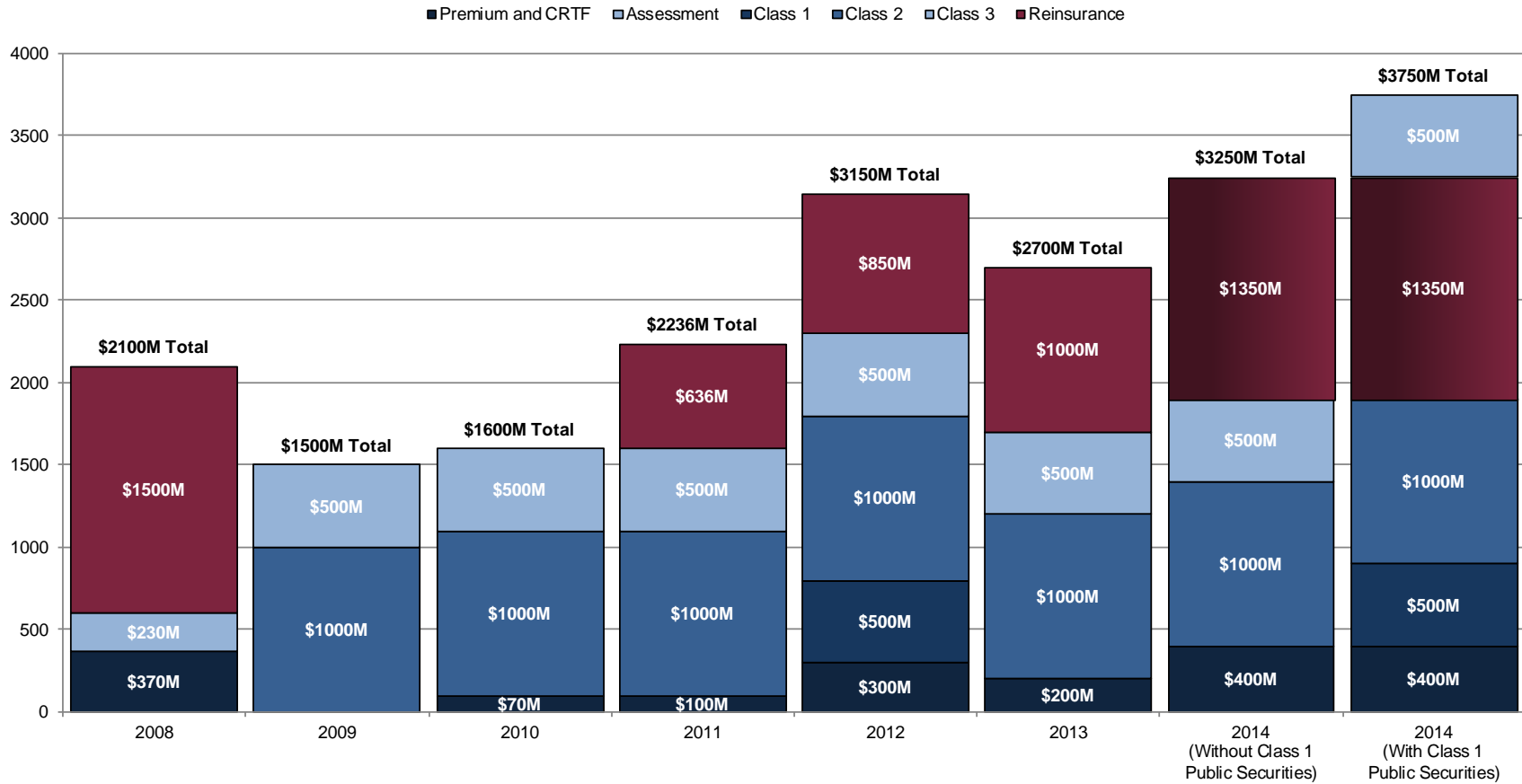
As part of these preparations, TWIA recently submitted an application to TDI for approval to issue \$500 million in pre-event Class 1 public securities. These pre-event securities would provide instant liquidity (claims-paying ability) and would increase total funding by \$500 million. On May 28, 2014, the Commissioner of Insurance approved TWIA’s request for issuance of public securities.

Preparation is also underway for the renewal of the catastrophe reinsurance program. This program provides funding for TWIA losses above a negotiated attachment point, extending the total funding of the Association. TWIA expects to obtain \$1.35 billion in reinsurance coverage for the 2014 hurricane season.

Total projected funding for the 2014 hurricane season, without the Class 1 pre-event public securities, is illustrated by the following chart:



TWIA continues to add to the CRTF and utilize all available tools to improve our funding each year. The total funding of \$3.25 billion would be sufficient to fund over 98% of all modeled catastrophe events and is greater than any previous year’s funding since 2008, as shown in the exhibit below.



Notes: Funding for 2008 shown as it existed for Hurricane Ike, post-Hurricane Dolly; unlimited additional funding available via reimbursable assessments.

Funding for 2009-2011, 2013 assumes \$0 Class 1 Public Securities issuable.

Funding for 2012 includes \$500 Million Class 1 Public Securities (BAN).

Funding for 2014 shown with and without \$500 Million in pre-event Class 1 Public Securities.

Board Composition

Under Section 2210.102, the Board of Directors is composed of ten members (9 voting members and 1 non-voting member) appointed by the commissioner to include four public members from tier one counties, four members who must be representatives of the insurance industry, one member from a non-seacoast county, and one licensed engineer.

Insurers who are members of the Association shall nominate, from among those members, persons to fill any vacancy in the four seats reserved for representatives of the insurance industry. The Board shall solicit nominations from the member insurers and submit the nominations to the commissioner. The nominee slate submitted to the commissioner must include at least three more names than the number of vacancies. The commissioner shall appoint insurance industry representatives from the nominee slate.

In March 2014, the Commissioner of Insurance appointed Lyndell Haigood to fill the vacancy created with industry representative, Alice Gannon’s resignation, in August 2013. The Commissioner also reappointed Mr. Ron Lawson, serving as an industry representative member; Ms. Georgia Neblett, serving as a first tier coastal county resident representative member; and, Mr. Mike O’Malley, serving as an industry representative member.

With these appointments, all Board positions are currently filled. The membership of the Board of Directors is:

Name	Position
Richard Clifton Craig, <i>Vice Chairman</i>	Public Member from Non-Seacoast Territory
Steven Lawrence Elbert	Public Member & Agent from Tier 1 County
William David Franklin, Sr.	Non-voting Member, Licensed Engineer
Lyndell Haigood	Member of the Insurance Industry
Michael Gerik, <i>Secretary/Treasurer</i>	Member of the Insurance Industry
Ron Lawson	Member of the Insurance Industry
Georgia R. Neblett, <i>Chairman</i>	Public Member from Tier 1 County
Michael O’Malley	Member of the Insurance Industry
Gene Seaman	Public Member from Tier 1 County
Edward James Sherlock III	Public Member & Agent from Tier 1 County

Open Meetings Act

Section 2210.105 requires that, except for an emergency meeting, the Association shall notify TDI not later than the 11th day before the date of a meeting of the Board of Directors or of the members of the Association, and, not later than the seventh day before the date of a meeting of the Board of Directors, post notice of the meeting on TWIA’s and TDI’s websites. Section 2210.105 requires, except for a closed meeting authorized by Subchapter D, Chapter 551,

Government Code (Texas Open Meetings Act), a meeting of the Board of Directors or of the members of the Association to be open to the commissioner or the commissioner's designated representative and the public. Section 2210.105 requires that TWIA broadcast live on its Internet website, all meetings of the Board of Directors, other than closed meetings, and maintain on its Internet website an archive of meetings of the Board of Directors. A recording of a meeting must be maintained in the archive on the website up to the second anniversary of the broadcast. Section 2210.108 provides, except as specifically provided by Chapter 2210 or another law, TWIA is subject to Chapter 551 Texas Government Code, the Texas Open Meetings Act.

The Association continues to meet the requirements of the Open Meetings Act by complying with posting requirements for meetings of the Board of Directors and its subcommittees, as well as live broadcasting of meetings and archival of those meetings for later viewing on our website. Most recently, a meeting of the Board of Directors was held on May 21, 2014 in Austin. The meeting was broadcast live and is currently archived for viewing on TWIA's website (www.twia.org). Other TWIA meetings occurring within the time of this Report Card include:

Date	Type of Meeting	Location	In Compliance
06/18/2013	Quarterly Board Meeting	Galveston	Yes
07/25/2013	Actuarial/Underwriting Committee Meeting	Austin	Yes
08/05/2013	Actuarial/Underwriting Committee Meeting	Austin	Yes
08/13/2013	Quarterly Board Meeting	Austin	Yes
12/10/2013	Quarterly Board Meeting	Corpus Christi	Yes
01/15/2014	Officer Nominating Committee Meeting	Austin	Yes
01/27/2014	Stakeholder Committee/Working Group Meeting	Austin	Yes
02/05/2014	Officer Nominating Committee Meeting	Austin	Yes
02/17/2014	Executive Committee Meeting	Austin	Yes
02/18/2014	Quarterly Board Meeting	Austin	Yes
02/21/2014	Voluntary Coastal Wind Insurance Portal Workgroup Meeting	Austin	Yes
03/18/2014	Executive Committee Meeting	Austin	Yes

03/25/2014	Depopulation Committee Meeting	Austin	Yes
03/31/2014	Interim Board Meeting	Austin	Yes
04/14/2014	Voluntary Coastal Wind Insurance Portal Meeting	Austin	Yes
04/21/2014	Actuarial/Underwriting Committee Meeting	Austin	Yes
04/24/2014	Depopulation Committee Meeting	Austin	Yes
05/08/2014	Interim Board Meeting	Austin	Yes
05/21/2014	Quarterly Board Meeting	Austin	Yes

Primary Board Objectives Reports

Section 2210.107 requires the Association to submit, in addition to this Annual Report, bi-monthly reports regarding the prior two months' activity to its Board of Directors. These reports detail the extent to which the Association met the objectives outlined in the About This Report section. TWIA has complied with these requirements by preparing and delivering the following reports:

Date	Report Card	In Compliance
05/31/2013	2013 Annual Report Card	Yes
07/31/2013	May/June 2013 Report Card	Yes
09/30/2013	July/August 2013 Report Card	Yes
11/30/2013	September/October 2013 Report Card	Yes
01/31/2014	November/December 2013 Report Card	Yes
03/31/2014	January/February 2014 Report Card	Yes
05/30/2014	2014 Annual Report Card	Yes

Public Information Act

Section 2210.108 provides that, except as specifically provided by Chapter 2210 or another law, TWIA is subject to Chapter 552 Texas Government Code, the Texas Public Information Act ("the Act"). TWIA receives and responds to requests in accordance with the Act. The following table shows the number of requests received, withdrawn, and referred to the Office of the Attorney General (OAG) for a decision under the Act for 2011, 2012, 2013, and year to date 2014.

	As of 12/31			2014 As of Month End				
	2011	2012	2013	1/31	2/28	3/31	4/30	YTD
Total Requests Received	108	182	162	12	23	13	21	69
Number of Requests Withdrawn	7	16	14	1	0	2	5	8
Number of OAG Rulings Requested	10	20	26	3	0	1	0	4
% of Requests sent to OAG	9.3%	11.0%	16.0%	25.0%	0.0%	7.7%	0.0%	5.8%

As illustrated in the table above, requests increased 68.5% from 2011 to 2012 and decreased 11% from 2012 to 2013. Based on the volume of requests received in the first four months of 2014, public information requests are on pace for 27.8% annual growth. Increased media attention, litigation activity, and public interest have contributed to the increase in the number of requests received over the past several years.

Plan of Operation

Sections 2210.151 - 2210.153 provide that, with the assistance of the Board of Directors, the Commissioner of Insurance by administrative rule will adopt a plan of operation to provide windstorm and hail insurance in the catastrophe areas. The Plan of Operation must include:

- (1) a plan for the equitable assessment of the members of the association to defray losses and expenses;
- (2) underwriting standards;
- (3) procedures for accepting and ceding reinsurance;
- (4) procedures for obtaining and repaying amounts under any financial instruments authorized under this chapter;
- (5) procedures for determining the amount of insurance to be provided to specific risks;
- (6) time limits and procedures for processing applications for insurance; and

(7) other provisions as considered necessary by the department to implement the purposes of this chapter.

(8) The plan of operation may provide for liability limits for an insured structure and for the corporeal movable property located in the structure.

The Plan of Operation is found in the Texas Administrative Code, Title 28, Chapter 5, Subchapter E. TWIA, with assistance from TDI, is undertaking a comprehensive review and update of the Plan of Operation. The revised Plan will be more concise and easier to use.

Insurance Coverage

Coverage Requirements

Sections 2210.201-2210.203 further describe TWIA coverage and eligibility requirements and include provisions prohibiting TWIA from issuing policies for properties without flood insurance or that can otherwise be insured in the voluntary market. Section 2210.202(b)(2) further requires a statement that the agent acting on behalf of the applicant possesses proof of the inability to obtain substantially equivalent insurance coverage for the perils of windstorm and hail from the private market, as well as proof of flood insurance coverage or unavailability of that coverage.

In 2013, the Underwriting Department began developing an Agency Audit program to verify compliance with the declination and flood insurance requirements. The audit will be an ongoing process during which TWIA will review a sample of in-force policies from randomly selected agents and request the documents agents are required to retain evidencing proof of flood insurance and refusal to insure from a voluntary market insurer. Staff continues to develop the audit methodology and communication plan for implementation later in 2014.

Issuance of Policies

Under Section 2210.203, if the Association determines that the property for which an application for initial insurance coverage is made is insurable property, the Association, on payment of the premium, shall direct the issuance of an insurance policy as provided by the plan of operation. A policy is issued for a one-year term and may be renewed annually on application for renewal as long as the property continues to be insurable property. Below are charts illustrating the number of policies currently in-force, the direct liability associated with those policies, and premiums written year-to-date:

POLICIES IN-FORCE

Policy Type	As of 4/30/13	As of 4/30/14	Change from Prior Year
Mobile Home	886	955	7.79%
Residential	251,867	257,843	2.37%
Commercial	13,099	13,026	-0.56%
Totals	265,852	271,824	2.25%

DIRECT LIABILITY

Policy Type	As of 4/30/13	As of 4/30/14	Change from Prior Year
Mobile Home	\$41,754,188	\$46,967,801	12.49%
Residential	\$61,748,479,192	\$65,169,911,708	5.54%
Commercial	\$12,893,270,927	\$12,340,071,211	-4.29%
Totals	\$74,683,504,307	\$77,556,950,720	3.85%

WRITTEN PREMIUMS (YTD)

Policy Type	As of 4/30/13	As of 4/30/14	Change from Prior Year
Mobile Home	\$258,721	\$308,897	19.39%
Residential	\$98,026,201	\$107,963,442	10.14%
Commercial	\$32,029,278	\$29,496,007	-7.91%
Totals	\$130,314,200	\$137,768,346	5.72%

Compliance with Building Codes

Sections 2210.251, 2210.258 - 2210.260 set forth the building code and inspection requirements for eligibility in the Texas Windstorm Insurance Association and provide for limited exceptions. In accordance with these sections, TWIA requires a certificate of compliance (WPI-8) issued by the Texas Department of Insurance on all structures constructed, altered, remodeled, enlarged, repaired, or to which additions have been made on or after January 1, 1988. A noncompliant residential structure insured by the Association that has been approved for insurability under the approval process regulations in effect on September 1, 2009 is subject to an annual premium surcharge of 15% of the policy premium. These surcharges are deposited directly into the Catastrophe Reserve Trust Fund. The following tables show the number of TWIA policies currently in-force as of April 30, 2014 under the various compliance standards and the total surcharge amounts deposited into the CRTF each year, through April 30, 2014:

Compliance Standard	Policies In-Force	Year	Surcharges
Certificate of Compliance (WPI-8)	231,789	2011	\$6,675,047
WPI-8 Waiver	40,035	2012	\$7,408,157
		2013	\$7,233,546
		2014	\$1,859,965

The 83rd Texas Legislature enacted Senate Bill 1702, which amended the surcharge program for non-compliant structures and repealed the Alternative Eligibility Program. The bill also requires structures insured by the Association on or after December 31, 2015, to comply with the applicable windstorm building code standards.

Rates

Pursuant to Section 2210.352, not later than August 15 of each year, the Association shall file with TDI a proposed manual rate for all types and classes of risks written by the Association. On August 15, 2013, TWIA submitted a uniform 5% rate increase. Under 2210.352(a-1), TWIA may file and use a 5% rate increase without approval by the Commissioner of Insurance. The rate increase was effective on January 1, 2014.

In its August 2013 rate filing, TWIA had indicated rate needs as follows:

Rate Component	TWIA Rate Indications	
	Residential	Commercial
(1) Non-Hurricane Loss & LAE Ratio	9.4%	6.9%
(2) Hurricane Loss & LAE Ratio		
Experience	45.8%	51.1%
Modeled	58.2%	55.0%
Combined	52.0%	53.1%
(3) Net Cost of Reinsurance	15.6%	15.6%
(4) Other Fixed Expenses	4.6%	4.6%
Total Indicated Loss & LAE Ratio	81.6%	80.2%
(5) Contribution to CRTF	20.0%	20.0%
(6) Other Variable Expenses	18.0%	18.0%
Variable Permissible LLAE Ratio	62.0%	62.0%
Indicated Rate Change	+32%	+29%
Filed Rate Change	+5%	+5%
Remaining Indicated Rate Change	+26%	+23%

Notes:

- (1) Residential ratio based on industry losses over last 10+ years
Commercial ratio based on TWIA losses over last 10+ years
- (2) Combined ratio selected giving equal weight to experience and modeled losses
Experience projected using long-term historical frequency and industry experience
Model results projected using long-term frequency
- (3) Based on the net cost of reinsurance after accounting for potential recoveries
- (4) Includes general operating expenses of the Association
- (5) Selected to generate increased contributions to the CRTF
- (6) Includes commissions, taxes, licenses, and fees

Catastrophe Plan

Section 2210.455 requires the Association, not later than June 1 of each year, to submit to the commissioner, the legislative oversight board, the governor, the lieutenant governor, and the speaker of the house of representatives a catastrophe plan covering the period beginning on the date the plan is submitted and ending on the following May 31.

The catastrophe plan must describe the manner in which TWIA will, during the period covered by the plan, evaluate losses and process claims after windstorms with a four, two, and one percent chance of occurring. The document titled “TWIA 2014 Cat Plan HB3 Requirements” accompanying this report contains the detailed model results for each of these scenarios addressing specific issues under four main areas of focus: Early Warning Systems and Forecasting, Staffing, Technology, and Workflows and Procedures. The catastrophe plan (“Catastrophe Plan” or “CAT Plan”) submitted under this section is for informational purposes only and does not bind the Association to a particular course of action.

The catastrophe plan must include a description of how losses under Association policies will be paid, and how claims under Association policies will be administered and adjusted, during the period covered by the plan. The reinsurance program has not been fully finalized as of this writing. However, \$950 million of traditional reinsurance has been placed and in-force for June 1. An additional \$400 million in reinsurance coverage in the form of a catastrophe bond is expected to be placed mid-June bringing the total reinsurance program to \$1.35 billion.

The summary below details how each of the four scenarios would be funded assuming \$1.35 billion of reinsurance. The amounts below assume only Class 2 and Class 3 public security proceeds will be available. If Class 1 public securities can be issued, the proceeds could provide up to \$1 billion in additional public security funding. All figures below are in millions (\$000,000s).

Event	Estimated Losses	Premium Revenue	CRTF	Public Securities	Reinsurance	Unfunded
1% (1 in 100)	4,734	190	210	1,500	1,350	1,484
2% (1 in 50)	2,831	190	210	1,500	931	0
4% (1 in 25)	1,522	190	210	1,120	0	0
10% (1 in 10)	525	190	210	125	0	0

The level of detail in TWIA’s current catastrophe event planning has exponentially increased over that of 2008 and prior years. Prior to 2012, leadership prepared only a conceptual outline which was updated infrequently and lacked detailed information about available resources and ability to scale for larger events. TWIA’s is constantly improving the Association’s claims resource capacity and ability to respond promptly and effectively to catastrophic claims

situations. Claims leadership conducts frequent catastrophe planning meetings to update the CAT Plan with information learned from real and modeled events. The result is a dynamic document that provides detailed information regarding:

- roles and responsibilities for Claims and all other TWIA departments;
- information regarding available resources;
- details for scalability for larger events including pre- and post-event loss projection and staffing modeling tools; and
- operational guidelines and directives for TWIA’s response to a catastrophe.

A complete copy of the 2014 TWIA Catastrophe Plan is attached to this report. TWIA has activated the CAT Plan six times since January 1, 2012 for localized wind and hail events.

TWIA Claims Performance Metrics

TWIA’s commitment to planning and proficiently executing the plan is evidenced by quality assurance (QA) scores and policyholder satisfaction levels. TWIA’s Customer Care Survey (CCS), initially implemented in April 2012, is available to policyholders on TWIA’s website and by scanning QR codes on payment letters that link to the Customer Care Survey. QA scores are the result of quality assurance evaluations of claim files. Analysts conduct monthly reviews of each Claims Examiner’s files. Claim files are evaluated for adherence to guidelines for regulatory compliance, coverage analysis, loss investigation, loss valuation, appropriate reserving. The following exhibit illustrates the improvements management has implemented in both claims handling and policyholder customer service.

	Quarterly Summary				Monthly Summary			YTD
Metric	3Q-13	4Q-13	1Q-14	2Q-14	2/14	3/14	4/14	2014
QA Score	98%	96%	95%	94%	97%	92%	94%	95%
CCS Score	4.62	4.52	4.84	4.45	5.00	4.64	4.45	4.74

Both the QA scores and the Customer Care Surveys exceed internal Association standards for all reporting periods shown.

Key Performance Indicators

The Key Performance Indicators listed in the chart below measure the total number of days from receipt of a claim, or First Notice of Loss, to when TWIA issues payment (cycle time), as well as Complaint Ratio, which represents the percentage of TDI complaints to claims filed.

	Quarterly Summary				Monthly Summary			YTD
	3Q-13	4Q-13	1Q-14	2Q-14	2/14	3/14	4/14	2014
Cycle Time	6.6	6.8	6.9	7.6	6.8	7.1	7.6	7.1
TDI Complaints	5	5	4	2	1	1	2	5
Complaint Ratio	0.40%	0.26%	0.43%	0.74%	0.43%	0.43%	0.74%	0.52%

Limits of Liability

Under Subchapter K of Chapter 2210 (Sections 2210.501 – 2210.504), TWIA is required to propose inflation adjustments to the maximum liability limits under a windstorm and hail policy. On September 30, 2013, TWIA made a filing with the Texas Department of Insurance for an increase in its maximum liability limits for 2014, based on increased construction costs as reflected in the BOECKH Index. The Commissioner of Insurance issued an order denying the increase in limits on November 19, 2013, citing the cumulative increases in limits since 2005. As such, maximum limits for 2014 are:

Dwellings and individually owned townhouses	\$1,773,000
Contents of an apartment, condominium, or townhouse	\$374,000
Commercial structures and associated contents	\$4,424,000

Certain Appeals and Other Actions

Appeals

Under the previous law, an insured could dispute a claim decision by filing an appeal with the Commissioner of Insurance and presenting the dispute to the State Office of Administrative Hearings (“SOAH”). Section 2210.551 now limits the availability of appeals through the SOAH process to those persons or entities that have been aggrieved by an act, ruling, or decision of the Association that is not related to the payment of, the amount of, or the denial of a claim. As a result, all correspondence to insureds communicating a claims decision has been revised to reflect rights and responsibilities as provided under current law.

Voluntary Arbitration & Certain Coverage and Claims Disputes

Section 2210.554 allows TWIA to offer an “Arbitration Endorsement” to its policyholders in a form to be prescribed by the Commissioner of Insurance. If a policyholder elects to include this endorsement in their policy, they will be required to submit any dispute involving an act, ruling, or decision of the Association relating to the payment of, the amount of, or the denial of the claim to a binding arbitration process under rules established by the Commissioner of

Insurance. Once the form, rules, and procedures are adopted by TDI the Association will begin offering the endorsement.

Claims: Settlement and Dispute Resolution

HB3 made significant changes to both the process by which insureds can dispute the decisions of the Association relating to the payment of, the amount of, or the denial of a claim, and the remedies available to the insured. First, Section 2210.014 made Insurance Code Chapters 541 (bad faith) and 542 (Prompt Pay Act) inapplicable to TWIA claims, and Section 2210.572(c) made the Deceptive Trades & Practices Act inapplicable to TWIA. These were three of the main causes of action asserted by insureds who sued TWIA alleging claims were underpaid or settled in bad faith. Instead, new provisions of Chapter 2210, Subchapter L-1, provide the process for claims decisions, payments and disputes.

All Claims personnel have been trained on the new claim-handling procedures and deadlines included in HB3. Claims decision letters have been revised to provide clear notifications of the portions of a claim the Association has accepted or denied in full or in part, as required by Section 2210.573(d). Claims decision letters also include descriptions of the procedures to dispute accepted or denied claims and provide forms that insureds can use to begin the dispute resolution process, as required by Section 2210.573(e)-(g).

Below is a table listing data, as of April 30, 2014, regarding claims subject to the HB3 dispute resolutions.

Disputed HB3 Claims							
Dispute Frequency			Type of Dispute*				
Total Claims	Disputed Claims	% of Disputed Claims	Appraisals	Suits	LORs – Not in Appraisal**	Mediation	TDI & Other Complaints
13,511	135	1.0%	75	10	16	10	29

* A single disputed claim may have more than one type of dispute.

**Letter of Representation

The table above represents information for all HB3 claims filed since inception of HB3 in late 2011. Dispute frequency tracks the total number of HB3 claims, the number of claims in which the policyholder is disputing the claims disposition for any reason, and the ratio of disputed claims to total claims.

Appraisal and Rulemaking

All disputes regarding a claim that is accepted by the Association must be submitted to an appraisal process pursuant to Section 2210.574. The Department adopted rules to govern this appraisal process. TWIA continues to work with TDI to implement the rules regarding the appraisal process.

Ombudsman Funding and Program

Section 2210.582 directed the TDI to establish an Ombudsman Program to assist TWIA policyholders in understanding and navigating the claims process. TDI established the Coastal Outreach and Assistance Services Team (“COAST”) Program and adopted rules relating to its function on March 19, 2012. Even before the formal adoption of the rules, at 28 TAC §5.4201, TWIA revised its claims correspondence to advise insureds of the program and provide contact information in English and Spanish. TWIA fully funds the COAST program based on the budget provided by TDI each March.

Legal & Compliance staff has cultivated a strong relationship with TDI’s TWIA Ombudsman, a position created by HB3. TWIA continues to work closely with the Ombudsman to implement and develop an outreach program to promote policyholder education in the coastal areas. Currently, staff attends a variety of events, primarily hosted by area chambers of commerce and other local organizations. Presentations have focused on internal changes at TWIA, eligibility and coverage issues, WPI-8s and surcharges, as well as what to expect from the claims process and important changes resulting from HB3.

Ultimately the program will include targeted strategies designed to achieve different objectives in the coastal areas. Staff is developing standard templates for three different outreach engagement formats, including presentations to deploy to affected areas post-storm, such as those conducted in Santa Fe and Hitchcock in 2013; educational presentations aimed at informing consumers of important coverage, eligibility and claims information before issues arise; and networking events during which staff makes presentations to smaller community groups with the goal of identifying community needs and organizing larger educational events. To date, TWIA has coordinated a number of successful events, including post-event meetings with Santa Fe and Hitchcock Chambers of Commerce; the Hitchcock Chamber of Commerce sponsored Community Forum: Brainstorming the Hail Storm; educational presentations to community groups in Ingleside, Corpus, Aransas Pass, and Portland; a Q&A regarding TWIA Claims, Eligibility & Coverage and Funding issues hosted by the Rockport Chamber; and, most recently the Coastal Bend Hurricane Conference in Robstown.

TWIA is also considering expanding the outreach program to include meetings between executive leadership and area Chambers of Commerce and other interested community groups to discuss and solicit feedback on the issues affecting coastal residents and provide information on TWIA efforts to address those concerns.

Annual Evaluation of Association Management

The fifth objective outlined in 2210.107(a) is to establish, and adhere to terms of, an annual evaluation of Association management necessary to achieve the statutory purpose, Board objectives, and any performance or enterprise risk management objectives established by the

Board.

Beginning January 1, 2012, TWIA's annual budget has been based upon department level budgets for which department management and their staffs are held accountable. Individual performance standards have been established for each position within the organization that reflect that accountability as well as objective measurable standards appropriate to the individual employee's responsibilities. The 2014 budget was reviewed and approved by the Board at its December 10, 2013, meeting.

The Finance Department has prepared budget conformance reports at the department level to monitor performance beginning with 2012 first quarter results. Under the current management team, TWIA has consistently performed at or below budget for controllable expenses in nearly every area since 2012.

TWIA staff is evaluated against a set of performance standards, including objective performance measures based upon their department and their individual role within their department. Each department head is accountable for his or her individual budgets, and these measures comprise a portion of the standard of performance against which they are evaluated on an annual basis. Staff within each department has similar, although not identical, objective measures against which to evaluate performance. Performance Evaluation documents reflect these areas of accountability.

Risk Management Objectives have been established in the form of Business Continuity planning, Catastrophe Claims planning, Reinsurance, and other funding mechanisms to effectively manage the financial and human resources of the organization in meeting its established purpose.

Appendix A: Sample Risk Management Report



Property Risk Management Report

Brownsville, TX 78521
September 30, 2013



REPORT DETAILS

Report: 2445807

Policy:

Renoval Date: N/A

Date of Photo: 2/5/2013

Geocode:

BUILDING SUMMARY

Year Built: 1935

Number of Stories: 1

Estimated Living Area: 1,263 sq. ft.

Garage (None): 0 sq. ft.

REPORT CONTENTS


Report Images 2

Living Area Diagram 3

Outbuilding Diagram 6

Structural & Property Observations 7

PREPARED FOR:
TWIA, UW Pilot




Property Risk Management Report

Brownsville, TX 78521
September 30, 2013


REPORT IMAGES

Report #: 2445807
Geocode: 21.9011930,
-97.4623790

The following aerial images show different angles of this structure for your reference. Additional images may have been used in the creation of this report and not included in this final document.



North View



South View



Property Risk Management Report

Brownsville, TX 78521

September 30, 2013

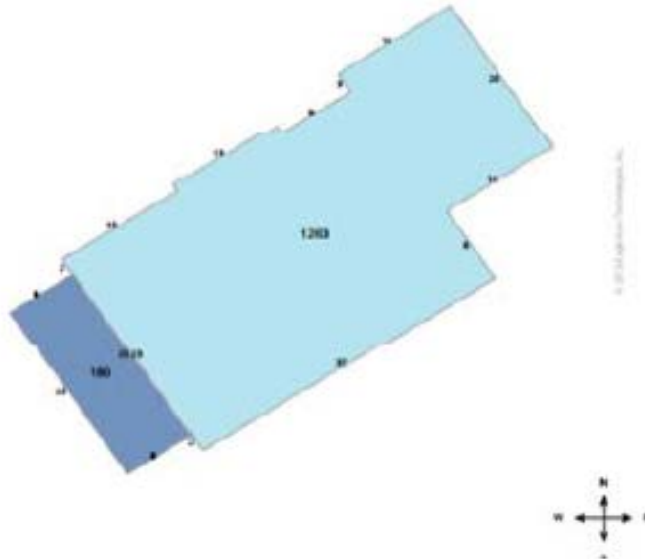
LIVING AREA DIAGRAM

Report #: 7445807
Gnoccode: 25.9082130,
-87.4621346

Total Estimated Living Area: 1,263 sq. ft.
Number of Stories: 1

First Floor

- Living Area
- Garage
- Porch
- Deck
- Patio
- Footprint



Property Risk Management Report

Brownsville, TX 78521

September 30, 2013

STRUCTURAL & PROPERTY OBSERVATIONS

Report #: 7445807
Gnoccode:

CONFIDENCE RATING:

- 4 - Very High: Straightforward construction, often single story, easily-defined garage, quality images.
- 3 - High: Potential for minor discrepancies, like vaulted ceilings on two stories home, or minor tree coverage.
- 2 - Medium: Very complex construction with multiple stories often combined with poor or incomplete image sets.
- 1 - Low: Very poor or incomplete images.

STRUCTURAL OBSERVATIONS

Year Built:	1935
Number of Stories:	1
Number of Family Structure:	Single Family
Structure Footprint:	1,443 sq. ft.
Corners:	8
Estimated Total Living Area:	1,263 sq. ft.
Garage Area:	0 sq. ft.
Garage Type:	None
Deck Area:	0 sq. ft.
Patio Area:	0 sq. ft.
Porch Area:	180 sq. ft.
Estimated Roof Pitch:	1-5
Roof Shape:	Gable
Number of Chimneys:	0
Outbuilding Count:	1
Outbuilding Total Area:	125 sq. ft.
Basement Area:	N/A
Finished Basement Area:	N/A
Basement Type:	N/A
Basement Description:	N/A

PROPERTY OBSERVATIONS

EagleView Roof Report:	No
EagleView Wall Report:	No
Dist. to Commercial Exposure:	153 ft.
Distance to Steep Slope:	0 ft.
Distance to Water Hazard:	0 ft.
Distance to Vegetation:	0 ft.
Type of Vegetation:	None
Swimming Pool/Hot Tub:	No
Trampoline:	No
Slope on Property:	No
Cross-Sell Identifications:	None
Owner Occupied:	N/A

For more information, please see our [Disclaimer of Terms](#).

Appendix B: Business Ethics & Conflicts of Interest Policy

BACKGROUND

All TWIA/TFPA officers, board members, employees, and contractors shall conduct their personal financial affairs in an ethical manner so as to try to avoid actual or perceived conflict between such personal interests and the interests of TWIA/TFPA. It is the policy of TWIA/TFPA that no board member serving on the TWIA Board of Directors or TFPA Governing Committee, TWIA/TFPA officer, TWIA/TFPA employee or contractor shall permit their private interests to conflict with the proper discharge of any duties and responsibilities; nor shall they use their position or any knowledge gained therein, in such a manner as to give the appearance of such conflict. Conflicts of interest may be considered to exist in those instances where the actions or activities of an individual on behalf of TWIA/TFPA also may result in improper personal gain or advantage to the individual or a family member, adverse effect upon TWIA/TFPA's interests, and improper gain or advantage to a third party.

While this Business Ethics and Conflicts of Interest Policy ("Policy") discusses many improper activities that may occur, it cannot possibly describe all potential improper activities and therefore is not meant to be an exclusive list. It is expected that officers, board members, employees, and contractors shall exercise integrity and good judgment at all times.

The following terms shall mean the following in this Policy:

Board Member – A member of the TWIA Board of Directors or the TFPA Governing Board.

Business Relationship – A connection between two or more parties based on commercial activity of one or both of the parties.

Contractor – A person, not an employee of TWIA or TFPA, with whom TWIA or TFPA has an independent contractor relationship and has a contract to:

- 1) perform daily services for TWIA and/or TFPA at offices located in Austin or a field office location in the catastrophe area; or
- 2) report on a daily basis to a supervisor, manager, or other employee who is employed directly by TWIA or TFPA.

Contractor also includes any subcontractor or vendor that provides goods or services to TWIA or TFPA.

Employee – A person who is employed directly with TWIA or TFPA as a full-time, part-time, or temporary employee.

Family Member - An individual related to any board member or employee within a degree of relationship described by Section 573.002, Government Code.

Officer – The General Manager of the TWIA and/or TFPA.

Personal Relationship - Any relationships between an employee and family member or any relationships between an employee and another person based on friendship, common goal, or other shared interest.

STANDARDS FOR A TWIA AND TFPA OFFICER, BOARD MEMBER, EMPLOYEE AND CONTRACTOR

An officer, board member, employee or contractor contracting with TWIA or TFPA (hereafter "person") shall not:

- (1) accept or solicit any gift, favor, or service that might reasonably tend to influence the person in the performance or nonperformance of duties or responsibilities that the person knows or should know is being offered with the intent to influence the person's actions or conduct;
- (2) accept other employment or engage in a business, professional, or personal activity that the person might reasonably expect would require or induce the person to disclose confidential information acquired by reason of the person's duties or responsibilities;
- (3) accept other employment or compensation that could reasonably be expected to impair the person's independence of judgment in the performance of their duties or responsibilities;
- (4) make personal investments that could reasonably be expected to create a substantial conflict between the person's private interest and the interest of TWIA or TFPA;
- (5) intentionally or knowingly solicit, accept, or agree to accept any benefit, financial or otherwise, for having exercised the person's authority or performed the person's duties or responsibilities in favor of another; or,
- (6) own personally or by or through a family member any interest in a business that provides services for compensation to TWIA/TFPA unless that ownership is limited to the ownership of common stock available to any member of the public for purchase or the ownership is disclosed and any deviation of this policy is waived pursuant to the DEVIATION FROM THIS POLICY section.

Subsections (1-5) are based on Section 2210.012(a)². Although the same statutory language does not exist for TFPA under Chapter 2211, these standards will be applied in any TFPA operations or procedures.

CERTAIN EMPLOYMENT AND CONTRACTS PROHIBITED

² All statutory references are to the Texas Insurance Code unless otherwise noted.

Pursuant to Section 2210.013, a member of the board of directors, governing board, or an employee of the association may not appoint or employ, or contract with, the following individuals for the provision of goods or services in connection with the operation or business of the association, if the individual to be appointed or employed, or with whom a contract is to be entered into, is to be directly or indirectly compensated from funds of the association:

(1) an individual related to the member of the board or employee within a degree of relationship described by Section 573.002, Government Code; or

(2) an individual related to any member of the board of directors or employee of the association within a degree of relationship described by Section 573.002, Government Code.

Section 573.002, Government Code means relationships within the third degree by consanguinity or within the second degree by affinity.

Two individuals are related to each other by consanguinity if:

(1) one is a descendant of the other; or

(2) they share a common ancestor.

An adopted child is considered to be a child of the adoptive parent for this purpose.

Two individuals are related to each other by affinity if:

(1) they are married to each other; or

(2) the spouse of one of the individuals is related by consanguinity to the other individual.

The ending of a marriage by divorce or the death of a spouse ends relationships by affinity created by that marriage unless a child of that marriage is living, in which case the marriage is considered to continue as long as a child of that marriage lives.

Consanguinity and Affinity Relationship Chart³

Officer or Employee					
Consanguinity (Includes individuals related by blood to the Officer or Employee)			Affinity (Includes the Officer's or Employee's Spouse and individuals related to the Spouse)		
First Degree	Second Degree	Third Degree	First Degree	Second Degree	Third Degree
Father or Mother	Grandparents	Great Grandparents	Spouse	Grandparents	Great Grandparents
Son or Daughter (& Spouse)	Grandchildren (& Spouse)	Great Grandchildren (& Spouse)	Father or Mother	Grandchildren	Great Grandchildren
	Uncle or Aunt (& Spouse)	Great Uncle or Aunt (& Spouse)	Son or Daughter	Uncle or Aunt	Great Uncle or Aunt
	First Cousin (& Spouse)	Children of Great Uncle or Aunt (& Spouse)		First Cousin	Children of Great Uncle or Aunt
	Nephew or Niece (& Spouse)	Second Cousin (& Spouse)		Nephew or Niece	Second Cousin
	Brother or Sister (& Spouse)	Children of First Cousin (& Spouse)		Brother or Sister	Children of First Cousin
		Grand Nephew or Niece (& Spouse)			Grand Nephew or Niece

An Officer or Employee is the starting point from which all degrees of relationship are calculated.

Under the Degrees of Consanguinity, where Spouse is indicated, the relationship of the spouse is in the same degree as that of the person related by consanguinity, but the spouse is related only by affinity.

³ Source – Texas State, Finance and Support Services Division, Human Resources.

Although the same statutory language does not exist for TFPA under Chapter 2211, these standards will be applied in any TFPA operations or procedures.

An officer or employee who violates these requirements is subject to termination by TWIA or TFPA. A contractor who violates this Policy is subject to termination of any contract with TWIA or TFPA. In addition, a person who violates these requirements may be subject to any applicable civil or criminal penalty if the violation also constitutes a violation of any statute or rule. Any director or governing board member who violates these requirements will be reported to the Commissioner of Insurance and may be subject to removal by the Commissioner of Insurance pursuant to Chapters 2210 and 2211.

RELATIONSHIPS – REQUIRED DISCLOSURES

The following relationships must be disclosed to TWIA/TFPA management:

- (1) Prior to or at the time of first employment, performing services, or signing of any contract, an officer, employee, or contractor must disclose to the General Manager any previous, current, or future business or personal relationship with a third party which may have or has a financial interest in the operations of TWIA/TFPA;
- (2) Prior to or at the time of first employment, an officer, employee, or contractor must disclose the name of any previous employer or other self-employment performed by the employee for the five years preceding the date of employment with TWIA/TFPA; or
- (3) After commencing employment, association, or contract with TWIA/TFPA, upon discovery or knowledge, direct or indirect, of a business or personal relationship with a third party which may have or has a financial interest in the operation of TWIA/TFPA, the officer, board member, employee or contractor must disclose this information immediately to the General Manager.

An officer, board member, employee, or contractor must notify the General Manager of any business relationship, or proposed business transaction TWIA/TFPA may have with any other party in which the officer, board member, employee or a family member, and contractor has:

- (1) In which the officer, board member, employee, contractor, or a family member has a direct or indirect interest;
- (2) From which the officer, board member, employee, contractor, or a family member may derive a benefit; or
- (3) Where a family member is employed, if such relationship or transaction might give rise to an actual or perceived conflict of interest.

TWIA/TFPA shall provide each officer, board member, employee, or contractor a list of current vendors that contract with TWIA and/or TFPA to assist in determining compliance with this section. The list shall be provided annually at the time of the signing of the Annual Certification (*Attachment 5*). Notwithstanding the provision of any vendor list, actual knowledge that a relationship exists between TWIA and/or TFPA and a vendor creates the obligation of the

employee to disclose that relationship. All disclosures under this Section shall be made using the Required Disclosure Form (Attachment 3). Human Resources will maintain the Disclosure Form in personnel files.

The General Manager shall review all required disclosures provided under this Policy and evaluate any impact on the organization. If any officer, board member, employee, or contractor becomes aware of a potential conflict that may have not been previously disclosed by another person, that person shall bring the potential conflict to the General Manager immediately.

Once such disclosure has been brought to the attention of the General Manager, the conflict will be evaluated and the appropriate action will be taken to resolve any such conflict. A committee consisting of the General Manager, the Vice President of Legal, the Vice President of Finance, Compliance Manager and the Human Resources Administrator shall evaluate each and every conflict to determine a course of action to address the conflict. Such actions may include, but are not limited to, seeking an exception or deviation as outlined in this policy, requiring such conflicts be eliminated, or reassignment or termination of individuals if the conflict cannot be otherwise resolved. Any decision to address a disclosure of a conflict of interest will be maintained in personnel files by Human Resources.

OUTSIDE EMPLOYMENT

No officer, board member, employee, or contractor should engage in employment that interferes with the discharge of his or her duties and/or obligations or conflicts with those duties and/or obligations to TWIA/TFPA.

ACCEPTANCE OF GIFTS OR OTHER ITEM OF VALUE

Some contractors and vendors of goods and services may try to use loans, gifts, gratuities, entertainment or favors as part of an effort to solicit business from TWIA or TFPA. This section addresses those situations and other related actions.

A TWIA/TFPA officer, board member, employee, or contractor may accept non-cash items (gifts), mementos, awards, food, or entertainment, of less than \$50 in value not to exceed \$250 per calendar year. Any offer of any benefit exceeding \$50 shall not be accepted. TWIA/TFPA officers, board members, employees, and contractors shall not accept any amount of cash, check, loan, or negotiable instrument.

The acceptance of any gift, food, or entertainment of less than \$50 and any offer of a benefit exceeding \$50 shall be reported to the Compliance Manager on the Form attached as (**Attachment 4**) within 30 days of the action described in this section. The delivery may be accomplished via physical or electronic delivery. The Compliance Manager maintains all disclosure forms.

Exception: An officer, board member, employee, or contractor may accept a benefit from a person, such as a friend, relative, or business associate with whom you have a relationship independent of your employment status if the benefit is given on account of that independent relationship rather than your status with TWIA/TFPA.

Any attempt to circumvent this section by providing an item of value to an officer, board

member, employee, or contractor's immediate family member will be construed as providing an item directly to the employee which is a violation of this Section. The officer, board member, employee, or contractor should report any item of value provided to an immediate family member in the same manner as if the officer, board member, employee, or contractor had received the item of value.

REPORTING OF IMPROPER ACTIVITY

Pursuant to Section 2210.012(d), a board member or employee of the association who reasonably suspects that a fraudulent insurance act has been or is about to be committed by any board member or employee of the association shall, not later than the 30th day after discovering the conduct, report the conduct and identity of the person engaging in the conduct to the Texas Department of Insurance and may report the conduct and the identity of the person engaging in the conduct to another authorized governmental agency. Although the same statutory language does not exist for TFPA under Chapter 2211, these standards will be applied in any TFPA operations or procedures.

This is also to remind you that under Section 701.051(a), there is a duty for any person, including board members, to report suspected insurance fraud not later than the 30th day after the date:

- 1) A determination is made that a fraudulent insurance act has been or is about to be committed in this state; or
- 2) There is a reasonable suspicion that a fraudulent insurance act has been or is about to be committed in this state.

For any questions on fraud reporting, please refer to the *TWIA/TFPA Procedures for the Review and Reporting of Fraudulent Insurance Acts*.

In addition, if any officer, board member, employee, or contractor at any time believes that he or she, or any other TWIA/TFPA officer, board member, employee, or contractor, might be engaged in improper activities including any possible criminal activity, such person should immediately report the activities to the General Manager for appropriate action and disclosure to the TWIA/TFPA Board in a timely fashion. If a person does not want to report the activities to the General Manager, a person may anonymously disclose any improper activities described by this Policy to the TWIA/TFPA Whistle Blower Program (See **Attachment 2**). The program is administered by Lighthouse Services and improper activities may be reported as follows:

Phone: English (877) 472-2110 Spanish (800) 216-1288

Fax: 1-215-689-3885
Must include company name with fax

Email: reports@lighthouse-services.com/incident/incident.php
Must include company name with report

Website: www.lighthouse-service.com
Click submit a report

SELF-DEALING

An officer, board member, employee, or contractor may not enter into the following business dealings for or on behalf of TWIA/TFPA:

- (1) Representing TWIA/TFPA in any activity requiring his or her judgment or discretion that affects a person or entity with which he or she has a material family, financial, or other relationship;
- (2) Representing any other company or person in a transaction with the TWIA/TFPA; or,
- (3) Using TWIA/TFPA property, corporate time, or confidential information for personal gain or other thing of value.

COMPLIANCE WITH OTHER LAWS AND REGULATIONS

Every officer, board member, employee, and contractor is required to comply with all applicable laws and regulations in conducting the business of TWIA/TFPA. Any questions about the legality of an existing or anticipated course of action shall be reported to the Vice President for Legal or the General Manager. This Section does not attempt to address all conduct that may constitute a violation of law, but in no event shall any officer, board member, employee, or contractor engage in the following:

- (1) Steal, embezzle, or misapply funds or assets of the TWIA/TFPA, its customers, or vendors;
- (2) Obtain unauthorized access to customer records or confidential information;
- (3) Make false reports to government officials or regulatory agencies;
- (4) Assist criminals to avoid detection, capture, or punishment, knowing that a criminal offense has been committed;
- (5) Engage or abet in any criminal activity, including insurance fraud;
- (6) Gain unauthorized access to TWIA/TFPA's information or computer system;
- (7) Fraudulently request, obtain, disclose, or cause to be disclosed any customer information to a third party for any purpose not permitted by law;
- (8) Use threats or physical force against another person; or
- (9) Engage in any sexual harassment of whatever kind or nature.

ANNUAL STATEMENT OF COMPLIANCE

At least annually, each TWIA/TFPA officer, board member, employee, and contractor shall sign a certification (*Attachment 5*) and deliver it to the General Manager or Compliance Manager, or provide complete disclosure to the General Manager or Compliance Manager of the reasons why the person is unable to sign the certification. The certification will state the following:

I have read the TWIA/TFPA Business Ethics and Conflict of Interest Policy and agree to abide by its terms. By my signature below, I certify that I know of no circumstance or conduct, whether involving me or any other TWIA/TFPA officer, board member, employee or contractor that violates the Business Ethics and Conflict of Interest Policy or that is required by the Business Ethics and Conflict of Interest Policy to be reported to the General Manager.

DEVIATION FROM THIS POLICY

The requirements of this Policy may only be waived by a majority vote by the TWIA Board of Directors, the TWIA Executive Committee of the Board of Directors, or the TFPA Governing Committee in an open meeting to determine if deviation from the policy is necessary. This action should be documented with any applicable reason or basis for deviation from this Policy and placed within the minutes for that meeting.

Attachment 2

Whistle Blower Policy

Effective January 24, 2011, Lighthouse Services was engaged to provide an anonymous ethics and compliance hotline for all TWIA and TFPA directors, governing committee members and employees, including part time, interns, temporary and contract employees.

Attached is our "Whistleblower Policy" with information on submitting reports. The purpose of the service is to insure that any person wishing to submit a report anonymously may do so without the fear of retribution.

First and foremost, TWIA encourages you to speak to your manager when you encounter a problem or circumstance that requires intervention in order to reach a resolution. However, if an incident or situation arises that you feel you cannot report to your supervisor or Human Resource Department, the creation of an external system is now in place to give an alternative reporting source.

Please note that the information provided by you may be the basis of an internal and/or external investigation into the issue you are reporting and your anonymity will be protected to the extent possible by law by Lighthouse.

However, your identity may become known during the course of the investigation because of the information you have provided. Reports are submitted by Lighthouse to a company designee for investigation according to our company policies.

Lighthouse Services toll free number and other methods of reporting are available 24 hours a day, 7 days a week for use by employees and staff.

- **Telephone:**
 - English speaking USA and Canada: 877-472-2110 (not available from Mexico)
 - Spanish speaking North America: (800) 216-1288 (from Mexico user must dial 001-800-216-1288)
- **Website**
 - Lighthouse Homepage: <http://www.lighthouse-services.com/TWIA> (click - submit a report)
 - Direct: <http://www.lighthouse-services.com/incident/incident.php> (direct to login page)
- **E-mail:** reports@lighthouse-services.com (must include company name with report)
- **Fax:** (215) 689-3885 (must include company name with report)

Attachment 4

**DISCLOSURE FORM ACCEPTANCE OR OFFER
GIFT OR OTHER ITEM OF VALUE**

BACKGROUND: This form is issued pursuant the Business Ethics and Conflicts of Interest Policy in the TWIA/TFPA Employee Handbook.

ACCEPTANCE:

Gift, food, or entertainment of less than \$50 value; not to exceed \$250 per calendar year..

DATE: _____

DESCRIPTION OF GIFT, FOOD, OR ENTERTAINMENT:

APPROXIMATE VALUE: _____

NAME OF INDIVIDUAL(S) PROVIDING GIFT:

ENTITY ASSOCIATED WITH INDIVIDUAL(S):

REJECTION:

Offer of gift, food, entertainment, of more than \$50 or other gratuity.

NOTE - THERE SHALL BE NO ACCEPTANCE OF ANY BENEFIT EXCEEDING \$50 in value.

DATE: _____

DESCRIPTION OF GIFT, FOOD, OR ENTERTAINMENT:

APPROXIMATE VALUE: _____

NAME OF INDIVIDUAL(S) PROVIDING GIFT:

ENTITY ASSOCIATED WITH INDIVIDUAL(S):

NAME OF TWIA/TFPA EMPLOYEE: _____

DATE: _____

**Texas Windstorm Insurance Association
Texas Fair Plan Association
Annual Certification**

The attached Texas Windstorm Insurance Association (“TWIA”) and the Texas Fair Plan Association (“TFPA”) Business Ethics and Conflicts of Interest Policy (“Policy”) has been approved by the General Manager. All employees, officers, board members, and contractors must conduct their personal and professional affairs to avoid conflict between any personal and professional interests and TWIA and/or TFPA.

While the Policy illustrates the way in which some conflicts arise, there are other ways that conflicts might manifest themselves requiring the ongoing exercise of integrity and judgment by the TWIA/TFPA employees, officers, board members, and contractors.

If any employee, officer, board member, or contractor believes at any time that he or she or any other person might be engaged in activities described in the Policy, the employee, officer, board member, or contractor should immediately report the activities to the General Manager or authorized governmental agency as appropriate under fraud reporting requirements. Alternatively, a person can report the activities to the TWIA/TFPA whistle blower program:

Phone: English (877) 472-2110 Spanish (800) 216-1288

Fax: 1-215-689-3885
Must include company name with fax

Email: reports@lighthouse-services.com/incident/incident.php
Must include company name with report

Website: www.lighthouse-service.com
Click submit a report

**ANNUAL
CERTIFICATION**

I have read the TWIA/TFPA Business Ethics and Conflict of Interest Policy and agree to abide by its terms. By my signature below, I certify that I know of no circumstance or conduct, whether involving me or any other TWIA/TFPA officer, board member, employee or contractor that violates the Business Ethics and Conflict of Interest Policy or that is required by the Business Ethics and Conflict of Interest Policy to be reported to the General Manager.

Signature

(Printed Name)

DATE

2014 Catastrophe Plan

Texas Windstorm Insurance Association

House Bill 3 Section 2210.455 Requirements



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House Bill 3 Section 2210.455 Requirements

House Bill 3 states the Texas Windstorm Insurance Association (TWIA) Catastrophe Plan (CAT Plan) must describe the manner in which the association will evaluate losses and process claims if the following windstorms affect an area of maximum exposure. The CAT Plan must be completed by May 31st of each year:

- A windstorm with a four percent chance of occurring during the period covered by the plan
- A windstorm with a two percent chance of occurring during the period covered by the plan
- A windstorm with a one percent chance of occurring during the period covered by the plan

Specifically, the plan must include a description of how losses under the association will be paid, and how claims under association policies will be administered and adjusted. This requirement is for informational purposes only and does not bind the association to a particular course of action.

As part of the planning process, Claims modeled the three required scenarios for TWIA, plus a 10% event. Each of these scenarios is modeled in the Claims Resource Scalability Model worksheets and summarized in the accompanying tables below.

Pre-Event and During an Event

Large scale event planning, preparation and execution generally fall into four main areas of focus:

- Early Warning Systems and Forecasting
- Staffing
- Technology
- Workflows and Procedures

This document addresses specific issues under each of these four main headings.

Early Warning Systems and Forecasting

The weather tracking and exposure modeling tools are detailed in the CAT Plan 2014 document under *Weather Tracking and Exposure Modeling*. Possible events may be identified and monitored as far out as two weeks ahead of landfall. Specific event data is overlaid on Policy-In-Force (PIF) data using Microsoft MapPoint to develop specific event forecasts. This data is then utilized to develop the specific catastrophe response plan, based on the CAT Plan 2014 document.

Staffing

The Claims Resource Scalability Model is used to project the number and type of staff needed for a specific event, based on the event exposure modeling and projections. Each of the four scenarios identified in the requirements section are detailed in the following links and summarized in the table below:

- [TWIA 1% Probability Event \(1 in 100 year event\)](#)
- [TWIA 2% Probability Event \(1 in 50 year event\)](#)
- [TWIA 4% Probability Event \(1 in 25 year event\)](#)
- [TWIA 10% Probability Event \(1 in 10 year event\)](#)

A detailed explanation of the variables used in the model is contained in [Appendix D – Claims Resource Scalability Model](#).

Claims Resource Scalability Modeling Tool 2014 Summary – TWIA									
Event Size		On Site Users					Remote Users		
Event	Projected Claims	Claims Examiners	Managers	Customer Care	Quality Assurance	TOTAL	Field Adjusters	Field Re-Inspectors	TOTAL
1% (1 in 100)	195,000	539	45	218	132	935	1,293	112	1,405
2% (1 in 50)	119,000	331	28	132	79	570	793	68	861
4% (1 in 25)	66,000	183	15	64	41	303	440	38	478
10% (1 in 10)	26,000	72	6	23	15	116	173	14	187

Sourcing

The Claims department uses multiple staffing vendors to scale resources to meet the projections outlined in the summary table above. Specifically:

Field Claims Adjusters

- Resource commitments are detailed in [Appendix E – Field Adjuster Commitment by Company](#)
- Online Certification Courses are available to for certifying additional field adjuster resources. See [Appendix T – Field Adjuster Online Training](#)

Desk Claims Examiners, Managers

- Resource commitments are detailed in [Appendix P – Desk Examiner Commitment by Company](#)
- Online Certification Courses are available to for certifying additional inside resources. See [Appendix T – Field Adjuster Online Training](#)

Claims Support & Customer Care

- Resource commitments are detailed in [Appendix Q – Claim Support Commitment by Company](#)

Quality Assurance

Quality Analysts

- Quality Analysts are pulled from the same resource commitments detailed in [Appendix P – Desk Examiner Commitment by Company](#).

Field Re-inspectors

- Field Re-inspectors are pulled from the same resource commitments detailed in [Appendix E – Independent Adjuster Commitment by Company](#)

Experts

Engineers

- Resource commitments are detailed in [Appendix R – Engineer Commitments by Company](#)

Building Consultants

- Resource commitments are detailed in [Appendix S – Building Consultant Commitments by Company](#)

Associated Staffing Costs

Projected costs for each scenario, at maximum staffing costs at the peak, are shown in the following tables. Assumptions are over a four week period at maximum staffing costs at the peak, over a four week period assuming 7 day work weeks. Projections serve as approximations only:

1 in 100 (1% Event)			
	Avg. Cost	# of Staff	4 Week Cost
Claims Examiners	\$ 600.00	539	\$ 9,055,200
Managers	\$ 800.00	45	\$ 1,008,000
Customer Care	\$ 100.00	218	\$ 610,400
Quality Assurance	\$ 600.00	132	\$ 2,217,600
Reinspectors	\$ 800.00	112	\$ 2,508,800
Total			\$ 15,400,000
Field Adjusters	Allocated to the claim file		
1 in 50 (2% Event)			
	Avg. Cost	# of Staff	4 Week Cost
Claims Examiners	\$ 600.00	331	\$ 5,560,800
Managers	\$ 800.00	28	\$ 627,200
Customer Care	\$ 100.00	132	\$ 369,600
Quality Assurance	\$ 600.00	79	\$ 1,327,200
Reinspectors	\$ 800.00	68	\$ 1,523,200
Total			\$ 9,408,000
Field Adjusters	Allocated to the claim file		
1 in 25 (4% Event)			
	Avg. Cost	# of Staff	4 Week Cost
Claims Examiners	\$ 600.00	183	\$ 3,074,400
Managers	\$ 800.00	15	\$ 336,000
Customer Care	\$ 100.00	64	\$ 179,200
Quality Assurance	\$ 600.00	41	\$ 688,800
Reinspectors	\$ 800.00	38	\$ 851,200
Total			\$ 5,129,600
Field Adjusters	Allocated to the claim file		
1 in 10 (10% Event)			
	Avg. Cost	# of Staff	4 Week Cost
Claims Examiners	\$ 600.00	72	\$ 1,209,600
Managers	\$ 800.00	6	\$ 134,400
Customer Care	\$ 100.00	23	\$ 64,400
Quality Assurance	\$ 600.00	15	\$ 252,000
Reinspectors	\$ 800.00	14	\$ 313,600
Total			\$ 1,974,000
Field Adjusters	Allocated to the claim file		

Vendor Activation Process

Specific vendor activation criteria are detailed in the CAT Plan. Please refer to the section Claims -> Vendor Management -> *Vendor Activation Process* for details.

Pre-Event Staging

Claims management will work with vendors to determine if the event response will require pre-event staging of staffing resources. Pre-event staging activities include:

- Notifying vendors of claim projections, locations, and event staffing model results
- Activating key contracted staff
- Travel to safe locations just outside of the impacted area
- Conducting field adjuster training on TWIA workflows and procedures
- Activation of Special Investigation Unit (SIU) resources for coordination with desk and field resources

Locations

On-Site Capacity

TWIA has cubicle capacity to house up to 120 employees within the Claims department. Daily operations typically utilize 53 of these spaces leaving 67 spaces available for expansion during an event. These workstations will be utilized primarily for claims management, quality assurance and administrative support functions.

Remote Capacity

Remote Mobile Offices

These facilities are designed primarily for providing a TWIA presence in the impacted area and allow for loss reporting, advance payments to policyholders, and face-to-face problem resolution. Criteria for Remote Mobile Office deployment is contained in [Appendix I - Mobile and Remote Office Planning](#).

TWIA has a contract in place with Rentsys Recovery Services to provide remote office units, equipment, and a network and phone patch panel within 48 hours of notification. Each unit will support:

- 30 customer seats
- 2 receptionist seats
- 21 computer work stations
- 1 private office

Each unit contains an on-board generator, HVAC, and computer equipment and options for wireless network and satellite phone connections.

Remote Temporary Offices

These facilities are designed primarily for housing Customer Care units and data entry personnel in an off-site location, close to the main TWIA office.

TWIA has a contract in place with Agility Recovery's ReadySuite service to provide remote office space, equipment, and a network and phone connectivity within 48 hours of notification. The remote temporary office will support:

- Office space with desks and chairs for up to 48 people
- Emergency generator

- Telephone and Internet access
- Computer equipment for up to 48 users with 5 Intel servers, tape drives, printers and fax

Remote Contracted Claims Staff

Staffing for the majority of claims staff in a significant event will be managed remotely. Claims examiners will essentially work from remote locations in virtual teams, remote from their management. The organizational structures and workflows are detailed in the Technology and Workflows and Procedures section of this document.

Quality Assurance, data management, and reporting are critical tools for the effective management of remote employees. Sample reports and explanations are detailed in the Workflows and Procedures section of this document.

Technology

NOTUS Claim Management System

TWIA’s IT department actively expanded remote connection capacity for the claim management system, NOTUS. The base level remote connectivity is established at 100 users, in advance of the 2014 storm season. This base level can be expanded incrementally to 900 additional remote users to meet the needs of the 1 in 100 year projections outlined in the Claim Resource Scalability Modeling Tool 2014 Summary - TWIA. Associated costs for expansion are projected in the table below:

Remote Users	Additional Next Level Costs
300	\$195,000
600	\$545,000
900	\$880,000

VOIP Telephone System

TWIA Claims utilizes a modern VOIP phone solution to allow an extension of common shared phone system to on-site and off-site resources as needed, provides real time monitoring of call volume and the ability to measure call agent performance and quality.

Workflows and Procedures

For large scale catastrophe events, the FNOL, triage and assignment process will utilize a hybrid solution between the NOTUS Claim System and the XactAnalysis program. The NOTUS Claim System will be used to control financial transactions including initial reserving, reserve changes, and payment transaction. XactAnalysis will be used for documenting all other claim handling activity and workflow control. The three documents below detail the triage, assignment, dispatch and return of the claim to TWIA utilizing this hybrid system:

- [XactAnalysis Hybrid Program Flowchart](#)
- [XactAnalysis Hybrid Roles and Responsibilities](#)

Post-Event

The event response is managed in three distinct phases; Initial, Transition and Resolution.

Initial Phase

This phase represents the time period immediately after an event occurs and typically lasts up to 90 days post-event.

This phase is characterized by heavy customer contact and high property inspection, payment, and claim closure activity.

During this phase 90% or more of all the event claims are reported, evaluated, processed, and closed.

See the [CAT Plan 2014 Claim Triage and Assignment Process](#) document for a high level overview of the claim triage, dispatch and assignment process.

Losses are initially segmented primarily based on whether the claim is residential or commercial. Residential claims are further segmented based on complexity between non-complex, complex or multiple locations/buildings. Commercial losses have multiple segments based on the type of structure involved and is detailed in the [TWIA Commercial Loss Segmentation Matrix](#) document.

An example of the organizational structure of the claim department during the initial phase is available in [CAT Plan 2014 Org Chart - Initial Phase](#).

Transition

Typically this phase starts more than 30 days post-event and reaches a peak at 6-9 months post event.

This phase is characterized by re-opened claims, increased supplemental payments, and general disputed claim activity.

It is during this phase where we expect to see some increase in the volume of customer and TDI complaints, along with the emergence of public adjusters, contractors, and some attorney letters of representation, all expressing concerns over not being paid enough in their initial claim assessment.

The goal is to have less than 20% of total event claim volume active and resolved during this phase.

During this phase it is expected there will be additional property re-inspections, mainly conducted by experts and not the initial adjuster with increased reliance on structural engineers and building consultants assisting with the further evaluation of a claim.

Most of all claims active during this phase would be expected to be resolved via further review and less formal claim settlement activities.

An example of the organizational structure of the claim department during the transition phase is shown in [CAT Plan 2014 Org Chart - Transition Phase](#).

Resolution

Typically this phase starts about 9 months post-event but may begin sooner depending on the size of the event. This phase represents the ultimate resolution phase for any claims not previously closed in the prior two phases.

We expect to see the peak demand in requests for appraisal under the policy compliance with HB-3 requirements. We also expect litigation activity to ramp up during this phase.

It is also expected we will see a peak in engagement with defense counsel along with additional property re-inspections and utilization of experts.

The general goal is to have less than 5% of all the event's claims being resolved during this phase.

Claim settlement activities will take on a more formal approach and may include appraisal awards, mediations, other alternative dispute resolution (ADR) activities, and advanced litigation activity including trials.

An example of the organizational structure of the claim department during the resolution phase is available in [CAT Plan 2014 Org Chart - Resolution Phase](#).

Storm Data Management and Reporting

The Claims Department establishes specific goals for the management of an event. In general, Claims monitors the entire life of a claim through the initial, transition and resolution phases in from First Notice of Loss (FNOL) and call center metrics, adjuster cycle times, examiner cycle times, payments, file closings, and reopen rates and complaints and customer surveys. Specific report examples are shown in the following tables.

Event Summary Report

A daily event summary report is created by Claims Leadership and distributed to the General Manager and direct reports. A sample is shown below:

Santa Fe Storm (5/1/13)	All Claims	Commercial	Residential	Mobile Home	No Policy
New Claims	3,910	91	3,779	31	8
By Line of Business	100%	2%	97%	1%	0%
Closed Claims	3,352	42	3,271	31	8
Open Inventory	687	49	508	0	0
% Closed	86%	46%	87%	100%	100%
Closed With Payment	1,958	14	1914	22	8
% Closed With Payment	50%	15%	51%	71%	100%
Closed Without Payment	444	10	420	6	8
% Closed Without Payment	11%	11%	11%	19%	100%
Re-Opened Claims	350	N/A	N/A	N/A	N/A
% Re-Opened	9.0%	N/A	N/A	N/A	N/A
Paid Indemnity	\$36,417,224	\$842,357	\$35,353,141	\$221,725	\$0
Paid Expense	\$2,833,312	\$66,586	\$2,746,797	\$19,929	\$0
Outstanding Indemnity	\$8,836,084	\$2,549,750	\$5,276,334	\$10,000	\$0
Outstanding Expense	\$647,379	\$251,348	\$395,379	\$1,000	\$0
Total Incurred	\$49,248,706	\$4,762,521	\$44,233,531	\$252,654	\$0
Avg. No. Days - FNOL to Inspect	3.3	3.8	3.3	3.4	N/A
Avg. No. Days - Inspect to TWIA	3.5	4.7	3.4	4.1	N/A
Avg. No. Days - TWIA to Payment	7.7	11.5	7.6	6.3	N/A
Total No. Days - FNOL to Payment	14.3	19.2	14.2	13.6	N/A
Average Paid	\$10,039	\$9,988	\$10,083	\$7,552	\$0
Comments: Re-Open information by line of business not available (N/A)					

Field Quality Assurance

Field Adjuster Quality Assurance Program			
Firm Rank	Reinspection Score	Cycle Time	RWP Percentage
1	89.10%	2.79	1.50%
2	91.68%	3.89	0.18%
3	88.95%	3.31	12.60%
4	87.98%	2.78	14.34%
5	87.79%	4.94	6.03%
6	87.64%	4.01	7.45%
7	87.43%	3.8	15.60%
8	87.20%	5.05	8.97%
9	85.58%	3.1	24.26%
10	88.80%	5.24	30.94%
11	85.20%	3.3	12.64%
12	84.28%	1.5	23.41%
13	81.83%	2.4	8.60%
14	84.35%	6.27	6.36%
15	85.38%	3.29	31.05%
16	85.00%	3.11	29.64%
17	85.43%	3.81	34.55%
18	81.00%	2.63	15.15%
19	82.40%	4.49	19.07%
20	82.80%	2.91	53.12%
21	82.19%	3.23	32.33%
22	84.25%	5.26	31.78%
23	83.79%	3.98	51.88%
24	80.80%	2.75	39.97%
25	81.60%	6.57	34.46%
OVERALL	85.69%	3.66	17.73%

Field Re-inspection Scorecard

TWIA Storm Report		5/14/2014
Total Reinspection		181
Reinspection Score		87.16%
Customer Service		
Was the customer contacted within program guidelines (24hrs from assignment)?		100.00%
Did the adjuster set a timely appointment which was agreed with the customer?		100.00%
Did the adjuster arrive on-time or notify the customer of a delay prior to the scheduled time?		100.00%
Was the adjuster professional in his/her appearance and greeting?		100.00%
Did the adjuster present his/her identification card?		64.09%
Did the adjuster listen to, and understand, the customer?		86.19%
Did the adjuster explain why they were there, as well as the inspection process?		77.90%
Was the outcome of the inspection, or next steps clearly explained?		76.80%
Did the adjuster spend an appropriate amount of time at the customer's home?		77.35%
Was the customer satisfied with the overall handling of their inspection?		77.35%
Did the adjuster address all damages?		77.35%
Inspection / Estimate Scorecard		
Adjuster accessed the roof?		100.00%
Photographs include a description and support the entire scope?		87.29%
Interior inspection conducted, including attic?		96.09%
Estimate adheres to Property Damage Evaluation Guidelines (including layout & organization)?		95.03%
Depreciation was explained and applied correctly?		85.08%
O&P appropriately applied (10% 10% cumulative 21%)?		90.06%
Scope of damages were accurate?		77.90%
Estimate measurements were accurate?		100.00%
Reporting		
Confirmed date of loss?		96.57%
Accurate final coverage/cause recommendation?		76.61%
MSB Value included?		96.77%
Report components and accuracy?		96.17%
Invoice components and accuracy?		88.10%
Is there an amount over/under estimate (gross)?		65.73%
Percent Over		31.59%
Percent Under		1.12%
Total Review Score		86.01%

HB 3 Disputed Claims

DISPUTED HB3 CLAIMS TRACKER							
Dispute Frequency			Type of Dispute				
Total Claims	Disputed Claims	% of Disputed Claims	Appraisals	Suits	LORS - not in Appraisal	Mediation	TDI & Other Complaints
13,511	135	1.0%	75	10	16	10	29

Quality Assurance Results

TWIA CAT Event Santa Fe - QA Reviews

April 2013 – June 2013 Reviews: 522 Completed	
Scoring Category	Score
Reserves	86%
1 st Contact	74%
Coverage	99%
Payment	92%
Investigation	96%
Final Contact	94%
Overall	91%

Customer Survey Results

Customers are asked to complete surveys and the results are reported in real time and summarized monthly:

Santa Fe (Apr 13 – June 13) Per Question Analysis

Customer Survey Questions	TWIA Score (1-5 Scale)
Reporting my claim to TWIA was easy.	4.52
A TWIA employee explained the claims process to me.	4.51
The TWIA adjuster who came to my home or business was professional, courteous, and helped me with my claim.	4.60
The outcome of my claim was clearly explained to me.	4.48
I am satisfied with the overall handling of my claim by TWIA.	4.57
Average Overall Score	4.54

Communication Plan

The **CAT Plan 2014** document outlines specific actions for annual, pre-event, during an event and Post Event communications in [Appendix K - Communications Plan](#).

Funding

The reinsurance contracts for TWIA have not been finalized yet as of this writing. The new program should be very similar if not identical to the existing program, but will not be final until shortly before the June 1, 2014 renewal date.

The summary below details how each of the four scenarios would be funded assuming \$1.35 billion of reinsurance, which is the amount that will be purchased in 2014. The amounts below assume only Class 2 and Class 3 public security proceeds will be available. If Class 1 public securities can be issued, the proceeds could provide up to \$1 billion in additional public security funding. All figures below are in millions (\$000,000s).

Event	Estimated Losses	Premium Revenue	CRTF	Public Securities	Reinsurance	Unfunded
1% (1 in 100)	4,734	190	210	1,500	1,350	1,484
2% (1 in 50)	2,831	190	210	1,500	931	0
4% (1 in 25)	1,522	190	210	1,120	0	0
10% (1 in 10)	525	190	210	125	0	0

A more detailed explanation of the funding mechanisms can be found in **CAT Plan 2014** document.

Appendix A

CAT Plan Revisions Log

Date	Revised By	Description
08/23/11	Julie Kronbach, Consultant	Rewrite of TWIA and TFPA Catastrophe Plan
03/31/12	David Williams, VP & Claims Management Team	Rewrite of TWIA and TFPA Catastrophe Plan to include updated workflows and procedures
05/06/13	David Williams, VP & Claims Management Team	Completed rewrite of TWIA and TFPA Catastrophe Plan to include HB3 requirements and updated workflows and procedures
08/22/13	John Morrison	Added Appendix U: Association Employee CAT Pay Policy
08/29/13	John Morrison	Moved phone system responsibilities from Operations to IT
05/15/14	Claims Management Team	Revised and updated Catastrophe Plan including HB 3 requirements

Appendix B

New Capabilities

Enhancements since 2013

New programs and features put in place since the 2013 CAT Plan was finalized:

- Expanded remote access capability
 - [XactAnalysis Hybrid](#)
- VOIP Phone System
- Customer Advantage Program with Nexus Solutions Group
 - Emergency Services
 - Contractor Referral Service
- Customer Advantage Program with NexVex
 - Roofing Contractors
- Communication Plan
 - Twitter Feed
- Enhanced Quality Assurance
 - Reinspection program to monitor field adjuster performance
 - Refined Desk Examiner handling procedures through enhanced quality assurance criteria
- Enhanced SIU recommended and mandatory submission guidelines
- Community Outreach
 - Engaged with Chambers of Commerce
 - Rotary Clubs and Agents

Appendix C

Roles and Responsibilities

Position	Name	Contact Information	Role and Responsibilities
General Manager	John Polak, CPCU	512 899-4949	<ul style="list-style-type: none"> • Manage the Vice President of Claims and other TWIA and TFPA leaders • Approve the CAT Plan • Approve and oversee media releases with General Counsel and the Vice President of Claims • Manage communications with the Texas Department of Insurance (TDI) • Manage communications with the TWIA and TFPA Boards of Directors • Oversee operational effectiveness of the CAT Plan • Conduct pre and post catastrophe strategic planning meeting with senior staff as needed • Conduct post catastrophe review to assess product, services and future recommendations • Communicate assessments to TWIA and TFPA Boards of Directors and member companies when applicable • Sign all TWIA and TFPA contracts • Delegate specific authorities for a limited duration during catastrophes • Prepare Board of Directors meeting agendas and posting of notices
Vice President of Claims	David Williams, CPCU, AIC	512 637-2928	<ul style="list-style-type: none"> • Develop, seek approval, implement and update the CAT Plan document • Ensure staff members and others involved are prepared to execute the plan • Network with key personnel at other wind pools concerning their claims and catastrophe procedures • Assist with preparation of Board of Directors meeting agendas and posting of notices • Participate in establishing information as the basis of potential assessments • Activate the CAT Plan in preparation for an event • Communicate and delegate specific responsibilities to others

<p>Vice President and Actuary</p>	<p>James Murphy, FCAS, MAAA</p>	<p>512 899-4945</p>	<ul style="list-style-type: none"> • Participate in TWIA and TFPA funding strategy, including reinsurance, pre- and post-event • Model catastrophe exposure pre- and post-event • Monitor reported losses, including payment projections and reserve adequacy • Produce and communicate regular and ad hoc reports and analyses
<p>Controller</p>	<p>Pete Gise</p>	<p>512 899-4920</p>	<ul style="list-style-type: none"> • Provide financial projections and Balance Sheet, Income Statement and Cash Flows before and after an event • Manage banking relationships to minimize disruptions to customers trying to cash checks • Manage overall check stock and inventory and work with claims on exceptions

Appendix D

Claims Resource Scalability Model

The Claims Resource Scalability Model is used to project the number and type of vendors needed for a specific event (see Figure 1).

Claims Resource Scalability Modeling Tool 2014 - TWIA 2% Probability Event (1 in 50 year event)												
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Managers	Customer Care	Quality Assurance	TOTAL	Field Re-Inspectors	Field Adjusters	Examiner - Claims Per Day	Adjuster - Claims Per Day	Examiners Per Manager
88,000	30	2,933	244	20	102	61	428	61	587	12	5	12
24,200	30	807	67	6	28	17	118	6	161	Required Customer Care Resources By Claim Volume		
6,800	30	227	19	2	2	2	24	2	45	>150	>300	>600
										1.50	2.50	5.00
										Required QA Resources By Claim Volume		
										>150	>300	>600
119,000	90		331	28	132	79	570	68	793	1.00	2.00	3.00

Figure 1: The model calculates staffing needs based on the number of claims received over a period of time. The user defines the following parameters:

Parameter	Definition
Projected or Actual Claims received	Total number of new claims expected during the date range
Date Range	Period of time over which the claims are received
Examiner Claims Per Day	Number of new claims per day a desk Claim Examiner is expected to work
Adjuster Claims Per Day	Number of new claims per day a field Claim Adjuster is expected to work
Examiners Per Manager	Number of desk Claim Examiners a Manager is expected to supervise
Required Customer Care Resources by Claim Volume	Number of Customer Care Representatives for a given claim volume
Required QA Resources by Claim volume	Number of Quality Analysts needed for a given claim volume

Appendix E

Field Adjuster Commitment by Company

The inside and outside workforce may be highly variable, depending on the severity of the event, with reliance on temporary or contract employees. The Associations have contracted with approved vendors to meet staffing these staffing needs.

The following table details the number of field adjuster resources committed to Texas Windstorm in 2014:

Field Adjusting Firm	Adjusters by commitment
Mason Claims Service	100
Nomad Adjusting, LLC	275
Claim Consultants Group, LLC	303
Wardlaw Claims Service	300
Mariposa Insurance Services	602
Eberl Claims Service	175
Pacesetter Claims Service	300
Claim Adjustment Specialists	35
Schafer Wood & Associates	300
Alamo Claim Service	64
TSI Adjusters	375
Ideal Adjusting	50
AMCAT	215
Crawford & Company	180
Allcat Claims Service	584
Advanced Claims Concepts	376
Fourseventy Claims, LLC	150
Leading Edge Claims Service	705
ANL Adjusting Company, Inc.	271
The Littleton Group	43
Gentry Claims/NCA Group	220
BrightClaim Inc	419
Tailored Adjustment Services	47
National Claims Adjusters	200
Church & Company	287
Trinity Claims Service, LLC	50
Total Resources	6,626

Appendix F

TWIA/TFPA Adjuster Fee Schedule



Fee Schedule

Gross Loss		Residential	Commercial
No inspection made or erroneous assignment		\$100	\$100
\$0	\$2,500	\$350	IA/GA \$750 + T&E over 6 hours EGA T&E
\$2,501	\$5,000	\$500	
\$5,001	\$10,000	\$700	
\$10,001	\$15,000	\$900	IA/GA \$1,500 + T&E over 12 hours EGA T&E
\$15,001	\$25,000	\$1,100	
\$25,001	\$50,000	\$1,500	
\$50,001+		\$1,800 + T&E over 14 hours	IA/GA \$1,800 + T&E over 14 hours EGA T&E
Section II – Liability Claims (TFPA Only)		T&E	
Time and Expense (T&E)			
Role		Rate	
Clerical, if approved		\$12.00/hr.	
Residential Adjuster		\$75.00/hr.	
Commercial or Complex Loss Adjuster		\$90.00/hr.	
General Adjuster		\$125.00/hr.	
Executive General Adjuster		\$155.00/hr.	

Gross Loss

Gross loss equals the total estimated loss combining all building items evaluated by the field adjuster. The applicable fee is based on the gross loss for the building items. All invoices must be submitted with final report or final reopen/supplement report.

Complex and Commercial Losses, Team Adjusted

Gross loss equals the total estimated loss combining all items evaluated by the field adjusting team. The fee is based on the gross loss.

Loss Below Deductible

Gross loss equals the total estimated loss combining all items evaluated by the field adjuster or field adjusting team. The fee is based on the gross loss.

Time and Expense (T&E)

T&E invoicing requires pre-approval from the TWIA/TFPA desk examiner or manager and the invoice must be itemized. T&E applies to the entire gross loss for buildings, other structures, and contents evaluated by the field adjuster or field adjusting team.

The following claim types should be billed on a T&E basis; however, the use of the Clerical, General Adjuster, or Executive General Adjuster rates must be approved in advance by the TWIA/TFPA desk examiner or manager:

Damages Not Consistent with a Named Peril

If the investigation reveals there is no damage consistent with a covered peril for a claim, or a portion of the claim, the field adjuster or field adjusting team should complete a reasonable investigation and identify any damage not consistent with a covered peril in the captioned report. The field adjuster should include an estimate on any covered, damaged items and any damages consistent with a covered peril as outlined in the Property Damage Evaluation Guidelines.

The fee is based on the gross loss. Gross loss equals the total estimated loss combining all damages consistent with a named peril evaluated by the field adjuster or field adjusting team. All coverage decisions will be made and communicated by the TWIA/TFPA desk examiner or manager.

Complex Residential and Commercial Losses

Where a file involves appraisal, arbitration, pre-mediation inspections, mediations, moderated settlement conferences, or litigation, the file is billable only on a T&E basis.

Reopened/Supplement Files

Losses involving the reopening of a claim file are billed on a T&E basis. TWIA/TFPA must approve the reopening of all files prior to the field adjuster's involvement. The field adjuster's report should explain why supplemental items were not in the original report.

Contents Losses

Upon discovery of a contents loss, the field adjuster should immediately contact the TWIA/TFPA desk examiner or manager for handling instructions.

The field adjuster can only invoice for the contents loss they are specifically asked to evaluate by the TWIA/TFPA desk examiner or manager. The fee is based on the T&E required for the contents portion of the claim.

Where TWIA/TFPA hires a contents company to evaluate the contents portion of the claim, the items evaluated by the contents company are not included in the gross loss for calculating the field adjuster's fee.

Expenses

Expenses are billed at actual cost and require submission of receipt.

Mileage

Actual mileage is included in the fee schedule up to 25 miles. Actual mileage in excess of 25 miles is billed at the current IRS rate with TWIA approval.

Photos

Photos in excess of 30 can be billed at the rate of \$1.00 per photo.

Additional Living Expense (ALE)

Upon discovery of an additional living expense loss, the field adjuster should immediately contact the TWIA/TFPA desk examiner or manager for handling instructions.

Deviations from the Fee Schedule

When TWIA/TFPA determines the field adjuster's involvement in a claim has ended, the field adjuster should bill for the amount of the gross loss developed by the field adjuster at the point their handling was concluded. Examples include:

- Normal claim handling activity has concluded, the final report has been submitted and file has been closed by TWIA/TFPA.
- A claim is pulled from the field adjuster or field adjusting firm and reassigned to another field adjuster or field adjusting firm.
- A file enters a disputed status as determined by TWIA/TFPA, i.e. appraisal, mediation, litigation.

Unique circumstances may arise on a specific claim requiring deviation from the fee schedule. If special handling billing is appropriate, the field adjuster or field adjusting firm should immediately raise the issue with the TWIA/TFPA desk examiner or manager to reach an agreement on how to bill the file.

The field adjusting firms will be notified of any changes to this fee schedule and instructions. If you are not clear on the billing instructions, please contact the TWIA/TFPA desk examiner or manager.

Appendix G

Claims Telephone Interactive Voice Response (IVR) Workflows

TWIA and TFPA utilize an Interactive Voice Response (IVR) call management system. For each Association, there are three configurations:

- Normal Business Hours
- After-hours
- Catastrophe

The Normal Business Hours configuration provides announcements identifying the Association, options for English or Spanish, and easy to understand choices for the caller to reach the correct department. Callers reporting a new claim are routed to the Claims Call Center vendor and status calls on existing claims are routed to a desk examiner (see Figure 1 for TWIA and TFPA).

The Catastrophe configuration is similar to the Normal Business Hours configuration with the exception of the option to select “2” for Claims is presented before the option to select “1” for policy or billing issues (see Figure 1 for TWIA and TFPA).

The After-hours configuration changes the menu to announce the caller has reached the office after normal business hours. Menu options remain the same, with the exception that general callers route to a voicemail rather than the receptionist and Claims status calls are redirected to the Claims Call Center vendor (see Figure 1 for TWIA and TFPA).

Fig. 1

[Interactive Voice Response \(IVR\) workflows \(6 pages\)](#)

Appendix H

Vendor Contact Information

A detailed listing of all TWIA and TFPA Claims vendors is found in the [Vendors List 2014](#).

The workbook can be filtered and sorted to various combinations of the data fields:

- All vendors
- Vendors by Association (TWIA and/or TFPA)
- Vendors by Company Name
- Vendors by type
 - Field Adjuster
 - Desk Examiner
 - Temporary Housing
 - Engineer
 - Building Consultant
 - Media Consultant
 - Temporary Offices

Appendix I

Mobile and Remote Office Planning

Mobile and remote offices are a critical component of our catastrophe plan, providing immediate policyholder assistance in response to an event. Our goal is to mobilize a fully-functional mobile or remote office with 48 hours of the event or when it is safe to travel to an affected area.

These offices are used to provide immediate customer service, including First Notice of Loss, claim status information and advance payments. The facilities also serve as a staging area for additional claim resources, including adjusters, experts, quality assurance, and the special investigation unit.

Mobile Office Solutions

Mobile office solutions can be any of the following and located in single or multiple locations, depending on the size and geographic spread of losses for an event:

- Single vehicle, i.e. one car, van or panel truck
- Multiple vehicles, i.e. more than one car, van or panel truck
- Rentsys or other large “base camp” type solutions

Single or Multiple Vehicle Solutions

- Determine potential locations based on projected or actual claim volume
- Identify number and type of personnel needed for each location
- Ensure computers, supplies, checks, signs, tables, canopies, etc. are available
- Rent appropriate vehicles
- Deploy

Rentsys Solution

TWIA and TFPA have a contract with Rentsys to provide a custom unit designed to serve as a remote office near the storm-affected area.

Contact information is found in [Appendix H - Vendor Contact Information](#).

Mobile Office Deployment

Guidelines

Where this need arises, the following guidelines apply:

- Consider utilizing available hotel and vendor/partner’s existing office space before renting any additional office space
- Determine available options including vacant office space
- Remember to evaluate other options before incurring costs

- Remember to have contracts reviewed and approved by Legal
- Consider how we will communicate with others by phone, systems, internet and mail; make sure these capabilities are available as needed

Staffing

When a remote or mobile office is established, the CAT Manager designates and notifies:

- Claims Leaders
- Claims Examiners
- Claims Coordinators
- Quality Assurance
- Accounting
- IT
- Legal
- SIU

Appendix J

Mobile and Remote Office Staffing

Overview

Each Mobile or Remote Office requires several types of positions ranging from customer greeters to managers to provide the required services. Personnel will be assigned to positions on the basis of their roles at TWIA and TFPA and the needs of the individual Mobile or Remote Office.

Positions

Claim Supervisor

Responsible for ensuring TWIA/TFPA's ability to provide service to its policyholders, including paying claims in a timely manner. The Claim Supervisor provides leadership and ensures the availability of the required infrastructure for TWIA/TFPA's immediate response to an event. Responsibilities include:

- Run the field office, including coordination of personnel to and from the site
- Oversee the set-up of the field office and notify CAT Manager when operational
- Meet with the team frequently throughout the day to discuss any issues, questions or concerns
- Determine configuration of vehicles, trailers, and equipment
- Ensure a customer centric workflow
- Check on scheduling of deliveries of supplies
- Coordinate meals for personnel
- Communicate with CAT Manager
- Complete operations reporting, including issues and recommendations
- Recommend staffing, coordinate personnel information and establish schedules
- Ensure adherence with the TWIA & TFPA policies, workflows and procedures
- Coordinate assignments of other team members
- Coordinate the tear-down and release of equipment, ensuring site is left clean

Administration

- Resolve customer questions
- Assist in FNOL process
- Control check process including:
 - Securing check signature stamp
 - Maintaining check stock
 - Controlling check endorsement process
 - Establishing and maintaining a check log
 - Processing payments

Customer Greeter

- Warmly welcome customers
- Assist in the completion of the Customer Information Sheet
- Answer general questions, and listen to policyholders to determine their needs
- Direct policyholders to the correct resource for further assistance.

Claims Service Representative

- Review the Customer Information Sheet
- Assess policyholders' needs and discuss policy information
- Explain the steps of the claim process and completion timelines
- Determine need for advance payments

Maintenance and Support

- Supply fuel for generators
- Assist with general setup and takedown of site
- Arrange meals for site staff
- Clean facilities
- Run general errands

Timelines for Activation

TWIA and TFPA's goal is to establish a presence with a mobile or remote office within 48 hours of a significant event occurring.

Pre-event (36-72 hours)

CAT Manager:

- Identify resources assigned to Mobile or Remote office
- Appoint Claim Supervisors and other resources
- Meet with team and finalize deployment details

Claim Supervisor

- Contact vendors for equipment
- Provide regular updates to CAT Manager on site status
- Gather office supplies and equipment
- Rental vehicles
 - Secure information for vehicle drivers
 - Secure rental vehicles
 - Confirm insurance coverage

Administrative

- Contact IT department and identify equipment needs
- Assemble Handbooks, policies, forms, brochures, and other documents
- Assemble list of office supplies

- Secure checks and petty cash
- Ensure all personnel are properly licensed
- Contact Approved Vendors to activate temporary living facilities

Other Personnel:

- Identify claims and non-claim resources
- Notify claims and non-claim resources of deployment plans
- Assist Claim Supervisor in preparation and implementation

Pre-Event (0-48 Hours)

CAT Manager

- Meet with all personnel and verify readiness
- Identify and resolve outstanding issues
- Identify staging and site deployment locations

Post-Event

Closing the Mobile or Remote Office

Cat Manager

- Conduct final staff meeting to discuss any pertinent information before closing the mobile and remote office site, including:
 - Rental vehicle return procedures
 - Final timesheet processing
 - Final expense report processing
 - Return-to-work instructions for personnel
- Inventory company equipment and supplies
- Confirm completion of final site clean-up

Appendix K

Public Relations Plan

Purpose

The purpose of this document is to outline a communications strategy to ensure delivery of key messages to TWIA stakeholders, including policyholders, insurance agents, Legislators, board members, the Texas Department of Insurance (TDI), and the general public in the months prior to hurricane season and before and immediately after a significant hurricane or storm.

The Plan seeks to:

- Educate policyholders and agents regarding:
 - Hurricane preparedness and TWIA's commitment to a swift and effective catastrophe response
 - Procedures to file a claim in the event of storm damage to insured property and what to expect from the claims process
 - Applicable remote office information
- Inform Legislators, Board Members and TDI regarding:
 - TWIA's catastrophe response plan and commitment to a swift and effective response to coastal residents and business owners
 - Status of TWIA's catastrophe response during and after a storm
 - Modeled exposures and funding structure
- Manage media relationships and leverage the use of the following to disseminate messages to policyholders, agents, and the public:
 - Hurricane Preparedness and Storm Advertisements
 - Press Releases and Op Eds
 - Media Training

Each storm has its own unique set of circumstances, but some advance preparation should help increase the communication flow and decrease confusion among policyholders and agents before and after an event.

Annually

Timing	Action
January	<ul style="list-style-type: none"> • Develop generic tweets to help with communication process (monthly)
February	<ul style="list-style-type: none"> • Update Hurricane education packets
March	<ul style="list-style-type: none"> • Update general press kit to use with upcoming media interviews; consider adding to TWIA website • Research media contacts for potential media tour • Update hurricane season ads as needed • Hurricane Season English • Hurricane Season Spanish
April	<ul style="list-style-type: none"> • Hurricane education packet press release and media outreach • Coordinate with TDI's TWIA Ombudsman to conduct hurricane preparedness presentations in coastal counties • Schedule any media tours for early May Prepare press release and op-ed re: hurricane preparedness Reserve space for hurricane season ads (coordinate with media-buying company)
May	<ul style="list-style-type: none"> • Conduct media tour, if appropriate— Galveston, Beaumont, Corpus Christi (early in the month) • Media outreach in other markets using press release, phone interviews and op-ed • Hurricane season ads run (3 Sundays in May)

Pre-Event and During an Event

<p>Note: The level of response will vary depending on the anticipated size of the event.</p>	<table border="1"> <thead> <tr> <th data-bbox="717 266 1338 300">Action</th> </tr> </thead> <tbody> <tr> <td data-bbox="717 304 1338 1262"> <ul style="list-style-type: none"> • If time permits, run newspaper ads in appropriate newspapers and radio stations outlining basic claims procedures <ul style="list-style-type: none"> ○ Hail and Windstorm 2013 TWIA • If evacuations are anticipated, remind policyholders to take a copy of their policies and contact information for agent with them • Draft and distribute press release with similar (but more detailed) information <ul style="list-style-type: none"> ○ Hurricane is Approaching ○ Hurricane Has Hit • TWIA sends out agent alert with appropriate reminders about the claims process <ul style="list-style-type: none"> ○ Agent's Bulletin - Hail • TWIA notifies all employees of impending storm per its usual protocol • Conduct media training, if necessary, for executives and disaster duty spokespersons • Prepare talking points for potential media interviews • TWIA emails a PDF of the TWIA claims brochure and "Important Notice to Insureds" to all agents so they can send to policyholders as needed </td> </tr> </tbody> </table>	Action	<ul style="list-style-type: none"> • If time permits, run newspaper ads in appropriate newspapers and radio stations outlining basic claims procedures <ul style="list-style-type: none"> ○ Hail and Windstorm 2013 TWIA • If evacuations are anticipated, remind policyholders to take a copy of their policies and contact information for agent with them • Draft and distribute press release with similar (but more detailed) information <ul style="list-style-type: none"> ○ Hurricane is Approaching ○ Hurricane Has Hit • TWIA sends out agent alert with appropriate reminders about the claims process <ul style="list-style-type: none"> ○ Agent's Bulletin - Hail • TWIA notifies all employees of impending storm per its usual protocol • Conduct media training, if necessary, for executives and disaster duty spokespersons • Prepare talking points for potential media interviews • TWIA emails a PDF of the TWIA claims brochure and "Important Notice to Insureds" to all agents so they can send to policyholders as needed
Action			
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Post-Event

<p>Note: The level of response will vary depending on the anticipated size of the event.</p>	<table border="1"> <thead> <tr> <th data-bbox="717 1350 1338 1383">Action</th> </tr> </thead> <tbody> <tr> <td data-bbox="717 1388 1338 1879"> <ul style="list-style-type: none"> • As soon as possible, run full-page "After the Storm" newspaper ads with claims process and contact information • Consider radio ads • Determine appropriate geographies for ad campaign based on evacuation sites • Send follow-up press release with similar information to media in affected areas • Send available for interview emails to key reporters (offering interviews with TWIA regarding insurance issues) • TWIA adjusts staffing as needed • Consider special updates for website </td> </tr> </tbody> </table>	Action	<ul style="list-style-type: none"> • As soon as possible, run full-page "After the Storm" newspaper ads with claims process and contact information • Consider radio ads • Determine appropriate geographies for ad campaign based on evacuation sites • Send follow-up press release with similar information to media in affected areas • Send available for interview emails to key reporters (offering interviews with TWIA regarding insurance issues) • TWIA adjusts staffing as needed • Consider special updates for website
Action			
<ul style="list-style-type: none"> • As soon as possible, run full-page "After the Storm" newspaper ads with claims process and contact information • Consider radio ads • Determine appropriate geographies for ad campaign based on evacuation sites • Send follow-up press release with similar information to media in affected areas • Send available for interview emails to key reporters (offering interviews with TWIA regarding insurance issues) • TWIA adjusts staffing as needed • Consider special updates for website 			

Appendix L

Communications with Agents

Agent communications are critical to the smooth flow of information during the Pre-Event, During-Event and Post-Event phases of a catastrophe response. The following communications are required and are the responsibility of the Vice President of Claims. These messages may be supplemented as needed for a specific event:

Timing	Message	Method
Annually – May	<ul style="list-style-type: none"> • Hurricane season approaching • Fliers to be handed out to policy holders English version - Hurricane Season 2014 English Spanish version - Hurricane Season 2014 Spanish • Claim procedures may change with a significant weather event 	Email
Pre-Event	<ul style="list-style-type: none"> • Claim Reporting Procedures 	In-person presentation
During an Event	<ul style="list-style-type: none"> • Changes to Claim Reporting Procedures • Claims Contact Information • Event Response Information 	Email
Post-Event	<ul style="list-style-type: none"> • Changes to Claim Reporting Procedures • Offsite Office Closings 	Email

Appendix M

Special Investigation Unit Reporting Requirements

TWIA and TFPA utilize Veracity Research Corporation (VRC) for Special Investigation Unit (SIU) services and compliance with state fraud reporting requirements. Desk examiners utilize the following guidelines when reviewing files for “red flag” indicators to determine if referral to SIU is appropriate. The indicators fall into two categories:

- **Mandatory Referral to SIU**
Presence of any of these indicators requires the desk examiner to immediately refer the claim file to VRC for an initial investigation.
- **Recommended Referral to SIU or Reasons to Update SIU**
Presence of any of these indicators alone or in combination requires the desk examiner to consider referral to VRC for an initial investigation.

Referrals are made by the desk examiner via a [web portal](#) or phone call to VRC. [SIU Special Services](#) provides additional detail on the services offered by VRC and the list of primary indicators for desk examiners to consider.

Appendix N

Check Issuance Procedures

TWIA Claims Checks

Mediated and Litigated Claims

For all mediated and litigated claims, checks are issued by the following procedures:

- A file summary and documents are prepared by the assigned Examiner for the Mediation Examiner/Supervisor prior to the mediation conference
- The Mediation Examiner/Supervisor attends the conference on behalf of TWIA
- Following the mediation, the Mediation Examiner/Supervisor provides the following information to the assigned Examiner:
 - Mediation Summary (drops to the claim file)
 - Executed Rule 11 settlement documents, if available (scans and drops to the claim file)
 - Scans and drops any other relevant documents to the claim file
- Tasks are selected by the assigned Examiner and resolved
- Check drafting instructions may be received from defense counsel if executed Rule 11 documents are not available
- Either the Mediation Examiner/Supervisor or the assigned Examiner has the authority to request check issuance for the settlement
- Issuance of subsequent final legal bills has been consolidated into specialist positions who request check issuance for final legal fees and expenses
- Check issuance for mediated and litigated claims follows the same process as all claim check issuance at TWIA outlined below

All Other Claim Files

Examiner, Claim Supervisor, or Manager

- Logs into Notus (password protected)
- Approves supporting documentation
- Determines payee(s), amount of check, and check distribution requirements
- Enters amount, payee, and line of coverage into the Notus payment screen
- Adds additional data (e.g. vendor, address, adjusting firm, mailing instructions) if Notus has not been previously populated
- Selects mailing address
- Selects a payment type from 3 options:
 - Loss payment
 - Expense payment
 - External loss payment
- Adds additional information to database if needed

- Enters amount of check under the appropriate line of coverage (eg. Scheduled building, contents, ALE)
- Adds comments if appropriate (e.g. final settlement)
- Posts the payment
- Notus will balance and reconcile the ledger and generate an alert error if the payment
 - Exceeds coverage
 - Exceeds Reserves
- If check exceeds Examiner's authority level, forced workflow routes Notus task list to Manager to authorize or escalate to appropriate level for authorization
- Payment request is electronically transferred from Notus to Check Processing Software

Claims Coordinators

- Lead Claims Coordinator logs into Check Processing Software via TWIA password protected logon
- Reviews outstanding checks pending issuance
- Obtains corresponding check stock from Accounting
- Logs and initials check stock receipt reconciling with prior day's check stock in both HR and Claims logs
- Runs and prints check batches
 - Expense payments
 - Loss payments
 - Single batch if needed (exception)

Maximum batch size is 400 checks

- Reconciles check stock numbers to printed checks
- Matches documents to be mailed with checks
- Stuffs envelopes
- Routes to Operations for mailing
- Exceptions:
 - Checks >\$50,000 segregated and batched for
 - Management review and approval
 - Validates check #, amount, payee(s), mortgagee(s), mailing instructions against file documents
 - Enters check #, amount, payee confirmation in Notus comments
 - Second signature review and approval
 - TDI review and approval prior to disbursement
 - Special handling-exception checks not disbursed via U.S. Mail are returned for delivery via Fed Ex, courier, or hand delivery to requestor
- When checks >\$50,000 are released, matched with documents, envelopes stuffed and routed to Operations to mail

Checks over \$50,000

- Checks over \$50k require a machine signature and a manual signature
- Over \$50K require review by Senior Claims Manager, who will document file claim notes that check is approved
- Check will then be reviewed by a 2nd, non-claims person, for review of data and amount
- The 2nd reviewer will sign the check manually and document the claim file notes of approval and signature

- In case the 2nd reviewer is not available a 3rd, non-claims, person is named as backup and will follow same procedure as 2nd reviewer

Spoiled Checks

- Voided Checks are returned to a Claims Supervisor for review and logging
- Stop Pay procedures are in place, returned checks are reconciled to claim files and reissued properly
- Check stock spoiled during printed is returned to Accounting and reconciled

Segregation of Duties

The following segregation of duties is in place for the issuance of all Texas Windstorm Insurance Association Claims checks:

IT

- Maintains TWIA network, servers, disks, workstations and systems software
- Maintains Notus System, check processing software, and financial software
- Produces a daily check run log to accompany checks >\$50,000 for TDI review

Operations

- Maintains printer hardware
- Manages external mail disbursements

Accounting

- Orders pre-printed sequentially numbered check stock from Insurance Printing Solutions (IPS)
- IPS maintains a warehouse delivery of sequentially numbered check stock and delivers to TWIA Accounting on request
- Secures check stock in locked cabinets and maintains a set of cabinet keys in a locked desk
- Secures locked cabinet in a locked room accessible only to Accounting Managers
- Disburses packages of 1000 checks to Administration
- Maintains a signed log of Administration check disbursements
- Receives and reconciles any spoiled check stock
- Manages Positive Pay process
 - The daily check batch information (check number, amount and payee) is transferred to Bank of America in an electronic file
 - This file is added to the listing at the bank of our check issuance
 - When a check is presented for payment at the Bank, the check number and amount must match the information that was sent over in the file before the bank will process the check
 - If it does not match, the Accounting Department receives an “exception” notification that Accounting addresses
 - Accounting resolves by
 - Paying the exception
 - Returning for Other
 - Returning for Fraud

Administration

- Signs for, receives and logs packages of 1000 sequentially numbered check stock
- Locks check stock in a secured drawer
- Disburses requested number of check stock daily to Claims Coordinator to match total batched check issuance for the day

Reviewing Documentation in NOTUS

The signer to validate the payee(s) including mortgagee(s), attorney(s) and amount of the check should conduct a review of documentation:

- Open Notus
- Under File Open Claim Enter
- Search Claims Enter
- Enter the Claim Number for the check to be reviewed
- Identify the check under Reserve/Payment tab
- Open Comments Tab
- Review comments to confirm supporting documentation

Reviewing Documentation in NOTUS for Litigated Claims

If you know or suspect the claim is a litigated claim (attorney name is likely amongst payees), a short cut review of documentation is available under:

- Documents
 - Locate either the Rule 11 or the Drafting Instructions document
 - Review the document for conformity with the check presented for signature

TFPA Claims Checks

Mediated and Litigated Claims

For all mediated and litigated claims, checks are issued by the following procedures:

- A file summary and documents are prepared by the Mediation Examiner/Supervisor prior to the mediation conference
- The Mediation Examiner/Supervisor attends the conference on behalf of TFPA
- Following the mediation, the Mediation Examiner/Supervisor provides the following information:
 - Mediation Summary (drops to the claim file)
 - Executed Rule 11 settlement documents, if available (scans and drops to the claim file)
 - Scans and drops any other relevant documents to the claim file
 - Check drafting instructions may be received from defense counsel if executed Rule 11 documents are not available
 - Either the Mediation Examiner/Supervisor or claims coordinator has the authority to request check issuance for the settlement
 - Issuance of subsequent final legal bills has been consolidated into coordinator positions who request check issuance for final legal fees and expenses

- Check issuance for mediated and litigated claims follows the same process as all claim check issuance at TFPA outlined below

All Other Claim Files

The following steps are followed in the issuance of all Texas FAIR Plan Association Claims checks

Examiner, Claims Supervisor, or Manager

- Logs into InsideOut (password protected)
- Approves supporting documentation
- Determines payee(s), amount of check, and check distribution requirements
- Selects a payment type from 2 options:
 - Loss Payments
 - Expense Payments
- Enters amount, payee, under appropriate line of coverage into the InsideOut payment screen
- If expense, selects payee from a list of vendors already input into the system
- Adds additional data in the description area (i.e. Settlement, dwelling payment, Contents, etc.)
- Selects mailing address if applicable. Otherwise check fills in with mailing address from policy
- Posts the payment

InsideOut will generate an alert error if the payment exceeds reserves. Check will not be issued until valid authorization is input

If check amount is in excess of examiners authority limit, a note/email to the supervisor must be completed

- Supervisor reviews file materials and determines if the increase is valid and approves the increase
- Supervisor notes the file regarding approval and stated dollar amount
- Examiner adds comments if appropriate (e.g. final settlement)

Payment request is electronically transferred from InsideOut to Check Processing Software and Check prints following the nightly cycle

Exception: Emergency checks are requested and printed in accounting with data entered into InsideOut reconciling the claim and accounting system

Claims Coordinators

- Receive a daily check register from Accounting containing all claims checks issued in InsideOut the previous day
- Review checks and input claim numbers and examiner names on spreadsheet
- Sends file to Senior Claims Manager for review of expense and loss checks
- Sends file to claims supervisors for review of checks issued by those supervised
- Coordinators match documents to be mailed with checks
- Once reviewed coordinator puts check, along with letter and any attached documents into envelope to mail to address printed on letter
- Expense checks are mailed to vendor on check
- Exceptions:
 - Settlement checks are typically sent out via Fed Ex

- Large loss payments are typically sent Fed Ex

Checks over \$25,000

- Checks over \$25k require a machine signature and a manual signature
- Over \$25K require review by Senior Claims Manager, who will document file claim notes that check is approved
- Check will then be reviewed by a 2nd, non-claims person, for review of data and amount
- The 2nd reviewer will sign the check manually and document the claim file notes of approval and signature
- In case the 2nd reviewer is not available a 3rd, non-claims, person is named as backup and will follow same procedure as 2nd reviewer

Spoiled Checks

- Voided Checks are returned to a Claims Coordinator for review and logging
- Stop Pay procedures are in place, returned checks are reconciled to claim files and reissued properly

Appendix O

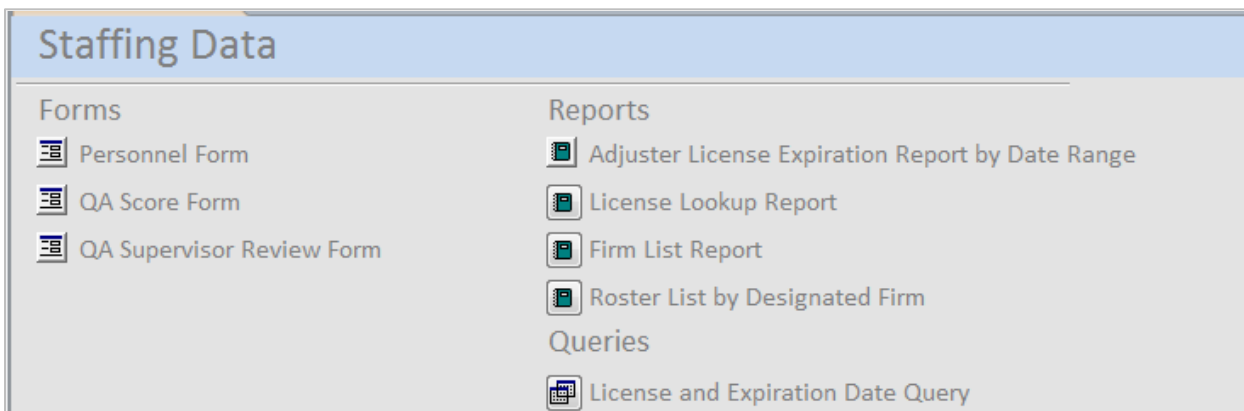
Staffing Database Overview

The staffingDB database will be used to track information for field adjusters, inside claims examiners, as well as permanent and contract employees. Contact information, firm assignments, license data, TWIA and TFPA certification information, continuing education training, performance, and compliance information will be stored within this database.

Note: This Appendix is an overview of the database. Please refer to the staffingDB Manual for instructions and further user guidance.

Switchboard

The database opens displaying the Staffing Data Switchboard. This switchboard will provide users with options for navigating to forms or running reports.



Forms

There are currently three primary forms:

- Personnel Form
- QA Score Form
- QA Supervisor Review Form

Personnel Form

Staffing and IA Data

The first section is the Staffing and IA Data form. This section contains contact and other personal information. This is also the primary form for the remaining sub-forms.

Staffing and IA Data

<input type="text" value="New"/>	First Name	Last Name	Suffix	Address	City	
ST	Zip	Mobile Phone	Work Phone	Home Phone	Fax	Alternate Phone
Email		Resume	Disclosure Form	Ethics Rating		

Company Assignment Data

The sub-form directly to the right of the Staffing and IA Data form is the Company Assignment Data sub-form.

	TWIA	TFPA	Start Date	End Date	FA	CE	FTE
	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Record: 1 of 1 No Filter Search

This sub-form is used to track the company assignments of field adjusters (FA), claims examiners (CE), and full-time employees (FTE) as well as their dates of service.

Firm Assignment Data

The next sub-form is the Firm Assignment Data sub-form.

Firm Assignment Data

Firm	Start Date	End Date	Conflict of Interest	Company
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>

Record: 1 of 1 No Filter Search

This is a very simple form that allows the company to track the firms that the individual has worked through while at TWIA / TFPA, as well as their start and end dates with those firms. When possible, firm employment data should be entered regardless of the individual’s employment status with TWIA / TFPA. This effort will prove useful when determining conflicts of interest with regards to claim assignments.

Adjuster’s License Data

The Adjuster’s License Data sub-form is simple, yet extremely important.

Adjuster's License Data

License Number	ST	Expiration Date
<input type="text"/>	<input type="text"/>	<input type="text"/>

Record: 1 of 1 No Filter Search

The data captured in this sub-form is used with automated emails and reports to notify both the company and the adjuster that one or more of their licenses will expire soon.

Notes

This sub-form functions much like a journal. Notes regarding correspondence, communication, efforts, performance, etc..., should be documented.

Notes

Note Date	<input type="text"/>
Notes	<input style="height: 40px;" type="text"/>

Record: 1 of 1 No Filter Search

Certification Data

When applicable, TWIA and TFPA certification data must be entered. Much like the Adjuster’s License Data sub-form, the data captured in this sub-form is used in automated emails and reports to notify the company and individuals of approaching TWIA and TFPA certification expiration dates.

Certification Data

certID	TWIA Certified	Certification Date	Expiration Date
1	<input checked="" type="checkbox"/>	2/28/2012	
	TFPA Training	TFPA Training Date	TFPA Training Expiration Date
	<input type="checkbox"/>		

Record: 1 of 1 No Filter Search

Residential Experience and Commercial Experience

These two sub-forms allow the user to indicate the total number of years of experience with specific perils or in specific roles. Notice that there are also drop-down menus located next to each peril and role. These menus allow the managers to identify the strengths and weaknesses with more specificity, as opposed to a general approach.

Residential Experience

<input type="checkbox"/>	Liability	Years of Experience	Rank
<input type="checkbox"/>	Wind and Hail	Years of Experience	Rank
<input type="checkbox"/>	Minor	Years of Experience	Rank
<input type="checkbox"/>	Theft	Years of Experience	Rank
<input type="checkbox"/>	Fires	Years of Experience	Rank

Record: 1 of 1 | No Filter | Search

Commercial Experience

<input type="checkbox"/>	Commercial	Years of Experience	Rank
<input type="checkbox"/>	EGA	Years of Experience	Rank
<input type="checkbox"/>	GA	Years of Experience	Rank

Record: 1 of 1 | No Filter | Search

Training Data

All training needs to be recorded. The course titles are available via the drop-down menu. The use of a drop-down menu, as opposed to a text field, decreases the likelihood of varying naming conventions for the same course.

Training Data

<input type="checkbox"/>	Course Title	Start Date	End Date	Hours
<input type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0
Course Description				
<input type="text"/>				
Course Type				
<input type="text"/>				

Record: 1 of 1 | No Filter | Search

QA Score Form

This form is used by the QA&T team to review the performance of each claims examiner. The QA Scores form is currently provided for each record in the database and consists of sections covering the following criteria:

1. Reserves
2. First Contact

3. Coverage
4. Payment
5. Investigation
6. Final Contact
7. Decision

QA Primary Scoring Form					
iaID_PK	iaFN	iaLN			
2 James Lee		Jasper			
QA Scoring Data					
qaID	Claim Number	Date the claim was reported:	Date the claim was closed:	Date the adjuster's report was received:	Adjuster's report has not yet been received:
(New)					<input type="checkbox"/>
Initial payment date:	Line of Business:	Claim Status at Time of Review:	QA Reviewer:	iaID_FK	
				2	
Directions Reserves First Contact Coverage Payment Investigation Final Contact Decision					
The following tabs contain the scoring criteria for the claim number identified at the top of the form. Pay careful attention to the claim number to ensure you are scoring the correct claim.					

QA Supervisor Review Form

This is a simple form to be used the QA&T Supervisor when reviewing the work performed by QA&T team members. The data collected by this form will be used to produce scores for each QA team member, as well as overall team performance within specified date ranges.

QA Supervisor Review Form				
qaSupvsrRvwID_PK	QA Supervisor	QA Reviewer:	Claim Number:	Review Date:
(New)				
Number of concerns, errors, and / or omissions of the QA_T reviewer with regards to this claim:				
<input type="text"/>				
Description of all concerns, errors, and / or omissions of the QA_T reviewer with regards to this claim number:				
<input type="text"/>				

Appendix P

Desk Examiner Commitment by Company

The inside and outside workforce may be highly variable, depending on the severity of the event, with reliance on temporary or contract employees. The Associations have contracted with approved vendors to meet staffing these staffing needs.

The following table details the number of desk claim examiner resources committed to Texas Windstorm in 2014:

Firm	Total Examiners		
	Residential	Commercial	Spanish Speaking
Jacobson	300	200	50
S&S Claims	150	50	20
CRU	45	10	2
One Call	250	35	20
Risk Analytics Group	30	10	5
UCQ	10	10	3
Clearpoint	85	50	14
RJMW	210	40	10
Total	1,080	405	124

Appendix Q

Claim Support Commitment by Company

The inside and outside workforce may be highly variable, depending on the severity of the event, with reliance on temporary or contract employees. The Associations have contracted with approved vendors to meet staffing these staffing needs.

The following table details the number of claim support resources committed to Texas Windstorm in 2014:

Claim Support Firm	Number of Claim Support Commitments	Number of Spanish Speaking Claim Support
Addecco	140	7
Leading Edge	125	7
Evins Personnel Consultants	120	7
Jacobsen	175	10
One Call	250	20
Crawford	250	20
Total	1,060	71

Appendix R

Structural Engineer Commitment by Company

The following table details the number of structural engineers committed to Texas Windstorm in 2014:

Engineering Firm	Number of Engineer Commitments
Construction Consulting Associates	17
BSC Forensic Services, LLC	3
Donan Engineering	36
G&A Engineering Consultants	7
MayMar Engineering	6
Nelson Forensics	26
Halliwell Engineering Associates	15
Project Time and Cost	53
ProNet Group, Inc.	16
Rimkus Consulting Group, Inc.	19
SDII Global Corporation	26
Halliwell Engineering Associates	15
Insight Engineering	1
Guardian group	5
Teal forensics	2
CTL	4
Unified Building Sciences	11
Nelson Engineering	1
Total Engineering Resources	263

Appendix S

Building Consultant Commitment by Company

The following table details the number of building consultants committed to Texas Windstorm in 2014:

Building Consultant Firm	Number of Building Consultants Commitments
Cecil Parker Const. Company	1
Grecco Const. Consultants	13
JS Held Const. Consulting	73
Project Time and Cost	23
Trimark Catastrophe Services	7
Total	117

Appendix T

Field Adjuster Online Training

Online field adjuster certification training is available through a web based training application.

Please go to: <http://dev.2021training.com/twia/adjuster-certification/>

Adjuster Certification

2021 Training > TWIA/TFPA > Adjuster Certification

Texas Windstorm Insurance Association (TWIA) and Texas FAIR Plan Association (TFPA) have partnered with 2021Training.com as their exclusive provider for online adjuster certifications.

As an adjuster, you will need to have these certifications prior to adjusting any claims for TWIA and TFPA. They're registered with the Texas Department of Insurance for CE credits. These certifications **renew annually**. Your certification will be valid for one year from the date of completion.

See FAQ below, including a list of companies that adjust claims for TWIA/TFPA

Field Adjusters

[2014 TWIA and TFPA Residential Field Adjuster Certification \(4 hr\)](#)

Course #94516 \$55

4 Texas CE Credit Hours
(3.5 General and .5 Ethics)
(Classroom Equivalent Hours) This certification is required to adjust **Residential** claims for **TWIA/TFPA** and renews annually. Your certification will be valid for one year from the date of your course completion.

[Buy Now](#)

[2014 TWIA Commercial Field Adjuster Certification\(1 hr\)](#)

Course #95300 \$15

1 General Texas CE Credit Hour
(Classroom Equivalent Hours)

This certification is required to adjust **Commercial and Complex claims for TWIA**. Complex claims include multiple location losses and condos. This is an annual certification, and the online Residential Field Adjuster Certification is a **pre-requisite** for the Commercial Certification.

[Buy Now](#)

Desk Examiners

[2014 TWIA & TFPA Desk Examiner Certification \(4 hr\)](#)

Course #95816 \$55

4 General Texas CE Credit Hours
(Classroom Equivalent Hours) This certification is required to adjust claims for **TWIA and TFPA as a Desk Examiner**. This is an annual certification. See a list of CAT companies contracted with TWIA/TFPA in the FAQs at the bottom of the screen.

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Appendix U

Association Employee CAT Pay Policy

The Association Employee CAT Pay policy addresses the pay provided to employees and managers who are deployed or working extended hours due to a weather event, including situations requiring:

- extending operating hours beyond normal office hours
- dispatching employees to an office location outside of their normal assigned location
- dispatching employees to a mobile remote location

This policy does not apply to contracted workers.

Definitions

For the purpose of the Catastrophe Pay Policy, the following definitions apply:

Adjusted Hourly Rate – the hourly rate adjusted to include the additional compensation for overtime pay received by non-exempt employees deployed during a catastrophe.

Deployed – dispatching an employee to work at an Emergency or Off Site Location, or an office location outside of his/her assigned location without the option to return home at the end of the business day.

Mobile Remote or Remote Location(s) – location(s) established to provide a presence for the Associations' employees working outside of a 25 mile radius from the Austin permanent office location.

Extended Shift – the hours of work established by the Association(s) beyond normal office hours for the purpose of responding to a catastrophic event.

Hourly Rate – the regular rate of pay a non-exempt employee receives for each hour of a standard 40-hour workweek.

Policy

General Rules

Only the General Manager may authorize the catastrophe pay provisions of this Policy. Claims Management will provide the General Manager with the results of the modeling that is used to determine whether a CAT event is imminent. Such provisions shall remain in effect until the General Manager determines that deployment sites and Extended Shift hours are no longer necessary to support the catastrophe response.

TWIA/TFPA will establish Extended Shift hours based on operating requirements and business needs.

Deployment pay and Extended Shift pay are not included in an employee's annual base salary for classification and pay purposes.

Deployment Pay

A deployed employee who has worked the entire shift (using no leave time) shall receive the deployment pay below:

Position Classification	Deployment Pay
Exempt	<ul style="list-style-type: none">• \$225 for each business day plus regular base salary• \$250 for each weekend day or holiday plus regular base salary
Non-Exempt	<ul style="list-style-type: none">• \$50 per day (business days, weekends or holidays) plus 1 ½ times the Adjusted Hourly Rate for time worked over (40) hours in a workweek (this is in addition to receiving the employee's Hourly Rate for each hour worked up to and including 40 in a workweek).

Deployed employees must include travel time to and from a Mobile Remote or Remote Location or an office location outside of an employee's assigned work location, or travel time from a hotel to the Mobile Remote or Remote Location and back as Extended Shift hours.

Extended Shift Pay

An employee who has worked the entire Extended Shift (using no leave time) shall receive the Extended Shift pay below:

Position Classification	Extended Shift Pay
Exempt	<ul style="list-style-type: none">• \$150 for each business day plus regular base salary• \$175 for each weekend day or holiday plus regular base salary
Non-Exempt	<ul style="list-style-type: none">• 1 ½ times the Adjusted Hourly Rate for time worked over (40) hours in a workweek (this is in addition to receiving the employee's Hourly Rate for each hour worked up to and including 40 in a workweek).

Procedures

Timekeeping Procedures for Exempt Employees

The employee must complete the Catastrophe Timesheet for Exempt Employees, sign the certification statement, and submit the Timesheet to the management employee overseeing the deployment site or the Extended Shift.

The management employee shall review the timesheet for accuracy and email approved timesheets to the CAT Pay Timesheets mailbox each pay period.

Timekeeping Procedures for Non-Exempt Employees

Deployed Employees

The employee must complete the Catastrophe Timesheet for Non-Exempt Employees, sign the certification statement, and submit the Timesheet to the management employee overseeing the deployment site or the Extended Shift.

The management employee shall review the timesheet for accuracy and email approved timesheets to the CAT Pay Timesheets mailbox each pay period.

Employees Working Extended Shifts

The employee shall use the TWIA/TFPA automated timekeeping system track all hours worked.

TWIA 1% Probability Event (1 in 100 year event)

Claims Resource Scalability Modeling Tool 2014 - TWIA 1% Probability Event (1 in 100 year event)												
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Managers	Customer Care	Quality Assurance	TOTAL	Field Re-Inspectors	Field Adjusters	Examiner - Claims Per Day	Adjuster - Claims Per Day	Examiners Per Manager
144,250	30	4,808	401	33	167	100	701	100	962	12	5	12
39,200	30	1,307	109	9	45	27	191	9	261	Required Customer Care Resources By Claim Volume		
10,550	30	352	29	2	6	5	43	2	70	>150	>300	>600
										1.50	2.50	5.00
										Required QA Resources By Claim Volume		
										>150	>300	>600
195,000	90		539	45	218	132	935	112	1,293	1.00	2.00	3.00

TWIA 2% Probability Event (1 in 50 year event)

Claims Resource Scalability Modeling Tool 2014 - TWIA 2% Probability Event (1 in 50 year event)												
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Managers	Customer Care	Quality Assurance	TOTAL	Field Re-Inspectors	Field Adjusters	Examiner - Claims Per Day	Adjuster - Claims Per Day	Examiners Per Manager
88,000	30	2,933	244	20	102	61	428	61	587	12	5	12
24,200	30	807	67	6	28	17	118	6	161	Required Customer Care Resources By Claim Volume		
6,800	30	227	19	2	2	2	24	2	45	>150	>300	>600
										1.50	2.50	5.00
										Required QA Resources By Claim Volume		
										>150	>300	>600
119,000	90		331	28	132	79	570	68	793	1.00	2.00	3.00

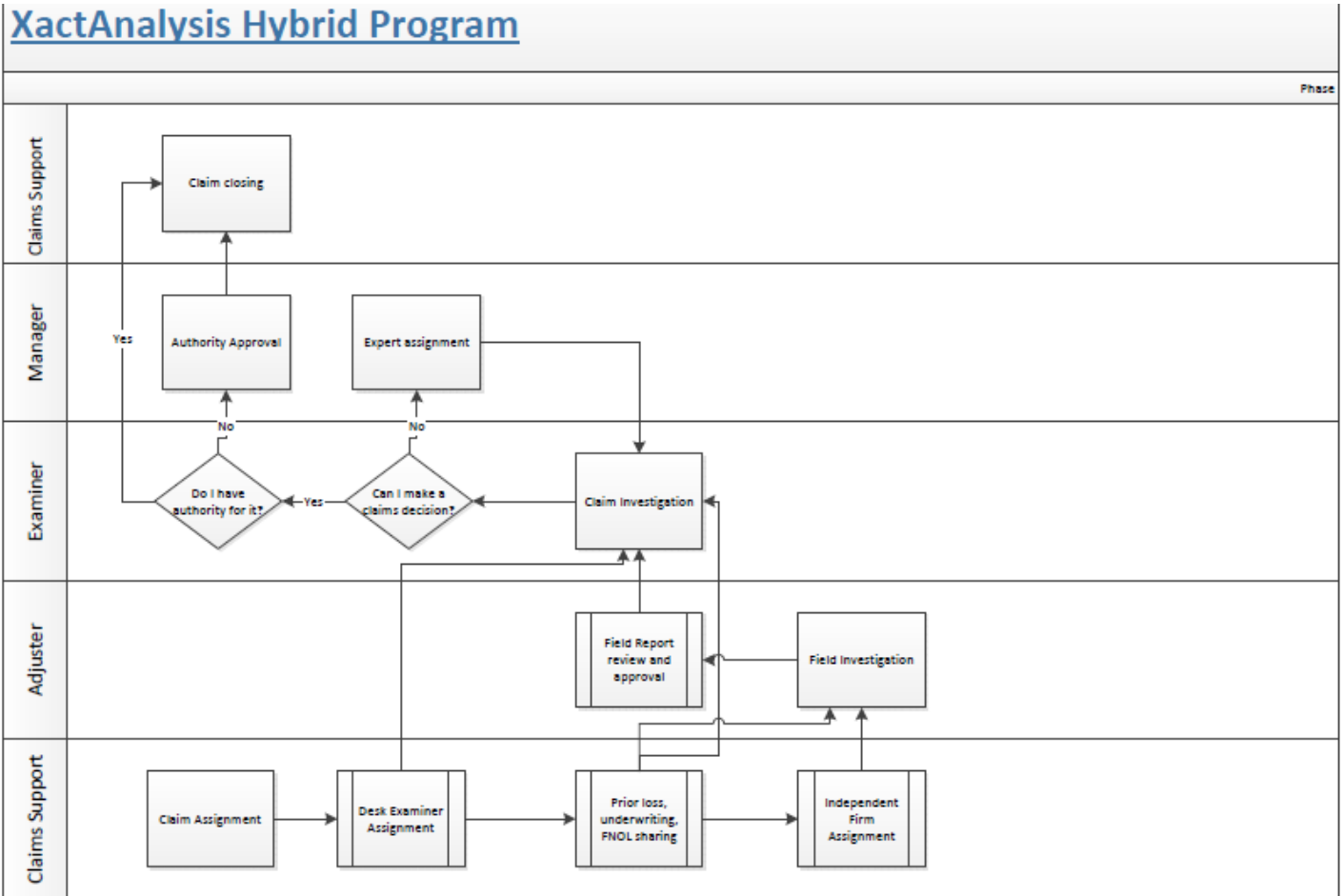
TWIA 4% Probability Event (1 in 25 year event)

Claims Resource Scalability Modeling Tool 2014 - TWIA 4% Probability Event (1 in 25 year event)												
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Managers	Customer Care	Quality Assurance	TOTAL	Field Re-Inspectors	Field Adjusters	Examiner - Claims Per Day	Adjuster - Claims Per Day	Examiners Per Manager
48,250	30	1,608	134	11	56	34	235	34	322	12	5	12
13,600	30	453	38	3	8	6	55	3	91	Required Customer Care Resources By Claim Volume		
4,150	30	138	12	1	0	1	13	1	28	>150	>300	>600
										1.50	2.50	5.00
										Required QA Resources By Claim Volume		
										>150	>300	>600
66,000	90		183	15	64	41	303	38	440	1.00	2.00	3.00

TWIA 10% Probability Event (1 in 10 year event)

Claims Resource Scalability Modeling Tool 2014 - TWIA 10% Probability Event (1 in 10 year event)												
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Managers	Customer Care	Quality Assurance	TOTAL	Field Re-Inspectors	Field Adjusters	Examiner - Claims Per Day	Adjuster - Claims Per Day	Examiners Per Manager
18,250	30	608	51	4	21	13	89	13	122	12	5	12
5,600	30	187	16	1	2	1	20	1	37	Required Customer Care Resources By Claim Volume		
2,150	30	72	6	0	0	1	7	0	14	>150	>300	>600
										1.50	2.50	5.00
										Required QA Resources By Claim Volume		
										>150	>300	>600
26,000	90		72	6	23	15	116	14	173	1.00	2.00	3.00

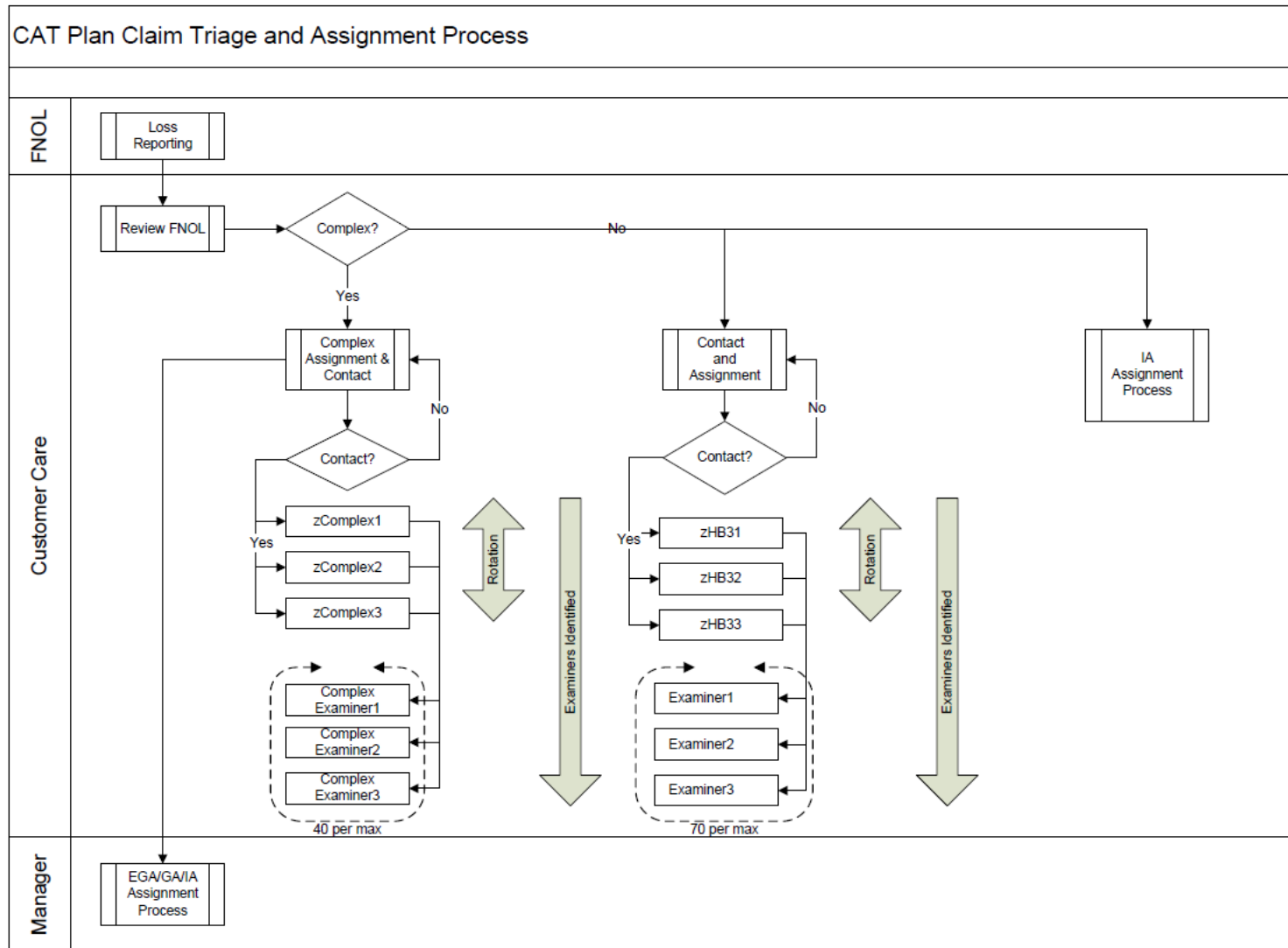
XactAnalysis Hybrid Program Flowchart



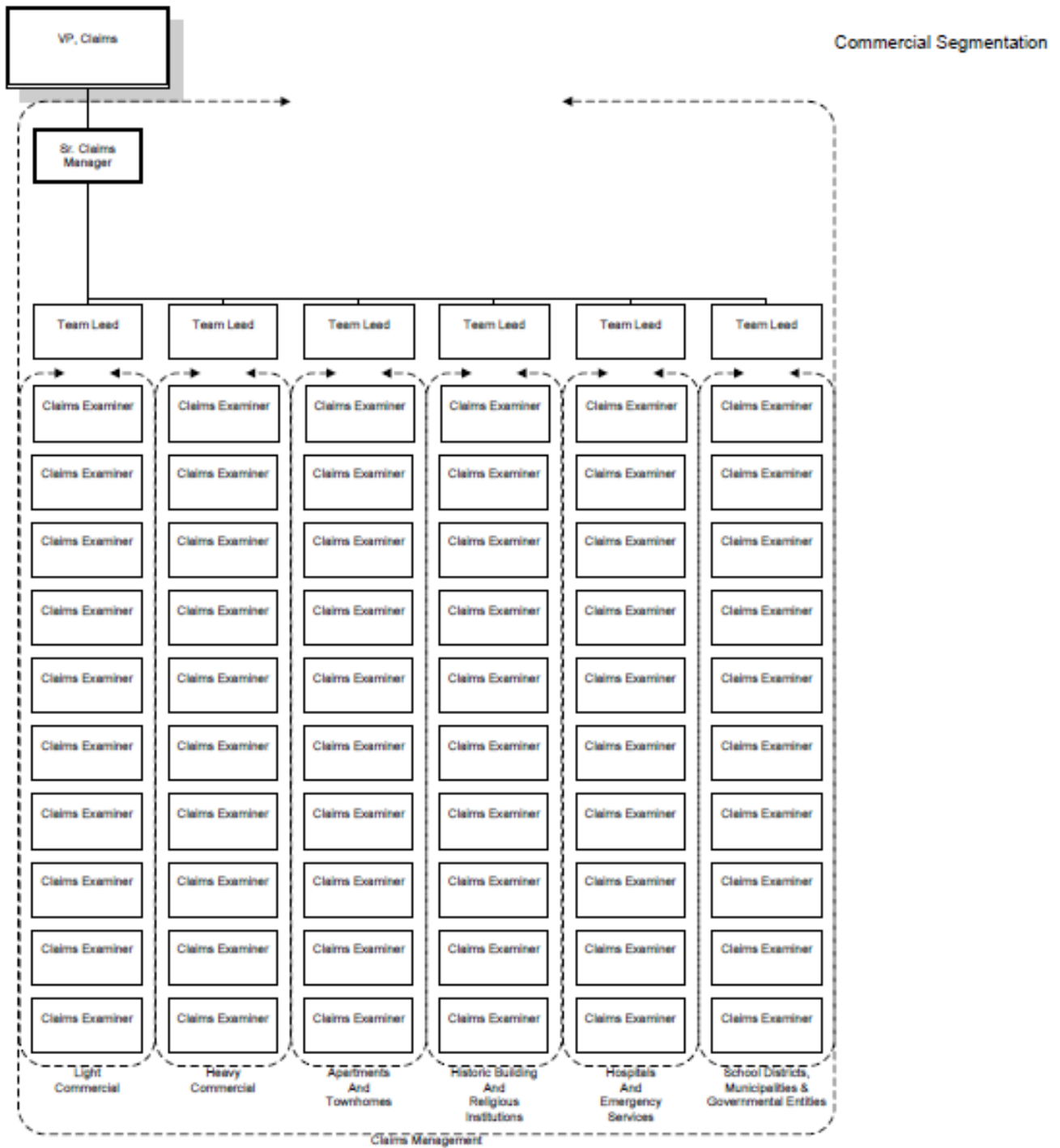
XactAnalysis Hybrid Roles and Responsibilities

Step Description	Performer	Action
Onboarding of Examiners		
Enter Examiner into XactAnalysis	Claims Coordinators	Build user in XactAnalysis once IT builds user in NOTUS
XactAnalysis and NOTUS Claim Triage and Assignment		
FNOL		
Loss Reporting	Call Center	Receive loss reporting intake
Claims Assignment and Initial handling		
Review and share FNOL in Xactanalysis	Claims Coordinator	Drop FNOL and share
Claims Inside (Desk Examiner) Assignment	Claims Coordinator	Assign Desk Examiner as Client Reviewer as well
Claims Outside (IA Firm) Assignment	Claims Coordinator	Assign claim to independent adjusting firm
Acquire and share priors in Xactanalysis	Claims Coordinator	Researching of prior losses in NOTUS, CGI, and Launchpad will be conducted in-building by support staff and dropped into XactAnalysis for both the Desk Examiner and Field Adjuster
Acquire and share underwriting inspection photos in Xactanalysis	Claims Coordinator	Researching of prior underwriting inspections will be conducted in-building by support staff and dropped into XactAnalysis for both the Desk Examiner and Field Adjuster
Set initial reserves	Claims Coordinator	Set initial reserves
Customer contact	Desk Examiner	Initial contact will be logged in Xactanalysis
Field Adjuster assignment	IA Firm	IA firm will assign
Field Adjuster inspection scheduling	Field Adjuster	No changes
Claim investigation		
Field investigation	Field Adjuster	No changes
General Loss Report	Field Adjuster	No changes
Xactimate Estimate	Field Adjuster	No changes
Photo report	Field Adjuster	No changes
Field report outside review & approval	IA Firm QA	No changes, will continue to use QA Approved button
Field report inside review & approval	Desk Examiner	Review of QA Approved documents will occur in Xactanalysis. Documents will be approved or rejected by the Desk Examiner and then uploaded to NOTUS or CGI using the client approved button.
Claim escalation	Desk Examiner	Conducted by note in Xactanalysis and email of manager/supervisor.
Claim reassignment	Manager/Supervisor	Conducted within Xactanalysis as well as in NOTUS or CGI
Claim authority request	Desk Examiner	Conducted by note in Xactanalysis and email of manager/supervisor.
Claim authority approval	Manager/Supervisor	Confirmation in Xactanalysis, adjustment of reserves in NOTUS or CGI by Claims Coordination staff
Claim Closing		
Send final documents to NOTUS/CGI	Desk Examiner	Will client approve appropriate closing documentation and send in action worksheet detailing close actions
Print Estimate	Claims Coordinator	Will receive action worksheet describing actions to take, work in NOTUS/CGI to print the appropriate estimate
Print Letter	Claims Coordinator	Will receive action worksheet describing actions to take, work in NOTUS/CGI to print the appropriate letters
Print Check & update/close reserves	Claims Coordinator	Will receive action worksheet to issue payment and update reserves accordingly within NOTUS and CGI
Claim status update in NOTUS/CGI	Claims Coordinator	Will receive action worksheet to update claim status accordingly
Claim status update in Xactanalysis	Desk Examiner	Will update claim status in Xactanalysis accordingly
Drop invoices into NOTUS/CGI and issue expense payments	Claims Coordinator	Will receive, drop into NOTUS/CGI, and pay invoices

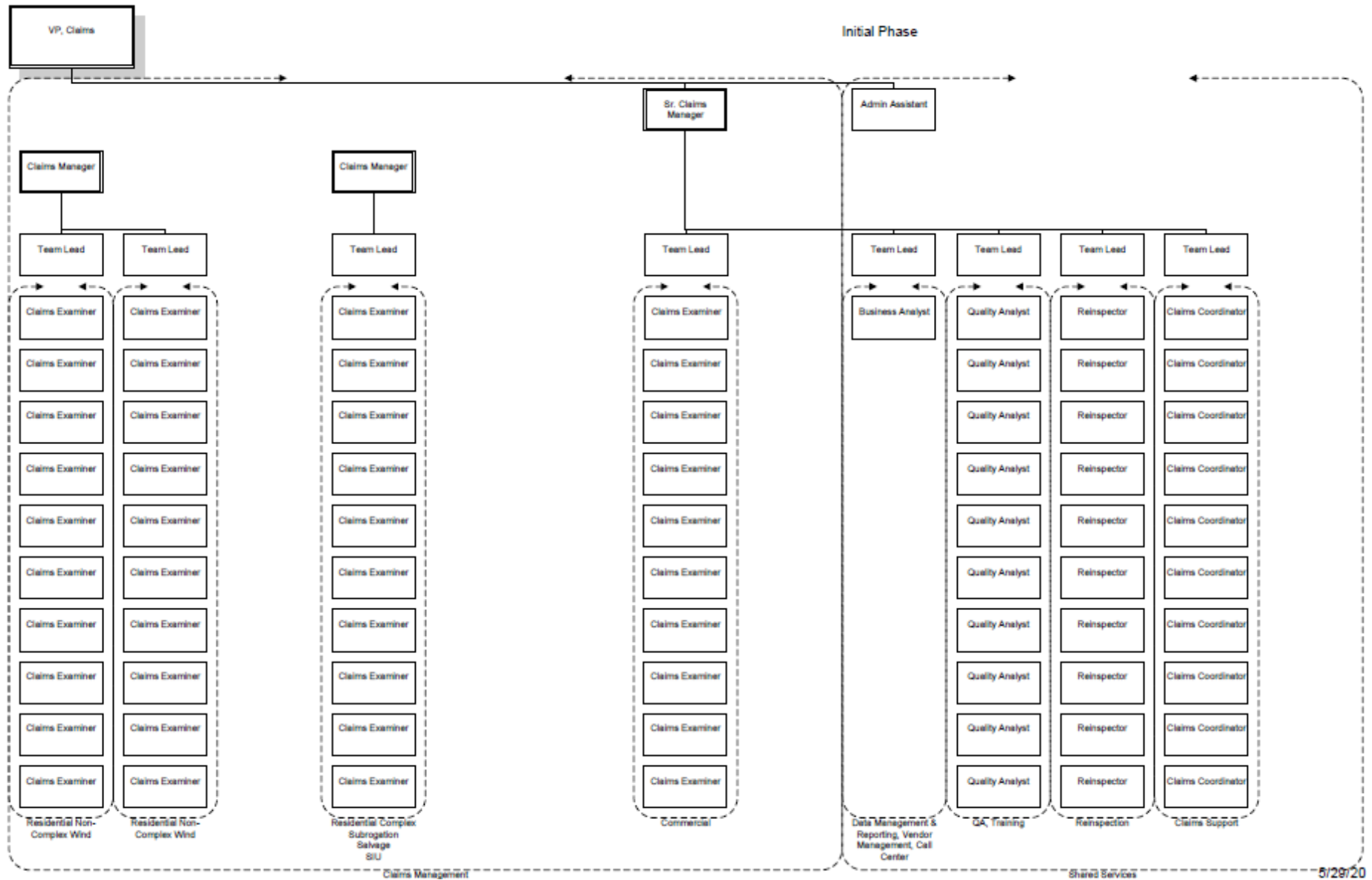
CAT Plan Claim Triage and Assignment Process



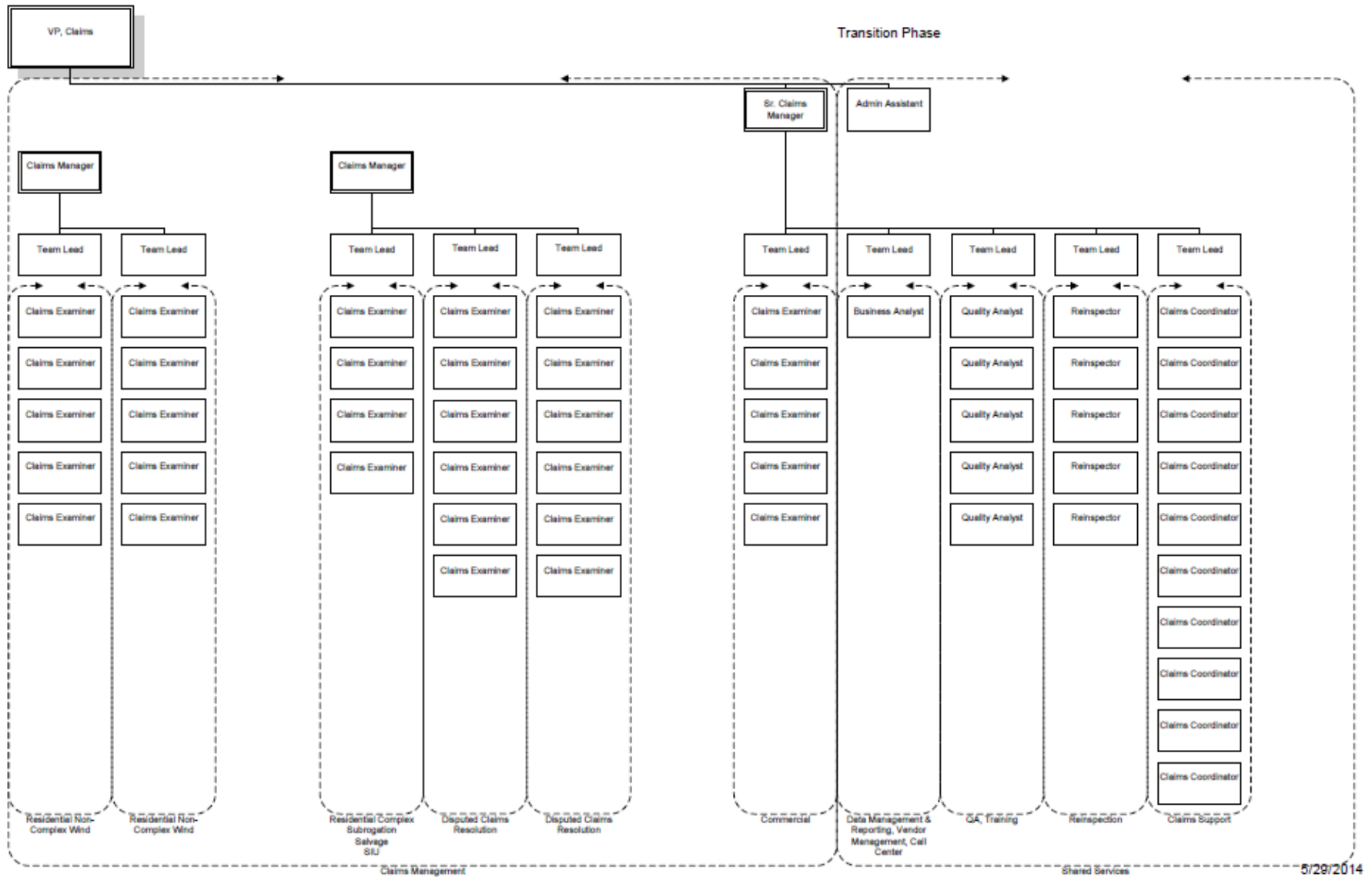
TWIA Commercial Loss Segmentation Matrix



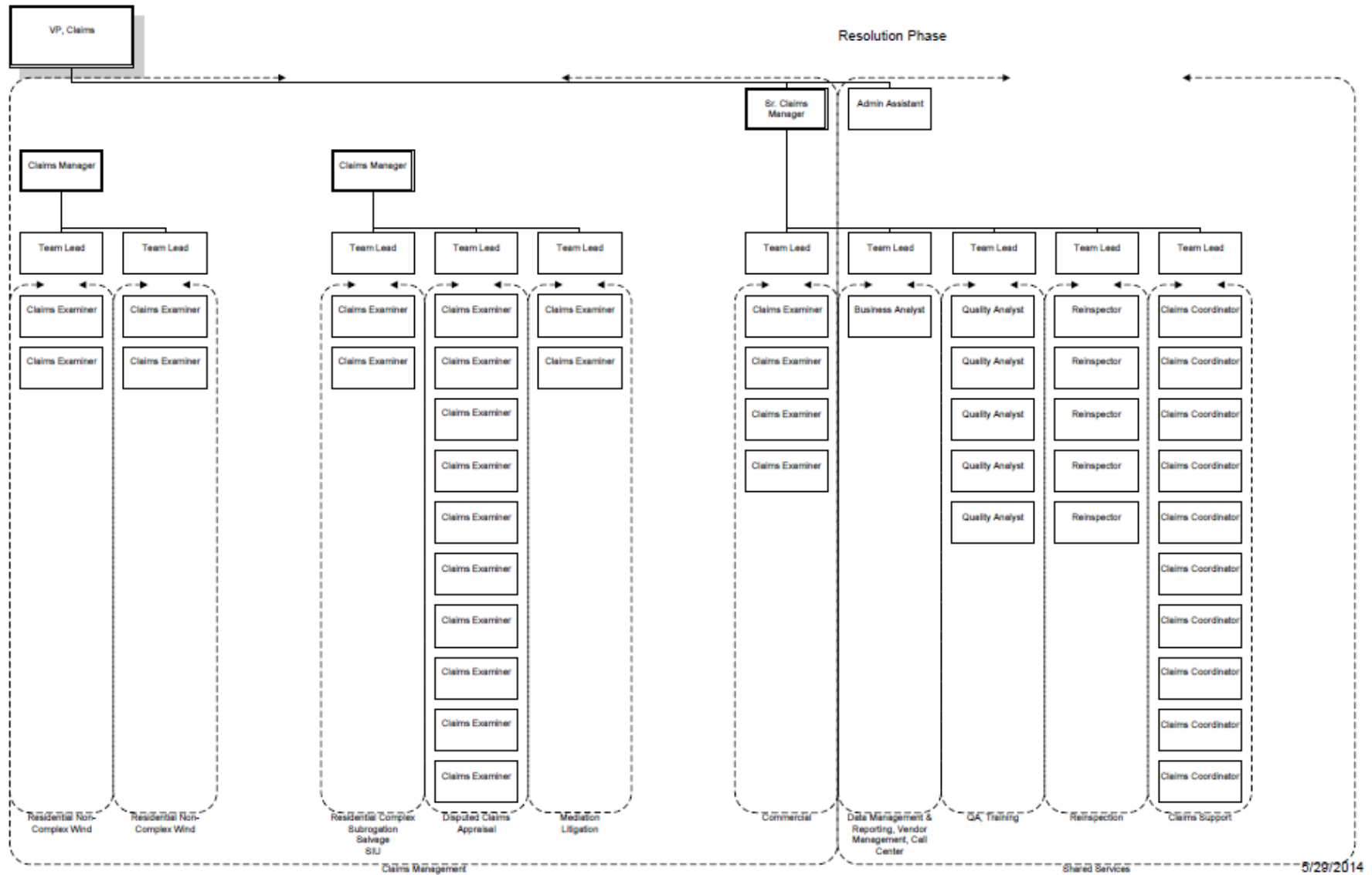
CAT Plan Org Chart – Initial Phase



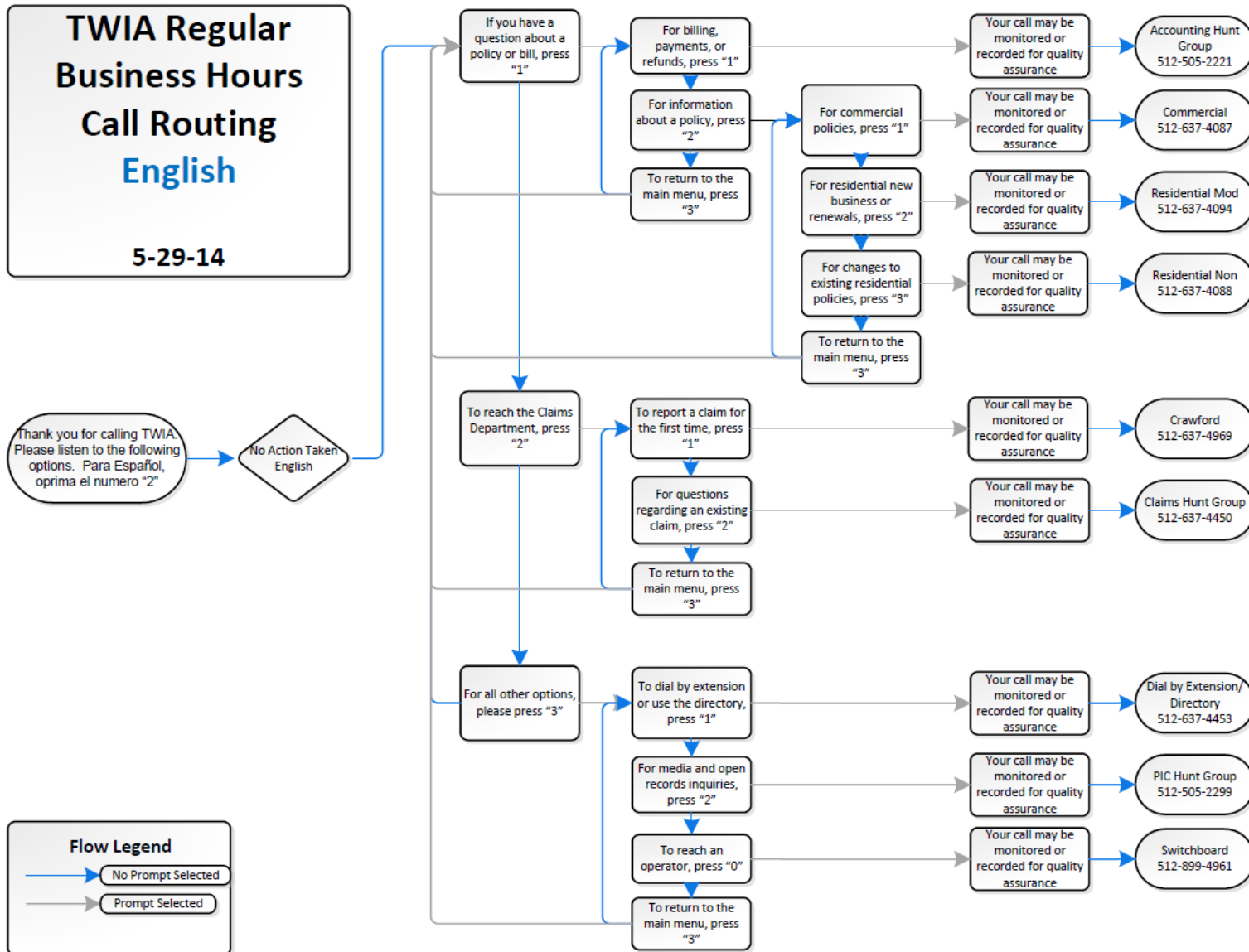
CAT Plan Org Chart – Transition Phase



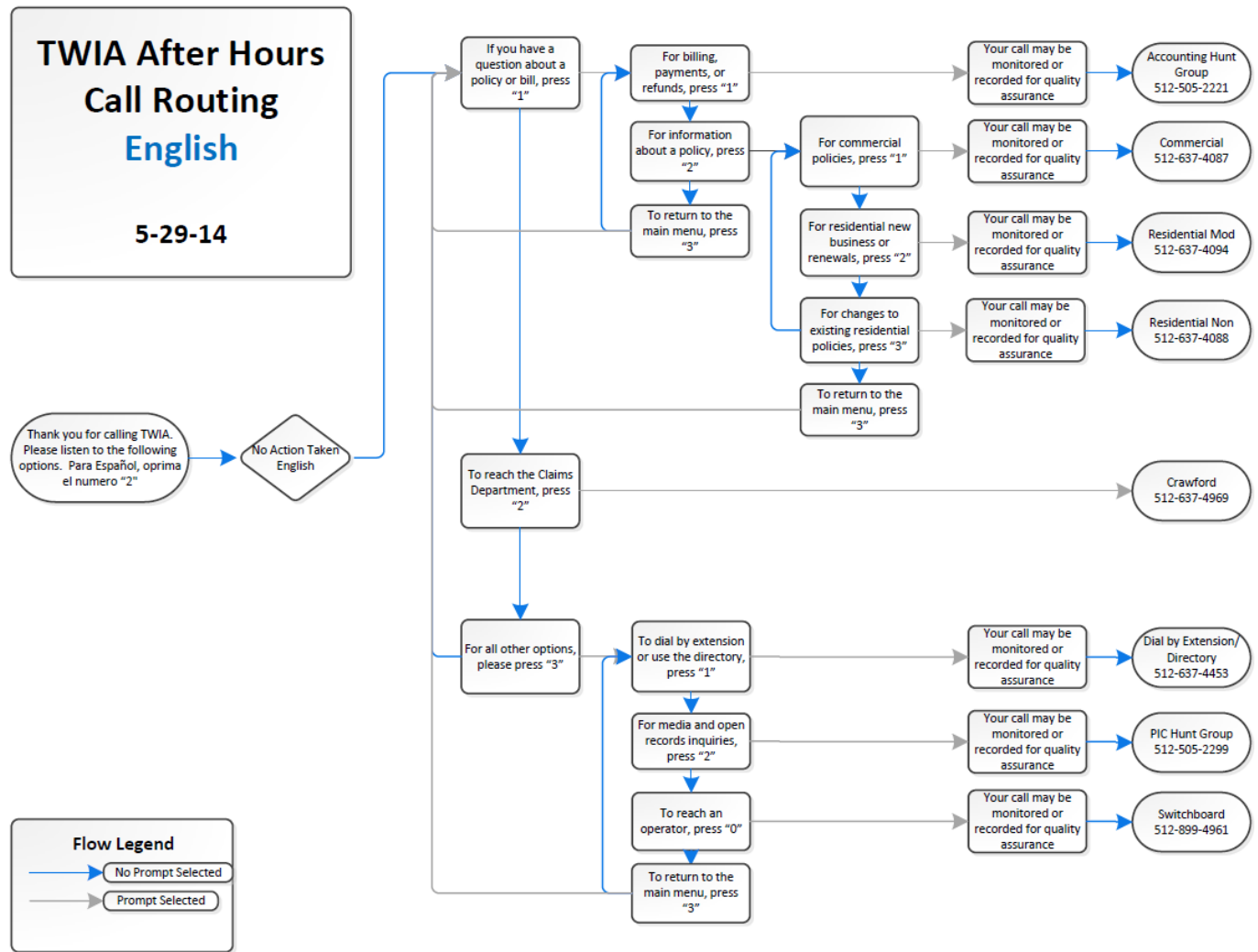
CAT Plan Org Chart – Resolution Phase



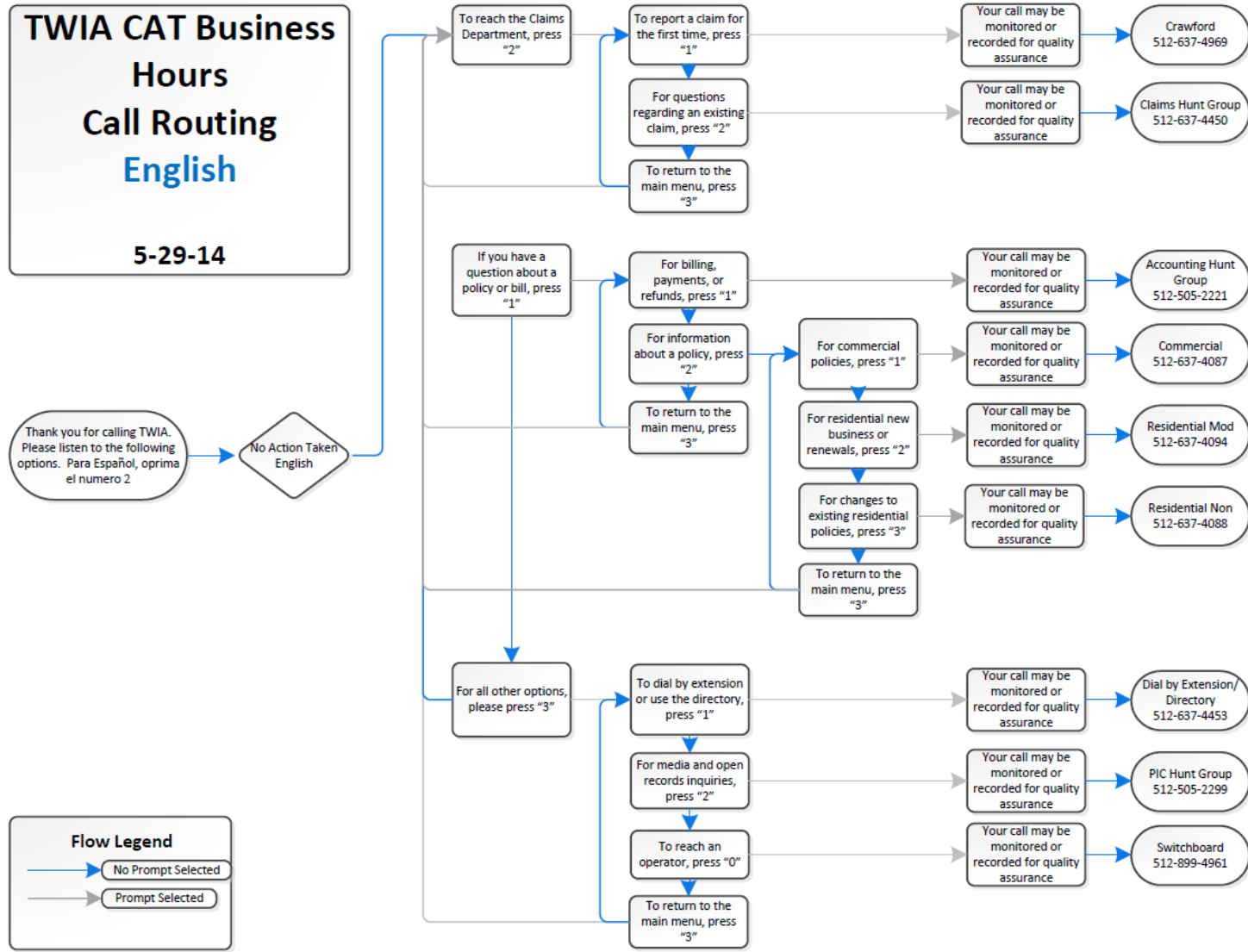
TWIA-TFPA Interactive Voice Response (1)



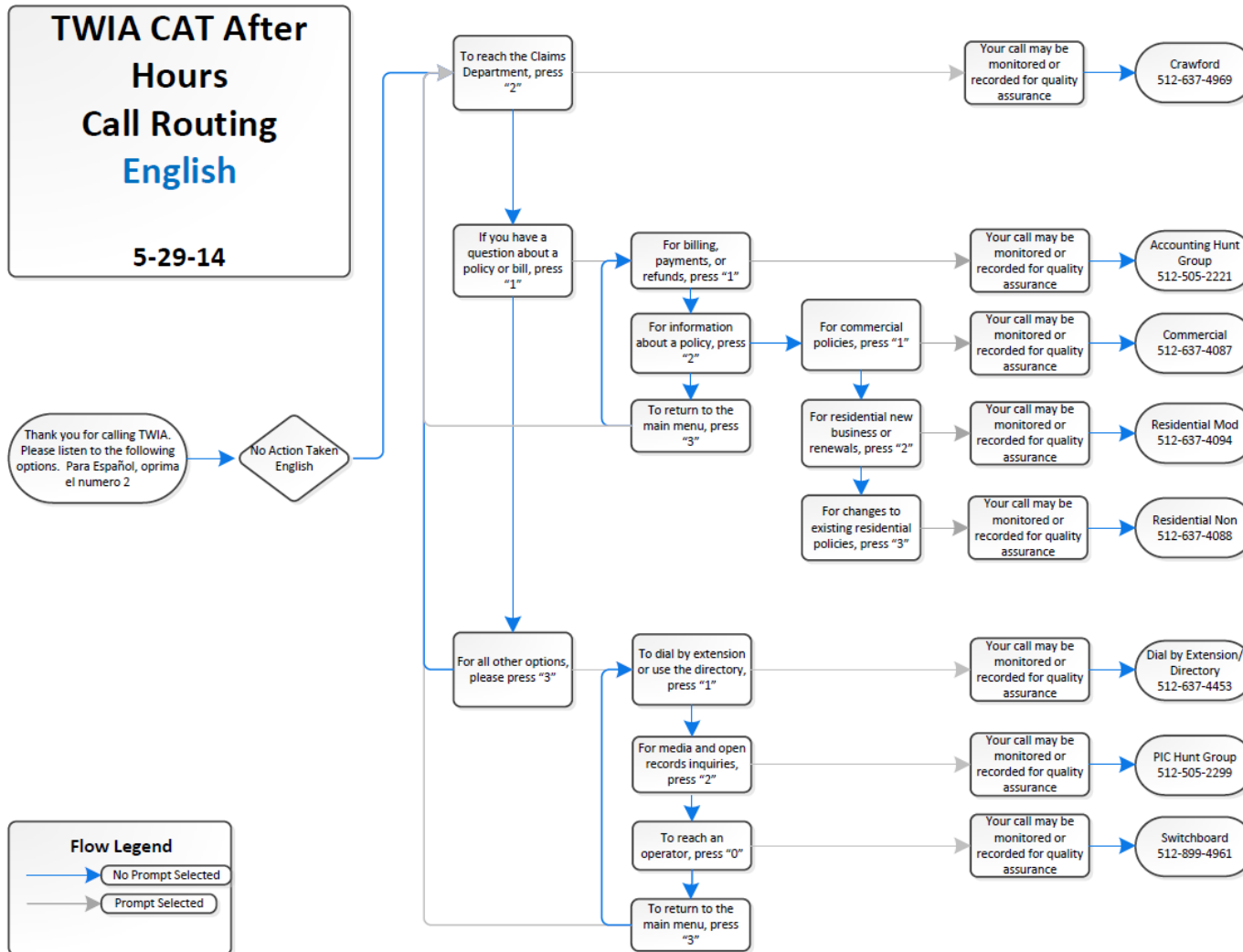
TWIA-TFPA Interactive Voice Response (2)



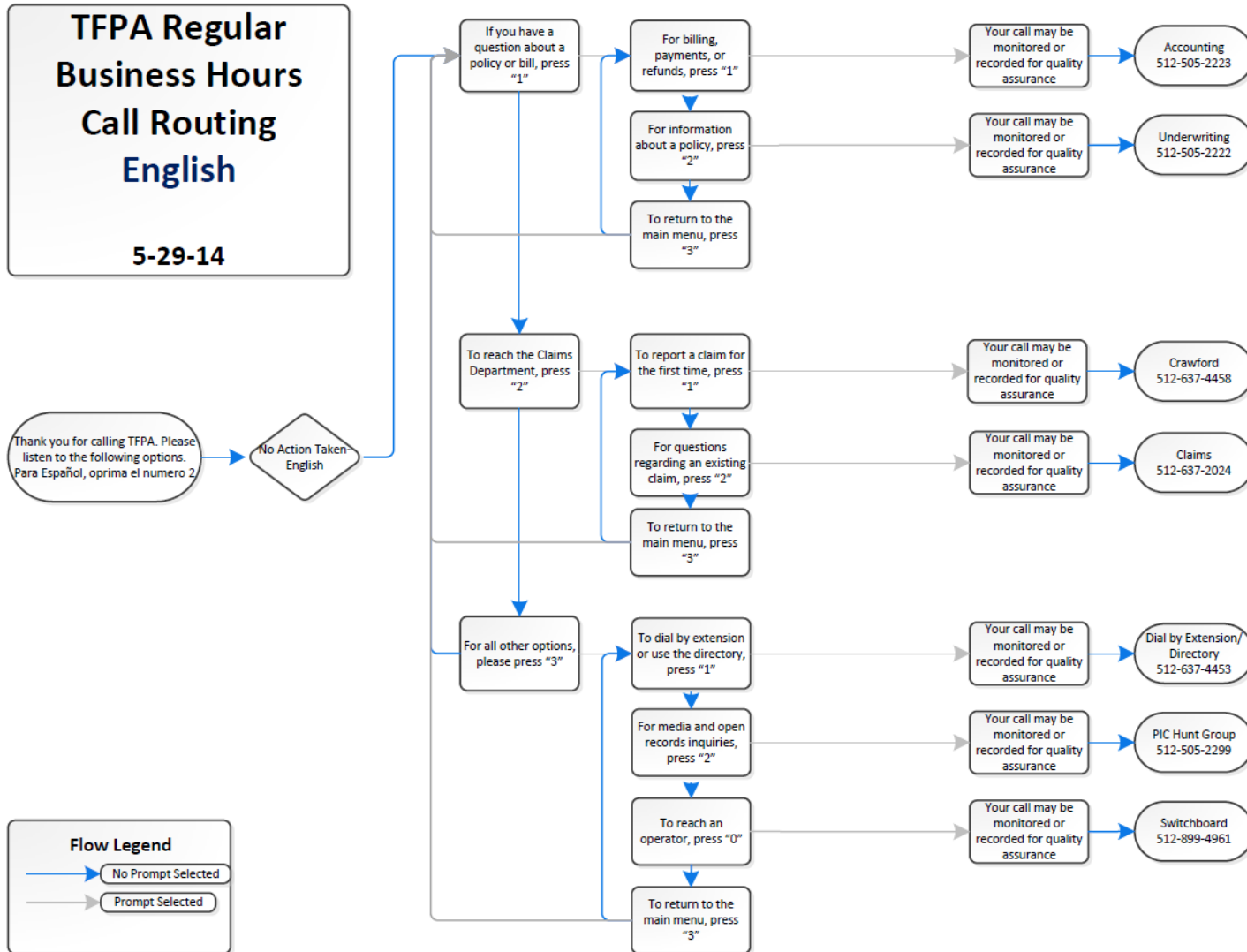
TWIA-TFPA Interactive Voice Response (3)



TWIA-TFPA Interactive Voice Response (4)



TWIA-TFPA Interactive Voice Response (5)



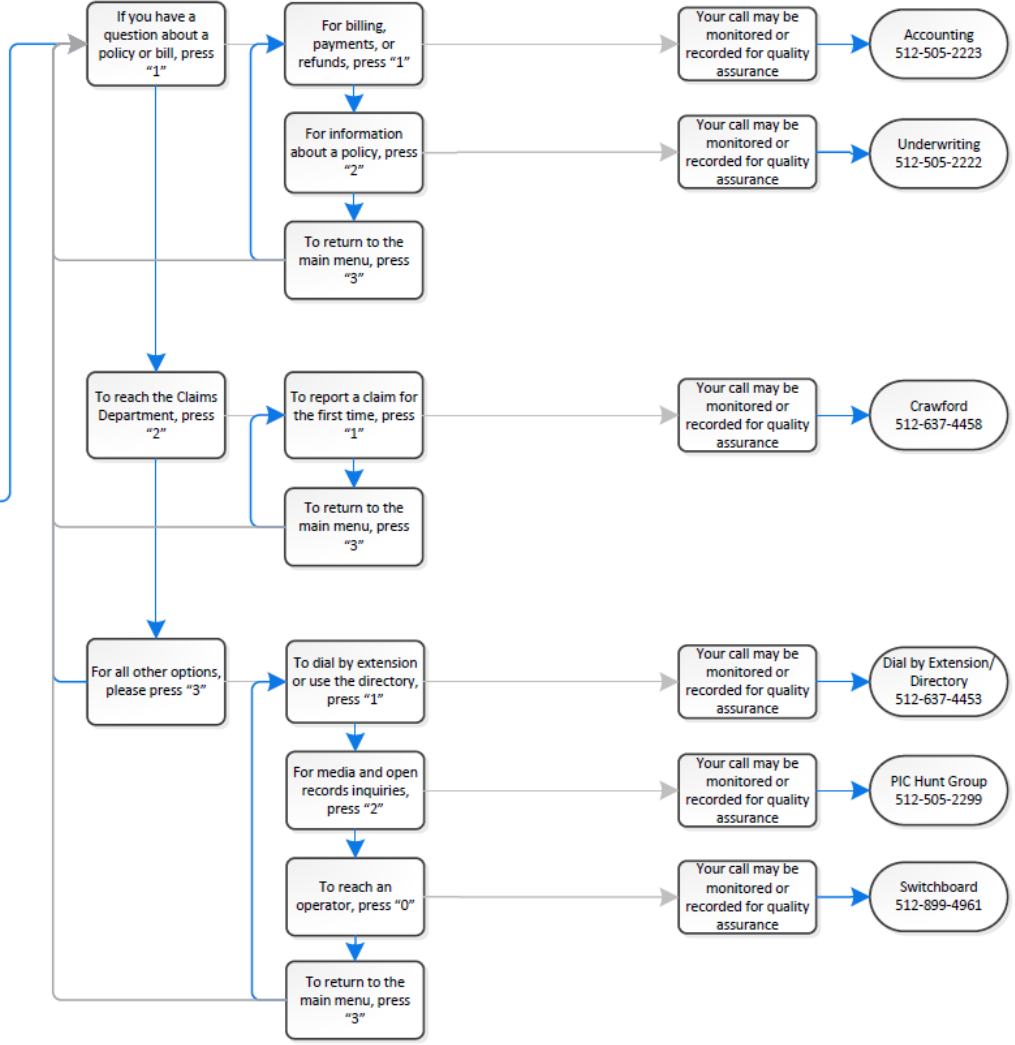
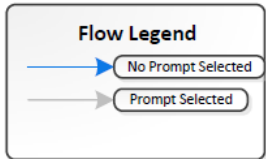
TWIA-TFPA Interactive Voice Response (6)

TFPA After Hours Call Routing English

5-29-14

Thank you for calling TFPA. Please listen to the following options.
Para Español, oprima el numero 2

No Action Taken-English



Vendor List 2014 (1)

Firm Name	Type of Firm	Firm Address	City, State Zip Code	Contact	Phone Number	Contact Email Address
Advanced Claims Concepts, Inc.	IA	201 Cox Creek Parkway South	Florence, Alabama 35630	Cliff Goodson	386-334-8467	cliff@acc-claims.com
Allcat Claims Service	IA	109 Enterprise Parkway, Suite 103	Boerne, Texas 78006	Sid Carr + Shirlynn Guitierrez	210-544-4403	sid@allcatclaims.com
AMCAT (edinburgh group)	IA	616 South Coppell Road	Coppell, Texas 75019	Reagan Broussard + Linda Treadway	214-288-5821	rbroussard@amcatusa.com
ANL Adjusting Co., Inc.	IA	372 Hickory Hills Road	Minden, Louisiana 71055	Skip Land	6095043382	sland2238@aol.com
BrightClaim, Inc	IA	3850 Holcomb Bridge Road, Suite 410	Norcross, Georgia 30092	Howard Rogers	404-307-5305	howard.rogers@brightclaim.com
CAS	IA	17501 Dallas Parkway	Dallas, Texas 75287	Mitch Williams	9729344473	mwilliams@casclaims.com
Church & Company Adjusting, LLC	IA	12000 Aerospace Avenue Suite 110	Houston, Texas 77034	Jim Kreason	832-703-8583	jim.kreason@churchandcompany.com
CIS Alamo, LLC	IA	8200 IH 10 West, Suite 215	San Antonio, Texas 78230	Martin Newby + Lissette Hargrove	210-872-9133	mnewby@cisgroup.net
Claim Consultant Group, LLC	IA	700 Lavaca, Suite 1400	Austin, Texas 78701	Robert A. Crain	512-777-1503	info@claimconsultantgroup.com
Clear Point Claims	CE	13925 Ballantyne Corporate place Suite 190	Charlotte, North Carolina 28277	Michael J. Miller	704-414-8765	mike.miller@clearpointclaims.com
Crawford & Company	IA	1503 LBJ Freeway Suite 600	Dallas, Texas 75381	Terry Turon + Beverly Trice	713-821-0150	Terry_Turon@us.crawco.com
Cunningham Lindsey	IA	4201 Cypress Creek Pkwy., Ste. 255	Houston, Texas 77068	Randy Ordner	713-569-8771	rordner@cl-na.com
Eberl Claims Service	IA	7276 W. Mansfield Avenue	Lakewood, Colorado 80235	Rob Petrovics + Tommy Bunn	303-988-6286	rpetrovics@eberls.com
Fourseventy Claim Management	IA	PO Box 20247	Waco, Texas 76702	Robert Beller	254-405-5577	rob@470claims.com
Gentry	IA	1117-A Patricia Drive	San Antonio, Texas 78213	Marsh Gentry	2103132955	gentry@gentryclaims.com
Ideal Adjusting, Inc.	IA	11569 Highway 6 South, Suite 184	Sugarland, Texas 77498	Gary Webster	281-933-4332	gwebster@idealadjusting.com
Jones Consulting Group	IA	P.O. Box 1631	Sugarland, Texas 77478	Marshall Jones	832-693-8036	mjclaim@yahoo.com
Leading Edge Claims Service	IA	1704 Tennison Pkwy. Suite #110	Colleyville, Texas 76034	Jeff Baber + David Christopher	817-767-2108	jbaber@leadingedgeclaims.com
Mariposa Insurance Services, Ltd.	IA	6818 Providence Street	Whitehouse, Ohio 43571	Bob Khosropur	847-830-3072	bob.khosropur@mariposaltd.com

House Bill 3 Section 2210.455 Requirements

Vendor List 2014 (2)

Firm Name	Type of Firm	Firm Address	City, State Zip Code	Contact	Phone Number	Contact Email Address
Mason Catastrophe Claim Services, Inc.	IA	121 Pecan Street	Boerne, Texas 78006	Cody House + Zane Mason	800-974-6654	chouse@masonclaims.com
National Claims Adjusters, Inc.	IA	1201 6 th Avenue West, Suite 326	Bradenton, Florida 34205	David Lerulli	941-721-8480	dierulli@nclaimsadjusters.com
NCA Group	IA	9725 Windermere Blvd.	Fishers, Indiana 46037	Jim Pearl + Steve Perry	317-915-8888	jpearl@ncagr.com
Nomad Adjusting, LLC	IA	11625 Custer Road Suite 110 #303	Frisco, Texas 75035	Timothy Molony	832-689-8437	t.molony@nomadadjusting.com
Pacesetter Claims Service, Inc.	IA	2871 N. Highway 167	Catoosa, Oklahoma 74015	Barry Coleman	918-671-1204	bcoleman@pacesetterclaims.com
S & S Claims	CE			R. Kale Strickland	704-947-7722	kale@ssclaims.com
Schafer, Wood & Associates	IA	P.O. Box 2159	Denison, Texas 75021	Jim Foltz + Angie Schultz	251-978-0511	jim.foltz@schaferwood.com
Tailored Adjustment Services, Inc.	IA	1304 W. Walnut Hill Lane Suite 100	Irving, Texas 75038	James Buchanan	972-518-0165	jbuchanan@tailoredadjustment.com
The Littleton Group	IA	1250 S. Capital of Texas Highway, Bldg. 1, Suite 554	Austin, Texas 78746	Jeff Bode	5126004590	jbode@littleton-group.com
Trinity Claims Service, LLC	IA	403 Cooper Street	Rosser, Texas 75157	John Beasley	866-222-4701	john.beasley@trinclaims.com
TSI Adjusters, Inc.	IA	P.O. Box 320423	Tampa, Florida 33679	Rocky Rodriguez	813-363-1849	rocky@tsiadjusters.com
U.S. Adjusting Services	IA	4090 South Regent Street	Wichita Falls, Texas 76308	Jessica Hamilton + Mike Grammer	972-992-8160	jhamilton@usadustingservices.net
Wardlaw Claims Service LLP	IA	2725 Texas Central Parkway	Waco, Texas 76712	Michael Wardlaw + Ray Hickok	254-498-6205	mike@wardlawclaims.com
Catastrophe Response Unit	IA	248 Torresdale Ave.	Toronto, ON M2r 3E8	Steven Steckler	403-607-2752	ssteckler@crudjusters.com
G & G Insurance Adjusters, Inc.	CE	200 S. Andrews Ave., Ste. 603	Ft. Lauderdale, Florida 33301	Raul Gallon + Maribel Casanas	954-783-1008	rgallon@ggadjusters.com + mcasanas@ggadjusters.com
Insurance Recruiting Specialists	CE	15685 N. Cave Creek Road, Ste. 200	Phoenix, Arizona 85032	Carla Ramos	866-620-1301	carla@thebestirs.com
One Call Claims	CE	3122 E. Acoma Drive	Phoenix, Arizona 85032	Kristi Smoot	480-499-5882	kristi@onecallclaims.com
Professional Claims Adjusting Resources	IA	P. O. Box 104	Minden, Louisiana 71058	Lenny St. Germain	985-234-0443	pcar.resources@gmail.com
Risk Analytics Group	CE	1095 Evergreen Circle, Ste. 200	The Woodlands, Texas 77380	John Howell	281-407-0210	info@riskanalyticgroup.com
RJMW	CE	2200 Executive Street	Charlotte, North Carolina 28208	Mary Anne Beaty	704-537-0012	maryanne.beaty@rjmw.com
United Catastrophe Group, LLC	CE	4818 Slide Rock Ct.	Mansfield, Texas 76063	Lorenzo Jackson	214-883-3313	lorenzo@paaian.com
SDII Global Corporation	Eng	4509 George Rd	Tampa, FL 33634	Jeremy Mele	813-239-4463	

House Bill 3 Section 2210.455 Requirements

Vendor List 2014 (3)

Firm Name	Type of Firm	Firm Address	City, State Zip Code	Contact	Phone Number	Contact Email Address
Brown Consulting Services	Eng	3505 Olsen Blvd., Suite #110	Amarillo, TX 79109	Travis P. Brown	806-354-0141	al@brownfirst.com
BSC Forensic Services, LLC	Eng	24200 Southwest Freeway, Suite #402-257	Rosenberg, Texas 77471	Jarold Burns	713.828.5829	jburns@bscforensics.com
Donan Engineering	Eng	2201 double creek drive, suite 3003	Round rock, tx 78664	Brandon Wisonart	512-230-2337	bwhisonant@donan.com
G&A Engineering Consultants	Eng	2591 Dallas parkway, Suite 300	Frisco Tx 75034	John D. Garner, P.E., Pres,	972-377-0033	gaengconsultants@yahoo.com
Green Engineering Consulting	Eng	6306 Oakburl Ln	Sugar Land, TX 77479	Eric C. Green, P.E.	281-513-7868	eric@ericgreenpe.com
Haag Engineering	Eng	4949 W. Royal Lane	Irving, TX 75063 USA	Dustin Childress	800-527-0168	DChildress@HaagGlobal.com
Halliwell Engineering	Eng	1400 Preston Road Suite 400	Plano TX 75093	Jack Halliwell	972-665-9860	jhalliwell@heainc.com
Project Time and Cost	Eng	1718 Fry Road Suite 133	Houston, Texas 77084	Niacole Borecki	281-387-3736	niacole.borecki@ptcforensics.com
ProNet Group, Inc.	Eng	18383 Preston Road Suite 201	Dallas, Texas 75252	Shawn Shoop	281 202 3133	sshoop@pronetgroup.com
Rimkus Consulting Group, Inc.	Eng	8 Greenway Plaza, Suite 500	Houston, tx 77046	Micheal Wiseman	713-417-4474	www.rimkus.com
Teal Forensics	Eng	1141 N Loop 1604 E #105-628	San Antonio, Texas 78232	Jeff Foster	855 411 8325	jfoster@tealforensics.com
Construction Consulting Associates	Eng	10 Mall Rd Suite 50	Burlington, MA 01803	Kenneth Quigley	781-710-3033	kquigley@ccaco.com
MayMar Engineering	Eng	5752 Bellaine Dr	New Orleans, LA 70214	Mubashir Maqbool	504-415-7105	muby62@yahoo.com
Nelson Forensics	Eng	2740 Dallas Parkway 220	Plano TX 75093	Belinda Rueffer	214-728-0113	brueffer@nelsonforensics.com
Insight Engineering	Eng	1100 Nasa Parkway Suite 401	Houston, Tx 77058	Mark Kubena	713-202-0326	insightengineering@yahoo.com
Guardian group	Eng	10945 Estate Lane Suite E100	Dallas ,Tx 75238	Mark Stein	972-330-2950	Mark.stein@Gaurdiangroup.com
CTL	Eng	5400 Old Orchard Road	Skokie, IL	Nate Welsh	847-972-3124	welsh.nm@gmail.com
Unified Building Sciences	Eng	209 E Greenbriar Ln	Dallas, Tx 75203	Brett Lochridge	214-942-0385	Brett@unifiedgroup.com
Nelson Engineering	Eng	700 Lavaca St	Austin, TX 78701	Steven Nelson	512-482-9112	snelson33@austin.rr.com
Cecil Parker Const. Company	BC	437 Poenisch	Corpus Christi, TX 78412	Cecil Parker	361-537-8860	cdparker11@yahoo.com
Grecco Const. Consultants	BC	2446 Regants Walk	Germantown, TN 38138	Khaun McCormick	254-366-0410	khaun@greccoonline.com
JS Held Const. Consulting	BC	25528 Aldine Westfield, Suite 136	Spring, TX 77373	Steve Hardgrave	713-818-3751	shardgrave@jsheld.com
Project Time and Cost	BC	1718 Fry Road Suite 133	Houston, Texas 77084	Niacole Borecki	281-387-3736	niacole.borecki@ptcforensics.com
Trimark Catastrophe Services	BC	605 Commerce St, Suite 204	Wylie, TX 75098	Gail Wylie	800-815-1134	gail_trimark@msn.com
Rentsys	Mobile office	200 Quality Cir	College Station, TX 77845	Toby Sledge	979-219-1792	toby.sledge@rentsysrecovery.com

House Bill 3 Section 2210.455 Requirements

Hurricane Ad - English



SECURE YOUR PROPERTY

- At least once a year, take an inventory of your property. Consider recording a video "tour" of your belongings. Keep all property records in a location away from your home.
- Protect your home by keeping up with general maintenance. Keeping your roof in good condition and your foundation sound can go a long way to preventing wind and water damage.
- You may be able to lessen hurricane damage to your home by making some simple structural upgrades. Check with your insurance agent to learn more.

CHECK YOUR INSURANCE

- Be sure you have BOTH flood and windstorm insurance coverage. Flood insurance does not cover wind damage, and windstorm insurance does not cover flood/storm surge damage.
- Insure your property for what it will cost to REPLACE rather than basing coverage on current value.
- Schedule an insurance "check-up" with your agent at least once a year, well ahead of hurricane season.
- If changes to your insurance coverage are needed, plan ahead. It may be too late to make changes if a hurricane is actually in the Gulf.

REPORTING A CLAIM

- Be sure you know how to initiate an insurance claim. For fastest service, call TWIA 24/7/365 to report a claim:
1-800-788-8247
- Read your insurance policies and know what is covered and not covered. If you are not sure, discuss with your agent.
- Make any minor temporary repairs to protect your property from further loss, keeping receipts for any work completed. You should not begin making permanent repairs until a TWIA-assigned adjuster has contacted you and inspected your property.

TWIA IS HERE TO HELP

To obtain a copy of the TWIA Guide for Policyholders, please visit our website at www.twia.org. Click on the "Policyholders" tab, and then click on the "TWIA Brochure" link.

Protect your home and your family.

Now is the time to prepare.



Hurricane Ad - Spanish

Llegó la temporada de huracanes.

¿ESTÁ USTED PREPARADO?

ASEGURE SU PROPIEDAD

- ❑ Al menos una vez al año, haga un inventario de su propiedad. Considere grabar un video recorriendo todas sus pertenencias. Guarde todos los registros de la propiedad en un lugar lejos de su casa.
- ❑ Proteja su casa haciendo el mantenimiento general. Si mantiene el techo en buenas condiciones y sus cimientos firmes puede ayudar mucho a prevenir los daños del viento y las inundaciones.
- ❑ Puede aminorar el daño a su casa por un huracán llevando a cabo simples mejoras estructurales. Infórmese con su agente de seguros sobre esto.

REVISE SU PÓLIZA DE SEGURO

- ❑ Cerciórese de que tiene AMBAS coberturas: seguro de inundación y seguro por vientos huracanados. El seguro de inundación no cubre daños por el viento, y el seguro contra vientos huracanados no cubre daños ni de inundación ni de marejadas.
- ❑ Asegure su propiedad por el costo de reemplazar la propiedad dañada y no basándose en una cobertura por el precio del valor de la propiedad en el mercado. Una cobertura insuficiente podría reducir los pagos de su reclamo. Si no está seguro de si tiene seguro suficiente para cubrir los costos de reemplazar su propiedad, cheque con su agente de seguros hoy mismo.
- ❑ Haga una cita con su agente para revisar su póliza de seguro al menos una vez al año.
- ❑ Si necesita hacer cambios a su cobertura de seguro, hágalo ahora mismo. Podría ser demasiado tarde tratar de hacer cambios si ya hay un huracán presente en el Golfo de México.

AL REPORTAR UNA RECLAMACIÓN

- ❑ Cerciórese de que sabe como iniciar un reclamo a su seguro. Para recibir un servicio más rápido, llame a TWIA las 24 horas y 365 días al año para reportar un reclamo:
1-800-788-8247
- ❑ Lea las pólizas de seguros y sepa lo que cubren y lo que no cubren. Si tiene dudas, hable de esto con su agente de seguros.
- ❑ Haga cualquier reparación menor temporal para proteger su propiedad de mayor daño y conserve las facturas de cualquier labor completada. No debe empezar a hacer reparaciones permanentes hasta que un ajustador asignado por TWIA se haya puesto en contacto con usted y haya inspeccionado su propiedad.

TWIA ESTÁ AQUÍ PARA AYUDARLE

Para obtener una copia de la Guía de TWIA para el asegurado, visite nuestro sitio web en www.twia.org. Haga clic en "Policyholders" y luego haga clic en el enlace de "TWIA Brochure."

Proteja su casa y a su familia.
Ahora es el momento de prepararse.



Special Investigations Unit (SIU) Services

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- Comprehensive Database Services
- State Compliance
- Vendor Management
- Due Diligence

CLAIMS SERVICES

- Recorded Statements
- AOE/COE
- Subrogation Investigations
- Accident/Site Investigations
- Property Loss Verification
- Public Records Check
- Video Job Analysis

SURVEILLANCE

- Video Surveillance
- Activity Checks
- Widow/Wellness/Disability Checks

VERACITY RESearch COMPANY INVESTIGATIONS



SIU SPECIAL SERVICES



Mandatory Referral to SIU

- 1) Fire
- 2) Theft
- 3) Vandalism & Malicious Mischief
- 4) Liability – Bodily Injury & Property Damage
- 5) Any loss > \$25,000 Total Incurred
- 6) Suspicion that information submitted is false, altered or contains a forged signature
- 7) First edition policy or coverage amount increased shortly before loss reported
- 8) Loss reported more than 6 months from date of loss
- 9) Insured retains attorney or public adjuster after loss or prior to reporting loss
- 10) Field adjuster suspects mechanical damage
- 11) Claim reported following underwriting activity, especially if it's a cancellation notice

Recommended Referral or Reasons to Update SIU

- 1) Premises are over-insured
- 2) Insured has previous or similar loss history
- 3) Property was under renovation or in poor condition at the time of loss
- 4) On storm-related perils, insured property is located outside of area of known storm activity
- 5) Individual provides altered documents
- 6) Individual is overly pushy, aggressive or demanding for a quick and/or reduced settlement
- 7) Owner cannot provide documentation confirming prior damage has been repaired
- 8) Actual ownership of property was transferred before date of loss
- 9) Evidence a recent quit claim deed was executed on the subject property
- 10) One neighborhood with several homeowners being solicited by the same roofer
- 11) Individual indicates distress over prospect of an examination under oath
- 12) Investigation reveals absence of family photo graphs, heirlooms, pets or items of sentimental value
- 13) Items claimed cannot physically fit in existing floor space
- 14) Recent change in family structure (divorce) or financial condition (bankruptcy, history of late payments, unemployment)
- 15) Losses include numerous appraised items, items of scheduled property, a large amount of cash, or family heirlooms
- 16) Loss amounts reported to the police and or fire department are inconsistent with the amount listed in the proof of loss or claim forms
- 17) Receipts are from businesses that are no longer active or we cannot determine if the businesses were ever active

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2014 Catastrophe Plan

Texas Windstorm Insurance Association

Texas FAIR Plan Association



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Purpose

The Texas Windstorm Insurance Association (TWIA) and the Texas FAIR Plan Association (TFPA) Catastrophe Plan (CAT Plan) is a guideline for providing prompt and fair claims service to TWIA and TFPA policyholders when a catastrophic event strikes Texas. TWIA and TFPA's internal and external resources contribute to the planning, execution, management, and improvement of TWIA's and TFPA's CAT response throughout the year to prepare for future events.

The CAT Plan is designed to:

- Provide guidelines for TWIA and TFPA claims management
- Outline potential roles and responsibilities of TWIA and TFPA staff and vendors
- Provide contact information for internal and external resources
- Outline potential procedures to be activated when a catastrophe occurs
- Provide for continuous improvement for catastrophic claim processing and management

CAT Plan Organization

It is essential that all TWIA and TFPA resources provide a rapid response in a coordinated manner to respond to a catastrophic event effectively. The Claims Department, under the direction of the General Manager, will coordinate plans across the organization. The CAT Plan is organized by functional and administrative sections to facilitate its use by TWIA and TFPA personnel. "Annual", "Pre-event", "During an Event" and "Post-Event" activities are outlined in detail for each department. Guidelines are also provided to distinguish between the complexity and magnitude of events and provide options for adapting the response to the specific requirements of each storm. Sections are supplemented by a series of appendices for quick reference by the user.

Updates

The CAT Plan will be reviewed, evaluated, and updated on an annual basis and as needed to remain current with changes in the associations' workflows and procedures.

A list of changes is maintained in [Appendix A - CAT Plan Revisions Log](#)

The [Appendix B - New Capabilities](#) provides a listing of new programs and features.

Background

The Texas Windstorm Insurance Association (TWIA)

The Texas Windstorm Insurance Association (TWIA) is a 'pool' of all property and casualty (P&C) insurance companies authorized to write coverage in Texas. TWIA provides basic wind and hail insurance coverage for Gulf Coast property owners who might otherwise be left uninsured. Because TWIA is the provider of last resort, we do not try to expand our customer base or actively compete against private insurance providers. Chapter 2210 of the Texas Insurance Code defines the structures of TWIA.

TWIA is similar to other insurance carriers, in that we have a written contract that specifies the extent and restrictions of the insurance coverage we provide. We collect premiums and pay valid claims. Our policies are distributed to policyholders owning property in 14 first-tier counties (and parts of Harris County) along the Texas Gulf Coast through insurance agents, brokers and direct writers.

Traditional, for-profit insurance companies must assess risk differently than TWIA. Generally, when estimated risk is low, traditional markets provide windstorm coverage for high-risk areas, but may withdraw from this territory after a catastrophic loss occurs. When risk is higher and traditional markets withdraw, TWIA absorbs policies no longer written by other carriers. Because we are a provider of last resort, it is very likely that we will not have the most extensive coverage or the lowest prices.

TWIA employees are committed to promoting hurricane safety and education and to the development and enforcement of coastal building codes in an effort to save lives and property. We strive to achieve the highest standards of personal and business ethics in a positive working environment and are dedicated to providing efficient, friendly, and effective customer service.

TWIA differs from other carriers in that agents are not contracted by TWIA directly to sell policies. By state statute, agents properly licensed through the Texas Department of Insurance (TDI) represent the insured (not TWIA) in the insurance-buying transaction for coverage placed with TWIA. This also means agents have no binding authority on behalf of TWIA, and only TWIA employees can bind coverage on behalf of TWIA.

TWIA is governed by a board of directors comprised of five insurance company representatives, two agent representatives, and two consumer representatives, govern TWIA. The board meets on a quarterly basis.

The Texas FAIR Plan Association (TFPA)

In 1995, the Texas Legislature provided statutory authority for the creation of a Fair Access to Insurance Requirements (FAIR) Plan to address residential property insurance availability problems in underserved areas.

Due to a residential property insurance availability problem sparked in part by growing mold claims and water damage claims, the Commissioner implemented TFPA in December 2002.

TFPA provides residential property insurance to consumers throughout the state and currently offers coverage through the HO-A, TDP-1, HO-CONB and HO-BT policies. Available coverage includes fire, lightning, smoke, windstorm, hurricane, hail, explosion, aircraft, vehicles, vandalism, riot and civil commotion, and theft.

TFPA issues insurance policies like an insurance company; however, it also functions as a pooling mechanism that allocates losses back to the insurance industry.

Member insurers are all insurers that are licensed to write property insurance and that write residential property insurance in Texas. All member insurers must participate in the writings and losses of TFPA.

By law, TFPA may not provide windstorm, hurricane and hail coverage for property located in the designated catastrophe area consisting of 14 coastal counties and a portion of Harris County on Galveston Bay. A policy written by TFPA on such property must have a Windstorm, Hurricane and Hail Exclusion Agreement attached to the policy. Consumers in a designated catastrophe area may purchase windstorm, hurricane and hail insurance on insurable property through the Texas Windstorm Insurance Association.

Insurers offering residential property insurance in the voluntary market have more rating variables and discounts available for their insured's than TFPA. Insurers rating variables for credit scores, new homes, and companion auto policies make a comparison with rates for TFPA difficult. Since the TFPA policies provide less coverage than the policies provided by most insurers, coverage differences must also be considered when comparing rates between TFPA and other insurers.

Coverage must be obtained through an authorized licensed Texas agent. Any agent licensed to write property and casualty insurance in Texas can be authorized to write coverage through TFPA.

CAT Plan Activation Criteria

Activation of the CAT Plan is considered when 500 or more new claims are expected or received from a single event.

In addition, the following factors are also considered in the decision to activate the plan:

- Involved cause(s) of loss (i.e. hurricane, tornado, wind and hail)
- Severity of the event (i.e. wind speed, hail size, depth of storm surge)
- Location and concentration of claims (i.e. widespread or centralized)
- Access to food and water, status of communication resources, habitability of homes and buildings and mobility within the affected area

Claims management schedules an initial activation meeting with association leadership in preparation for an event.

Catastrophe Event Management Responsibilities

Event management responsibilities generally fall into three categories:

Pre-Event

An active weather event threat has been identified (storm front or tropical storm expected to exceed 500 claims)

During an Event

A weather event has occurred and is projected to exceed 500 claims

Post-Event

Claim activity due to the weather event has concluded and operations have returned to normal activity levels

The resources needed to meet the event management responsibilities include:

- General Manager
- Claims personnel, internal and external
- IT personnel, internal and external
- Legal personnel, internal and external
- Human Resources personnel, internal and external
- Compliance personnel
- Corporate Communication personnel
- Underwriting personnel
- Actuarial personnel

Other resources identified during the CAT Plan activation will include a review of detailed roles and responsibilities that are maintained in [Appendix C - Roles and Responsibilities](#).

General Manager

- Manage the Vice President of Claims and other TWIA and TFPA leaders
- Approve the CAT Plan
- Approve and oversee media releases with General Counsel and the Vice President of Claims
- Manage communications with the Texas Department of Insurance (TDI)
- Manage communications with the TWIA and TFPA Boards of Directors
- Oversee operational effectiveness of the CAT Plan
- Conduct pre and post catastrophe strategic planning meeting with senior staff as needed
- Conduct post catastrophe review to assess product, services and future recommendations
- Communicate assessments to TWIA and TFPA Boards of Directors and member companies when applicable
- Sign all TWIA and TFPA contracts
- Delegate specific authorities for a limited duration during catastrophes
- Prepare Board of Directors meeting agendas and posting of notices

Vice President of Claims

- Develop, seek approval, implement, and update the CAT Plan document
- Ensure all personnel involved are prepared to execute the plan
- Network with key personnel at other wind pools concerning their claims and catastrophe procedures
- Assist with preparation of Board of Directors meeting agendas and posting of notices
- Participate in establishing information as the basis of potential assessments
- Activate the CAT Plan in preparation for an event
- Communicate and delegate specific responsibilities to others

Vice President, Actuarial

- Participate in TWIA and TFPA funding strategy, including reinsurance, pre and post-event
- Model catastrophe exposure pre and post-event
- Monitor reported losses, including payment projections and reserve adequacy
- Produce and communicate regular and ad hoc reports and analyses

Controller

- Provide financial projections and Balance Sheet, Income Statement and Cash Flows before and after an event
- Manage banking relationships to minimize disruptions to customers trying to cash checks
- Manage overall check stock and inventory and work with claims on exceptions

Department Level Responsibilities

Claims

Annually

The following are the key areas Claims will focus on prior to June 1st of each year:

- Review the CAT Plan and update as needed
- Evaluate prior event performance to ensure continuous improvement
- Test or model multiple event scenarios
- Evaluate the following claims technology systems for readiness:
 - Primary Claims administration systems
 - Web portals
 - Software
 - Hardware
 - Telephony
 - Remote access
 - Data management and reporting
- Train resources on the required processes, procedures and technology
- Determine need for vendor Request for Qualifications (RFQ) project
- Determine need for vendor Request for Proposal (RFP) project

Pre-Event

Claims Leadership

Weather Tracking and Exposure Modeling

Prepare for weather tracking and exposure modeling:

- Train resources on the modeling process and tools
- Identify, monitor, and track events through detailed event information (wind speeds, locations, severity)
 - [Atmospheric and Environmental Research \(AER\)](#)
 - [NOAA Storm Prediction Center](#)
 - [Weather Underground](#)
 - [Hailwatch Reports \(Lightning/Wind/Hail\)](#)
- Ensure current Policy-in-Force (PIF) data is available for modeling

Claims Management

- The Claims Resource Scalability Model is used to project the number and type of staff needed for a specific event. Each association uses a specific model:
 - [TWIA 1% Probability Event \(1 in 100 year event\)](#)
 - [TFPA 1% Probability Event \(1 in 100 year event\)](#)

A detailed explanation of the variables used in the model is maintained in [Appendix D - Claims Resource Scalability Model](#)

- Notify Vendor Manager of the potential number of resources needed by type

- Establish thresholds for
 - Withholding Replacement Cost Coverage (RCC) benefits
 - Including mortgagee on claim payments

Vendor Management

A detailed list of approved vendors and the resources available if an event occurs are contained in the following: [Appendix E - Field Adjuster Commitment by Company 2014](#), [Appendix P - Desk Examiner Commitment by Company](#), [Appendix Q - Claim Support Commitment by Company](#), [Appendix R - Structural Engineer Commitment by Company](#), [Appendix S - Building Consultant Commitment by Company](#).

Vendor Activation Process

- Confirm field adjuster capacity by loss complexity:
 - Certified (TWIA/TFPA Trained)
 - Communicate the current vendor fee schedule document maintained in [Appendix F TWIA TFPA Adjuster Fee Schedule](#)
- Supplemental resources
 - Add additional capacity from approved vendors list
 - Activate additional capacity from Request for Qualifications (RFQ)
 - Structural engineers (cause of loss and repair methodology)
 - Contractor consultants (building repair)
 - Preferred Repair Providers/Direct Repair Providers
 - Ensure adequate salvage resources are available
- Confirm desk examiner capacity by loss complexity:
 - Use current available staff
 - Allocate appropriate resources to TWIA/TFPA
 - Add capacity from approved vendors
 - Activate additional capacity from RFQ
 - Non-claim TWIA/TFPA employees
 - TPA services
- Confirm support staff capacity
 - Add capacity from approved vendors, as needed
 - Activate additional capacity from RFQ respondents

Call Center

- The Claims Telephone Interactive Voice Response (IVR) Workflow documents show the preferred claim call routing:
 - See [Appendix G - Claims Telephone Interactive Voice Response \(IVR\) Workflows](#)
- Review expected call volumes
- Confirm call center's ability to provide 24/7/365 loss reporting services for TWIA and TFPA
- Confirm available resources and back-up plans
- Notify AT&T Language Line of expected volume spike per contract requirement
- Complete regular testing to ensure all systems are operating as required
- Confirm ability to make outgoing customer satisfaction survey calls, if requested

All vendor contact information is contained in [Appendix H - Vendor Contact Information](#).

Mobile and Remote Office

The following documents contain information on the deployment and staffing of the mobile and remote offices:

- [Appendix I - Mobile and Remote Office Planning](#)
- [Appendix J - Mobile and Remote Office Staffing](#)
- Mobile and Remote Office parking locations are found in [Appendix H - Vendor Contact Information](#)
- Coordinate with local/state disaster offices and other insurance companies

Temporary Housing

Ensure adequate temporary housing for staff and vendor resources are available.

All vendor contact information is maintained in [Appendix H - Vendor Contact Information](#).

Non-Legal Expert Vendors

Evaluate the need, qualifications and performance of:

- Emergency mitigation services
- Engineers
- Building consultants
- Contents specialists
- Other experts

All vendor contact information is maintained in [Appendix H - Vendor Contact Information](#).

Field Adjuster Reinspection Program

Confirm capacity by loss complexity:

- Available
- Dedicated (TWIA/TFPA)

All vendor contact information is maintained in [Appendix H - Vendor Contact Information](#).

Claims Support

Provide the following information to Compliance and Human Resources:

- List of approved vendors and temporary staffing firms
- Copies of all new employment contracts

Ensure adequate staff is available to:

- Process mail and faxes
- Process hard copy First Notice of Loss (FNOL) documents
- Route incoming calls
- Attach documents to the claim file
- Dispatch procedures
- Issue payment of vendor invoices
- Update claim file information

Ensure adequate check stock is available for the following payment options:

- System-generated checks
- Manual checks
- Advance payments
 - Emergency Repairs
 - Additional Living Expenses (ALE)
 - Business Interruption (BI)
 - Personal Property/Business Property
 - Food Spoilage

All vendor contact information is maintained in [Appendix H - Vendor Contact Information](#).

Supplies and Equipment

Ensure equipment is available and functional:

- Assure adequate supplies are available for the office and mobile and remote office locations
- Conduct an inventory of forms and documents with particular attention to system and manual check stock
- Confirm with IT that needed hardware, software, network connectivity and voice communications capabilities are functioning and secure

Quality Assurance and Training

Review the CAT Plan with Claims staff and provide training to vendors:

- Review customer service requirements and goals
- Review Claims best practices
 - Coverage
 - Statutes and regulations
 - HB-3 Claims Process
 - CAT Claim-Handling Guidelines
 - Non-CAT Claim-Handling Guidelines
 - Legal
 - Compliance

All vendor contact information is maintained in [Appendix H - Vendor Contact Information](#).

Communications

Work with the executive team, Claims staff, Legal and compliance department, vendors, agents and others as needed:

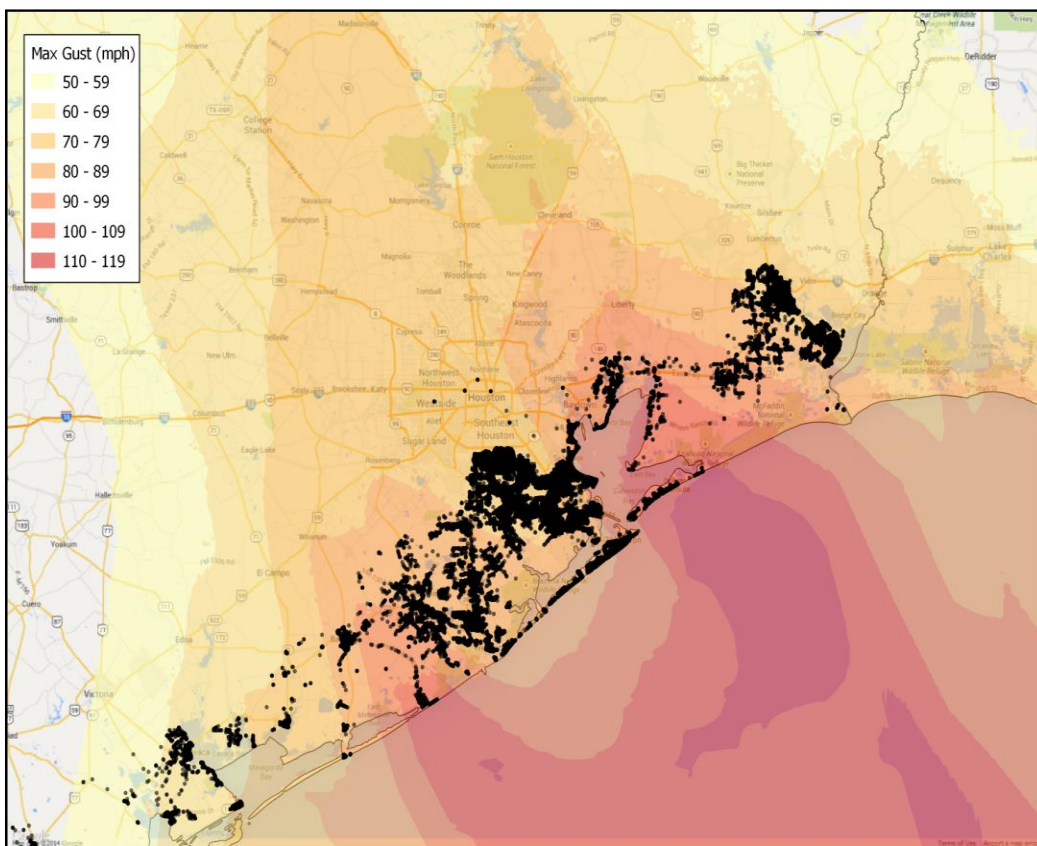
- Report projected new claim volume and expected total incurred
- Review claim reporting and handling procedures
- Confirm the association's level of readiness
- Send bulletins and updates to IT and others to post on TWIA and TFPA websites
- Assist with media advertisements and responses with Legal and the General Manager

- Modify telephony to implement Interactive Voice Response (IVR) capabilities
- Review [Appendix K - Communications Plan](#)
- Train agents in loss reporting, securing advance payments and guidance for temporary repairs and protection of property. Detailed information is maintained in the [Appendix L – Communications with Agents](#)
- Establish a relationship with the Texas Disaster Recovery liaison and attend phone conferences on behalf of TWIA and TFPA.

Final Preparations and Implementation

Claims Leadership

- Event type will determine how far in advance the CAT Plan is activated
 - Hurricane events will typically be 3-5 days in advance of landfall
 - Non-hurricane events will be based on availability of reliable information
- Convene planning meetings as needed with senior staff for final preparation and communication
- Conduct exposure analysis of TWIA and TFPA PIF using geographic information systems (GIS) tools.
- Sample Storm Data Map



- Populate event modeling data into the correct modeling tool:
 - [Claims Resource Scalability Model 2014 TWIA](#)
 - [Claims Resource Scalability Model 2014 TFPA](#)

Claims Management

- Designated CAT Manager will ensure the following is completed:
 - Event name, date range, and reserves are entered into the claim administration systems
 - Activate vendors based on estimated field adjusters and desk claims examiner needed
 - Provide approved vendors with a current TWIA and TFPA Claims Organizational Chart document and contact information
 - Activate other equipment and services if needed
 - Finalize scope of duties with Claims staff
 - Procure the following:
 - Supplies
 - Equipment
 - Temporary housing
 - Coordinate TDI complaint process with Compliance Manager
 - Arrange deployment schedule to storm area
 - Coordinate security related to check issuance with Accounting
 - Establish and communicate changes in work hours
 - Arrange for ground reports if needed
 - Review [Appendix M - Special Investigation Unit and Fraud Reporting Requirements](#) with staff
 - Determine need to deploy mobile and remote offices
 - Work with Accounting to identify process for communicating with banks in the affected territory to assist policyholders with cashing TWIA and TFPA claim checks
 - Define and communicate criteria for advance payment internally and to agents and approved vendors
 - Coordinate with Corporate Communication Department to provide written catastrophe instructions with sequential versioning for release on TWIA and TFPA websites
 - Coordinate with Operations and IT on:
 - Voicemails, including one dedicated to communication with the Austin TWIA and TFPA offices
 - Fax Lines
 - Dedicated data transmission lines for claim administration systems
 - Rentsys for satellite capabilities, wireless cell phones and remotely connected laptops
 - Hardware
 - Software
 - Communicate event management and policy/procedure changes, including the following:
 - Roles and responsibilities
 - Approval routing
 - Settlement authorities
 - Reserving best practices
 - Claims best practices
 - Need for regular TWIA and TFPA staff meetings
 - Mobile and remote office planning, staffing and locations
 - Determine location(s)
 - Verify availability of the sites
 - Secure and deliver supplies to the site(s)
 - Determine need to implement remote manual check process and/or electronic funds transfer

- General Manager contacts local civil authorities to gain access to the affected areas and identify claims on public buildings essential to the recovery effort (e.g. police and fire departments)
- Evaluate National Flood Insurance Program (NFIP) for possible overlap coverage

All vendor contact information is maintained in [Appendix H - Vendor Contact Information](#).

During an Event

Claims Leadership

Weather Tracking and Exposure Modeling

Once exposure has been determined final decisions will be made on:

- Mobile and Remote Office location(s)
- Required logistics for field, desk, management, Quality Assurance and SIU personnel
- Provide workstations for additional resources
- Continuously monitor and evaluate FNOL capacity
- Provide regular updates of event data
- Work with Actuary and General Manager daily on volume, severity, complexity of reported losses, expected losses and status of plan implementation
- Meet with approved Media contact at agreed intervals
- Hold daily meetings to address emerging issues as needed
- Deploy reinspectors to catastrophe territory for “ground reports” and QA
- Based on projected or actual new claim volume, consider need to increase Xactimate claim capacity with Xactware to ensure ongoing availability of data in XactAnalysis

Claims Management

- Adjust desk claim examiner staffing based on event models and actual claims received
- Monitor assignment of claims. See the [CAT Plan 2014 Claim Triage and Assignment Process](#) document for a high level overview of the claim triage, dispatch, and assignment process.
- Monitor Claims complaint resolution process

Vendor Management

Utilize the Claim Resource Scalability Model results to determine the number and type of resources needed based on actual new claim volume per day.

Vendor Management Process

- Ongoing evaluation of field adjuster capacity
 - Certified (TWIA/TFPA Trained)
 - Dedicated (Only TWIA/TFPA Claims)
 - Supplemental resources
 - Add capacity from approved vendors
 - Activate additional adjuster capacity from Request for Qualifications (RFQ)
 - Structural engineers (Cause of loss and repair methodology)
 - Contractor consultants (Building repair)
 - Preferred Repair Providers/Direct Repair Providers

- Ensure adequate salvage resources are available
- Communicate the approved Vendor Fee Schedules
- Desk Examiner and Support Services
 - Confirm capacity by loss complexity
 - Available
 - Dedicated
 - Supplemental
 - Add capacity from approved vendors
 - Non-claims TWIA/TFPA employees

Call Center

- Review FNOL volume
- Review status call volume
- Review call center performance
- Confirm available resources and backup plans
- Call centers may be used to make customer satisfaction survey calls
- Confirm calls are being properly routed in accordance with the Claims Telephone Interactive Voice Response (IVR) Workflows documents:
 - See [Appendix G - Claims Telephone Interactive Voice Response \(IVR\) Workflows](#)

Temporary Housing

Ensure adequate temporary housing resources are available

Field Adjuster Reinspection Program

Confirm capacity by loss complexity:

- Available
- Dedicated

Non-Legal Expert Vendors

Ongoing evaluation of need, qualifications and performance of:

- Emergency mitigation services
- Engineers
- Building consultants
- Contents specialists
- Other experts

Claims Support

Provide the following information to Compliance and Human Resources:

- List of approved vendors and temporary staffing firms
- Copies of all new employment contracts

Maintain adequate staff to:

- Process incoming mail
- Process outgoing mail
- Process faxes
- Process paper FNOL documents
- Route incoming calls

Maintain adequate check stock is available for the following payment options:

- System-generated checks
 - On-site computers/off-site printing and mailing from Austin
 - Off-site via central processing in Austin; i.e. desk examiner or Customer Care Unit
 - Refer to [Appendix N - Check Issuance Procedures](#)
- Manual checks
 - On-site
 - Reconciled immediately with on-site computers and network access
 - Reconciled daily where network access is not available
- Advance payments
 - Emergency Repairs
 - Additional Living Expenses (ALE)
 - Business Interruption (BI)
 - Personal Property/Business Property
 - Food Spoilage

Customer Care Unit

Based on the size of the event, a separate customer care unit may be implemented to complete the following activities:

- Assist with claim triage, assignment, dispatch and workload balancing processes
- Completing meaningful contacts, including:
 - Acknowledge receipt of the claim
 - Provide the insured a claim number
 - Obtain a description of the damage
 - Advise the insured of the next steps and expected timeframes
 - Advise how to report or escalate a concern with their claim
 - Provide a field adjuster name and number, if assigned
- Handle urgent customer calls and if necessary, warm transfer to their assigned claims examiner
- Identify and escalate serious damage claims such as uninhabitable property or business interruption
- Research coverage
- Adjust very minor property damage claims
- Provide claim status and follow-up
- Coordinate with field adjusters on priority inspections
- Payment processing for:
 - Emergency ALE payments
 - Indemnity payments
 - Vendor invoices

- Assist with resolution of disputed claims

The Customer Care unit may be staffed from multiple sources to include:

- Call Center customer service representatives
- Temporary employees
- TWIA/TFPA licensed examiners/adjusters and non-licensed Claims personnel
- TWIA/TFPA non-Claims personnel

Quality Assurance and Training

The QA&T unit will:

- Work with the Vendor Manager to provide training for new desk examiners, adjusters and support staff
- Complete quality assurance and ad hoc reviews to ensure compliance with TWIA/TFPA standards

Communications

- Claims leadership will update the Executive team, Claims staff, vendors, agents and others as needed for:
 - New claim volume and total incurred
 - Number, type, and complexity of losses (slab, large, total loss, and wind vs. flood)
 - Share evaluation of response levels and additional solutions
 - Forward bulletins and updates to IT and others, as needed, to post on TWIA and TFPA websites
 - Assist with media advertisements and responses with Legal and General Manager
 - Maintain quarterly updates on vendor assignment process to General Manager
 - Evaluate need to update IVR capabilities
- Follow-up with Underwriting to assess agent needs for loss reporting, securing advance payments and guidance for temporary repairs and protection of property; see [Appendix L - Communications with Agents](#)
- Follow-up with the Texas Disaster Recovery liaison, share information and attend phone conferences on behalf of TWIA and TFPA as needed

Mobile and Remote Office(s)

Claims management will determine need for mobile and remote office(s).

Post Event

When claim activity due to the weather event has concluded and operations have returned to normal activity levels:

Claims Leadership

- Vice President of Claims will recommend closing mobile or remote office(s) to General Manager and execute recommendation on approval
- Vice President of Claims
 - Notify vendors
 - Oversee office closure
 - Oversee return of supplies
 - Complete reconciliation of check stock

Claims Management

- Claims Management
 - Participate in a post-catastrophe review to assess product and service and make recommendations for improvement through a gap analysis process
 - Evaluate call center performance against service level agreements
 - Review complaints and customer service issues for drivers and improvement opportunities
 - Analyze file quality reviews and reinspection reports for trends and opportunities, including use as a basis to update the approved vendors

Vendor Management

- Vendor Manager coordinates a vendor evaluation process
 - Review effectiveness of approved vendors with Claims Management and revises list to meet expected quality requirements and capacity projections
 - Manage the RFQ process

Actuarial

Pre-Event

- Participate in TWIA and TFPA annual funding strategy
- Model CAT exposures with reinsurance brokers
- Work with management and Board of Directors to execute reinsurance program
- Calculate percentages of participation for member companies
- Work with Claims and IT, assist with pre-event modeling, including expected new claim volume, average claim payments, and total incurred
- Contributes to final storm specific strategic planning 96 hours prior to landfall

During an Event

- Communicate regularly with management and Board of Directors
- Work with reinsurance brokers to model initial catastrophe estimates
- Work with management and Board of Directors to determine immediate, short-term and long-term funding needs
- Monitor reported losses
- Project payment patterns
- Update estimates of ultimate losses
- Manage reinsurance recoveries
- Produce ad hoc reports and analyses
- Serve as a resource to Claims for template catastrophe reserving

Post Event

- Manage reinsurance recoveries
- Produce ad hoc reports and analyses
- Calculate and assist in communications of potential assessments
- Conduct quarterly reserve reviews and estimate of Incurred But Not Reported (IBNR)

Finance and Accounting

Pre-Event

- Participate in TWIA and TFPA funding strategy
- Manage and project cash flow
- Establish and maintain controls over manual check process
- Assist with preparation of Board of Directors meeting agendas and posting of notices
- Contributes to final storm specific strategic planning 96 hours prior to landfall

During an Event

- Update financial statements and projections and communicate regularly with management and Board of Directors
- Work with management and Board of Directors to determine immediate, short term and long term funding needs
- Participate in the monitoring of reported losses
- Produce ad hoc reports and analyses as needed
- Process overtime and catastrophe pay payroll requests
- Monitor manual check policies and procedures and revise as needed
- Issue and reconcile check stock

Post-Event

- Update financial statements and projections for General Manager
- Participate in post catastrophe review to assess product, services and future recommendations
- Produce ad hoc reports and analyses as needed
- Reconcile check stock

Compliance

Pre-Event

- Review Open Records and Privacy training with Claims and Underwriting personnel
- Review Public Adjuster licensing and contract requirements with Claims personnel and provide procedures for reporting non-Compliance
- Train Claims and Underwriting personnel on Fraud reporting requirements in conjunction with Claims' SIU training
- Maintain approved vendor contracts and ensure distribution and company acknowledgement of Ethics & Conflict of Interest Policy
- Evaluate need to assemble and train backup team to assist on potential increased volume of catastrophe claim and/or underwriting complaints
- Distribute, collect, track and validate conflict of interest certifications, Disclosure of Business and Personal Relationship and Ethics forms for employee and contracted desk examiners
- Assist with maintenance of existing claim adjuster licensing database for staff and contractors
- Contribute to final storm specific strategic planning 96 hours prior to landfall

During an Event

- Communicate with principals of Approved Vendors to contact the Compliance Department on:

- Any potential issues of ethics, conflicts of interest or fraud
- Follow up on any new or outstanding required forms or certifications
- Maintain accurate and complete complaint log for all business units; Assure prompt, thorough and accurate responses to complaints; Communicate information from escalated complaint calls to impacted TWIA and TFPA personnel
- Adhere to Texas Department of Insurance response requirements
- Communicate with Claims and Underwriting teams to ensure they send all written complaints to Compliance for follow-up and inclusion in complaint log
- Train additional Claims and Underwriting staff on complaint procedures and responses
- As trends emerge from complaint data, work with Claims leadership to arrange meetings with Claims staff to reinforce customer service objectives and telephone etiquette

Post-Event

- Identify, analyze, evaluate and assist with addressing trends from complaints, including recommendations for possible procedural changes to improve TWIA and TFPA performance
- Participate in post-catastrophe review to assess product, services and future recommendations
- Liaison to legislative offices and governmental agencies and entities regarding response to catastrophe event

Human Resources

Pre-Event

- Establish and oversee employment policies for employees and contractors
- Conduct background screenings for employees
- Assist Compliance Manager with Ethics Policy distribution and verification of signed conflicts of interest forms for employees and contracted desk examiners, field adjusters and other vendors
- Establish internal bilingual resource lists
- Assist with preparation of Board of Directors' meeting agendas and posting of notices
- Assist with identification and administration of temporary/contractor resources
- Contribute to final storm specific strategic planning 96 hours prior to landfall

During an Event

- Manage bilingual resource rotation
- Provide ad hoc assistance to all functions

Post-Event

- Coordinate with Claims, Legal and Compliance regarding employment practices for hours worked and overtime policies, Employee Assistance Program (EAP) and work environment concerns
- Participate in post-catastrophe review to assess product, services, and future recommendations

Information Technology (IT)

Pre-Event

- Host planning session to review major systems, identify necessary upgrades and implement infrastructure changes
- Provide scalable hardware, software and network access solutions for on-site and off-site work space solutions
- Performance testing for scalability response time, availability and reliability
- Manage Austin phones, line/voicemail capacity, and IVR
- Coordinate any software and hardware changes for Claims, Underwriting and agents
- Post and maintain Underwriting and Claims guidelines, reporting procedures and bulletins on TWIA and TFPA websites
- Update TWIA website when storm crosses 80-20 line, adding a banner advising of suspension of applications and quotes
- Coordinate gathering, formatting and updating of PIF data for pre-event modeling for Claims
- Assist with preparation of Board of Directors' meeting agendas and posting of notices
- Contribute to final storm specific strategic planning 96 hours prior to landfall

During an Event

- Provide IT support in Austin for extended hours of operations
- Arrange phones for additional staff
- If mobile and remote office(s) are utilized, work with Claims to locate power, telecom, and data access
- Provide on-site, temporary IT support in mobile and remote office(s) at start-up
- Evaluate impact and need for changes to nightly maintenance runs vs. Claims' extended hours of operation
- Post updated agent and Claims Bulletins on TWIA and TFPA websites
- Update Underwriting system flags to temporarily suspend issuance of new business or changes in coverage

Post-Event

- At the direction of the General Manager, take Underwriting system out of "Storm Mode"
- Deactivate excess phones and equipment
- If equipment has been provided to any off-site or mobile and remote office(s), secure and return equipment to appropriate location or entity
- Develop and implement critical system changes identified as a result of claim processing reviews
- Participate in post-catastrophe review to assess product, services and future recommendations

Legal

Pre-Event

- Draft and approve vendor contracts
- Act as a liaison to legislative offices and governmental agencies and entities
- Coordinate with General Manager, Vice President of Claims and others for media relations
- Meet with Claims to discuss best practices, including potential coverage, regulatory or legal concerns which could arise from event
- Assist with preparation of Board of Directors' meeting agendas and posting of notices
- Contribute to final storm specific strategic planning 96 hours prior to landfall

During an Event

- Draft and approve contracts for off-site offices, if necessary
- Draft and approve vendor contracts as needed
- Assist Claims with coverage interpretations
- Draft and review Claim denial letters
- Coordinate emerging legal issues with outside counsel
- Coordinate with Claims to ensure compliance with HB-3 requirements, including reporting which shows volume and tracking of escalated claims
- Liaison to legislative offices and governmental agencies and entities regarding response to catastrophe event
- Approve media content

Post-Event

- Approve media content
- Draft and approve vendor contracts as needed
- Coordinate utilization of outside counsel on catastrophe litigation
- Address variable staffing needs based on actual or potential post event litigation
- Coordinate field process review with Claims, coverage counsel and defense counsel
- Participate in post-catastrophe review to assess product, services and future recommendation with Claims, other departments, coverage counsel and defense counsel

Operations

Pre-Event

- Manage Austin physical plant
- Manage supply orders and inventory
- Maintain accurate equipment inventory
- Manage security in Austin
- Coordinate with Claims and IT to determine process for adding mailroom, printer, scanner and fax server capacity
- Coordinate disaster recovery plan for Austin with IT
- Assist with preparation of Board of Directors' meeting agendas and posting of notices
- Contribute to final storm-specific strategic planning 96 hours prior to landfall

During an Event

- Arrange for additional work stations in Austin
- Assist with locating additional off-site office space, if needed
- Assist with locating additional off-site storage space, if needed
- Address need to add mailroom, printer, scanner and fax server capacity
- Coordinate office vending and common area supplies with landlord and vendors
- Provide secure access for added hours of operation and for additional staff
- Provide physical security services solution for remote offices
- Coordinate with Claims and others to put security guards in place as needed
- Order additional supplies

Post-Event

- Reconcile equipment inventories
- Reconcile security passes
- Participate in post-catastrophe review to assess product, services and future recommendations

TWIA Underwriting

Pre-Event

- Hold UW Leadership meeting and assign CAT Plan responsibilities
- If a significant, predictable (multi-county impact) weather event does not meet Hurricane Binding Exception:
 - Prepare Agent Bulletin and email blast TWIA agents information on claim reporting procedures
 - Consider prioritization of new business processing in affected area
- If weather event meets Hurricane Binding Exception:
 - VP of Underwriting recommend to General Manager activation of “Storm Mode” in Notus, according to the procedures documented in the *Storm Mode User Guide*
 - Prepare Agent Bulletin and email blast TWIA agents with information on suspending acceptance of applications and quotes restating agent binding authority, and claim reporting procedures
 - Notify IT to place Agent Bulletin on TWIA Website
 - Review staffing levels, schedules, and planned time off
 - Conduct training for Underwriting on impact of “Storm Mode” on workflows and procedures
 - Prioritize new business processing as storms are anticipated and desist from accepting new applications and quotes
 - Suspend discretionary IT implementations
- Assist with preparation of Board of Directors’ meeting agendas and posting of notices
- Review coverage verification procedures with Claims
- Contribute to final storm-specific strategic planning 96 hours prior to landfall

During an Event

- Schedule regular UW Leadership CAT meeting to review status
 - Review staffing levels, schedules and planned time off
 - Determine impact of event on UW Operations
 - Define assistance path for Claims questions and communicate to departments
 - Communicate status to other departments
- When General Manager determines threat has passed:
 - Notify IT to deactivate “Storm Mode” in Notus, according to the procedures documented in the *Storm Mode User Guide*
 - Prepare Agent Bulletin and email blast TWIA agents with information on restoration of normal submission procedures, restating agent binding authority, and claim reporting procedures
- Notify IT to place Agent Bulletin on TWIA Website

Post-Event

- Return to standard operating procedures
- Conduct a post-event evaluation of department response within 30 days, and participate in association debriefs
- Review inspection procedures for affected areas

TFPA Underwriting

Pre-Event

- Review projected path of storm(s) and discuss with ELT where, i.e. what counties, to suspend policy/coverage binding activity.
- Draft and issue Underwriting Bulletins restating agent authority and forward to IT to post on website
- Coordinate banner information for suspension of binding authority with IT
- Review coverage verification and “no policy” processes with claims
- Prioritize new business processing as storms are anticipated and applications and quotes are no longer being accepted
- Assist with preparation of Board of Directors’ meeting agendas and posting of notices
- Provide names of bi-lingual employees to HR to assist in translations
- Contribute to final storm-specific strategic planning 96 hours prior to landfall

During an Event

- Assist Claims with documentation checking and verification of coverage, especially on “no policy” claims
- Prioritize processing of policies and endorsements where a claim has been reported
- Assist with bi-lingual translations at the request of Claims
- Assist in ad hoc services as requested by Claims

Post-Event

- Participate in post-catastrophe review to assess product, services and future recommendations

Catastrophe Funding

In the event of a catastrophic event, the General Manager will notify the Commissioner and Comptroller in writing of the total amount of the estimated catastrophic losses and potential reinsurance recoveries related to those losses. The General Manager will also notify the Commissioner and Comptroller in writing of any subsequent changes in the estimates.

TWIA Catastrophe funding will come from the following sources:

- TWIA available funding
- Catastrophe Reserve Trust Fund (CRTF)
- Issuance of Public Securities
- Reinsurance recoveries as contracted

Texas Administrative Code Title 28, Chapter 5, Subchapter E, Division 3 provides a detailed explanation of the funding process.

TFPA Catastrophe funding will be managed as follows:

- Should a deficit occur, at the direction of the Commissioner, TFPA shall either request the issuance of public securities as authorized by Chapter 2211 of the Insurance Code or assess participating insurers.
- Assessments for losses are based on an individual insurer's share of the overall Texas residential property market. Service fees associated with the issuance of public securities are determined by the Commissioner by rule.
- In order to recoup an assessment or service fee, an insurer may charge a premium surcharge on every property insurance policy it issues insuring property in Texas.

Excess losses will be funded in the following order:

- \$40 million retention to be paid from funds available to the FAIR Plan or by assessments
- Losses in excess of the \$40 million retention to be paid from 2 layers of reinsurance totaling \$260 million
- Losses in excess of the \$40 million retention and the \$260 million in reinsurance to be paid from the following sources:
 - Member Assessment – Unlimited
 - Public Securities – Not to exceed \$75 million

In order to recoup an assessment or service fee, an insurer may charge a premium surcharge on every property insurance policy it issues insuring property in Texas.

Appendix A

CAT Plan Revisions Log

Date	Revised By	Description
08/23/11	Julie Kronbach, Consultant	Rewrite of TWIA and TFPA Catastrophe Plan
03/31/12	David Williams, VP & Claims Management Team	Rewrite of TWIA and TFPA Catastrophe Plan to include updated workflows and procedures
05/06/13	David Williams, VP & Claims Management Team	Completed rewrite of TWIA and TFPA Catastrophe Plan to include HB3 requirements and updated workflows and procedures
8/22/13	John Morrison	Added Appendix U: Association Employee CAT Pay Policy
8/29/13	John Morrison	Moved phone system responsibilities from Operations to IT
5/15/2014	Claims Management Team	Revised and updated Catastrophe Plan including HB 3 requirements

Appendix B

New Capabilities

Enhancements since 2013

New programs and features put in place since the 2013 CAT Plan was finalized:

- Expanded remote access capability
- VOIP Phone System
- Customer Advantage Program with Nexus Solutions Group
 - Emergency Services
 - Contractor Referral Service
- Customer Advantage Program with NexVex
 - Roofing Contractors
- Communication Plan
 - Twitter Feed
- Enhanced Quality Assurance
 - Reinspection program to monitor field adjuster performance
 - Refined Desk Examiner handling procedures through enhanced quality assurance criteria
- Enhanced SIU recommended and mandatory submission guidelines

Appendix C

Roles and Responsibilities

Position	Name	Contact Information	Role and Responsibilities
General Manager	John Polak, CPCU	512 899-4949	<ul style="list-style-type: none"> • Manage the Vice President of Claims and other TWIA and TFPA leaders • Approve the CAT Plan • Approve and oversee media releases with General Counsel and the Vice President of Claims • Manage communications with the Texas Department of Insurance (TDI) • Manage communications with the TWIA and TFPA Boards of Directors • Oversee operational effectiveness of the CAT Plan • Conduct pre and post catastrophe strategic planning meeting with senior staff as needed • Conduct post catastrophe review to assess product, services and future recommendations • Communicate assessments to TWIA and TFPA Boards of Directors and member companies when applicable • Sign all TWIA and TFPA contracts • Delegate specific authorities for a limited duration during catastrophes • Prepare Board of Directors meeting agendas and posting of notices
Vice President of Claims	David Williams, CPCU, AIC	512 637-2928	<ul style="list-style-type: none"> • Develop, seek approval, implement and update the CAT Plan document • Ensure staff members and others involved are prepared to execute the plan • Network with key personnel at other wind pools concerning their claims and catastrophe procedures • Assist with preparation of Board of Directors meeting agendas and posting of notices • Participate in establishing information as the basis of potential assessments • Activate the CAT Plan in preparation for an event • Communicate and delegate specific responsibilities to others
Vice President and Actuary	James Murphy, FCAS, MAAA	512 899-4945	<ul style="list-style-type: none"> • Participate in TWIA and TFPA funding strategy, including reinsurance, pre- and post-event • Model catastrophe exposure pre- and post-event • Monitor reported losses, including payment projections and reserve adequacy • Produce and communicate regular and ad hoc

			reports and analyses
Controller	Pete Gise	512 899-4920	<ul style="list-style-type: none"> • Provide financial projections and Balance Sheet, Income Statement and Cash Flows before and after an event • Manage banking relationships to minimize disruptions to customers trying to cash checks • Manage overall check stock and inventory and work with claims on exceptions

Appendix D

Claims Resource Scalability Model

The Claims Resource Scalability Model is used to project the number and type of vendors needed for a specific event (see Figure 1).

Claims Resource Scalability Modeling Tool 2014 - TWIA 2% Probability Event (1 in 50 year event)												
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Managers	Customer Care	Quality Assurance	TOTAL	Field Re-Inspectors	Field Adjusters	Examiner - Claims Per Day	Adjuster - Claims Per Day	Examiners Per Manager
88,000	30	2,933	244	20	102	61	428	61	587	12	5	12
24,200	30	807	67	6	28	17	118	6	161	Required Customer Care Resources By Claim Volume		
6,800	30	227	19	2	2	2	24	2	45	>150	>300	>600
										1.50	2.50	5.00
										Required QA Resources By Claim Volume		
										>150	>300	>600
119,000	90		331	28	132	79	570	68	793	1.00	2.00	3.00

Figure 1: The model calculates staffing needs based on the number of claims received over a period of time. The user defines the following parameters:

Parameter	Definition
Projected or Actual Claims received	Total number of new claims expected during the date range
Date Range	Period of time over which the claims are received
Examiner Claims Per Day	Number of new claims per day a desk Claim Examiner is expected to work
Adjuster Claims Per Day	Number of new claims per day a field Claim Adjuster is expected to work
Examiners Per Manager	Number of desk Claim Examiners a Manager is expected to supervise
Required Customer Care Resources by Claim Volume	Number of Customer Care Representatives for a given claim volume
Required QA Resources by Claim volume	Number of Quality Analysts needed for a given claim volume

Appendix E

Field Adjuster Commitment by Company

The inside and outside workforce may be highly variable, depending on the severity of the event, with reliance on temporary or contract employees. The Associations have contracted with approved vendors to meet staffing these staffing needs.

The following table details the number of field adjuster resources committed to Texas Windstorm in 2014:

Field Adjusting Firm	Adjusters by commitment
Mason Claims Service	100
Nomad Adjusting, LLC	275
Claim Consultants Group, LLC	303
Wardlaw Claims Service	300
Mariposa Insurance Services	602
Eberl Claims Service	175
Pacesetter Claims Service	300
Claim Adjustment Specialists	35
Schafer Wood & Associates	300
Alamo Claim Service	64
TSI Adjusters	375
Ideal Adjusting	50
AMCAT	215
Crawford & Company	180
Allcat Claims Service	584
Advanced Claims Concepts	376
Fourseventy Claims, LLC	150
Leading Edge Claims Service	705
ANL Adjusting Company, Inc	271
The Littleton Group	43
Gentry Claims/NCA Group	220
BrightClaim Inc	419
Tailored Adjustment Services	47
National Claims Adjusters	200
Church & Company	287
Trinity Claims Service, LLC	50
Total Resources	6,626

Appendix F

TWIA/TFPA Adjuster Fee Schedule



Fee Schedule

Gross Loss		Residential	Commercial
No inspection made or erroneous assignment		\$100	\$100
\$0	\$2,500	\$350	IA/GA \$750 + T&E over 6 hours EGA T&E
\$2,501	\$5,000	\$500	
\$5,001	\$10,000	\$700	
\$10,001	\$15,000	\$900	IA/GA \$1,500 + T&E over 12 hours EGA T&E
\$15,001	\$25,000	\$1,100	
\$25,001	\$50,000	\$1,500	
\$50,001+		\$1,800 + T&E over 14 hours	IA/GA \$1,800 + T&E over 14 hours EGA T&E
Section II – Liability Claims (TFPA Only)		T&E	
Time and Expense (T&E)			
Role		Rate	
Clerical, if approved		\$12.00/hr.	
Residential Adjuster		\$75.00/hr.	
Commercial or Complex Loss Adjuster		\$90.00/hr.	
General Adjuster		\$125.00/hr.	
Executive General Adjuster		\$155.00/hr.	

Gross Loss

Gross loss equals the total estimated loss combining all building items evaluated by the field adjuster. The applicable fee is based on the gross loss for the building items. All invoices must be submitted with final report or final reopen/supplement report.

Complex and Commercial Losses, Team Adjusted

Gross loss equals the total estimated loss combining all items evaluated by the field adjusting team. The fee is based on the gross loss.

Loss Below Deductible

Gross loss equals the total estimated loss combining all items evaluated by the field adjuster or field adjusting team. The fee is based on the gross loss.

Time and Expense (T&E)

T&E invoicing requires pre-approval from the TWIA/TFPA desk examiner or manager and the invoice must be itemized. T&E applies to the entire gross loss for buildings, other structures, and contents evaluated by the field adjuster or field adjusting team.

The following claim types should be billed on a T&E basis; however, the use of the Clerical, General Adjuster, or Executive General Adjuster rates must be approved in advance by the TWIA/TFPA desk examiner or manager:

Damages Not Consistent with a Named Peril

If the investigation reveals there is no damage consistent with a covered peril for a claim, or a portion of the claim, the field adjuster or field adjusting team should complete a reasonable investigation and identify any damage not consistent with a covered peril in the captioned report. The field adjuster should include an estimate on any covered, damaged items and any damages consistent with a covered peril as outlined in the Property Damage Evaluation Guidelines.

The fee is based on the gross loss. Gross loss equals the total estimated loss combining all damages consistent with a named peril evaluated by the field adjuster or field adjusting team. All coverage decisions will be made and communicated by the TWIA/TFPA desk examiner or manager.

Complex Residential and Commercial Losses

Where a file involves appraisal, arbitration, pre-mediation inspections, mediations, moderated settlement conferences, or litigation, the file is billable only on a T&E basis.

Reopened/Supplement Files

Losses involving the reopening of a claim file are billed on a T&E basis. TWIA/TFPA must approve the reopening of all files prior to the field adjuster's involvement. The field adjuster's report should explain why supplemental items were not in the original report.

Contents Losses

Upon discovery of a contents loss, the field adjuster should immediately contact the TWIA/TFPA desk examiner or manager for handling instructions.

The field adjuster can only invoice for the contents loss they are specifically asked to evaluate by the TWIA/TFPA desk examiner or manager. The fee is based on the T&E required for the contents portion of the claim.

Where TWIA/TFPA hires a contents company to evaluate the contents portion of the claim, the items evaluated by the contents company are not included in the gross loss for calculating the field adjuster's fee.

Expenses

Expenses are billed at actual cost and require submission of receipt.

Mileage

Actual mileage is included in the fee schedule up to 25 miles. Actual mileage in excess of 25 miles is billed at the current IRS rate with TWIA approval.

Photos

Photos in excess of 30 can be billed at the rate of \$1.00 per photo.

Additional Living Expense (ALE)

Upon discovery of an additional living expense loss, the field adjuster should immediately contact the TWIA/TFPA desk examiner or manager for handling instructions.

Deviations from the Fee Schedule

When TWIA/TFPA determines the field adjuster's involvement in a claim has ended, the field adjuster should bill for the amount of the gross loss developed by the field adjuster at the point their handling was concluded. Examples include:

- Normal claim handling activity has concluded, the final report has been submitted and file has been closed by TWIA/TFPA.
- A claim is pulled from the field adjuster or field adjusting firm and reassigned to another field adjuster or field adjusting firm.
- A file enters a disputed status as determined by TWIA/TFPA, i.e. appraisal, mediation, litigation.

Unique circumstances may arise on a specific claim requiring deviation from the fee schedule. If special handling billing is appropriate, the field adjuster or field adjusting firm should immediately raise the issue with the TWIA/TFPA desk examiner or manager to reach an agreement on how to bill the file.

The field adjusting firms will be notified of any changes to this fee schedule and instructions. If you are not clear on the billing instructions, please contact the TWIA/TFPA desk examiner or manager.

Appendix G

Claims Telephone Interactive Voice Response (IVR) Workflows

TWIA and TFPA utilize an Interactive Voice Response (IVR) call management system. For each Association, there are three configurations:

- Normal Business Hours
- After-hours
- Catastrophe

The Normal Business Hours configuration provides announcements identifying the Association, options for English or Spanish, and easy to understand choices for the caller to reach the correct department. Callers reporting a new claim are routed to the Claims Call Center vendor and status calls on existing claims are routed to a desk examiner (see Figure 1 for TWIA and TFPA).

The Catastrophe configuration is similar to the Normal Business Hours configuration with the exception of the option to select “2” for Claims is presented before the option to select “1” for policy or billing issues (see Figure 1 for TWIA and TFPA).

The After-hours configuration changes the menu to announce the caller has reached the office after normal business hours. Menu options remain the same, with the exception that general callers route to a voicemail rather than the receptionist and Claims status calls are redirected to the Claims Call Center vendor (see Figure 1 for TWIA and TFPA).

Fig. 1

[Interactive Voice Response \(IVR\) workflows \(6 pages\)](#)

Appendix H

Vendor Contact Information

A detailed listing of all TWIA and TFPA Claims vendors is found in the [Vendors List 2014](#).

The workbook can be filtered and sorted to various combinations of the data fields:

- All vendors
- Vendors by Association (TWIA and/or TFPA)
- Vendors by Company Name
- Vendors by type
 - Field Adjuster
 - Desk Examiner
 - Temporary Housing
 - Engineer
 - Building Consultant
 - Media Consultant
 - Temporary Offices

Appendix I

Mobile and Remote Office Planning

Mobile and remote offices are a critical component of our catastrophe plan, providing immediate policyholder assistance in response to an event. Our goal is to mobilize a fully-functional mobile or remote office with 48 hours of the event or when it is safe to travel to an affected area.

These offices are used to provide immediate customer service, including First Notice of Loss, claim status information and advance payments. The facilities also serve as a staging area for additional claim resources, including adjusters, experts, quality assurance, and the special investigation unit.

Mobile Office Solutions

Mobile office solutions can be any of the following and located in single or multiple locations, depending on the size and geographic spread of losses for an event:

- Single vehicle, i.e. one car, van or panel truck
- Multiple vehicles, i.e. more than one car, van or panel truck
- Rentsys or other large “base camp” type solutions

Single or Multiple Vehicle Solutions

- Determine potential locations based on projected or actual claim volume
- Identify number and type of personnel needed for each location
- Ensure computers, supplies, checks, signs, tables, canopies, etc. are available
- Rent appropriate vehicles
- Deploy

Rentsys Solution

TWIA and TFPA have a contract with Rentsys to provide a custom unit designed to serve as a remote office near the storm-affected area.

Contact information is found in [Appendix H - Vendor Contact Information](#).

Mobile Office Deployment

Guidelines

Where this need arises, the following guidelines apply:

- Consider utilizing available hotel and vendor/partner’s existing office space before renting any additional office space
- Determine available options including vacant office space
- Remember to evaluate other options before incurring costs
- Remember to have contracts reviewed and approved by Legal

- Consider how we will communicate with others by phone, systems, internet and mail; make sure these capabilities are available as needed

Staffing

When a remote or mobile office is established, the CAT Manager designates and notifies:

- Claims Leaders
- Claims Examiners
- Claims Coordinators
- Quality Assurance
- Accounting
- IT
- Legal
- SIU

Appendix J

Mobile and Remote Office Staffing

Overview

Each Mobile or Remote Office requires several types of positions ranging from customer greeters to managers to provide the required services. Personnel will be assigned to positions on the basis of their roles at TWIA and TFPA and the needs of the individual Mobile or Remote Office.

Positions

Claim Supervisor

Responsible for ensuring TWIA/TFPA's ability to provide service to its policyholders, including paying claims in a timely manner. The Claim Supervisor provides leadership and ensures the availability of the required infrastructure for TWIA/TFPA's immediate response to an event. Responsibilities include:

- Run the field office, including coordination of personnel to and from the site
- Oversee the set-up of the field office and notify CAT Manager when operational
- Meet with the team frequently throughout the day to discuss any issues, questions or concerns
- Determine configuration of vehicles, trailers, and equipment
- Ensure a customer centric workflow
- Check on scheduling of deliveries of supplies
- Coordinate meals for personnel
- Communicate with CAT Manager
- Complete operations reporting, including issues and recommendations
- Recommend staffing, coordinate personnel information and establish schedules
- Ensure adherence with the TWIA & TFPA policies, workflows and procedures
- Coordinate assignments of other team members
- Coordinate the tear-down and release of equipment, ensuring site is left clean

Administration

- Resolve customer questions
- Assist in FNOL process
- Control check process including:
 - Securing check signature stamp
 - Maintaining check stock
 - Controlling check endorsement process
 - Establishing and maintaining a check log
 - Processing payments

Customer Greeter

- Warmly welcome customers
- Assist in the completion of the Customer Information Sheet
- Answer general questions, and listen to policyholders to determine their needs
- Direct policyholders to the correct resource for further assistance.

Claims Service Representative

- Review the Customer Information Sheet
- Assess policyholders' needs and discuss policy information
- Explain the steps of the claim process and completion timelines
- Determine need for advance payments

Maintenance and Support

- Supply fuel for generators
- Assist with general setup and takedown of site
- Arrange meals for site staff
- Clean facilities
- Run general errands

Timelines for Activation

TWIA and TFPA's goal is to establish a presence with a mobile or remote office within 48 hours of a significant event occurring.

Pre-event (36-72 hours)

CAT Manager:

- Identify resources assigned to Mobile or Remote office
- Appoint Claim Supervisors and other resources
- Meet with team and finalize deployment details

Claim Supervisor

- Contact vendors for equipment
- Provide regular updates to CAT Manager on site status
- Gather office supplies and equipment
- Rental vehicles
 - Secure information for vehicle drivers
 - Secure rental vehicles
 - Confirm insurance coverage

Administrative

- Contact IT department and identify equipment needs
- Assemble Handbooks, policies, forms, brochures, and other documents
- Assemble list of office supplies
- Secure checks and petty cash
- Ensure all personnel are properly licensed

- Contact Approved Vendors to activate temporary living facilities

Other Personnel:

- Identify claims and non-claim resources
- Notify claims and non-claim resources of deployment plans
- Assist Claim Supervisor in preparation and implementation

Pre-Event (0-48 Hours)

CAT Manager

- Meet with all personnel and verify readiness
- Identify and resolve outstanding issues
- Identify staging and site deployment locations

Post-Event

Closing the Mobile or Remote Office

Cat Manager

- Conduct final staff meeting to discuss any pertinent information before closing the mobile and remote office site, including:
 - Rental vehicle return procedures
 - Final timesheet processing
 - Final expense report processing
 - Return-to-work instructions for personnel
- Inventory company equipment and supplies
- Confirm completion of final site clean-up

Appendix K

Public Relations Plan

Purpose

The purpose of this document is to outline a communications strategy to ensure delivery of key messages to TWIA stakeholders, including policyholders, insurance agents, Legislators, board members, the Texas Department of Insurance (TDI), and the general public in the months prior to hurricane season and before and immediately after a significant hurricane or storm.

The Plan seeks to:

- Educate policyholders and agents regarding:
 - Hurricane preparedness and TWIA's commitment to a swift and effective catastrophe response
 - Procedures to file a claim in the event of storm damage to insured property and what to expect from the claims process
 - Applicable remote office information
- Inform Legislators, Board Members and TDI regarding:
 - TWIA's catastrophe response plan and commitment to a swift and effective response to coastal residents and business owners
 - Status of TWIA's catastrophe response during and after a storm
 - Modeled exposures and funding structure
- Manage media relationships and leverage the use of the following to disseminate messages to policyholders, agents, and the public:
 - Hurricane Preparedness and Storm Advertisements
 - Press Releases and Op Eds
 - Media Training

Each storm has its own unique set of circumstances, but some advance preparation should help increase the communication flow and decrease confusion among policyholders and agents before and after an event.

Annually

Timing	Action
January	<ul style="list-style-type: none"> • Develop generic tweets to help with communication process (monthly)
February	<ul style="list-style-type: none"> • Update Hurricane education packets
March	<ul style="list-style-type: none"> • Update general press kit to use with upcoming media interviews; consider adding to TWIA website • Research media contacts for potential media tour • Update hurricane season ads as needed • Hurricane Season English • Hurricane Season Spanish
April	<ul style="list-style-type: none"> • Hurricane education packet press release and media outreach • Coordinate with TDI’s TWIA Ombudsman to conduct hurricane preparedness presentations in coastal counties • Schedule any media tours for early May Prepare press release and op-ed re: hurricane preparedness Reserve space for hurricane season ads (coordinate with media-buying company)
May	<ul style="list-style-type: none"> • Conduct media tour, if appropriate— Galveston, Beaumont, Corpus Christi (early in the month) • Media outreach in other markets using press release, phone interviews and op-ed • Hurricane season ads run (3 Sundays in May)

Pre-Event and During an Event

	Action
<p>Note: The level of response will vary depending on the anticipated size of the event.</p>	<ul style="list-style-type: none"> • If time permits, run newspaper ads in appropriate newspapers and radio stations outlining basic claims procedures <ul style="list-style-type: none"> ○ Hail and Windstorm 2013 TWIA • If evacuations are anticipated, remind policyholders to take a copy of their policies and contact information for agent with them • Draft and distribute press release with similar (but more detailed) information <ul style="list-style-type: none"> ○ Hurricane is Approaching ○ Hurricane Has Hit • TWIA sends out agent alert with appropriate reminders about the claims process <ul style="list-style-type: none"> ○ Agent's Bulletin - Hail • TWIA notifies all employees of impending storm per its usual protocol • Conduct media training, if necessary, for executives and disaster duty spokespersons • Prepare talking points for potential media interviews • TWIA emails a PDF of the TWIA claims brochure and “Important Notice to Insureds” to all agents so they can send to policyholders as needed

Post-Event

	Action
<p>Note: The level of response will vary depending on the anticipated size of the event.</p>	<ul style="list-style-type: none"> • As soon as possible, run full-page “After the Storm” newspaper ads with claims process and contact information • Consider radio ads • Determine appropriate geographies for ad campaign based on evacuation sites • Send follow-up press release with similar information to media in affected areas • Send available for interview emails to key reporters (offering interviews with TWIA regarding insurance issues) • TWIA adjusts staffing as needed • Consider special updates for website

Appendix L

Communications with Agents

Agent communications are critical to the smooth flow of information during the Pre-Event, During-Event and Post-Event phases of a catastrophe response. The following communications are required and are the responsibility of the Vice President of Claims. These messages may be supplemented as needed for a specific event:

Timing	Message	Method
Annually – May	<ul style="list-style-type: none"> • Hurricane season approaching • Fliers to be handed out to policy holders English version - Hurricane Season 2014 English Spanish version - Hurricane Season 2014 Spanish • Claim procedures may change with a significant weather event 	Email
Pre-Event	<ul style="list-style-type: none"> • Claim Reporting Procedures 	In-person presentation
During an Event	<ul style="list-style-type: none"> • Changes to Claim Reporting Procedures • Claims Contact Information • Event Response Information 	Email
Post-Event	<ul style="list-style-type: none"> • Changes to Claim Reporting Procedures • Offsite Office Closings 	Email

Appendix M

Special Investigation Unit Reporting Requirements

TWIA and TFPA utilize Veracity Research Corporation (VRC) for Special Investigation Unit (SIU) services and compliance with state fraud reporting requirements. Desk examiners utilize the following guidelines when reviewing files for “red flag” indicators to determine if referral to SIU is appropriate. The indicators fall into two categories:

- **Mandatory Referral to SIU**
Presence of any of these indicators requires the desk examiner to immediately refer the claim file to VRC for an initial investigation.
- **Recommended Referral to SIU or Reasons to Update SIU**
Presence of any of these indicators alone or in combination requires the desk examiner to consider referral to VRC for an initial investigation.

Referrals are made by the desk examiner via a [web portal](#) or phone call to VRC. [SIU Special Services](#) provides additional detail on the services offered by VRC and the list of primary indicators for desk examiners to consider.

Appendix N

Check Issuance Procedures

TWIA Claims Checks

Mediated and Litigated Claims

For all mediated and litigated claims, checks are issued by the following procedures:

- A file summary and documents are prepared by the assigned Examiner for the Mediation Examiner/Supervisor prior to the mediation conference
- The Mediation Examiner/Supervisor attends the conference on behalf of TWIA
- Following the mediation, the Mediation Examiner/Supervisor provides the following information to the assigned Examiner:
 - Mediation Summary (drops to the claim file)
 - Executed Rule 11 settlement documents, if available (scans and drops to the claim file)
 - Scans and drops any other relevant documents to the claim file
- Tasks are selected by the assigned Examiner and resolved
- Check drafting instructions may be received from defense counsel if executed Rule 11 documents are not available
- Either the Mediation Examiner/Supervisor or the assigned Examiner has the authority to request check issuance for the settlement
- Issuance of subsequent final legal bills has been consolidated into specialist positions who request check issuance for final legal fees and expenses
- Check issuance for mediated and litigated claims follows the same process as all claim check issuance at TWIA outlined below

All Other Claim Files

Examiner, Claim Supervisor, or Manager

- Logs into Notus (password protected)
- Approves supporting documentation
- Determines payee(s), amount of check, and check distribution requirements
- Enters amount, payee, and line of coverage into the Notus payment screen
- Adds additional data (e.g. vendor, address, adjusting firm, mailing instructions) if Notus has not been previously populated
- Selects mailing address
- Selects a payment type from 3 options:
 - Loss payment
 - Expense payment
 - External loss payment
- Adds additional information to database if needed
- Enters amount of check under the appropriate line of coverage (eg. Scheduled building, contents, ALE)
- Adds comments if appropriate (e.g. final settlement)

- Posts the payment
- Notus will balance and reconcile the ledger and generate an alert error if the payment
 - Exceeds coverage
 - Exceeds Reserves
- If check exceeds Examiner's authority level, forced workflow routes Notus task list to Manager to authorize or escalate to appropriate level for authorization
- Payment request is electronically transferred from Notus to Check Processing Software

Claims Coordinators

- Lead Claims Coordinator logs into Check Processing Software via TWIA password protected logon
- Reviews outstanding checks pending issuance
- Obtains corresponding check stock from Accounting
- Logs and initials check stock receipt reconciling with prior day's check stock in both HR and Claims logs
- Runs and prints check batches
 - Expense payments
 - Loss payments
 - Single batch if needed (exception)

Maximum batch size is 400 checks

- Reconciles check stock numbers to printed checks
- Matches documents to be mailed with checks
- Stuffs envelopes
- Routes to Operations for mailing
- Exceptions:
 - Checks >\$50,000 segregated and batched for
 - Management review and approval
 - Validates check #, amount, payee(s), mortgagee(s), mailing instructions against file documents
 - Enters check #, amount, payee confirmation in Notus comments
 - Second signature review and approval
 - TDI review and approval prior to disbursement
 - Special handling-exception checks not disbursed via U.S. Mail are returned for delivery via Fed Ex, courier, or hand delivery to requestor
- When checks >\$50,000 are released, matched with documents, envelopes stuffed and routed to Operations to mail

Checks over \$50,000

- Checks over \$50k require a machine signature and a manual signature
- Over \$50K require review by Senior Claims Manager, who will document file claim notes that check is approved
- Check will then be reviewed by a 2nd, non-claims person, for review of data and amount
- The 2nd reviewer will sign the check manually and document the claim file notes of approval and signature
- In case the 2nd reviewer is not available a 3rd, non-claims, person is named as backup and will follow same procedure as 2nd reviewer

Spoiled Checks

- Voided Checks are returned to a Claims Supervisor for review and logging

- Stop Pay procedures are in place, returned checks are reconciled to claim files and reissued properly
- Check stock spoiled during printed is returned to Accounting and reconciled

Segregation of Duties

The following segregation of duties is in place for the issuance of all Texas Windstorm Insurance Association Claims checks:

IT

- Maintains TWIA network, servers, disks, workstations and systems software
- Maintains Notus System, check processing software, and financial software
- Produces a daily check run log to accompany checks >\$50,000 for TDI review

Operations

- Maintains printer hardware
- Manages external mail disbursements

Accounting

- Orders pre-printed sequentially numbered check stock from Insurance Printing Solutions (IPS)
- IPS maintains a warehouse delivery of sequentially numbered check stock and delivers to TWIA Accounting on request
- Secures check stock in locked cabinets and maintains a set of cabinet keys in a locked desk
- Secures locked cabinet in a locked room accessible only to Accounting Managers
- Disburses packages of 1,000 checks to Administration
- Maintains a signed log of Administration check disbursements
- Receives and reconciles any spoiled check stock
- Manages Positive Pay process
 - The daily check batch information (check number, amount and payee) is transferred to Bank of America in an electronic file
 - This file is added to the listing at the bank of our check issuance
 - When a check is presented for payment at the Bank, the check number and amount must match the information that was sent over in the file before the bank will process the check
 - If it does not match, the Accounting Department receives an “exception” notification that Accounting addresses
 - Accounting resolves by
 - Paying the exception
 - Returning for Other
 - Returning for Fraud

Administration

- Signs for, receives and logs packages of 1,000 sequentially numbered check stock
- Locks check stock in a secured drawer
- Disburses requested number of check stock daily to Claims Coordinator to match total batched check issuance for the day

Reviewing Documentation in NOTUS

The signer to validate the payee(s) including mortgagee(s), attorney(s) and amount of the check should conduct a review of documentation:

- Open Notus
- Under File Open Claim Enter
- Search Claims Enter
- Enter the Claim Number for the check to be reviewed
- Identify the check under Reserve/Payment tab
- Open Comments Tab
- Review comments to confirm supporting documentation

Reviewing Documentation in NOTUS for Litigated Claims

If you know or suspect the claim is a litigated claim (attorney name is likely amongst payees), a short cut review of documentation is available under:

- Documents
 - Locate either the Rule 11 or the Drafting Instructions document
 - Review the document for conformity with the check presented for signature

TFPA Claims Checks

Mediated and Litigated Claims

For all mediated and litigated claims, checks are issues by the following procedures:

- A file summary and documents are prepared by the Mediation Examiner/Supervisor prior to the mediation conference
- The Mediation Examiner/Supervisor attends the conference on behalf of TFPA
- Following the mediation, the Mediation Examiner/Supervisor provides the following information:
 - Mediation Summary (drops to the claim file)
 - Executed Rule 11 settlement documents, if available (scans and drops to the claim file)
 - Scans and drops any other relevant documents to the claim file
 - Check drafting instructions may be received from defense counsel if executed Rule 11 documents are not available
 - Either the Mediation Examiner/Supervisor or claims coordinator has the authority to request check issuance for the settlement
 - Issuance of subsequent final legal bills has been consolidated into coordinator positions who request check issuance for final legal fees and expenses
 - Check issuance for mediated and litigated claims follows the same process as all claim check issuance at TFPA outlined below

All Other Claim Files

The following steps are followed in the issuance of all Texas FAIR Plan Association Claims checks

Examiner, Claims Supervisor, or Manager

- Logs into InsideOut (password protected)
- Approves supporting documentation
- Determines payee(s), amount of check, and check distribution requirements
- Selects a payment type from 2 options:
 - Loss Payments

- Expense Payments
- Enters amount, payee, under appropriate line of coverage into the InsideOut payment screen
- If expense, selects payee from a list of vendors already input into the system
- Adds additional data in the description area (i.e. Settlement, dwelling payment, Contents, etc.)
- Selects mailing address if applicable. Otherwise check fills in with mailing address from policy
- Posts the payment

InsideOut will generate an alert error if the payment exceeds reserves. Check will not be issued until valid authorization is input

If check amount is in excess of examiners authority limit, a note/email to the supervisor must be completed

- Supervisor reviews file materials and determines if the increase is valid and approves the increase
- Supervisor notes the file regarding approval and stated dollar amount
- Examiner adds comments if appropriate (e.g. final settlement)

Payment request is electronically transferred from InsideOut to Check Processing Software and Check prints following the nightly cycle

Exception: Emergency checks are requested and printed in accounting with data entered into InsideOut reconciling the claim and accounting system

Claims Coordinators

- Receive a daily check register from Accounting containing all claims checks issued in InsideOut the previous day
- Review checks and input claim numbers and examiner names on spreadsheet
- Sends file to Senior Claims Manager for review of expense and loss checks
- Sends file to claims supervisors for review of checks issued by those supervised
- Coordinators match documents to be mailed with checks
- Once reviewed coordinator puts check, along with letter and any attached documents into envelope to mail to address printed on letter
- Expense checks are mailed to vendor on check
- Exceptions:
 - Settlement checks are typically sent out via Fed Ex
 - Large loss payments are typically sent Fed Ex

Checks over \$25,000

- Checks over \$25k require a machine signature and a manual signature
- Over \$25K require review by Senior Claims Manager, who will document file claim notes that check is approved
- Check will then be reviewed by a 2nd, non-claims person, for review of data and amount
- The 2nd reviewer will sign the check manually and document the claim file notes of approval and signature
- In case the 2nd reviewer is not available a 3rd, non-claims, person is named as backup and will follow same procedure as 2nd reviewer

Spoiled Checks

- Voided Checks are returned to a Claims Coordinator for review and logging
- Stop Pay procedures are in place, returned checks are reconciled to claim files and reissued properly

Appendix O

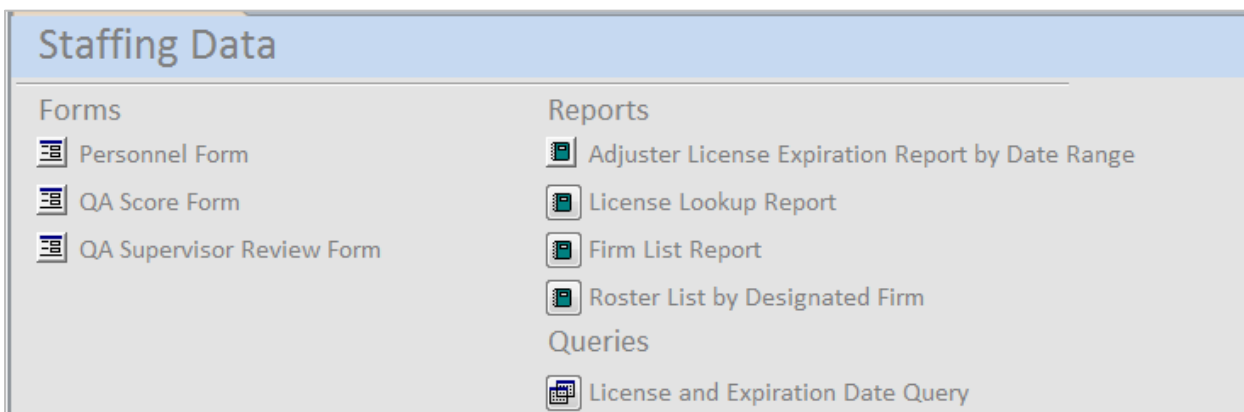
Staffing Database Overview

The staffingDB database will be used to track information for field adjusters, inside claims examiners, as well as permanent and contract employees. Contact information, firm assignments, license data, TWIA and TFPA certification information, continuing education training, performance, and compliance information will be stored within this database.

Note: This Appendix is an overview of the database. Please refer to the staffingDB Manual for instructions and further user guidance.

Switchboard

The database opens displaying the Staffing Data Switchboard. This switchboard will provide users with options for navigating to forms or running reports.



Forms

There are currently three primary forms:

- Personnel Form
- QA Score Form
- QA Supervisor Review Form

Personnel Form

Staffing and IA Data

The first section is the Staffing and IA Data form. This section contains contact and other personal information. This is also the primary form for the remaining sub-forms.

Staffing and IA Data

iaID_PK	First Name	Last Name	Suffix	Address	City	
(New)						
ST	Zip	Mobile Phone	Work Phone	Home Phone	Fax	Alternate Phone
Email	Resume	Disclosure Form	Ethics	Rating		

Company Assignment Data

The sub-form directly to the right of the Staffing and IA Data form is the Company Assignment Data sub-form.

TWIA	TFPA	Start Date	End Date	FA	CE	FTE
<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
*	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Record: 1 of 1 No Filter Search

This sub-form is used to track the company assignments of field adjusters (FA), claims examiners (CE), and full-time employees (FTE) as well as their dates of service.

Firm Assignment Data

The next sub-form is the Firm Assignment Data sub-form.

Firm Assignment Data

Firm	Start Date	End Date	Conflict of Interest	Company
			<input type="checkbox"/>	

Record: 1 of 1 No Filter Search

This is a very simple form that allows the company to track the firms that the individual has worked through while at TWIA / TFPA, as well as their start and end dates with those firms. When possible, firm employment data should be entered regardless of the individual's employment status with TWIA / TFPA. This effort will prove useful when determining conflicts of interest with regards to claim assignments.

Adjuster's License Data

The Adjuster's License Data sub-form is simple, yet extremely important.

Adjuster's License Data

License Number	ST	Expiration Date

Record: 1 of 1 No Filter Search

The data captured in this sub-form is used with automated emails and reports to notify both the company and the adjuster that one or more of their licenses will expire soon.

Notes

This sub-form functions much like a journal. Notes regarding correspondence, communication, efforts, performance, etc..., should be documented.

Certification Data

When applicable, TWIA and TFPA certification data must be entered. Much like the Adjuster’s License Data sub-form, the data captured in this sub-form is used in automated emails and reports to notify the company and individuals of approaching TWIA and TFPA certification expiration dates.

certID	TWIA Certified	Certification Date	Expiration Date
1	<input checked="" type="checkbox"/>	2/28/2012	
	<input type="checkbox"/>		

Residential Experience and Commercial Experience

These two sub-forms allow the user to indicate the total number of years of experience with specific perils or in specific roles. Notice that there are also drop-down menus located next to each peril and role. These menus allow the managers to identify the strengths and weaknesses with more specificity, as opposed to a general approach.

Residential Experience

<input type="checkbox"/> Liability	Years of Experience	Rank
<input type="checkbox"/> Wind and Hail	Years of Experience	Rank
<input type="checkbox"/> Minor	Years of Experience	Rank
<input type="checkbox"/> Theft	Years of Experience	Rank
<input type="checkbox"/> Fires	Years of Experience	Rank

Record: 1 of 1 | No Filter | Search

Commercial Experience

<input type="checkbox"/> Commercial	Years of Experience	Rank
<input type="checkbox"/> EGA	Years of Experience	Rank
<input type="checkbox"/> GA	Years of Experience	Rank

Record: 1 of 1 | No Filter | Search

Training Data

All training needs to be recorded. The course titles are available via the drop-down menu. The use of a drop-down menu, as opposed to a text field, decreases the likelihood of varying naming conventions for the same course.

Training Data

Course Title	Start Date	End Date	Hours
<input type="checkbox"/>			0
Course Description			
Course Type			
<input type="checkbox"/>			

Record: 1 of 1 | No Filter | Search

QA Score Form

This form is used by the QA&T team to review the performance of each claims examiner. The QA Scores form is currently provided for each record in the database and consists of sections covering the following criteria:

1. Reserves
2. First Contact
3. Coverage
4. Payment
5. Investigation

- 6. Final Contact
- 7. Decision

QA Primary Scoring Form					
iaID_PK	iaFN	iaLN			
	2 James Lee	Jasper			
QA Scoring Data					
qaID	Claim Number	Date the claim was reported:	Date the claim was closed:	Date the adjuster's report was received:	Adjuster's report has not yet been received:
(New)					<input type="checkbox"/>
Initial payment date:	Line of Business:	Claim Status at Time of Review:	QA Reviewer:	iaID_FK	
				2	
Directions Reserves First Contact Coverage Payment Investigation Final Contact Decision					
The following tabs contain the scoring criteria for the claim number identified at the top of the form. Pay careful attention to the claim number to ensure you are scoring the correct claim.					

QA Supervisor Review Form

This is a simple form to be used the QA&T Supervisor when reviewing the work performed by QA&T team members. The data collected by this form will be used to produce scores for each QA team member, as well as overall team performance within specified date ranges.

QA Supervisor Review Form				
qaSupvsrRvwID_PK	QA Supervisor	QA Reviewer:	Claim Number:	Review Date:
(New)				
Number of concerns, errors, and / or omissions of the QA _T reviewer with regards to this claim:				
Description of all concerns, errors, and / or omissions of the QA _T reviewer with regards to this claim number:				

Appendix P

Desk Examiner Commitment by Company

The inside and outside workforce may be highly variable, depending on the severity of the event, with reliance on temporary or contract employees. The Associations have contracted with approved vendors to meet staffing these staffing needs.

The following table details the number of desk claim examiner resources committed to Texas Windstorm in 2014:

Firm	Total Examiners		
	Residential	Commercial	Spanish Speaking
Jacobson	300	200	50
S&S Claims	150	50	20
CRU	45	10	2
One Call	250	35	20
Risk Analytics Group	30	10	5
UCQ	10	10	3
Clearpoint	85	50	14
RJMW	210	40	10
Total	1,080	405	124

Appendix Q

Claim Support Commitment by Company

The inside and outside workforce may be highly variable, depending on the severity of the event, with reliance on temporary or contract employees. The Associations have contracted with approved vendors to meet staffing these staffing needs.

The following table details the number of claim support resources committed to Texas Windstorm in 2014:

Claim Support Firm	Number of Claim Support Commitments	Number of Spanish Speaking Claim Support
Addecco	140	7
Leading Edge	125	7
Evins Personnel Consultants	120	7
Jacobsen	175	10
One Call	250	20
Crawford	250	20
Total	1,060	71

Appendix R

Structural Engineer Commitment by Company

The following table details the number of structural engineers committed to Texas Windstorm in 2014:

Engineering Firm	Number of Engineer Commitments
Construction Consulting Associates	17
BSC Forensic Services, LLC	3
Donan Engineering	36
G&A Engineering Consultants	7
MayMar Engineering	6
Nelson Forensics	26
Halliwell Engineering Associates	15
Project Time and Cost	53
ProNet Group, Inc.	16
Rimkus Consulting Group, Inc.	19
SDII Global Corporation	26
Halliwell Engineering Associates	15
Insight Engineering	1
Guardian group	5
Teal forensics	2
CTL	4
Unified Building Sciences	11
Nelson Engineering	1
Total Engineering Resources	263

Appendix S

Building Consultant Commitment by Company

The following table details the number of building consultants committed to Texas Windstorm in 2014:

Building Consultant Firm	Number of Building Consultants Commitments
Cecil Parker Const. Company	1
Grecco Const. Consultants	13
JS Held Const. Consulting	73
Project Time and Cost	23
Trimark Catastrophe Services	7
Total	117

Appendix T

Field Adjuster Online Training

Online field adjuster certification training is available through a web based training application.

Please go to: <http://dev.2021training.com/twia/adjuster-certification/>

Adjuster Certification

2021 Training > TWIA/TFPA > Adjuster Certification

Texas Windstorm Insurance Association (TWIA) and Texas FAIR Plan Association (TFPA) have partnered with 2021Training.com as their exclusive provider for online adjuster certifications.

As an adjuster, you will need to have these certifications prior to adjusting any claims for TWIA and TFPA. They're registered with the Texas Department of Insurance for CE credits. These certifications **renew annually**. Your certification will be valid for one year from the date of completion.

See FAQ below, including a list of companies that adjust claims for TWIA/TFPA

Field Adjusters

[2014 TWIA and TFPA Residential Field Adjuster Certification \(4 hr\)](#)

Course #94516 \$55

4 Texas CE Credit Hours
(3.5 General and .5 Ethics)
(Classroom Equivalent Hours) This certification is required to adjust **Residential** claims for **TWIA/TFPA** and renews annually. Your certification will be valid for one year from the date of your course completion.

[Buy Now](#)

[2014 TWIA Commercial Field Adjuster Certification\(1 hr\)](#)

Course #95300 \$15

1 General Texas CE Credit Hour
(Classroom Equivalent Hours)

This certification is required to adjust **Commercial and Complex claims for TWIA**. Complex claims include multiple location losses and condos. This is an annual certification, and the online Residential Field Adjuster Certification is a **pre-requisite** for the Commercial Certification.

[Buy Now](#)

Desk Examiners

[2014 TWIA & TFPA Desk Examiner Certification \(4 hr\)](#)

Course #95816 \$55

4 General Texas CE Credit Hours
(Classroom Equivalent Hours) This certification is required to adjust claims for **TWIA and TFPA as a Desk Examiner**. This is an annual certification. See a list of CAT companies contracted with TWIA/TFPA in the FAQs at the bottom of the screen.

[Buy Now](#)

Appendix U

Association Employee CAT Pay Policy

The Association Employee CAT Pay policy addresses the pay provided to employees and managers who are deployed or working extended hours due to a weather event, including situations requiring:

- extending operating hours beyond normal office hours
- dispatching employees to an office location outside of their normal assigned location
- dispatching employees to a mobile remote location

This policy does not apply to contracted workers.

Definitions

For the purpose of the Catastrophe Pay Policy, the following definitions apply:

Adjusted Hourly Rate – the hourly rate adjusted to include the additional compensation for overtime pay received by non-exempt employees deployed during a catastrophe.

Deployed – dispatching an employee to work at an Emergency or Off Site Location, or an office location outside of his/her assigned location without the option to return home at the end of the business day.

Mobile Remote or Remote Location(s) – location(s) established to provide a presence for the Associations' employees working outside of a 25 mile radius from the Austin permanent office location.

Extended Shift – the hours of work established by the Association(s) beyond normal office hours for the purpose of responding to a catastrophic event.

Hourly Rate – the regular rate of pay a non-exempt employee receives for each hour of a standard 40-hour workweek.

Policy

General Rules

Only the General Manager may authorize the catastrophe pay provisions of this Policy. Claims Management will provide the General Manager with the results of the modeling that is used to determine whether a CAT event is imminent. Such provisions shall remain in effect until the General Manager determines that deployment sites and Extended Shift hours are no longer necessary to support the catastrophe response.

TWIA/TFPA will establish Extended Shift hours based on operating requirements and business needs.

Deployment pay and Extended Shift pay are not included in an employee's annual base salary for classification and pay purposes.

Deployment Pay

A deployed employee who has worked the entire shift (using no leave time) shall receive the deployment pay below:

Position Classification	Deployment Pay
Exempt	<ul style="list-style-type: none"> • \$225 for each business day plus regular base salary • \$250 for each weekend day or holiday plus regular base salary
Non-Exempt	<ul style="list-style-type: none"> • \$50 per day (business days, weekends or holidays) plus 1 ½ times the Adjusted Hourly Rate for time worked over (40) hours in a workweek (this is in addition to receiving the employee's Hourly Rate for each hour worked up to and including 40 in a workweek).

Deployed employees must include travel time to and from a Mobile Remote or Remote Location or an office location outside of an employee's assigned work location, or travel time from a hotel to the Mobile Remote or Remote Location and back as Extended Shift hours.

Extended Shift Pay

An employee who has worked the entire Extended Shift (using no leave time) shall receive the Extended Shift pay below:

Position Classification	Extended Shift Pay
Exempt	<ul style="list-style-type: none"> • \$150 for each business day plus regular base salary • \$175 for each weekend day or holiday plus regular base salary
Non-Exempt	<ul style="list-style-type: none"> • 1 ½ times the Adjusted Hourly Rate for time worked over (40) hours in a workweek (this is in addition to receiving the employee's Hourly Rate for each hour worked up to and including 40 in a workweek).

Procedures

Timekeeping Procedures for Exempt Employees

The employee must complete the Catastrophe Timesheet for Exempt Employees, sign the certification statement, and submit the Timesheet to the management employee overseeing the deployment site or the Extended Shift.

The management employee shall review the timesheet for accuracy and email approved timesheets to the CAT Pay Timesheets mailbox each pay period.

Timekeeping Procedures for Non-Exempt Employees

Deployed Employees

The employee must complete the Catastrophe Timesheet for Non-Exempt Employees, sign the certification statement, and submit the Timesheet to the management employee overseeing the deployment site or the Extended Shift.

The management employee shall review the timesheet for accuracy and email approved timesheets to the CAT Pay Timesheets mailbox each pay period.

Employees Working Extended Shifts

The employee shall use the TWIA/TFPA automated timekeeping system track all hours worked.

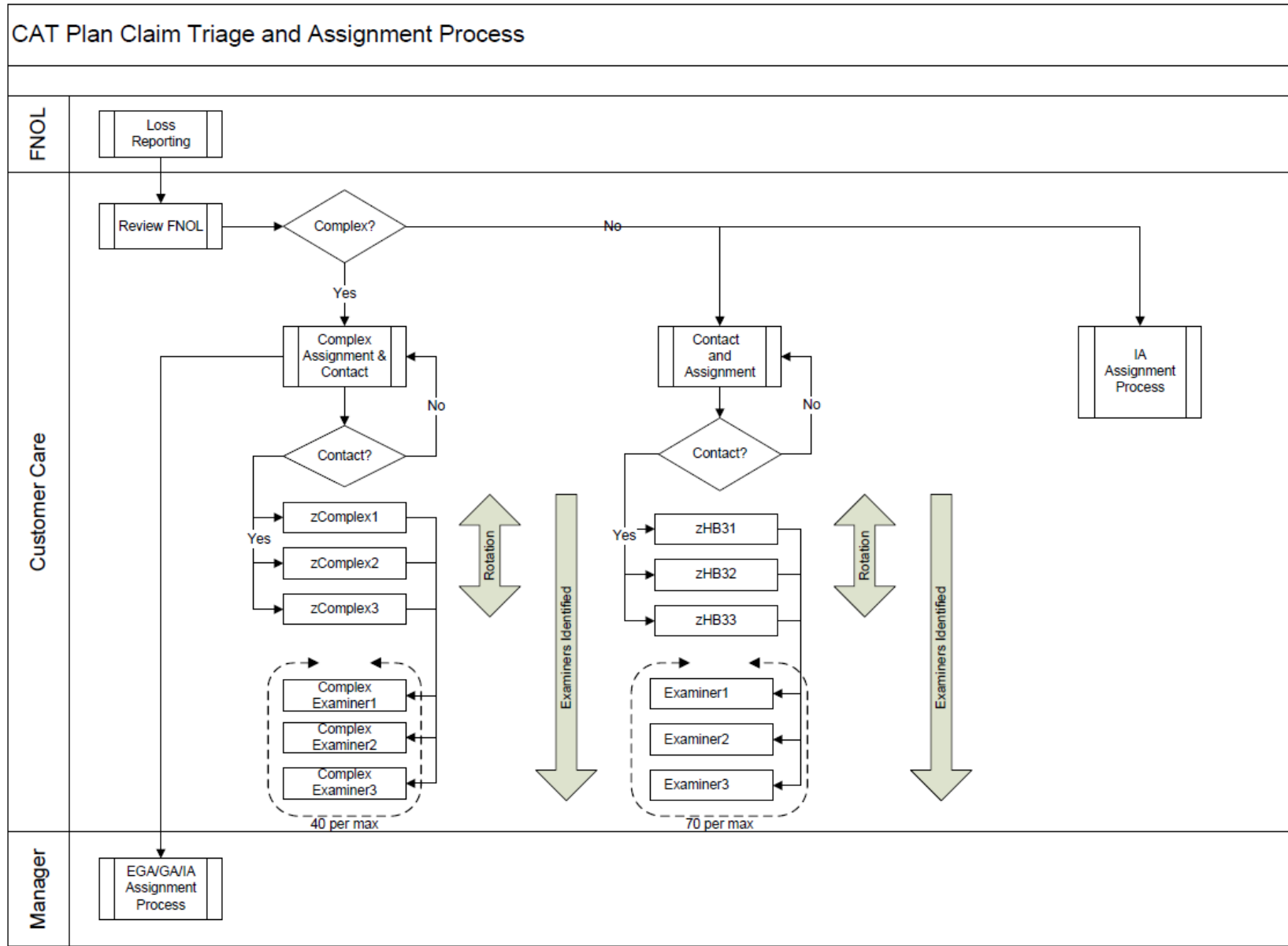
TWIA 1% Probability Event (1 in 100 year event)

Claims Resource Scalability Modeling Tool 2014 - TWIA 1% Probability Event (1 in 100 year event)												
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Managers	Customer Care	Quality Assurance	TOTAL	Field Re-Inspectors	Field Adjusters	Examiner - Claims Per Day	Adjuster - Claims Per Day	Examiners Per Manager
144,250	30	4,808	401	33	167	100	701	100	962	12	5	12
39,200	30	1,307	109	9	45	27	191	9	261	Required Customer Care Resources By Claim Volume		
10,550	30	352	29	2	6	5	43	2	70	>150	>300	>600
										1.50	2.50	5.00
										Required QA Resources By Claim Volume		
										>150	>300	>600
195,000	90		539	45	218	132	935	112	1,293	1.00	2.00	3.00

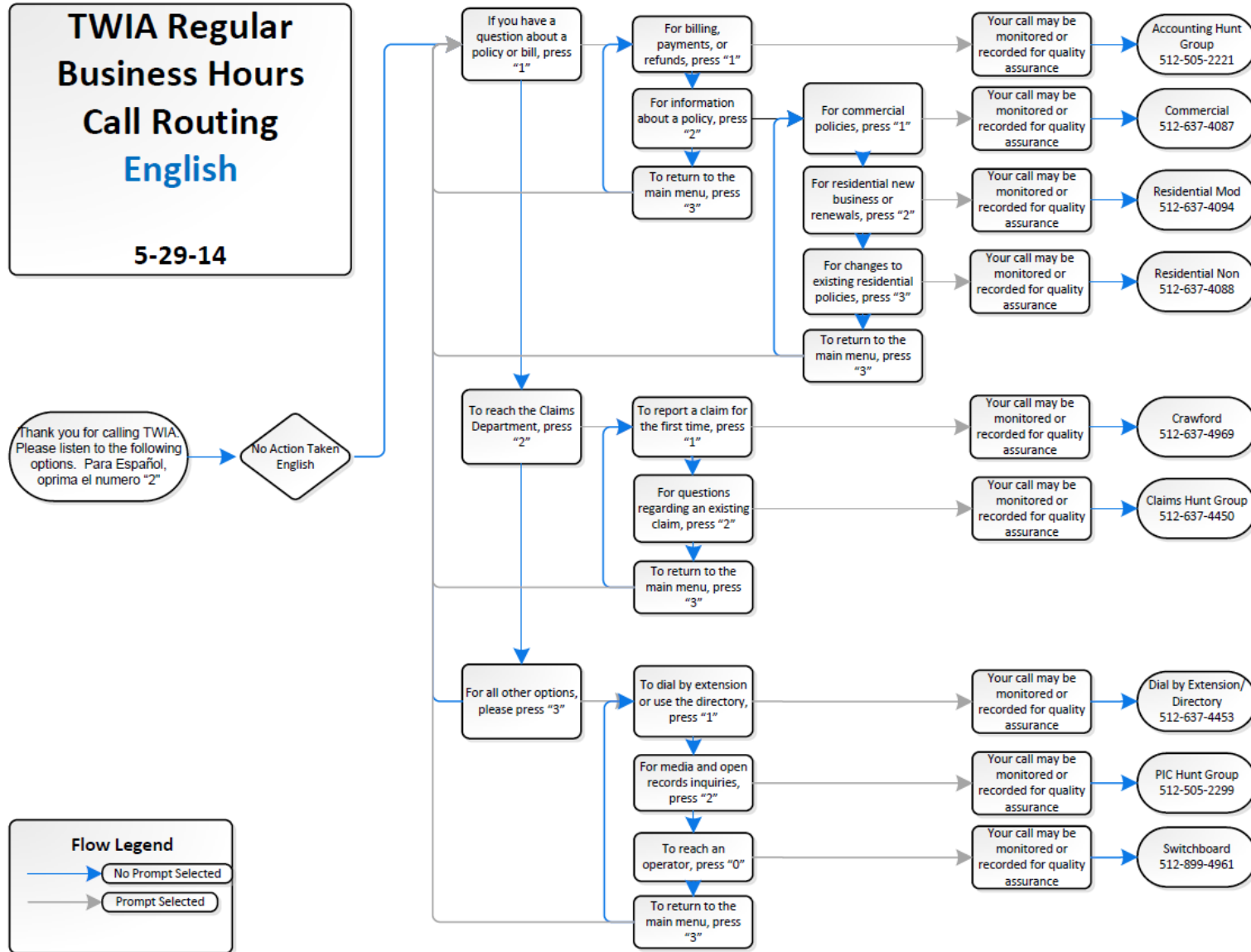
TFPA 1% Probability Event (1 in 100 year event)

Claims Resource Scalability Modeling Tool 2014 - TFPA 1% Probability Event (1 in 100 year event)												
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Managers	Customer Care	Quality Assurance	TOTAL	Field Re-Inspectors	Field Adjusters	Examiner - Claims Per Day	Adjuster - Claims Per Day	Examiners Per Manager
30,250	30	1,008	126	11	53	32	221	32	202	8	5	12
8,800	30	293	37	3	5	3	47	3	59	Required Customer Care Resources By Claim Volume		
2,950	30	98	12	1	0	1	14	1	20	>150	>300	>600
										1.50	2.50	5.00
										Required QA Resources By Claim Volume		
										>150	>300	>600
42,000	90		175	15	57	36	282	36	280	1.00	2.00	3.00

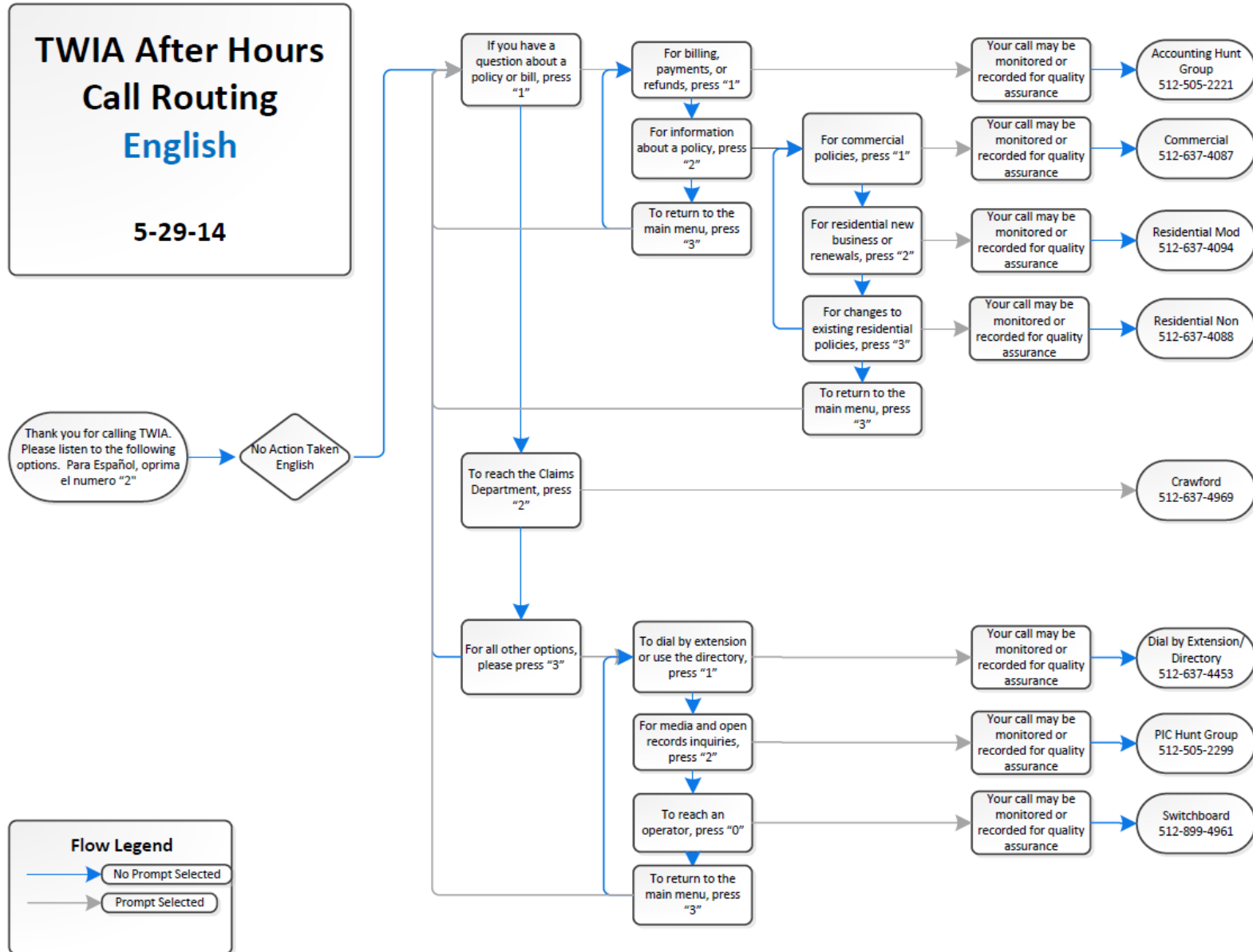
CAT Plan Claim Triage and Assignment Process



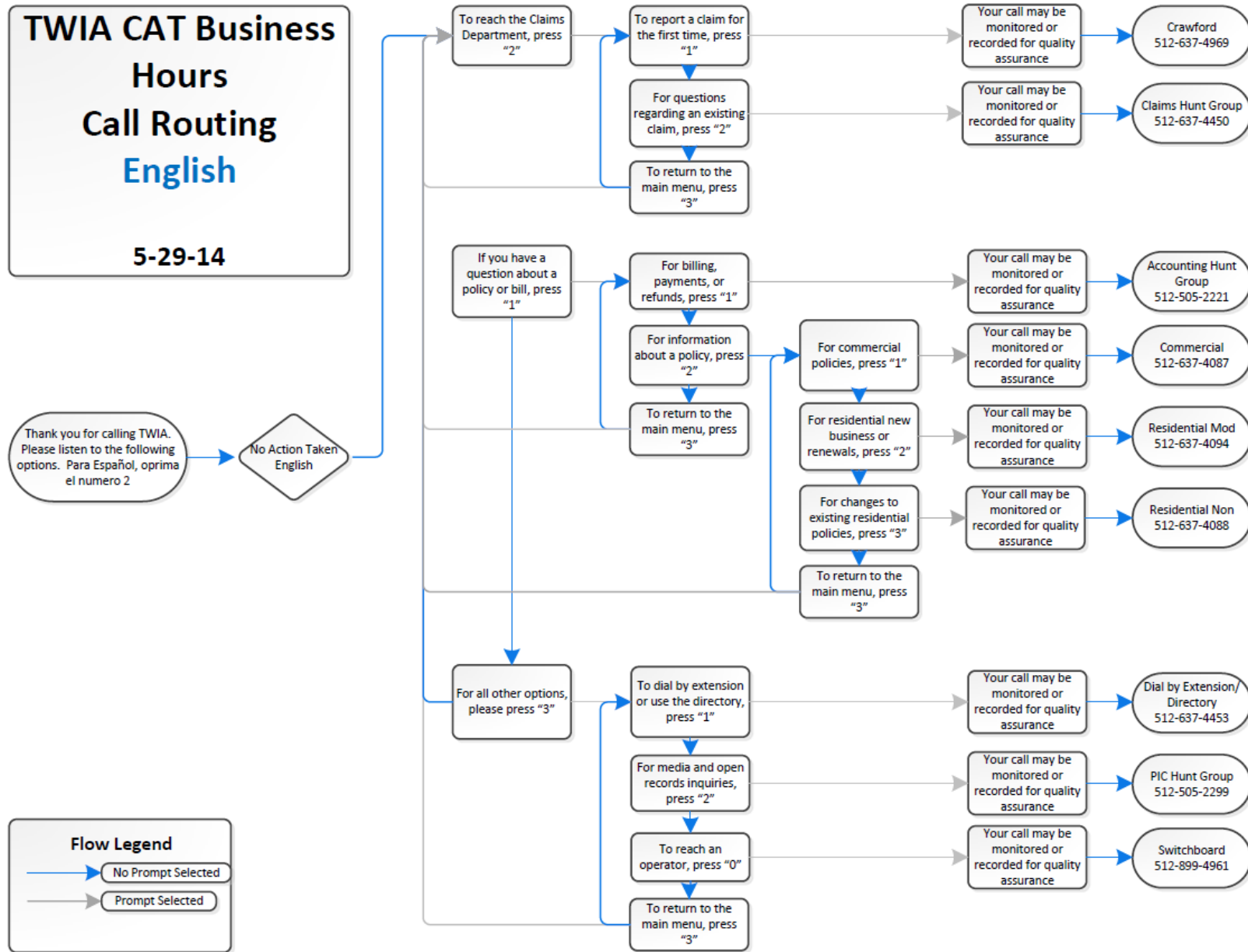
TWIA-TFPA Interactive Voice Response (1)



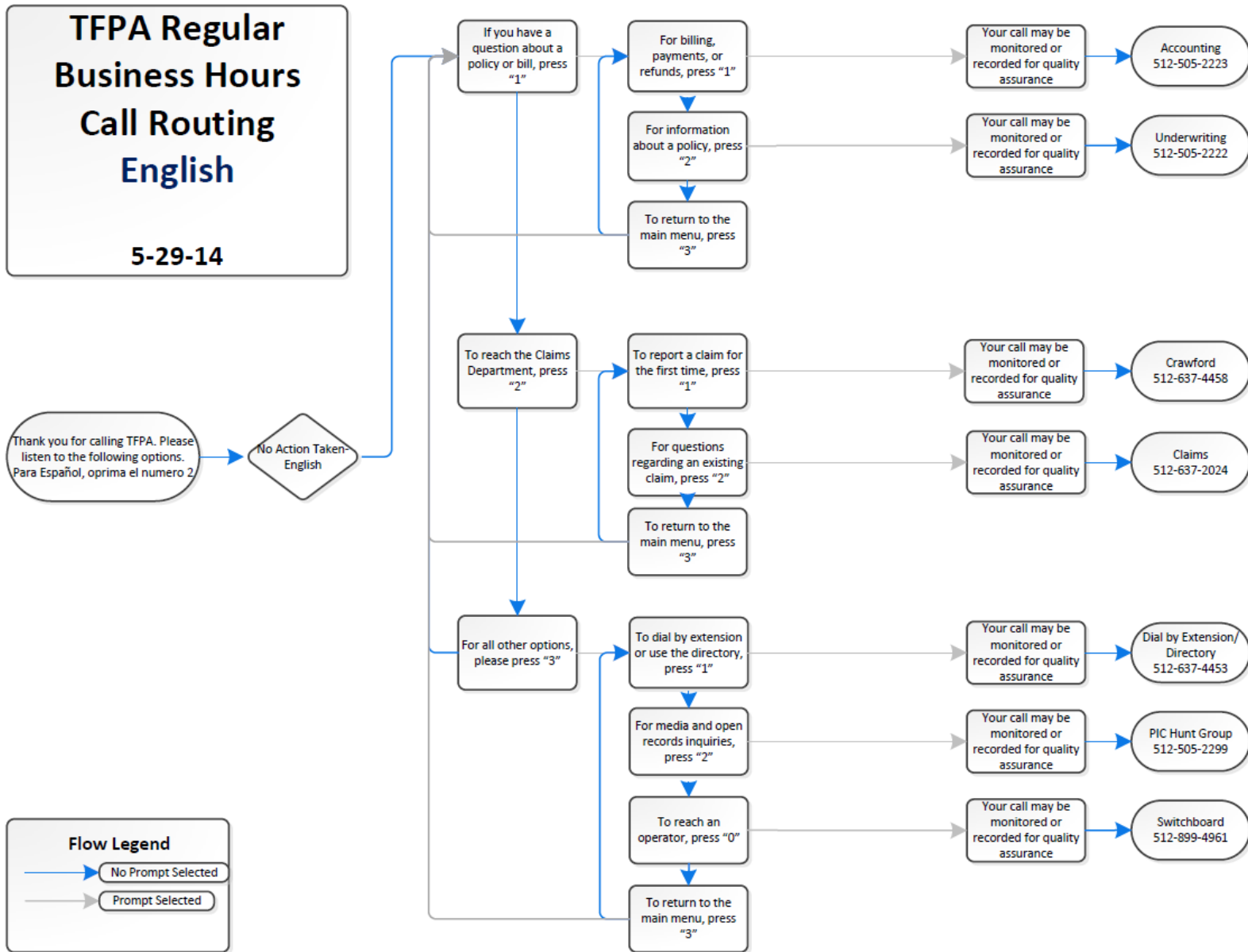
TWIA-TFPA Interactive Voice Response (2)



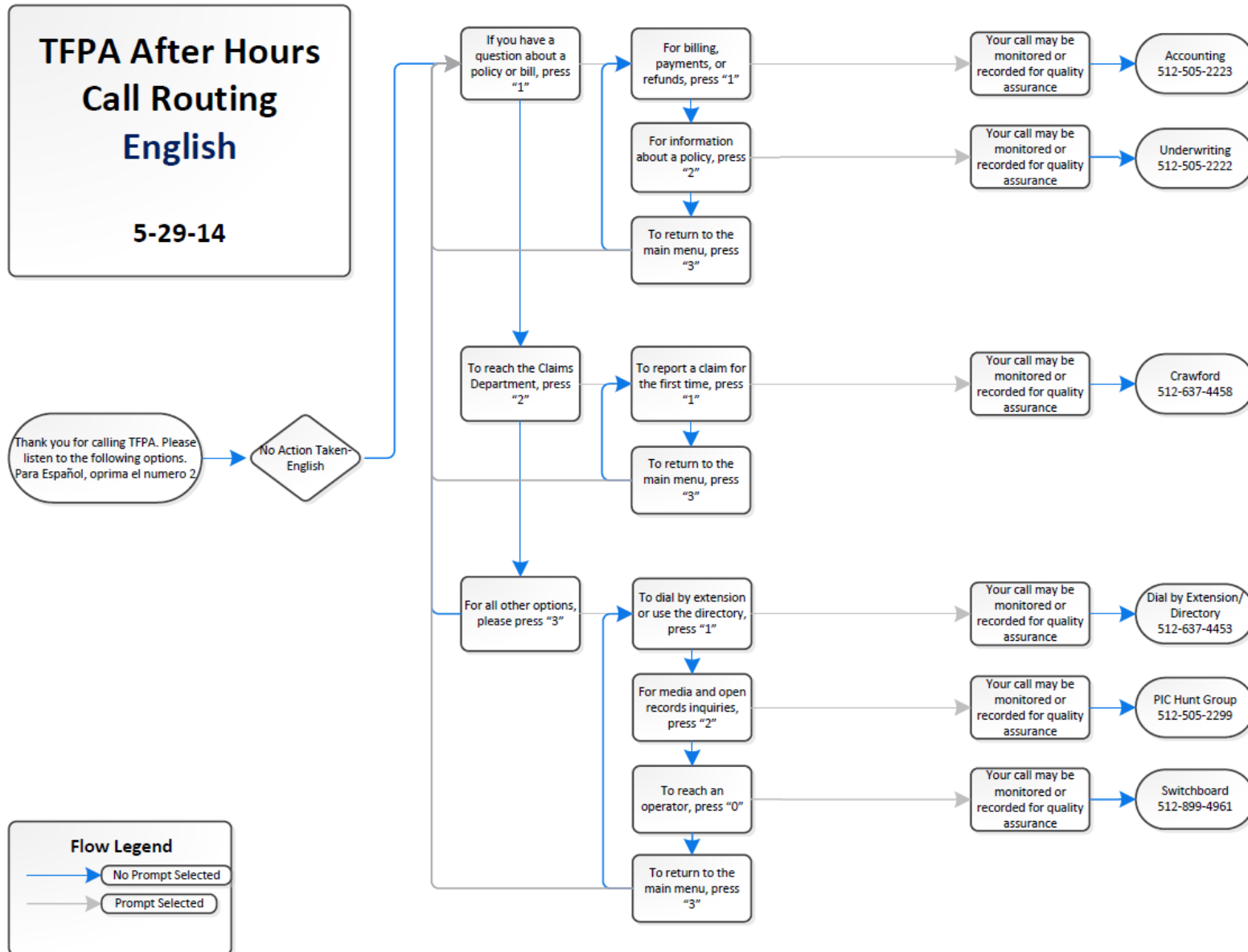
TWIA-TFPA Interactive Voice Response (3)



TWIA-TFPA Interactive Voice Response (5)



TWIA-TFPA Interactive Voice Response (6)



Vendor List 2014 (1)

Firm Name	Type of Firm	Firm Address	City, State Zip Code	Contact	Phone Number	Contact Email Address
Advanced Claims Concepts, Inc.	IA	201 Cox Creek Parkway South	Florence, Alabama 35630	Cliff Goodson	386-334-8467	cliff@acc-claims.com
Allcat Claims Service	IA	109 Enterprise Parkway, Suite 103	Boerne, Texas 78006	Sid Carr + Shirlynn Guterrez	210-544-4403	sid@allcatclaims.com
AMCAT (edinburgh group)	IA	616 South Coppell Road	Coppell, Texas 75019	Reagan Broussard + Linda Treadway	214-288-5821	rbroussard@amcatusa.com
ANL Adjusting Co., Inc.	IA	372 Hickory Hills Road	Minden, Louisiana 71055	Skip Land	6095043382	sland2238@aol.com
BrightClaim, Inc	IA	3850 Holcomb Bridge Road, Suite 410	Norcross, Georgia 30092	Howard Rogers	404-307-5305	howard.rogers@brightclaim.com
CAS	IA	17501 Dallas Parkway	Dallas, Texas 75287	Mitch Williams	9729344473	mwilliams@casclaims.com
Church & Company Adjusting, LLC	IA	12000 Aerospace Avenue Suite 110	Houston, Texas 77034	Jim Kreason	832-703-8583	jim.kreason@churchandcompany.com
CIS Alamo, LLC	IA	8200 IH 10 West, Suite 215	San Antonio, Texas 78230	Martin Newby + Lissette Hargrove	210-872-9133	mnewby@cisgroup.net
Claim Consultant Group, LLC	IA	700 Lavaca, Suite 1400	Austin, Texas 78701	Robert A. Crain	512-777-1503	info@claimconsultantgroup.com
Clear Point Claims	CE	13925 Ballantyne Corporate place Suite 190	Charlotte, North Carolina 28277	Michael J. Miller	704-414-8765	mike.miller@clearpointclaims.com
Crawford & Company	IA	1503 LBJ Freeway Suite 600	Dallas, Texas 75381	Terry Turon + Beverly Trice	713-821-0150	Terry_Turon@us.crawco.com
Cunningham Lindsey	IA	4201 Cypress Creek Pkwy., Ste. 255	Houston, Texas 77068	Randy Ordner	713-569-8771	rordner@cl-na.com
Eberl Claims Service	IA	7276 W. Mansfield Avenue	Lakewood, Colorado 80235	Rob Petrovics + Tommy Bunn	303-988-6286	rpetrovics@eberls.com
Fourseventy Claim Management	IA	PO Box 20247	Waco, Texas 76702	Robert Beller	254-405-5577	rob@470claims.com
Gentry	IA	1117-A Patricia Drive	San Antonio, Texas 78213	Marsh Gentry	2103132955	gentry@gentryclaims.com
Ideal Adjusting, Inc.	IA	11569 Highway 6 South, Suite 184	Sugarland, Texas 77498	Gary Webster	281-933-4332	gwebster@idealadjusting.com
Jones Consulting Group	IA	P.O. Box 1631	Sugarland, Texas 77478	Marshall Jones	832-693-8036	mjclaim@yahoo.com
Leading Edge Claims Service	IA	1704 Tennison Pkwy. Suite #110	Colleyville, Texas 76034	Jeff Baber + David Christopher	817-767-2108	jbaber@leadingedgeclaims.com
Mariposa Insurance Services, Ltd.	IA	6818 Providence Street	Whitehouse, Ohio 43571	Bob Khosropur	847-830-3072	bob.khosropur@mariposaltd.com

Vendor List 2014 (2)

Firm Name	Type of Firm	Firm Address	City, State Zip Code	Contact	Phone Number	Contact Email Address
Mason Catastrophe Claim Services, Inc.	IA	121 Pecan Street	Boerne, Texas 78006	Cody House + Zane Mason	800-974-6654	chouse@masonclaims.com
National Claims Adjusters, Inc.	IA	1201 6 th Avenue West, Suite 326	Bradenton, Florida 34205	David Lerulli	941-721-8480	dierulli@nclaimsadjusters.com
NCA Group	IA	9725 Windermere Blvd.	Fishers, Indiana 46037	Jim Pearl + Steve Perry	317-915-8888	jpearl@ncagr.com
Nomad Adjusting, LLC	IA	11625 Custer Road Suite 110 #303	Frisco, Texas 75035	Timothy Molony	832-689-8437	t.molony@nomadadjusting.com
Pacesetter Claims Service, Inc.	IA	2871 N. Highway 167	Catoosa, Oklahoma 74015	Barry Coleman	918-671-1204	bcoleman@pacesetterclaims.com
S & S Claims	CE			R. Kale Strickland	704-947-7722	kale@ssclaims.com
Schafer, Wood & Associates	IA	P.O. Box 2159	Denison, Texas 75021	Jim Foltz + Angie Schultz	251-978-0511	jim.foltz@schaferwood.com
Tailored Adjustment Services, Inc.	IA	1304 W. Walnut Hill Lane Suite 100	Irving, Texas 75038	James Buchanan	972-518-0165	jbuchanan@tailoredadjustment.com
The Littleton Group	IA	1250 S. Capital of Texas Highway, Bldg. 1, Suite 554	Austin, Texas 78746	Jeff Bode	5126004590	jbode@littleton-group.com
Trinity Claims Service, LLC	IA	403 Cooper Street	Rosser, Texas 75157	John Beasley	866-222-4701	john.beasley@trinclaims.com
TSI Adjusters, Inc.	IA	P.O. Box 320423	Tampa, Florida 33679	Rocky Rodriguez	813-363-1849	rocky@tsiadjusters.com
U.S. Adjusting Services	IA	4090 South Regent Street	Wichita Falls, Texas 76308	Jessica Hamilton + Mike Grammer	972-992-8160	jhamilton@usadustingservices.net
Wardlaw Claims Service LLP	IA	2725 Texas Central Parkway	Waco, Texas 76712	Michael Wardlaw + Ray Hickok	254-498-6205	mike@wardlawclaims.com
Catastrophe Response Unit	IA	248 Torresdale Ave.	Toronto, ON M2r 3E8	Steven Steckler	403-607-2752	ssteckler@cradjusters.com
G & G Insurance Adjusters, Inc.	CE	200 S. Andrews Ave., Ste. 603	Ft. Lauderdale, Florida 33301	Raul Gallon + Maribel Casanas	954-783-1008	rgallon@ggadjusters.com + mcasanas@ggadjusters.com
Insurance Recruiting Specialists	CE	15685 N. Cave Creek Road, Ste. 200	Phoenix, Arizona 85032	Carla Ramos	866-620-1301	carla@thebestirs.com
One Call Claims	CE	3122 E. Acoma Drive	Phoenix, Arizona 85032	Kristi Smoot	480-499-5882	kristi@onecallclaims.com
Professional Claims Adjusting Resources	IA	P. O. Box 104	Minden, Louisiana 71058	Lenny St. Germain	985-234-0443	pcar.resources@gmail.com
Risk Analytics Group	CE	1095 Evergreen Circle, Ste. 200	The Woodlands, Texas 77380	John Howell	281-407-0210	info@riskanalyticgroup.com
RJMW	CE	2200 Executive Street	Charlotte, North Carolina 28208	Mary Anne Beaty	704-537-0012	maryanne.beaty@rjmw.com
United Catastrophe Group, LLC	CE	4818 Slide Rock Ct.	Mansfield, Texas 76063	Lorenzo Jackson	214-883-3313	lorenzo@paaian.com
SDII Global Corporation	Eng	4509 George Rd	Tampa, FL 33634	Jeremy Mele	813-239-4463	

Vendor List 2014 (3)

Firm Name	Type of Firm	Firm Address	City, State Zip Code	Contact	Phone Number	Contact Email Address
Brown Consulting Services	Eng	3505 Olsen Blvd., Suite #110	Amarillo, TX 79109	Travis P. Brown	806-354-0141	al@brownfirst.com
BSC Forensic Services, LLC	Eng	24200 Southwest Freeway, Suite #402-257	Rosenberg, Texas 77471	Jarold Burns	713.828.5829	jburns@bscforensics.com
Donan Engineering	Eng	2201 double creek drive, suite 3003	Round rock, tx 78664	Brandon Wisonart	512-230-2337	bwhisonant@donan.com
G&A Engineering Consultants	Eng	2591 Dallas parkway, Suite 300	Frisco Tx 75034	John D. Garner, P.E., Pres,	972-377-0033	gaengconsultants@yahoo.com
Green Engineering Consulting	Eng	6306 Oakburl Ln	Sugar Land, TX 77479	Eric C. Green, P.E.	281-513-7868	eric@ericgreenpe.com
Haag Engineering	Eng	4949 W. Royal Lane	Irving, TX 75063 USA	Dustin Childress	800-527-0168	DChildress@HaagGlobal.com
Halliwell Engineering	Eng	1400 Preston Road Suite 400	Plano TX 75093	Jack Halliwell	972-665-9860	jhalliwell@heainc.com
Project Time and Cost	Eng	1718 Fry Road Suite 133	Houston, Texas 77084	Niacole Borecki	281-387-3736	niacole.borecki@ptcforensics.com
ProNet Group, Inc.	Eng	18383 Preston Road Suite 201	Dallas, Texas 75252	Shawn Shoop	281 202 3133	sshoop@pronetgroup.com
Rimkus Consulting Group, Inc.	Eng	8 Greenway Plaza, Suite 500	Houston, tx 77046	Micheal Wiseman	713-417-4474	www.rimkus.com
Teal Forensics	Eng	1141 N Loop 1604 E #105-628	San Antonio, Texas 78232	Jeff Foster	855 411 8325	jfoster@tealforensics.com
Construction Consulting Associates	Eng	10 Mall Rd Suite 50	Burlington, MA 01803	Kenneth Quigley	781-710-3033	kquigley@ccaco.com
MayMar Engineering	Eng	5752 Bellaine Dr	New Orleans, LA 70214	Mubashir Maqbool	504-415-7105	muby62@yahoo.com
Nelson Forensics	Eng	2740 Dallas Parkway 220	Plano TX 75093	Belinda Rueffer	214-728-0113	brueffer@nelsonforensics.com
Insight Engineering	Eng	1100 Nasa Parkway Suite 401	Houston, Tx 77058	Mark Kubena	713-202-0326	insightengineering@yahoo.com
Guardian group	Eng	10945 Estate Lane Suite E100	Dallas ,Tx 75238	Mark Stein	972-330-2950	Mark.stein@Gaurdiangroup.com
CTL	Eng	5400 Old Orchard Road	Skokie, IL	Nate Welsh	847-972-3124	welsh.nm@gmail.com
Unified Building Sciences	Eng	209 E Greenbriar Ln	Dallas, Tx 75203	Brett Lochridge	214-942-0385	Brett@unifiedgroup.com
Nelson Engineering	Eng	700 Lavaca St	Austin, TX 78701	Steven Nelson	512-482-9112	snelson33@austin.rr.com
Cecil Parker Const. Company	BC	437 Poenisch	Corpus Christi, TX 78412	Cecil Parker	361-537-8860	cdparker11@yahoo.com
Grecco Const. Consultants	BC	2446 Regents Walk	Germantown, TN 38138	Khaun McCormick	254-366-0410	khaun@greccoonline.com
JS Held Const. Consulting	BC	25528 Aldine Westfield, Suite 136	Spring, TX 77373	Steve Hardgrave	713-818-3751	shardgrave@jsheld.com
Project Time and Cost	BC	1718 Fry Road Suite 133	Houston, Texas 77084	Niacole Borecki	281-387-3736	niacole.borecki@ptcforensics.com
Trimark Catastrophe Services	BC	605 Commerce St, Suite 204	Wylie, TX 75098	Gail Wylie	800-815-1134	gail.trimark@msn.com
Rentsys	Mobile office	200 Quality Cir	College Station, TX 77845	Toby Sledge	979-219-1792	toby.sledge@rentsysrecovery.com

Hurricane Ad - English



SECURE YOUR PROPERTY

- ❑ At least once a year, take an inventory of your property. Consider recording a video "tour" of your belongings. Keep all property records in a location away from your home.
- ❑ Protect your home by keeping up with general maintenance. Keeping your roof in good condition and your foundation sound can go a long way to preventing wind and water damage.
- ❑ You may be able to lessen hurricane damage to your home by making some simple structural upgrades. Check with your insurance agent to learn more.

CHECK YOUR INSURANCE

- ❑ Be sure you have BOTH flood and windstorm insurance coverage. Flood insurance does not cover wind damage, and windstorm insurance does not cover flood/storm surge damage.
- ❑ Insure your property for what it will cost to REPLACE rather than basing coverage on current value.
- ❑ Schedule an insurance "check-up" with your agent at least once a year, well ahead of hurricane season.
- ❑ If changes to your insurance coverage are needed, plan ahead. It may be too late to make changes if a hurricane is actually in the Gulf.

REPORTING A CLAIM

- ❑ Be sure you know how to initiate an insurance claim. For fastest service, call TWIA 24/7/365 to report a claim:
1-800-788-8247
- ❑ Read your insurance policies and know what is covered and not covered. If you are not sure, discuss with your agent.
- ❑ Make any minor temporary repairs to protect your property from further loss, keeping receipts for any work completed. You should not begin making permanent repairs until a TWIA-assigned adjuster has contacted you and inspected your property.

TWIA IS HERE TO HELP

To obtain a copy of the TWIA Guide for Policyholders, please visit our website at www.twia.org. Click on the "Policyholders" tab, and then click on the "TWIA Brochure" link.

Protect your home and your family.
Now is the time to prepare.



Hurricane Ad - Spanish

Llegó la temporada de huracanes.

¿ESTÁ USTED PREPARADO?

ASEGURE SU PROPIEDAD

- Al menos una vez al año, haga un inventario de su propiedad. Considere grabar un video recorriendo todas sus pertenencias. Guarde todos los registros de la propiedad en un lugar lejos de su casa.
- Proteja su casa haciendo el mantenimiento general. Si mantiene el techo en buenas condiciones y sus cimientos firmes puede ayudar mucho a prevenir los daños del viento y las inundaciones.
- Puede aminorar el daño a su casa por un huracán llevando a cabo simples mejoras estructurales. Infórmese con su agente de seguros sobre esto.

REVISE SU PÓLIZA DE SEGURO

- Cerciórese de que tiene AMBAS coberturas: seguro de inundación y seguro por vientos huracanados. El seguro de inundación no cubre daños por el viento, y el seguro contra vientos huracanados no cubre daños ni de inundación ni de marejadas.
- Asegure su propiedad por el costo de reemplazar la propiedad dañada y no basándose en una cobertura por el precio del valor de la propiedad en el mercado. Una cobertura insuficiente podría reducir los pagos de su reclamo. Si no está seguro de si tiene seguro suficiente para cubrir los costos de reemplazar su propiedad, cheque con su agente de seguros hoy mismo.
- Haga una cita con su agente para revisar su póliza de seguro al menos una vez al año.
- Si necesita hacer cambios a su cobertura de seguro, hágalo ahora mismo. Podría ser demasiado tarde tratar de hacer cambios si ya hay un huracán presente en el Golfo de México.

AL REPORTAR UNA RECLAMACIÓN

- Cerciórese de que sabe como iniciar un reclamo a su seguro. Para recibir un servicio más rápido, llame a TWIA las 24 horas y 365 días al año para reportar un reclamo:
1-800-788-8247
- Lea las pólizas de seguros y sepa lo que cubren y lo que no cubren. Si tiene dudas, hable de esto con su agente de seguros.
- Haga cualquier reparación menor temporal para proteger su propiedad de mayor daño y conserve las facturas de cualquier labor completada. No debe empezar a hacer reparaciones permanentes hasta que un ajustador asignado por TWIA se haya puesto en contacto con usted y haya inspeccionado su propiedad.

TWIA ESTÁ AQUÍ PARA AYUDARLE

Para obtener una copia de la Guía de TWIA para el asegurado, visite nuestro sitio web en www.twia.org. Haga clic en "Policyholders" y luego haga clic en el enlace de "TWIA Brochure."

Proteja su casa y a su familia.
Ahora es el momento de prepararse.



Special Investigations Unit (SIU) Services

"THE Professional Investigative Services Leader"™



800-654-2185
www.VRCinvestigations.com

VRC is a professional investigative services provider that specializes in all aspects of insurance defense investigations. Through our core values of Truthfulness, Accuracy, and Integrity we are dedicated to providing you with the finest service, partnership, and value in the fight against insurance fraud.



SIU SPECIAL SERVICES



SPECIAL SERVICES

- SIU (Anti-Fraud) Program
- Hospital/Medical Canvasses
- Comprehensive Database Services
- State Compliance
- Vendor Management
- Due Diligence

Mandatory Referral to SIU

- 1) Fire
- 2) Theft
- 3) Vandalism & Malicious Mischief
- 4) Liability – Bodily Injury & Property Damage
- 5) Any loss > \$25,000 Total Incurred
- 6) Suspicion that information submitted is false, altered or contains a forged signature
- 7) First edition policy or coverage amount increased shortly before loss reported
- 8) Loss reported more than 6 months from date of loss
- 9) Insured retains attorney or public adjuster after loss or prior to reporting loss
- 10) Field adjuster suspects mechanical damage
- 11) Claim reported following underwriting activity, especially if it's a cancellation notice

- 6) Individual is overly pushy, aggressive or demanding for a quick and/or reduced settlement
- 7) Owner cannot provide documentation confirming prior damage has been repaired
- 8) Actual ownership of property was transferred before date of loss
- 9) Evidence a recent quit claim deed was executed on the subject property
- 10) One neighborhood with several homeowners being solicited by the same roofer
- 11) Individual indicates distress over prospect of an examination under oath
- 12) Investigation reveals absence of family photographs, heirlooms, pets or items of sentimental value
- 13) Items claimed cannot physically fit in existing floor space
- 14) Recent change in family structure (divorce) or financial condition (bankruptcy, history of late payments, unemployment)
- 15) Losses include numerous appraised items, items of scheduled property, a large amount of cash, or family heirlooms
- 16) Loss amounts reported to the police and or fire department are inconsistent with the amount listed in the proof of loss or claim forms
- 17) Receipts are from businesses that are no longer active or we cannot determine if the businesses were ever active

CLAIMS SERVICES

- Recorded Statements
- AOE/COE
- Subrogation Investigations
- Accident/Site Investigations
- Property Loss Verification
- Public Records Check
- Video Job Analysis

Recommended Referral or Reasons to Update SIU

- 1) Premises are over-insured
- 2) Insured has previous or similar loss history
- 3) Property was under renovation or in poor condition at the time of loss
- 4) On storm-related perils, insured property is located outside of area of known storm activity
- 5) Individual provides altered documents

SURVEILLANCE

- Video Surveillance
- Activity Checks
- Widow/Wellness/Disability Checks

Jim Irving
TWIA/TFPA SIU
(940) 240-5029
Ext. 108

Bill Randall
Assisant Vice President
(940) 240-5029
Ext. 139

Rob Hughey
Director
(940) 240-5029
Ext. 152

Dave Stacey
Vice President
(940) 240-5029
Ext. 105

SIU CONTACTS