

Annual Report Card



John W. Polak, CPCU

May 31, 2013

May 31, 2013

The Honorable Rick Perry
Governor

The Honorable David Dewhurst
Lieutenant Governor

The Honorable Joe Straus
Speaker, Texas House of Representatives

The Honorable John Carona
Co-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 will focus on those changes directly related to the objectives.

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

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Polak".

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 (“HB 3”), modifying various aspects of the operations of the Texas Windstorm Insurance Association (“TWIA”). Amendments to Tex. Ins. Code, Section 2210.107 directed TWIA to report bi-monthly to the TWIA Board of Directors and report annually (“Report Card”) to the commissioner, the legislative oversight board, the governor, the lieutenant governor, and the speaker of the house of representatives to the extent that 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 has been developed to satisfy 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.

Introduction

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 HB 3 in 2011.

HB 3 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.

Additionally, TWIA has undergone more than ten audits and examinations in recent years with varying areas of concentration, including three examinations by the Texas Department of Insurance; 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, created action plans to track and report the Association's progress in addressing the recommendations of each review, and continues to implement and monitor the progress of each plan. TWIA has also identified areas of improvement outside of audit observations and continuously improves processes and procedures necessary to bring the Association into compliance with statutory guidelines and industry best-practices.

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.

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.

In particular, 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 has conducted policyholder surveys after recent events with very positive results.

In addition, TWIA-controllable expenses were below budget in 2011 and 2012. TWIA expenses compare favorably both to the insurance industry as a whole and to other state residual market plans.

The State Auditor's Office completed an audit of TWIA in 2012. Their final report recognized 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.

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.

The TWIA Board of Directors (“Board”), at its August 7, 2012 quarterly meeting, directed the Legislative/External Affairs Committee (“Committee”) to develop potential recommendations regarding Item 1 above for the Board’s consideration. The legislative proposals developed by the Committee were recommended to the Board on December 4, 2012. The approved recommendations were included in the biennial report to the Legislature (“Biennial Report” or “Report”) on December 28, 2012. The Biennial Report included a summary of the improvement activities undertaken by TWIA in response to the passage of House Bill 3 by the 82nd Legislature, 1st Called Special Session (“HB 3”) and in response to Administrative Oversight by the Texas Department of Insurance (“TDI”). The Report also contained two studies required by HB 3 regarding: 1) use of a single adjuster program; and 2) the feasibility of TWIA writing policies directly. [Reports of these studies were independent of the Board’s recommendations, were not reviewed by the Board in the development of the Biennial Report, and in accordance with HB 3 were included without comment as an addition to the Board’s Report.]

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 House Bill 3 and to further

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

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 A)

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. In order to adhere to both the letter and spirit of the law, as well as to avoid even the appearance of improprieties, the revised Ethics Policy mirrors the Insurance Code provisions.

TWIA implemented the following initiatives to support a comprehensive Ethics Policy and create a culture that stresses ethical behavior from the top down:

- (1) All Board members, employees, and contractors are required to complete an Annual Certification acknowledging review of the Ethics Policy and agreeing to adhere to its terms. In April 2013, TWIA implemented online annual certification for employees through the Association's current payroll software provider.
- (2) At the onset of employment or at first discovery, certain business and personal relationships must be disclosed to the Association's General Manager. Extra controls were implemented in the Claims Department to ensure Claims Examiners did not issue payments to former employers.
- (3) 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.
- (4) 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 policy and procedural documents.
- (5) All new employees receive ethics training. TWIA is currently exploring opportunities to provide this training as an online module, which will facilitate required training through vendors that provide contractors and field personnel in the event of catastrophe deployment.
- (6) The Association has 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.

	12/31/10	12/31/11	12/31/12	4/30/13
Reports Filed with TDI Fraud	6	32	35	3
Reports Filed with TDI Enforcement	5	7	24	3

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 quarterly to discuss ongoing cases, trends and issues.

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 no reports.

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.” A summary of each department's resulting initiatives follows:

- The final SAO report included ten recommendations for the Claims Department, five of which related specifically to the Quality Assurance program. The Claims Department completed 100% of the initiatives within three months of the issuance of the final report.
- The Finance Department implemented corrective measures for the three recommendations cited by SAO and completed 100% of the assigned action items by 12/31/2012.
- As of 9/30/2012, the Legal & Compliance Department completed 100% of the action items related to the four applicable SAO observations.
- The IT Department has combined the implementation plans for the SAO findings with the action items developed from the detailed KPMG audit completed in 2012. The action items developed specifically in response to SAO are near 80% complete. Of the three outstanding actions, two are scheduled for completion by the end of June 2013, and the final items will be complete upon the scheduled implementation of TWIA's new Policy Center, by December 31, 2013.

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 and 5/31/2013 and the status of the Association-wide implementation plan on 2/1/2013.

Annual Statement

Section 2210.054 requires TWIA to file annually with the Department 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 2012 Annual Statement to TDI on March 1, 2013. 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 2012 compared to April 30, 2013. 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-13	December-12
Admitted Assets		
Cash and short term investments	\$ 443,453	\$ 427,855
Premiums receivable & other	890	491
Amounts recoverable from reinsurers	-	291
Total admitted assets	\$ 444,342	\$ 428,636
Liabilities, Surplus and other funds		
Liabilities:		
Loss and Loss adjustment expenses	\$ 386,389	\$ 378,717
Underwriting expenses payable	9,825	9,328
Unearned premiums, net of ceded unearned premiums	194,770	173,461
Ceded reinsurance premiums payable	-	25,449
Bonds & Interest Payable - Bond Anticipation Notes	-	-
Provision for reinsurance	9,993	11,018
Other payables	23,497	13,644
Statutory fund payable	-	-
Total liabilities	624,474	611,615
Surplus and others funds		
Unassigned surplus (deficit)	(180,132)	(182,979)
Total liabilities, surplus and other funds	\$ 444,342	\$ 428,636
Balance in CRTF	\$ 180,644	\$ 178,902

TEXAS WINDSTORM INSURANCE ASSOCIATION			
Statutory Income Statement (000's omitted)			
	for the four months ended April 30,		
	Actuals - 2013	Budget - 2013	Variance - 2013
Direct Premiums Written:	131,052	134,470	(3,418)
Premiums Earned:			
Direct	\$ 145,878	\$ 148,559	\$ (2,681)
Ceded	(36,135)	(36,000)	(135)
Net	109,743	112,559	(2,816)
Deductions:			
Direct Losses and LAE Incurred	75,054	35,654	39,400
Ceded Losses and LAE Incurred	0	0	0
Operating Expenses	7,836	8,775	(939)
Commission Expense	20,990	21,515	(525)
Ceding commissions / brokerage	0	0	0
Premium / Maintenance Tax	2,507	2,621	(114)
Total Deductions	106,388	68,566	37,822
Net Underwriting Gain or (Loss)	3,355	43,993	(40,639)
Other Income or (Expense):			
Gross Investment Income	419	318	101
Interest Expense on BAN	0	(1,042)	1,042
BAN Issuance & Other Investment Expenses	(170)	(165)	(5)
Other Income (Expense)	6	0	6
Loss on Defeasance of BAN	0	0	0
Total Other Income or (Expense)	256	(889)	1,145
Net Income (Loss)	\$ 3,611	\$ 43,104	\$ (39,494)
Surplus (Deficit) Account:			
Beginning Surplus (Deficit)	(182,979)	0	(182,979)
Net Income (Loss)	3,611	43,104	(39,494)
Change in Provision for Reinsurance	1,024	0	1,024
Change in nonadmitted assets & deferred taxes	(1,788)	(3,621)	1,833
Other	0	0	0
Statutory Fund Cost	0	(39,483)	39,483
Ending Surplus (Deficit)	\$ (180,132)	\$ -	\$ (180,132)
Key Operating Ratios:			
Direct:			
Loss & LAE Ratio	51.4%	24.0%	27.4%
UW Expense Ratio:			
Acquisition	17.9%	17.9%	0.0%
Non Acquisition	5.4%	5.9%	-0.5%
UW Expense Ratio	23.3%	23.9%	-0.6%
Combined Ratio	74.8%	47.9%	26.9%
Net:			
Loss & LAE Ratio	68.4%	31.7%	36.7%
UW Expense Ratio:			
Acquisition	21.6%	21.2%	0.3%
Non Acquisition	7.1%	7.8%	-0.7%
UW Expense Ratio	28.7%	29.0%	-0.3%
Combined Ratio	97.1%	60.7%	36.4%

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.”

On January 31, 2013, TWIA posted the required listing on the Association’s website (www.twia.org) under the Compensation heading of the House Bill 3 tab.

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 2012, the commissioner of insurance named one new public member of the Board. Mr. Gene Seaman was named to the Board of Directors on June 26, 2012, as a first tier coastal county resident representative member. Also in 2012, Ms. Alice Gannon was reappointed to the Board, serving as an insurance industry representative member. Additional reappointments made in March 2013 include: Mr. Richard Craig, serving as a non-seacoast territory representative member; Mr. Steven Elbert, serving as a first tier coastal county resident representative member and agent; Mr. William Franklin, serving as a non-voting engineer representative member; and Mr. Michael Gerik, serving as an insurance industry representative member.

All Board positions are currently filled. The membership of the Board of Directors is:

Name	Position
Richard Clifton Craig	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
Alice H. Gannon, <i>Secretary/Treasurer</i>	Member of the Insurance Industry
Michael Gerik, <i>Chairman</i>	Member of the Insurance Industry
Ron Lawson	Member of the Insurance Industry
Georgia R. Neblett, <i>Vice 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 the Department 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 3, 2013 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
08/07/2012	Quarterly Meeting	Galveston	Yes
09/19/2012	Legislative/External Affairs Committee Meeting	Austin	Yes
10/23/2012	Legislative/External Affairs Committee Meeting	Austin	Yes
11/29/2012	Legislative/External Affairs Committee Meeting	Austin	Yes
12/04/2012	Quarterly Board Meeting	Corpus Christi	Yes
02/19/2013	Quarterly Board Meeting	Austin	Yes
03/21/2013	Actuarial/Underwriting Committee Meeting	Austin	Yes
03/25/2013	Board Meeting	Austin	Yes
05/03/2013	Board Meeting	Austin	Yes
05/08/2013	Legislative/External Affairs Committee Meeting	Austin	Yes

Primary Board Objectives Reports

Section 2210.107, in addition to this annual report, requires the Association to report every two months to its Board of Directors 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
06/01/2012	2012 Annual Report Card	Yes
07/31/2012	May/June 2012 Report Card	Yes
09/30/2012	July/August 2012 Report Card	Yes
11/30/2012	September/October 2012 Report Card	Yes
01/31/2013	November/December 2012 Report Card	Yes
03/31/2013	January/February 2013 Report Card	Yes
05/31/2013	2013 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 2010, 2011, 2012, and year to date 2013.

	As of 12/31			2013 As of Month End				
	2010	2011	2012	1/31	2/28	3/31	4/30	YTD
Total Requests Received	74	108	182	10	31	25	21	87
Number of Requests Withdrawn	2	7	16	0	2	5	1	8
Number of OAG Rulings Requested	16	10	20	2	5	10	1	18
% of Requests sent to OAG	21.6%	9.3%	11.0%	20%	16.67%	15%	4.8%	20.7%

As illustrated in the table above, requests increased 45.9% from 2010 to 2011 and an additional 68.5% from 2011 to 2012. Based on the volume of requests received in the first four months of 2013, public information requests are on pace for 100% 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.

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 4/30/12	As of 4/30/13	Change from Prior Year
Mobile Home	821	886	7.92%
Residential	245,420	251,867	2.63%
Commercial	13,305	13,099	-1.55%
Totals	259,546	265,852	2.43%

DIRECT LIABILITY

Policy Type	As of 4/30/12	As of 4/30/13	Change from Prior Year
Mobile Home	\$38,140,143	\$41,754,188	9.48%
Residential	\$59,325,981,890	\$61,748,479,192	4.08%
Commercial	\$12,796,552,516	\$12,893,270,927	0.76%
Totals	\$72,160,674,549	\$74,683,504,307	3.50%

WRITTEN PREMIUMS (YTD)

Policy Type	As of 4/30/12	As of 4/30/13	Change from Prior Year
Mobile Home	\$250,162	\$258,721	3.42%
Residential	\$92,687,790	\$98,026,201	5.76%
Commercial	\$32,485,632	\$32,029,278	-1.40%
Totals	\$125,423,584	\$130,314,200	3.90%

Compliance with Building Codes

Sections 2210.251, 2210.258 - .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. A residential structure that has not been certified in compliance may still be insured if the Department issues an alternative certification (WPI-12) after an inspector determines that at least one qualifying structural building component is in compliance with applicable building code standards. The following tables show the number of TWIA policies currently in-force as of April 30, 2013 under the various compliance standards and the total surcharge amounts deposited into the CRTF each year, through April 30, 2013:

Compliance Standard	Policies In-Force	Year	Surcharges
Certificate of Compliance (WPI-8)	224,848	2011	\$6,675,047
Approval Process	31,222	2012	\$7,408,157
Alternative Certification (WPI-12)	9,782	2013	\$1,702,966

The 83rd Texas Legislature enacted Senate Bill 1702, which amends the surcharge program for non-compliant structures and repeals 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 the Texas Department of Insurance a proposed manual rate for all types and classes of risks written by the Association. On August 15, 2012, 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, 2013.

In its August 2012 rate filing, TWIA had indicated rate needs as follows:

Rate Component	TWIA Rate Indications	
	Residential	Commercial
(1) Non-Hurricane Loss & LAE Ratio	9.7%	8.1%
(2) Hurricane Loss & LAE Ratio		
Experience	40.2%	52.8%
Modeled	54.0%	53.3%
Combined	47.1%	53.1%
(3) Net Cost of Reinsurance	18.3%	18.3%
(4) Other Fixed Expenses	4.3%	4.3%
Total Indicated Loss & LAE Ratio	79.4%	83.8%
(5) Contribution to CRTF	20.0%	20.0%
(6) Other Variable Expenses	17.8%	17.8%
Variable Permissible LLAE Ratio	62.2%	62.2%
Indicated Rate Change	+28%	+35%
Filed Rate Change	+5%	+5%
Remaining Indicated Rate Change	+22%	+29%

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 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

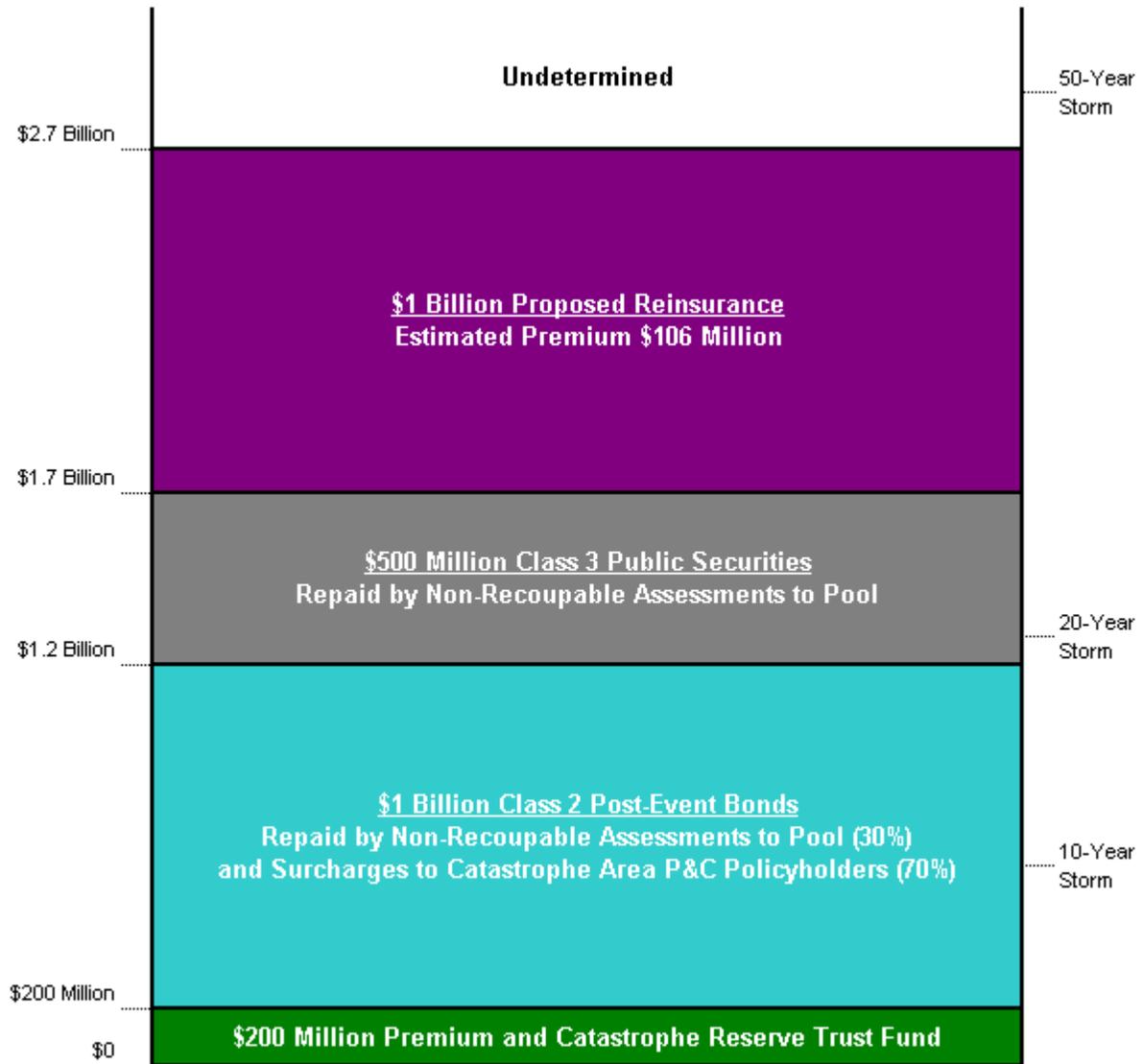
Additionally, reinsurance may be purchased in addition to or in concert with the trust fund and public securities.

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

As part of these preparations, TWIA recently submitted an application to the Texas Department of Insurance for approval to issue \$500 million in pre-event Class 1 public securities, in the form of a Bond Anticipation Note (“BAN”). A similar BAN was issued in 2012 and has been fully paid off. The BAN would provide instant liquidity (claims-paying ability) and would increase total funding by \$750 million due to related savings in the cost of reinsurance. On May 27, former Commissioner Kitzman released a letter denying approval of the BAN “at this time.”

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 at least \$1 billion in reinsurance coverage for the 2013 hurricane season.

Total projected funding for the 2013 hurricane season, without the BAN, is illustrated by the following chart:



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 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 catastrophe plan submitted under this section ("Catastrophe Plan" or "CAT Plan") is for informational purposes only and does not bind the Association to a particular course of action.

TWIA's Catastrophe Plan is a living document continually updated with information learned from real and modeled events with the goal of constantly improving the Association's capacity and ability to respond promptly and effectively to catastrophic claims situations. The level of detail in TWIA's current catastrophe event planning has exponentially increased over that of 2008 and prior years. Prior to Ike, leadership provided only a high level review. The CAT Plan was updated infrequently and lacked detailed information about available resources and ability to scale for larger events. The current Claims leadership team conducts weekly catastrophe planning meetings to achieve the goal of continuous improvement. The result is a dynamic document designed to provide detailed information regarding:

- roles and responsibilities for claims and other 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 2013 TWIA Catastrophe Plan is included as Appendix B. TWIA has activated the CAT Plan six times since January 1, 2012 for localized wind and hail events. Leadership's commitment to planning and the proficient execution of that plan is evidenced by TWIA policyholder satisfaction levels. TWIA's Customer Care Survey was initially implemented in April 2012. In June 2012, TWIA began including scan codes on payment letters that link policyholders to the Customer Care Survey, as well as posting a link on the

Association’s website. The following exhibits illustrate policyholders’ positive reactions to the improvements management has implemented.

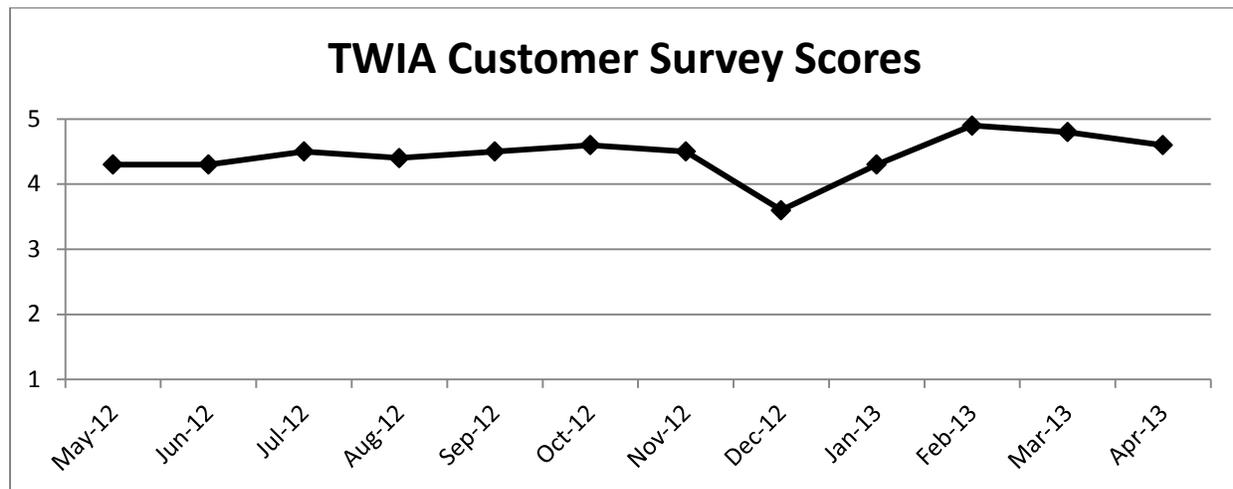
TWIA Customer Survey Scores

AVERAGE SCORE BY QUESTION

Customer Survey Questions	TWIA Score (Scale 1-5)
Reporting my claim to TWIA was easy	4.7
A TWIA employee explained the claims process to me	4.7
The TWIA adjuster who came to my home was professional, courteous, and helped me with my claim	4.6
The outcome of my claim was clearly explained to me	4.7
I am satisfied with the overall handling of my claim to TWIA	4.7
Average Overall Score	4.7

AVERAGE SCORE BY MONTH

May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
4.3	4.3	4.5	4.4	4.5	4.6	4.5	3.6	4.3	4.9	4.8	4.6



Key Performance Indicators

In January 2013, TWIA published a list of Key Performance Indicators (“KPI”) for 2012. TWIA continues to post monthly KPI reports on the Association website.

TWIA Claims Key Performance Indicators 2012	
Number of Claims Received	8,276
Number of Claims Closed With Payment	4,766
Number of Claims Closed Without Payment	2,554
Average Number of Days from FNOL to Inspect Property	3.1
Average Number of Days From Inspect Property to Receipt by TWIA	8.0
Average Number of Days From Receipt by TWIA to Payment	7.5
Number of TDI Complaints	19
Number of TDI Complaints as a Percentage of Total Claims Received	0.23%

TWIA Claims Key Performance Indicators - April 2013 - YTD	
Number of Claims Received	6,110
Number of Claims Closed With Payment	4,355
Number of Claims Closed Without Payment	1,265
Average Number of Days From FNOL to Inspect Property	2.8
Average Number of Days From Inspect Property to Receipt by TWIA	3.4
Average Number of Days From Receipt by TWIA to Payment	7.5
Number of TDI Complaints	8
Number of TDI Complaints as a Percentage of Total Claims Received	0.13%

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 28, 2012, TWIA made a filing with the Texas Department of Insurance for an increase in its maximum liability limits for 2013, 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 2, 2012, citing the cumulative increases in limits since 2005. As such, maximum limits for 2013 remain:

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. The form of the endorsement and the arbitration rules and procedures have not yet been issued by the Department.

Claims: Settlement and Dispute Resolution

HB 3 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 HB 3. 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 brief 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, 2013, regarding claims subject to the HB 3 dispute resolutions.

Status	Appraisal	LOR*	Lawsuit	TDI Complaint	Non-Disputed Claims	Total Disputed Claims	Total
Closed	1	3	0	3	8,266	8	8,274
Open	0	1	0	0	403	406	139
RCC	0	0	0	0	349	0	349
Rejected	0	0	0	0	58	0	58
Re-Open	0	10	3	1	117	15	132
Total	1	14	3	4	9,193	26	9,219

*Letter of Representation

Appraisal and Rule-Making

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 met with TDI in the fall of 2012 to provide background regarding the appraisal process to assist in the development of the rules.

Ombudsman Funding and Program

Section 2210.582 directed the Department of Insurance to establish an Ombudsman Program to assist TWIA policyholders in understanding and navigating the claims process. The Department 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 the Department each March.

TWIA has established a positive working relationship with the Ombudsman. Through cooperative efforts we are able to answer policyholder questions before concerns are escalated to the Department's complaint division and assist in education efforts promoted by the COAST Team.

Compliance with the Plan of Operation

The Plan of Operation is a series of administrative rules found in the Texas Administrative Code, Title 28, Chapter 5, Subchapter E. Administrative rules must be proposed by an agency (TDI in this case) and adopted pursuant to statute. Pursuant to Section 63 of HB 3, TWIA shall amend the Association's plan of operation to conform to the changes in law made by this Act not later than the 60th day after the effective date of this Act. Amendments required to implement HB 3 have been proposed by TWIA and submitted to TDI for consideration and adoption.

There were 2 rules adopted in the period covered by this report that are material to TWIA operations.

Rule 5.4200 et seq.

The Commissioner adopted Rule 5.4200, 5.4211-5.4222, 5.4231-5.4241, and 5.4251-5.4253 on 2/8/2013 with an effective date of 2/14/2013. These sections implement new appraisal and mediation processes for the Association enacted in House Bill 3. The rules address the appraisal and mediation processes; qualifications for appraisers, umpires, and mediators; and selection of umpires and mediators by the Department, if necessary. The rules also address the obligations of umpires, mediators, claimants, and the Association while participating in the processes. TWIA is working with TDI to complete implementation of these rules.

Rule 5.4920 - 5.4926

Rules 5.4920 - 5.4926 concern alternative eligibility and establish the structural components that qualify for an alternative certification, the procedure for obtaining an alternative certification, and the procedure for obtaining insurance coverage for TWIA under the Alternative Eligibility Program. The rules were adopted and TWIA has put processes in place to ensure compliance with these rules.

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 2013 budget was reviewed and approved by the Board at its December 4, 2012, 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 below budget for controllable expenses in nearly every area. The principal adverse variances in 2012 were in the Professional Services area, which was over budget due to unbudgeted expenses associated with consultants and legal expenses associated with administrative oversight, and costs associated with the Bond Anticipation Note ("BAN"). Looking at 2013, TWIA is planning for gross operating expenses to decrease by \$8 Million and Net Operating Expense to remain fairly flat in spite of projected growth in policy count.

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: Business Ethics & Conflicts of Interest Policy

BUSINESS ETHICS AND CONFLICTS OF INTEREST POLICY AND PRACTICES

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)¹. 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

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

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

(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 Chart²

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

² Source – Texas State, Finance and Support Services Division, Human Resources.

	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.

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 if 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 3

Disclosure of Previous Business or Personal Relationship

The TWIA/TFPA Business Ethics and Conflicts of Interest Policy requires the disclosure of any previous business or personal relationship with a third party which may have or has a financial interest in the operations of TWIA or TFPA. This disclosure is required at the time of beginning your employment, after commencing employment with TWIA or TFPA, and for contractors before and after entering a contract for services or goods.

In accordance with the TWIA/TFPA Business Ethics and Conflicts of Interest Policy, please disclose the following:

- (1) Prior to or at the time of first employment 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.

Company Name Relationship (Business, Personal, Previous Employer)

1. _____
2. _____
3. _____
4. _____

If you have additional information to disclose, please attach a separate sheet of paper to this document with that information.

By my signature below, I state that I have received and read the TWIA/TFPA Business Ethics and Conflicts of Interest Policy (“document”) which was provided to me either by physical or electronic means. My signature below confirms my receipt of the document and constitutes my certification that I am not aware of any conflict or potential conflict covered by the policy that is not disclosed on this form or its attachments.

Signature: _____

Printed Name: _____

Date: _____

TWIA/TFPA Management Review

Signature: _____

Printed Name: _____

Date: _____

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: _____

Attachment 5

**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



Appendix B: 2013 Catastrophe Plan

2013 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 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 effectively respond to a catastrophic event. Claims, 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 contained in [Appendix A– CAT Plan Revisions Log](#).

The [Appendix B - New Capabilities](#) provides a listing of new programs and features; our goal is for these capabilities to be operational by the end of the second quarter 2013.

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. Please refer to TWIA Territorial Map.

Traditional, for-profit insurance companies must assess risk differently than we do. Generally, when estimated risk is low, traditional markets provide windstorm coverage for high-risk areas. They may withdraw from this territory after catastrophic losses occur. 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 the development and to 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.

One way that TWIA differs from other carriers is that we do not have agents contracted to sell policies for us. 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.

A ten member 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)

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.

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 the Texas FAIR Plan Association (TFPA) in December 2002.

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, the Texas FAIR Plan Association 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 the Texas FAIR Plan Association 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 insureds than the Texas FAIR Plan Association. Insurers rating variables for credit scores, new homes and companion auto policies make a comparison with rates for the Texas FAIR Plan Association 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 the Texas FAIR Plan Association.

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”, meaning an active weather event threat has been identified (storm front or tropical storm expected to exceed 500 claims)
- “During an Event”, meaning a weather event has occurred and is projected to exceed 500 claims
- “Post-Event”, meaning the 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
- Underwriting personnel
- Actuarial personnel
- Other resources identified during the plan activation and review

Detailed roles and responsibilities are included 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 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, 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 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 detailed event information (wind speeds, locations, severity)
 - [NOAA Storm Prediction Center](#)
 - [Weather Underground Severe Weather](#)
 - [Weather Underground Tropical and Hurricane](#)
 - [Weather Underground WunderMap](#)
- Ensure current [Policy-in-Force \(PIF\) data](#) is available for modeling
- Monitor and track events utilizing available technology solutions
 - [NOAA Historical Data](#)
 - [Atmospheric and Environmental Research](#)
 - [Hailwatch Reports](#)
 - [Microsoft MapPoint](#)

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:
 - [Claims Resource Scalability Model 2013 TWIA](#)
 - [Claims Resource Scalability Model 2013 TFPA](#)

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

- Notify Vendor Manager of the potential number of resources needed, by type
- Establish thresholds for
 - Threshold for withholding Replacement Cost Coverage (RCC) benefits
 - Threshold for including mortgagee on claim payments

Vendor Management

A detailed list of approved vendors and the resources available if an event occurs is contained in [Appendix E – Field Adjuster Commitment by Company](#).

[Appendix O – Staffing Database](#)

Vendor Activation Process

- Confirm field adjuster capacity by loss complexity:
 - Certified (TWIA/TFPA Trained)
 - Dedicated (Only TWIA/TFPA Claims)
 - Supplemental
 - Add capacity from approved vendors
 - 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
 - Communicate the current vendor fee schedule document found in [Appendix F – Adjuster Fee Schedules](#)
- Confirm desk examiner capacity by loss complexity:
 - Available
 - Dedicated
 - Supplemental
 - Add capacity from approved vendors
 - Activate additional capacity from RFQ
 - Non-claim TWIA/TFPA employees
 - TPA services

Confirm support staff capacity

- Available
- Supplemental

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](#)

Temporary Housing

Ensure adequate temporary housing resources are available.

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

Field Adjuster Reinspection Program

Confirm capacity by loss complexity:

- Available

- Dedicated

All vendor contact information is contained 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 incoming mail
- Process outgoing mail
- Process faxes
- Process paper First Notice of Loss (FNOL) documents
- Route incoming calls

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 contained in [Appendix H - Vendor Contact Information](#).

Supplies and Equipment

Ensure equipment is available and functional:

- Test equipment (portable generators)
- Assure adequate supplies are available for the office and mobile and remote office locations
- Conduct an inventory of forms and documents with particular attention on 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 contained in [Appendix H - Vendor Contact Information](#).

Communications

Work with the executive team, Claims staff, 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 contained 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
- Complete event modeling exercises
- Conduct exposure analysis of TWIA and TFPA PIF
- Populate event modeling data into the correct modeling tool:
 - [Claims Resource Scalability Model 2013 TWIA](#)
 - [Claims Resource Scalability Model 2013 TFPA](#)
- Confirm Underwriting is aware a hurricane-type event is expected, if applicable

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 estimate 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
- 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 and/or procedure changes, including the following:
 - Roles and responsibilities
 - Approval routing
 - Settlement authorities
 - Reserving best practices
 - Claims best practices
 - Need for regular TWIA/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 need for a Single Adjuster Program (SAP) where Write Your Own (WYO) and National Flood Insurance Program (NFIP) may overlap coverage

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

During an Event

Claims Leadership

Weather Tracking and Exposure Modeling

Once exposure has been determined, make final decisions on:

- Mobile and Remote Office location(s)
- Required logistics for field, desk, management, Quality Assurance and SIU personnel
- Set up 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 re-inspectors to catastrophe territory for “ground reports” and QA
- Consider the impact, both positive and negative, of using the Single Adjuster Program
- Based on projected or actual new claim volume, consider need to increase Xactimate claim capacity with Xactware to ensure on-going 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 2013 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
 - 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 Adjusting and Support Services
 - Confirm capacity by loss complexity
 - Available
 - Dedicated
 - Supplemental
 - Add capacity from approved vendors
 - Non-claims TWIA/TFPA employees
 - TPA service

Call Center

- Review FNOL volume
- Review status call volume
- Confirm available resources and back-up 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; 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 the Communication with Agents 2013 document
- 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

- Catastrophe Manager and Vice President of Claims will recommend closing mobile or remote office(s) to General Manager and execute recommendation on approval

Claims Management

- Catastrophe Manager
 - Notifies vendors
 - Oversees office closure
 - Oversees return of supplies
 - Completes reconciliation of check stock
- Claims Management
 - Participates in a post-catastrophe review to assess product and service and make recommendations for improvement through a gap analysis process
 - Evaluates call center performance against service level agreements
 - Reviews complaints and customer service issues for drivers and improvement opportunities
 - Analyzes 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
 - Manages 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
- Working 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

- Communicate information from escalated complaint calls to impacted TWIA and TFPA personnel
- Review Fraud and Open Records reporting requirements with claims personnel
- Maintain approved Vendor Contracts
- Evaluate need to assemble and train back-up 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, field adjusters and other approved vendors
- Assist with maintenance of existing claim adjuster licensing database for staff and contractors
- 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

- 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
- Adhere to Texas Department of Insurance response requirements
- Communicate with Claims team to ensure they send all written complaints to Compliance for follow-up and inclusion in complaint log
- 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 FAIR Plan performance
- Participate in post-catastrophe review to assess product, services and future recommendations

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 bi-lingual 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 bi-lingual 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

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/voice-mail 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
- At the direction of the General Manager, activate “Storm Mode” on underwriting system
- 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
- Provide Notus training for Claims employees
- 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”
- De-activate 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
- Confirm insurance coverage
- 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
- Assist Claims with coverage interpretations
- Draft and review Claim denial letters
- Coordinate emerging legal issues with outside counsel
- Coordinate with Claims and Compliance 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

Post-Event

- Approve media content
- Liaison to legislative offices and governmental agencies and entities regarding response to catastrophe event
- Draft and approve vendor contracts
- Coordinate utilization of outside counsel on catastrophe litigation
- Address need to establish in-house legal counsel to support event response
- 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
- 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

- Draft and issue Underwriting bulletins restating Agent authority and forward to IT to post on TWIA website
- Validate WPI-8 Certification of Compliance posted by the Texas Department of Insurance in Underwriting process
- Draft and email blast TWIA agents when storm crosses 80-20 line, suspending acceptance of applications and quotes
- Advise agents of claim reporting procedures
- 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

- Follow established roof inspection procedures
- Follow up on WPI-8 issuance where we have paid for a new roof and certificate has not yet been issued
- Participate in post-catastrophe review to assess product, services and future recommendations

TFPA Underwriting

Pre-Event

- 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.

Funding Structure for July 1, 2012 – June 30, 2013:

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

Appendix B

New Capabilities

Enhancements since 2012

New programs and features in place since the 2012 CAT Plan was finalized:

- [HB3 Requirements Document](#)
- Online Adjuster Certification Program
- Claim segmentation model
 - Non-complex
 - Complex
 - Residential
 - Commercial
- SIU program
- Enhanced call center metrics
- Additional desk examiner staffing vendors
- Additional expert services vendors
- Enhanced Staffing Database [Appendix O Staffing Database](#), including:
 - Staffing data
 - Certifications
 - QA results

Planned Enhancements in 2013

New programs and features expected to be operational by the end of the second quarter 2013:

- Expanded Remote Access to NOTUS
- VOIP Phone System
- Customer Advantage Program with Nexxus Solutions Group
 - Emergency Services
 - Contractor Referral Service
- Customer Advantage Program with NexVex
 - Roofing Contractors
- Communication Plan
 - Twitter Feed

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

			<ul style="list-style-type: none"> • 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 2013												
Projected or Actual Claims	Date Range	Claims Per Day	Claims Examiners	Managers	Customer Care	Quality Assurance	Field Re-Inspectors	TOTAL	Field Adjusters	Examiner - Claims Per Day	Adjuster - Claims Per Day	Examiners Per Manager
100,000	90	1,111	93	8	39	23	8	170	278	12	4	12
50,000	60	833	69	6	29	17	6	127	208	Required Customer Care Resources By Claim Volume		
10,000	30	333	28	2	6	5	2	43	83	>150	>300	>600
20,000	90	222	19	2	2	2	2	25	56	1.50	2.50	5.00
20,000	60	333	28	2	6	5	2	43	83	Required QA Resources By Claim Volume		
20,000	30	667	56	5	23	14	5	102	167	>150	>300	>600
30,000	90	333	28	2	6	5	2	43	83	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

Claims Resource Scalability Modeling Tool 2013 - TWIA

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
	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	12	5	12
	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Required Customer Care Resources By Claim Volume		
	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	>150	>300	>600
	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1.50	2.50	5.00
	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Required QA Resources By Claim Volume		
	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	>150	>300	>600
	0	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1.00	2.00	3.00

Claims Resource Scalability Modeling Tool 2013 TFPA

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
		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	8	5	12
		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Required Customer Care Resources By Claim Volume		
		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	>150	>300	>600
		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1.50	2.50	5.00
		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	Required QA Resources By Claim Volume		
		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	>150	>300	>600
		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1.00	2.00	3.00

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 2013:

Adjusting Firm	Number of Adjusters in TWIA Database for 2013	Number of Adjusters Available		Number of Spanish Speaking Adjusters
		Texas Storms	Multiple States	
Amcat	445	200	100	42
CJW/VeriClaim	43	116	116	26
CNC	427	175	90	24
Crawford	359	100	50	10
CSI	70	50	40	0
Eberl	465	115	115	
Leading Edge	203	125	75	10
Littleton	130	45	25	5
Mason	442	100	75	40
NCA	323	175	100	28
Pacesetter	230	150	100	25
Schafer Wood	292	185	90	0
Team One	427	140	100	4
US Staffing	123	75	35	2
Wardlaw	401	200	100	20
Totals	4380	1951	1211	236

The following table details the number of field adjuster resources committed to Texas FAIR Plan in 2013:

Adjusting Firm	Number of Adjusters in TFPA Database for 2013	Number of Adjusters Available		Number of Spanish Speaking Adjusters
		Texas Storms	Multiple States	
ABJ Adjusters	11	11	0	1
Alamo	50	40	30	10
Bright Claim	38	250	125	23
Cimarron	20	20	20	5
CAS	29	20	15	5
Compass	75	125	100	12
Crawford	300	100	50	10
Custard	28	98	48	7
Eberls	100	40	40	5
Frontier	125	100	65	26
Gentry	35	75	32	6
Jones Consulting	10	5	10	0
Leading Edge	250	75	50	10
Southwest	110	50	50	12
Tailored	30	15	10	6
The Littleton Group	85	20	12	6
Trinity Claims	40	40	25	5
Totals	1336	1084	682	149

Appendix F

Adjuster Fee Schedules

TWIA and TFPA currently operate under two distinct fee schedules. This appendix includes a full copy of each fee schedule.

[Appendix F - Adjuster Fee Schedule - TWIA](#)

[Appendix F - Adjuster Fee Schedule - TFPA](#)

Adjuster Fee Schedule

Texas Windstorm Insurance Association



Graduated Fee Schedule

Billing based on gross loss, not to exceed policy limit of liability on each Item of Insurance adjusted as detailed in the following schedule:

Agreed Gross Loss		Dwelling	Commercial
No inspection made or erroneous assignment		\$100	\$100
\$0	\$500	\$204	\$206
\$501	\$1,000	\$252	\$289
\$1,001	\$2,500	\$316	\$383
\$2,501	\$3,500	\$377	\$469
\$3,501	\$5,000	\$460	\$561
\$5,001	\$7,500	\$522	\$644
\$7,501	\$10,000	\$638	\$741
\$10,001	\$12,500	\$709	\$804
\$12,501	\$15,000	\$767	\$869
\$15,501	\$17,500	\$825	\$933
\$17,501	\$25,000	\$881	\$998
\$25,501	\$50,000	\$1,044	\$1,220
\$50,501	\$75,000	\$1,857	\$2,088
\$75,501	\$100,000	\$2,785	\$3,132
\$100,001	\$150,000	\$3,714	\$4,175
\$150,001	\$250,000	\$5,570	\$6,263
\$250,001	\$350,000	\$9,284	\$10,439
\$350,001	\$500,000	\$12,998	\$14,614
\$500,001	\$750,000	\$18,568	T&E (\$105/HR)
\$750,001	\$1,000,000	\$27,852	T&E (\$105/HR)
\$1,000,001 and above		T&E (\$90/HR)	T&E (\$105/HR)

Gross Loss

The graduated fee schedule billing is based on gross loss estimated by IA Firm and accepted by TWIA, not to exceed policy limit of liability on each Item of insurance adjusted.

Commercial and dwelling losses with multiple items should be billed on the full schedule for the largest 5 Building Items (gross loss to each) inspected/adjusted, expenses pro-rated when applicable. (A building Item and the personal property inside that building are to be considered one Item). The balance of the items is to be billed on the balance of the gross loss (deduct the gross loss on the first 5 items billed from the total gross loss) per the schedule above.

If you handle a claim with multiple items and no windstorm or hail damage is found but each item requires a separate inspection/report/assessment, contact TWIA for instructions prior to billing the file.

Graduated fee invoices must be submitted with final report or final reopen/supplement report.

Dwelling Losses \$1,000,001 and Above

Losses are billed T&E and invoice(s) must be approved by TWIA Management prior to submission. Minimum bill would be \$27,852 plus appropriate expenses in lieu of T&E. An activity log is required.

Commercial Losses \$501,001 and Above

Losses are billed T&E and invoice(s) must be approved by TWIA Management prior to submission. Minimum bill should be \$14,614 plus appropriate expenses in lieu of T&E. An activity log is required.

Time and Expense (T&E) Losses

If approved by TWIA, files can be billed T&E when additional work is needed above the routine requirements and/or the gross loss exceeds the fee schedule above. All files that go into appraisal, arbitration, pre-mediation inspection, mediation, moderated settlement conference, or litigation are billable only on a T&E basis. An itemization of file activities and expenses is required with all T&E invoices. T&E invoices must be submitted within 30 days after the month in which the time or expense was incurred. Hourly rates are:

- Residential at \$90.00/HR (or negotiated rate)
- Commercial at \$105.00/HR (or negotiated rate)

Business Income (BI) Losses

Losses are billed on a flat fee of \$525. This is in addition to other appropriate billing per this schedule. A reasonable explanation of the BI loss is required. If the BI claim is more complex than expected and requires more time, please contact TWIA management to discuss prior to submission. Flat fee invoices must be submitted with final report or final reopen/supplement report.

“Slab” Claims

Losses are billed on a flat fee of \$1,800 for residential and \$ 2,500 for commercial, plus allowable expenses on this schedule. Losses require investigation as outlined in the TWIA Adjuster Handbook for Flood/Storm Surge/Slab Claims. If the investigation is unusual and needs special billing, an IA firm principal should contact TWIA management for approval. Flat fee invoices must be submitted with final report or final reopen/supplement report.

No Claim – Loss Less Than Deductible(s)

These should be billed based on the gross loss per the schedule above for all applicable coverage on a given loss. Item 1 (Dwelling) and Item 2 (Personal Property) on the same policy are considered one Item of insurance. Commercial losses will continue to be billed as indicated in previous section of this schedule. Residential and commercial losses can also be billed T&E if approved by TWIA Management prior to submission.

No Claim – No Coverage

If the investigation reveals there is “no coverage” for the claim, the file should be billed on T&E. A reasonable investigation must be done along and include an explanation of the basis for no coverage. You must verbally explain to the insured no payment will be recommended and that a claim decision will be issued by TWIA. Your invoice may be rejected if a reasonable investigation is not completed and a reasonable explanation is not documented and reported.

Salvor on Contents Company Involved

If the file requires a salvor or contents company, please contact TWIA prior to submission of your invoice. If a salvor or contents company does much of the work in establishing a contents (PP or BPP) loss, the adjusting firm should not bill for the entire gross loss on this portion of the claim.

Reopened/Supplement Files

TWIA must approve all reopen files prior to the adjuster’s involvement unless it occurs within 30 days after the initial inspection. The following are some of the reasons files may be reopened:

- The insured presents additional information that could lead TWIA to a different conclusion on the claim
- The insured fails to identify damages, hidden damages are found, subsequent continuing damage occurs
- The insured submits invoices are after closing

Your report should explain why supplemental items were not in the original report.

Reopened files should be billed per the TWIA fee schedule. TWIA reserves the right to reject billings for items missed by the adjuster during first inspection.

Additional Living Expense Payments

If an ALE advance is made on the claim without the adjuster's involvement, these payments should not be considered part of the gross loss when billing the file. If displacement payments or ALE advances are made at the recommendation of the adjuster, that amount can be considered as part of the gross loss.

Deviations from the Fee Schedule

The fee schedule is based on a full adjustment of the entire claim, as outlined in the Adjuster Handbook, considering all available coverage and all items insured under the policy.

- Any invoice over \$35,000 must be approved by TWIA management prior to submission.
- If TWIA reassigns or takes over the handling of a claim file and the adjuster is no longer involved through conclusion, TWIA will not honor a full service invoice on the gross loss. Contact TWIA prior to billing.
- If a claim is not properly handled or supervised by the adjusting firm in accordance with all requirements of the Adjuster Handbook, TWIA reserves the right to reduce or reject the total service invoice.
- Unique circumstances may arise on a specific claim requiring deviation from the Fee Schedule. If special handling billing is appropriate, the adjusting firm should immediately raise the issue with TWIA to reach an agreement on how to bill.

The 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 a manager in the TWIA Claims Department.

Adjuster Fee Schedule

Texas FAIR Plan Association



Residential Non-Complex Losses

Billing based on gross loss, not to exceed policy limit of liability on each Item of Insurance adjusted as detailed in the following schedule:

<u>Agreed Gross Loss</u>	<u>Dwelling</u>
No inspection or erroneous assignment	\$ 100.00
\$0 to \$500	\$ 204.00
\$501 to \$1000	\$ 252.00
\$1001 to \$2500	\$ 316.00
\$2501 to \$3500	\$ 377.00
\$3501 to \$5000	\$ 460.00
\$5001 to \$7500	\$ 522.00
\$7501 to \$10,000	\$ 638.00
\$10,001 to \$12,500	\$ 709.00
\$12,501 to \$15,000	\$ 767.00
\$15,001 to \$17,500	\$ 825.00
\$17,501 to \$25,000	\$ 881.00
\$25,001 to \$50,000	\$ 1,044.00
\$50,001.00 and above	Billed T & E

Complex Losses

Any residential claims that have been identified as complex will be categorized as a Complex loss and billed at Time and Expense (T&E). A claim may move from residential non-complex to a complex Loss. Once categorized as a complex loss, it will remain so for the life of the claim.

Minimum billing for complex claims subject to T&E is \$350.00. Where you suspect an invoice to be over \$10,000, FAIR Plan Association management must be notified well in advance prior to submission.

Complex losses consist of the following: Fire, Liability and Vandalism Claims and/or any loss where reserves are estimated to be above \$50,000.00.

Role	Rate
Clerical	\$12.00/hr
Residential Adjuster	\$90.00/hr
Complex Loss Adjuster	\$90.00/ hr
General Adjuster	\$125.00/hr
Executive General Adjuster	\$150.00/hr

Use of the General Adjuster or Executive General Adjuster rates must be approved in advance by Association Management.

The following are the only additional charges allowed on Flat Fee or T&E files, unless there is some extraordinary expense, which must be pre-approved by management:

Mileage	IRS standard rate – Firm must have prior approval for any mileage that exceeds 100 miles on a claim file.
Drive Time on T&E Files	One-half or less of applicable hourly rate
Photos	\$1.00 ea (\$25.00 flat fee on T&E files)
Other out of pocket expenses	Actual Cost (receipts required & mgmt approval)
Secure official report	\$ 50.00 plus cost of the report
Obtain recorded statement – In Person	\$150.00
Obtain recorded statement – Telephone	\$ 75.00
Deliver check and obtain Proof of Loss	\$100.00

No Claim – Less Than Deductible(s)

These should be billed based on the gross loss per the schedule above for all applicable coverage on a given loss. Item 1 (Dwelling) and Item 2 (Personal Property) on the same policy are considered one Item of insurance. Dwelling losses can also be billed T & E if approved by Management prior to submission.

No Claim – No Coverage

If your investigation reveals there is no coverage for the claim, you should bill your file on Time and Expense (T & E). A reasonable investigation must be done along with a reasonable explanation to the insured. A “no claim” letter outlining the reasonable explanation(s) there is no coverage will be mailed by TFPA to the insured with a cc to the agent. You must verbally explain to the insured that no payment can be recommended. Management requires your T&E to be sufficiently itemized to support your invoice. Your invoice will be subject to denial if these requirements are not met.

Billing for Appraisals and Pre-Mediation Inspections

Appraisers should bill T&E for their services per the hourly rates shown, plus appropriate expenses as outlined on Page 2 of this schedule.

Salvor or Contents Company Involved

If the file requires a salvor or contents company (i.e. usually for inventory on a large complex loss), please contact management prior to submission of your invoice. In other words, if a salvor or contents company does much of the work in establishing a contents (PP or BPP) loss, the adjusting firm should not bill for the entire gross loss on this portion of the claim.

Reopened/Supplement Files

Notification of a request for a reinspection should be forwarded to the Claims Examiner. A determination will be made as to the correct plan of action and adjuster involvement. The following are some of the reasons files may be reopened:

- If the insured presents additional information that could lead management to a different conclusion on the claim.
- If the insured fails to identify damages, hidden damages are found, subsequent continuing damage occurs or valid invoices are presented after closing.

Reopened files should be billed per the fee schedule, however, supplemental billing for missed items require approval from TFPA before submission.

Variations to the Fee Schedule

The Fee Schedule is based on a full adjustment of the entire claim, as outlined in the Adjuster Handbook, considering all coverage and all items insured under the policy. If a claim is not properly handled or supervised by the IA Firm, the Association reserves the right to reduce or reject the total service invoice.

If the Association assumes the handling of a claim file and the adjuster is removed from the claim handling process, then billing will be based on the gross loss at the time of assumption by the association.

Unique circumstances may arise on a specific claim requiring variance to the Fee Schedule. If special handling and billing is appropriate, the adjusting firm should immediately raise the issues with the Association to reach an agreement on how to bill the services performed.

Note: The IA firms will be notified of any changes to this Fee Schedule and instructions. If you are not clear on the billing instructions, please contact a manager in the Association Claims Department.

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 Figure 2 for TFPA).

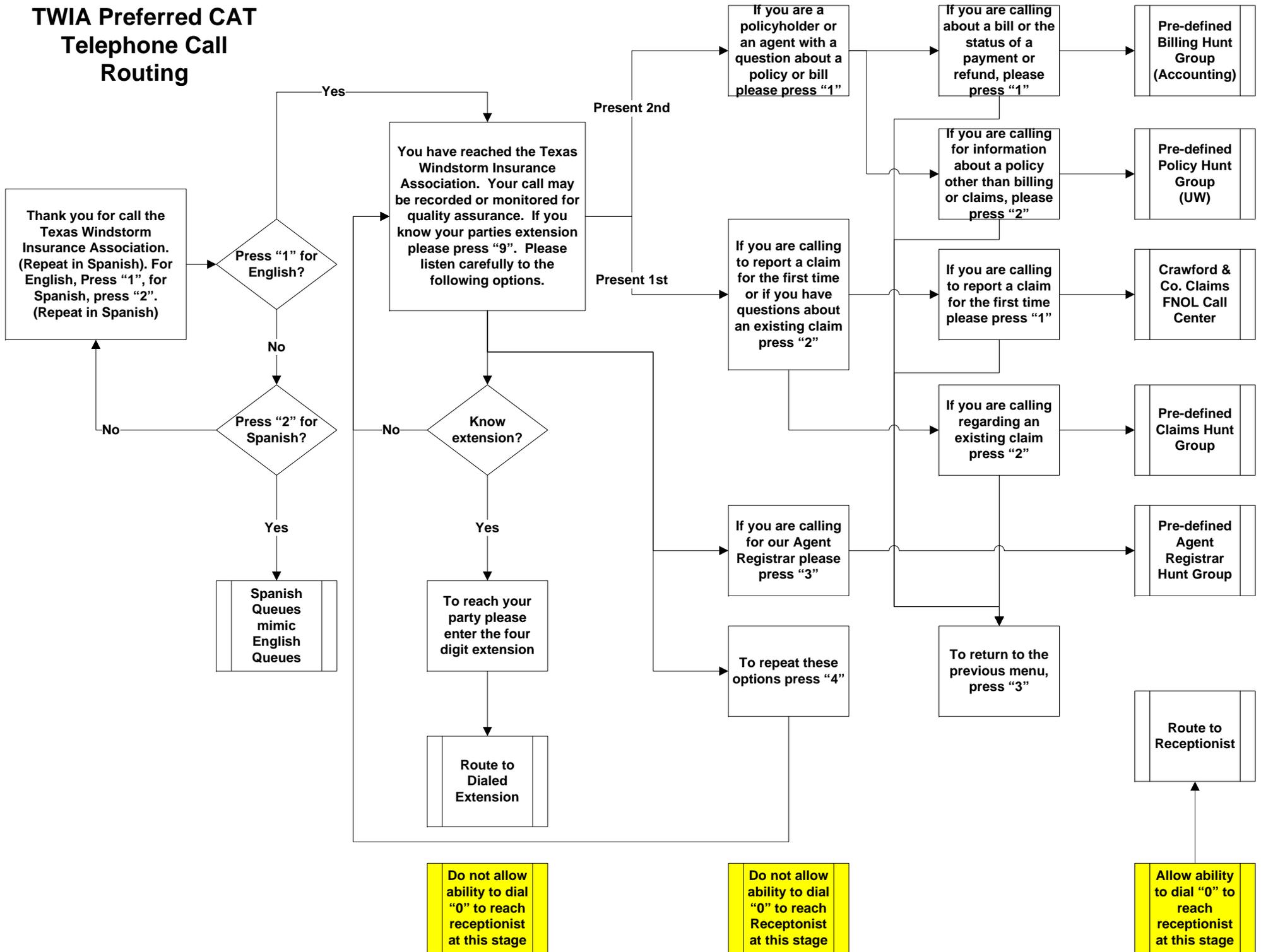
The Catastrophe configuration is similar to the Normal Business Hours configuration with the exception of the option to select “2” for Claims is presented before the option to select “1” for policy or billing issues (see Figure 3 for TWIA and Figure 4 for TFPA).

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 4 for TWIA and Figure 5 for TFPA).

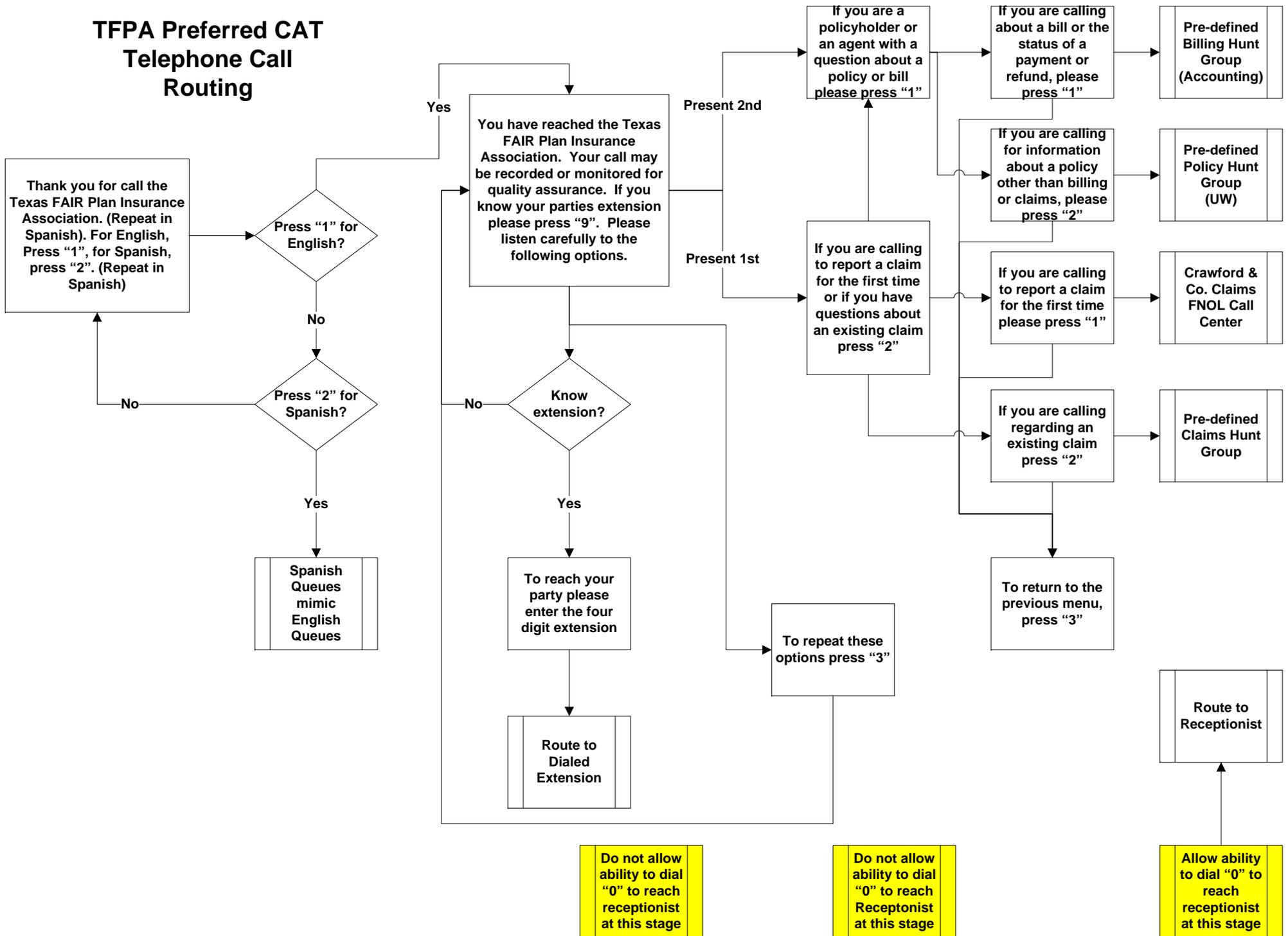
[Claims Telephone Interactive Voice Response \(IVR\) Workflow - TWIA CAT](#)

[Claims Telephone Interactive Voice Response \(IVR\) Workflow - TFPA CAT](#)

TWIA Preferred CAT Telephone Call Routing



TFPA Preferred CAT Telephone Call Routing



Appendix H

Vendor Contact Information

A detailed listing of all TWIA and TFPA Claims vendors is found in the [Vendors List 2013 Excel workbook](#).

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
 - Parking

Firm Name	Vendor Type	TFPA	TWIA	Primary Contact	Primary Position	Primary Email Address	Primary Phone Number	Secondary Contact	Secondary Email Address	Secondary Phone Number	Verified?
		Approved	Approved								
Alamo Claims	Desk Examiner	Y		Thor Lee	Principal/Owner	hlee6@alco.com	877-342-5246, Ext. 202	Chris Russelmann, Claims Manager	chrusselmann@alamoclaims.com	877-342-5246, Ext. 201	Yes
ABI Adjusters, Inc.	Field Adjuster	Y		Cory Vincent	Director, Claims Operations	coryv@abiadjusters.com	281-872-5555	Bill Vincent, Owner	billv@abiadjusters.com	281-872-5555	Yes
Amcat	Field Adjuster	Y	Y	Kris McClellan	Operations	kmcclellan@amcatusa.com	972-829-2215	Allan Palmer, Vice President	apalmer@amcatusa.com	214-356-9242	Yes
AOS	Temporary Housing					info@aoscompany.com	281-530-7215			Fax: 281-933-9106	No
BrightClaim, Inc.	Field Adjuster	Y		Larry Washington	Senior Vice President	larry.washington@brightclaim.com	678-525-1709	Chad Woelke, Director	chad.woelke@brightclaim.com	901-848-0009	Yes
Camaron Claims	Field Adjuster	Y		Scott Redwine	President, CEO	sredwine@camaronclaims.com	918-660-4093	Scott Redwine, President/CEO	sredwine@camaronclaims.com	918-660-4093	Yes
CIW & Associates	Field Adjuster	Y	Y	John Hinz	Vice President	hinz@vericclaiminc.com	713-516-3120	Ronnie Adcock, Regional Manager	radcock@vericclaiminc.com	214-435-8951	Yes
CNC Catastrophe & National Claims	Field Adjuster	Y	Y	Mark Reese	Claims Manager	markreese@cnc-resource.com	800-843-0170, Ext. 6003	Craig Fowler, Claims Director	craigfowler@cnc-resource.com	800-843-0170, Ext. 1009	Yes
Compass Adjusting Services, Inc.	Field Adjuster	Y		Benson Goebel	Director of Operations	bgoebel@compassadjusters.com	817-731-5008	Wesley Deagan, Cat Director	wdeagan@compassadjusters.com	817-731-5008	Yes
Crawford & Company	Field Adjuster	Y	Y	Roy Cupps	Manager, Field Operations	roy_cupps@us.crawco.com	800-221-3509	Jeff Lee, Operations Manager	jeff_lee@us.crawco.com	800-221-3509	Yes
Claims Specialists, Inc. (CSI)	Field Adjuster	Y		Darin Kite	Storm Manager	darink@csi.com	972-473-0984	Jennifer Janak, Operations Manager	jenifer@csi.com	972-473-0984	Yes
Custard Insurance Adjusters, Inc.	Field Adjuster	Y	Y	Brian Richey	Claims Coordinator	brichey@custard.com	770-209-8801	Dale Thumann, Primary Contact	dthumann@custard.com	281-546-1395	Yes
Eberis Claims Service	Field Adjuster	Y	Y	Tommy Bunn, Jr.	Claims Manager	tbunn@eberis.com	210-833-2412	Laura King, Quality Control	lking@eberis.com	806-679-7159	Yes
Elizabeth Christian & Associates	Media Consultant			Meg Meo	Vice President	mmeo@christianpr.com	512-494-2867		www.echristianpr.com	512-472-9699 Fax	
Emergency Management Office	Parking			Stacy Moore	Corpus Christi		361-880-3700				
Emergency Management Office	Parking			Kelly Charlie	Galveston	kellycharlie@cmofgalveston.org	409-765-3710				Yes
Frontier Adjusters of Del Rio/Dvalde	Field Adjuster	Y		Jay Wright	Owner and Director, Claims Operations	delrioto@frontieradjusters.com	830-486-6954	Jason Lopp, VP of Claims	lopp@batt.net	830-279-5221	Yes
Frontier Adjusters of Midland/Odessa	Field Adjuster	Y		Jim O'Neill	Director, Claims Operations	lubbock@frontieradjusters.com	806-300-6565	Darrell Mahan, Adjuster	darrellm@frontieradjusters.com	520-465-3471	Yes
Frontier Adjusters of Texarkana	Field Adjuster	Y		Luke Crumbly	Owner	lcrumbly@frontieradjusters.com	877-376-1555	Kimberly Ledee	kmoores@frontieradjusters.com	872-376-1555	Yes
G&A Engineering Consultants, LLC	Engineer			John Garner, P.E	Manager	gaengconsultants@yahoo.com	Cell (214) 335-8980 800-738-5905				
Gulf Greyhound Park (Galveston)	Parking			Sally Briggs	Supervisor		409-986-9500			Fax 409-943-9700	Yes
Gentry & Associates Claims Service, Inc	Field Adjuster	Y		Tracey Arp	Manager	arp@gentryclaims.com	210-342-3036	Marsh Gentry, Owner	gentry@gentryclaims.com	210-313-2955	Yes
Govind Development, LLC	Engineer			Ajmer Kular, P.E., PMP	www.govinddevelopment.com	akular@govinddevelopment.com	361-994-1360 361-241-2777	Isa@govinddevelopment.com	andyb@govinddevelopment.com	361-241-2200	Yes
Home Depot	Parking			Margo Michael	Manager	margo_michael@homedepot.com	361-993-1400			Fax 361-980-4016	Yes
Jones Consulting	Field Adjuster	Y		Marshall Jones	Owner	mclaim@yahoo.com	832-693-8036	Marshall Jones, Owner	mclaim@yahoo.com	832-693-8036	Yes
Leading Edge Claims Service	Field Adjuster	Y	Y	Jeff Baber	President	baber@leadingedgeclaims.com	940-704-1960	Blake Mears, Quality Control	bmears@leadingedgeclaims.com	817-767-2108 Ext. 106	Yes
Leading Edge Claims Service	Field Adjuster	Y		Troy Hansen	Director of Operations	thansen@leadingedgeclaims.com	214-298-5425	Blake Mears, Quality Control	bmears@leadingedgeclaims.com	817-767-2108 Ext. 106	Yes
The Littleton Group	Field Adjuster	Y	Y	Chas Nickells	Director of Cat Operations	nickells@littleton-group.com	281-352-8081	Jeff Bodde, Chief Operating Officer	jbodde@littleton-group.com	512-689-0645	Yes
LVV Engineering	Engineer			Eric Trejo, P.E., SECB		etrejo@LVVINC.com	361 866-2112 - 361-883-1984			361-883-1986	Yes
Mason Claim Service	Field Adjuster	Y		Zane Mason	Chief Operating Officer	zmason@masonclaims.com	210-355-1602	Cody House, President	chouse@masonclaims.com	512-689-0645	Yes
Mall of the Mainland (Galveston)	Parking			Debra Lowe	Manager		409-986-7000 Ext 110				
Naismith Investigative Engineering	Engineer			LeW Shrier		shrier@naismith-engineering.com	361-814-9900	June Fiebig	fiebig@naismith-engineering.com	800-677-2831	Yes
NCA Group	Field Adjuster	Y		Steve Perry		sperry@ncagr.com	512-797-6041	Tim Etheridge, Claims Manager	tetheridge@ncagr.com	903-948-8662	Yes
Office Depot (Port Arthur)	Parking			Lance Lene	Assistant Manager		409-651-3034				Yes
Pacesetter Claims Service, Inc.	Field Adjuster	Y		Raymond Stewart	Catastrophe Field Manager	rstewart@pacesetterclaims.com	830-305-2461	Barry Coleman, Sr Vice President	bcoleman@pacesetterclaims.com	918-655-8887	Yes
La Palmera Mall (Corpus Christi)	Parking			Amanda Sanchez	Assistant General Manager	asanchez@ajemal.kprocovery.com	361-991-3735				Yes
Rentys	Temporary Office			Toby Sledge		toby.sledge@rentysrecovery.com	512-979-210-1792			Fax: 979-595-2717	
Rimkus Consulting Group, Inc. Austin	Engineer			Bob Baldinger		rbaldinger@rimkus.com	512-670-6063 cell	Linda Mary Petty	lmp@rimkus.com	512-656-4105	Yes
Schafer, Wood & Associates, Inc.	Field Adjuster	Y	Y	Jim Folz	Manager	jm.folz@schaferwood.com	251-975-0511	Arnold Schafer, President	arnold.schafer@schaferwood.com	903-814-9494	Yes
Tailored Adjustment Services, Inc.	Field Adjuster	Y		James Buchanan	President	buchanan@tailoredadjustment.com	800-316-0330 214-728-2180 (cell)	Dan Skene, North Texas Manager	dskene@tailoredadjustment.com	469-371-3766	Yes
Tailored Adjustment Services, Inc.	Field Adjuster	Y		John Clark	Catastrophe Coordinator	jonclark@teamoneclaims.com	972-896-7680	Randy Shaw, South Texas Manager	rshaw@tailoredadjustment.com	214-908-9320	Yes
Team One	Field Adjuster	Y	Y	John Beasley	Owner	john.beasley@trincclaims.com	214-908-0026	Casey Harp	casey.harp@trincclaims.com	469-600-5533	Yes
Trinity Claims Service	Field Adjuster	Y		John Hinz	Vice President	hinz@vericclaiminc.com	713-516-3120	Ronnie Adcock, Regional Manager	radcock@vericclaiminc.com	214-435-8951	Yes
VeriClaim, Inc.	Field Adjuster	Y		John Hinz	Vice President	hinz@vericclaiminc.com	713-516-3120	Ronnie Adcock, Regional Manager	radcock@vericclaiminc.com	214-435-8951	Yes
Wardlaw Claims Service, LLP	Field Adjuster	Y	Y	Jeff Keahay	Vice President	jk@wardlawclaims.com	254-624-2355	Ray Hickok	ray@wardlawclaims.com	254-488-6192	Yes
ProNet Group, Inc.	Engineer	Y	Y	Shawn Shoop	Vice President - Marketing	schoop@pronetgroup.com	281-202-3133	Stacy English	sen@pronetgroup.com	281-496-2865	Yes
Insight Engineering, L.P.	Engineer	Y	Y	Mark Kubena, P.E.							
Nelson Architectural Engineers, Inc.	Engineer	Y	Y	Paul White		pwhite@architecturalengineers.com	713-553-4475	Chris KahaneK	ckahaneK@architecturalengineers.com	713-397-3122	Yes
Haag Engineering Co.	Engineer	Y	Y	Don Boudreaux, P.E.		dboudreaux@haagengineering.com	713-294-6091	Paul Williams	williams@haagengineering.com	800-635-0116	Yes
Project Time & Cost Forensic	Engineer	Y	Y	Nicole Thomas	Asst Vice President - Marketing	nicole.thomas@ptcinc.com	281 387-3736	Brooke Trosclair, Account Executive	brooke.trosclair@ptcinc.com	404-227-3222	Yes
AAA Floodmasters	Consultant	Y	Y	Henry Lubrie	Owner	409-740-0102		Brooke Trosclair, Account Executive	brooke.trosclair@ptcinc.com	866-796-2621	Yes
Cecil Parker Construction	Consultant	Y	Y	Cecil Parker	Owner	cdparker11@yahoo.com	361-537-8860	Noelle Kurtz	noellek@aaafloodmasters.com		Yes
ICC Group	Field Adjuster	Y	Y	Bryan Scanlan, EGA	Vice President	bryan@iccg.com	512-576-4493	Chris Lutz	chris@iccg.com	713-494-7571	Yes
BSC Forensics	Engineer	Y	Y	Jarrod Burns, P.E.	Principal	jburns@bscforensics.com	713-828-5829	Michael Schroeder, P.E.	mschroeder@donan.com	512-626-6085	Yes
Donan Engineering	Engineer	Y	Y	Brandon Whisonant	Regional Sales Manager	bwhisonant@donan.com	512-230-2337	Ben Andersen, Business Dev. Manager	bandersen@has-env.com	512-592-9851	Yes
HSA Engineers & Scientists	Engineer	Y		David Root	NaT1 Business Development Director	droot@has-env.com	813-777-5363				

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 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 solution

Single or Multiple Vehicle Solutions

- Determine potential locations based on projected or actual claim volume
- Select potential sites based on SMHC
- 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 existing office space before renting any office space
- Determine available options including vacant office space as well as temporary office vendor capabilities
- 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

Team Lead

Responsible for ensuring TWIA/TFPA's ability to provide service to its policyholders, including paying claims in a timely manner. The Team Lead 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 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' 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 Team Lead and other resources
- Meet with team and finalize deployment details

Team Lead

- 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 Team Lead 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

Communications Plan

Purpose

This document outlines action steps to be taken to communicate with the public and insurance agents as the 2013 hurricane season approaches and prior to and immediately after a significant hurricane or storm.

The goals of the Communications Plan are:

- Convey the message to the coastal region that TWIA cares about the well-being of its policyholders
- Educate/remind the media and public about procedures to use to file a claim in case of damage from the storm
- Educate/remind the media and public about what is and what is not covered by windstorm insurance
- Proactively address some areas of possible confusion among consumers in order to mitigate potential legal action following the disaster

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)
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 upcoming media tour
April	<ul style="list-style-type: none"> • Hurricane education packet press release and media outreach • Schedule media tour for early May • Prepare press release and op-ed re: hurricane preparedness • Update hurricane season ads as needed
May	<ul style="list-style-type: none"> • Media tour—Galveston, Beaumont, Corpus Christi (early in the month) • Media outreach in other markets using press release, phone interviews and op-ed • Reserve space for hurricane season ads (coordinate with media-buying company) • May Board meeting media outreach
June	<ul style="list-style-type: none"> • Hurricane season ads run (1st 3 Sundays in June)

Pre-Event and During an Event

<p>Note: The level of response will vary depending on the anticipated size of the event.</p>	<p>Action</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 Season for Print • If evacuations are anticipated, remind policyholders to take a copy of their policies and contact information for agent with them • ECPR drafts and distributes 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 • ECPR prepares 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
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Post-Event

<p>Note: The level of response will vary depending on the anticipated size of the event.</p>	<p>Action</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 • ECPR sends out follow-up press release with similar information to media in affected areas • ECPR sends available for interview emails to key reporters (offering interviews with TWIA regarding insurance issues) • TWIA adjusts staffing as needed • Consider implementing a hurricane hotline to answer consumer inquiries • Consider special updates for website
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If you are a Texas Windstorm Insurance Association policyholder impacted by recent hail and windstorms, we are here to help.

Here's what you can expect:

1. Once we are aware of your claim, we will immediately assign an adjuster who will contact you as quickly as possible.
2. Please 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.
3. Rest assured, we have extra claims resources in place and will work diligently to evaluate and process your claim as quickly as possible.

Si tiene una póliza de Texas Windstorm Insurance Association (TWIA) y ha sufrido daños recientes de granizo y vientos fuertes, estamos aquí para ayudar. Aquí le decimos lo que puede esperar:

1. Una vez que sepamos de su reclamo le asignaremos inmediatamente un ajustador que se pondrá en contacto con usted lo antes posible.
2. Lleve a cabo las reparaciones menores temporales para proteger su propiedad de mayor pérdida y guarde los recibos de cualquier trabajo completado. No debería empezar a hacer reparaciones permanentes hasta que el ajustador asignado por TWIA se haya puesto en contacto con usted y haya inspeccionado su propiedad.
3. Tenga la tranquilidad de saber que tenemos recursos suficientes y que trabajaremos diligentemente para evaluar y procesar su reclamo tan rápido como sea posible.

To report your TWIA claim please call:

Para reportar su reclamo a TWIA llame al:

1-800-788-8247



**Texas Windstorm
Insurance Association**



FOR IMMEDIATE RELEASE

MONTH X, 2013

Contact: Meg Meo, 512-494-2867,

mmeo@echristianpr.com

The Texas Windstorm Insurance Association Offers Advice on Hurricane Preparedness in Wake of Approaching Storm

Coastal Residents Are Urged to Take Precautions to Ensure that Property is Protected

AUSTIN, Texas—As Hurricane (Name) bears down on the Texas coastline, the Texas Windstorm Insurance Association offers the following suggestions for coastal residents and business owners who may be in the path of the storm.

1. Protect your home or business by boarding up exposed windows.
2. Secure outdoor furniture and other belongings that are outside (bicycles, etc.) or bring them indoors.
3. Be prepared to evacuate: pack up enough clothes, medications and other necessities for several days.
4. If possible, obtain written prescriptions for all necessary medication to take with you in an evacuation.
5. Purchase gas for your car and gather non-perishable food, maps and bottled water for the trip.
6. Listen for news and weather updates to determine where and when you may be instructed to evacuate.

7. Pack your insurance agent contact information and policy numbers for your flood, windstorm and automotive policies. (Remember: Flood insurance does not cover wind damage and windstorm insurance does not cover flood/storm surge damage.)
8. If time permits, take an inventory of your property. Consider videotaping a “tour” of your belongings. If possible, move all property records in a location away from the path of the storm.
9. Be sure you know how to initiate an insurance claim. Keep your agent’s contact information with you at all times.
10. Read your insurance policies and know what is covered and what is not covered. If you are not sure, discuss with your agent.

-30-

About the Texas Windstorm Insurance Association

The Texas Windstorm Insurance Association (TWIA) is the state's insurer of last resort for wind and hail coverage in the 14 coastal counties and parts of Harris County (east of Highway 146). TWIA provides wind and hail coverage when insurance companies exclude it from their homeowners and other property policies sold to coastal residents. TWIA employees are committed to promote hurricane safety and education, together with the development and enforcement of coastal building codes, in an effort to save lives and property. www.twia.org



FOR IMMEDIATE RELEASE
MONTH X, 2013

Contact: Meg Meo, 512-494-2867,
mmeo@echristianpr.com

The Texas Windstorm Insurance Association Offers Advice Following Hurricane (Name)

AUSTIN, Texas—The Texas Windstorm Insurance Association (TWIA) offers the following recommendations for coastal residents who have been impacted as a result of Hurricane (Name). Experiencing a hurricane can be traumatic. The following general checklist will help you through the insurance claims process to ensure that you can begin necessary repairs as quickly as possible.

As soon as you are able, review your insurance policies and any attachments that came with your policies for specific instructions regarding your coverages and the claims processes. (Insurance companies may vary on specific procedures to follow.)

1. Assess the damage to your property and make a list of possible repairs that may be needed. (You should take pictures or video as a record of the damage.)
2. Make reasonable temporary repairs, dry out and protect your property as quickly as possible to prevent further damage. (Keep your receipts.) Do not make permanent repairs, such as a roof replacement, until an insurance adjuster has made an inspection.
3. Call your agent to report the claim. If you are unable to contact your agent, contact your insurance companies directly. (Remember: Flood insurance does not cover wind damage and windstorm insurance does not cover flood/storm surge damage, so you should have BOTH flood and windstorm policies.) TWIA's toll-free number is 1-800-788-8247.

4. Your insurance companies will assign your claim to a local adjuster. Meet with the adjuster and share the list and other documentation that you have prepared. Show the adjuster all the damages, including personal property if covered by your policy. The adjuster may find additional damage.
5. The adjuster will assess the damage to your property and will report the findings to your insurance company, which will review all claim reports and will make the final decisions about payments. If you are due a payment for your loss, a check will be issued and sent to you. If warranted by the scope of the repairs needed, money will be included to hire a general contractor to manage the repair process.
6. Do your homework and be wary of contractors who show up at your door unexpectedly. (Check with the Better Business Bureau for a history of complaints.)
7. To qualify for insurance through TWIA, most permanent repairs must be made to the windstorm building code and be inspected by a Texas Department of Insurance (TDI) windstorm inspector or an engineer approved by the TDI. A complete list of TDI-approved engineers can be found by following the “Coastal Texans and Disasters” link found on TDI’s website: www.tdi.state.tx.us.
8. Call your county’s local Windstorm Inspection Office to schedule an inspection prior to the beginning of the repairs.
9. Schedule the repairs. Consider holding back a portion of the repair payment until the entire project is completed to your satisfaction.
10. If additional damage covered by your policy is discovered during the repair process, a supplementary claim can be processed to cover the cost. Ask your adjuster to meet with your contractor to have the additional damage verified.

-30-

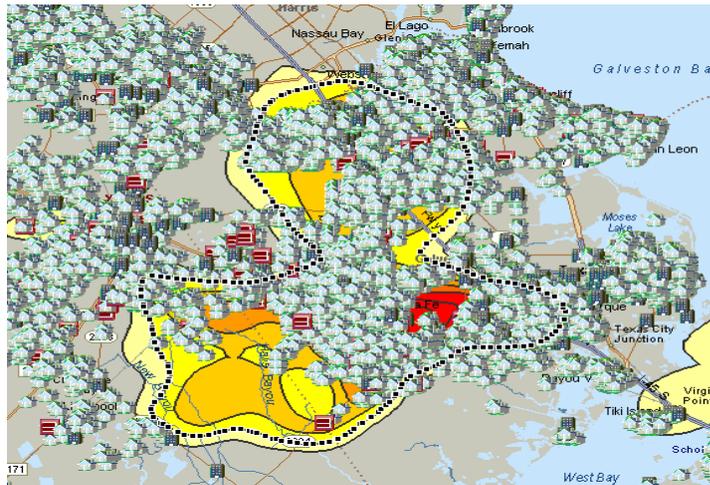
About the Texas Windstorm Insurance Association

The Texas Windstorm Insurance Association (TWIA) is the state's insurer of last resort for wind and hail coverage in the 14 coastal counties and parts of Harris County (east of Highway 146). TWIA provides wind and hail coverage when insurance companies exclude it from their homeowners and other property policies sold to coastal residents. TWIA employees are committed to promote hurricane safety and education, together with the development and enforcement of coastal building codes, in an effort to save lives and property. www.twia.org



TWIA Responds to Galveston County Storms

High winds, hail and rain hit Galveston County and the surrounding areas on Tuesday afternoon and evening, April 2nd. TWIA responded immediately activating adjusters in the area for rapid assessment of damages.



Snapshot of TWIA policies in the affected area.

TWIA is responding to meet the needs of our customers by:

- Providing 24/7/365 phone support
- Sending field adjusters to inspect properties and to write repair estimates
- Contacting policyholders within 24 hours of filing their claim to explain the claim process and provide TWIA contact information
- Assigning a TWIA Claims Examiner to guide each customer through the claim process
- Continuously monitoring claim volume so that proper staffing is available to guarantee a high level of customer service



Top Left: Residential structure with hail damage to the roof and siding.



Bottom Right: Commercial structure with damage to the mansard roof.

How to File a Claim

If your insured's property has been damaged by recent wind or hail storm events, you can report a claim using the TWIA Agent Portal or you may advise the customer to call us directly to file their claim at:

1-800-788-8247 and follow prompts

Once we are aware of the claim we will assign an adjuster who will contact the insured as quickly as possible.

If necessary, encourage your insureds to make any minor temporary repairs to protect their property from further loss and keep receipts for any work.

Insureds should not begin making permanent repairs until a TWIA assigned adjuster has contacted them and inspected their property.

Appendix L

Communications with Agents

Agent communications are critical to the smooth flow of information during the Pre-Event, During and 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• 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. [Appendix M - Special Investigation Unit Reporting](#) provides additional detail on the services offered by VRC and the list of primary indicators for desk examiners to consider.



INVESTIGATIONS

VERACITY RESEARCH CO. INVESTIGATIONS



SIU SPECIAL SERVICES

As your contractual Special Investigations Unit (SIU) our mission is to protect the interests of our clients and their insureds. Our objective is to expeditiously investigate insurance claims to the proper resolution and resist non-meritorious claims. We are dedicated to the education, detection and prevention of exaggerated and fraudulent claims. As your SIU we promise to provide you with a full and comprehensive investigation on every claim ensuring that we validate and verify each claim and fully explore all leads. We are here to answer your questions and to ensure that our investigations enhance the claim adjusting process to the proper result.



WWW.VRC INVESTIGATIONS.COM · (800) 654-2185



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.

SPECIAL SERVICES

- SIU (Anti-Fraud) Program
- Hospital/Medical Canvasses
- 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



Mandatory Referral to SIU

- 1) Fire
- 2) Theft
- 3) Vandalism & Malicious Mischief
- 4) Liability - Bodily Injury & Property Damage
- 5) Any loss > \$50,000 Total Incurred
- 6) Prior claims match through ISO Claims Search
- 7) Suspicion information submitted is false, altered, or may contain a forged signature

Recommended Referral or Reasons to Update SIU

- 1) Policy in force a short time prior to loss or coverage amount increased shortly before loss
- 2) Premises was over-insured
- 3) Loss reported late or long after actual date of loss
- 4) Insured has previous or similar loss history
- 5) Recent change in family structure (divorce) or financial condition (bankruptcy, history of late payments, or unemployment)
- 6) Property was under renovation or in poor condition at the time of the loss
- 7) Insured or claimant retains attorney or Public Adjuster immediately after loss, or prior to reporting the loss

- 8) Insured property is located outside of area of known storm activity and damage for the claimed event and date of loss or no
- 9) Loss amounts reported to the police or fire department inconsistent with the amount listed in the proof of loss or claim forms
- 10) Receipts are from businesses that are no longer active or we cannot determine if the businesses were ever active
- 11) Actual ownership of the property was transferred before date of loss
- 12) Evidence a recent quit claim deed was executed on the subject property
- 13) One neighborhood with several homeowners being solicited by the same roofer
- 14) Owner cannot provide documentation confirming prior damage has been repaired
- 15) Individual indicates distress over prospect of an examination under oath
- 16) Individual is overly pushy, aggressive or demanding for a quick, and sometimes reduced settlement
- 17) Individual provides altered documents
- 18) Investigation reveals absence of family photographs, heirlooms, pets, or items of sentimental value
- 19) Items claimed cannot physically fit in existing floor space
- 20) Losses include numerous appraised items, items of scheduled property, a large amount of cash, or family heirlooms

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, Team Lead, 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 Team Lead 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, Team Lead, 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
 - Mostyn settlements are picked by daily courier
 - 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

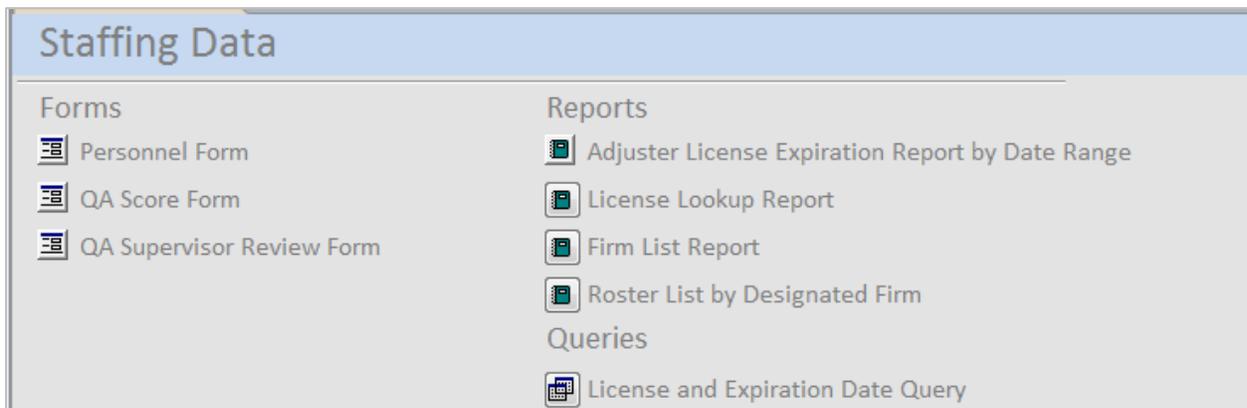
Staffing Database Overview

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

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="button" value="v"/>			<input type="checkbox"/>	<input type="button" value="v"/>

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: 50px;" 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

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				
	2James 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 2013:

Examiner Firm	Number of Examiners Available		Number of Spanish Speaking Examiners
	Texas Storms	Multiple States	
Addecco	15	8	0
Alamo Claim Service	200	70	10
Insurance Placement Solutions	300	200	10
Insurance Recruitment Specialists	200	150	25
Jacobson	110	110	10
One Call Claims Corporation	178	119	29
Reid, Jones, McRorie & Williams	300	100	25
Totals	1303	757	109

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 2013:

Claim Support Firm	Available		Number of Spanish Speaking Claim Support
	Week 1	Weeks 2-4	
Addecco	40	100	7
Leading Edge	25	100	7
Totals	65	200	14

Appendix R

Structural Engineer Commitment by Company

The following table details the number of structural engineers committed to Texas Windstorm in 2013:

Structural Engineering Firm	Number of Structural Engineers Available	
	Texas Storms	Multiple States
Brown Consulting Services	4	0
BSC Forensic Services, LLC	2	1
Donan Engineering	21	6
G&A Engineering Consultants	3	2
Green Engineering Consulting	1	0
Haag Engineering	10	8
Halliwell Engineering Associates	9	4
Project Time and Cost	22	11
ProNet Group, Inc.	9	8
Rimkus Consulting Group, Inc.	19	14
SDII Global Corporation	6	0
Totals	106	54

Appendix S

Building Consultant Commitment by Company

The following table details the number of building consultants committed to Texas Windstorm in 2013:

Building Consultant Firm	Number of Building Consultants Available	
	Texas Storms	Multiple States
Cecil Parker Const. Company	1	0
Grecco Const. Consultants	13	1
JS Held Const. Consulting	73	8
Project Time and Cost	23	18
Trimark Catastrophe Services	7	4
Totals	117	31

Appendix T

Field Adjuster Online Training

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

Home / TWIA

TWIA

2021 Training has partnered with Texas Windstorm Insurance Association (TWIA) as their exclusive provider for online adjuster certifications.

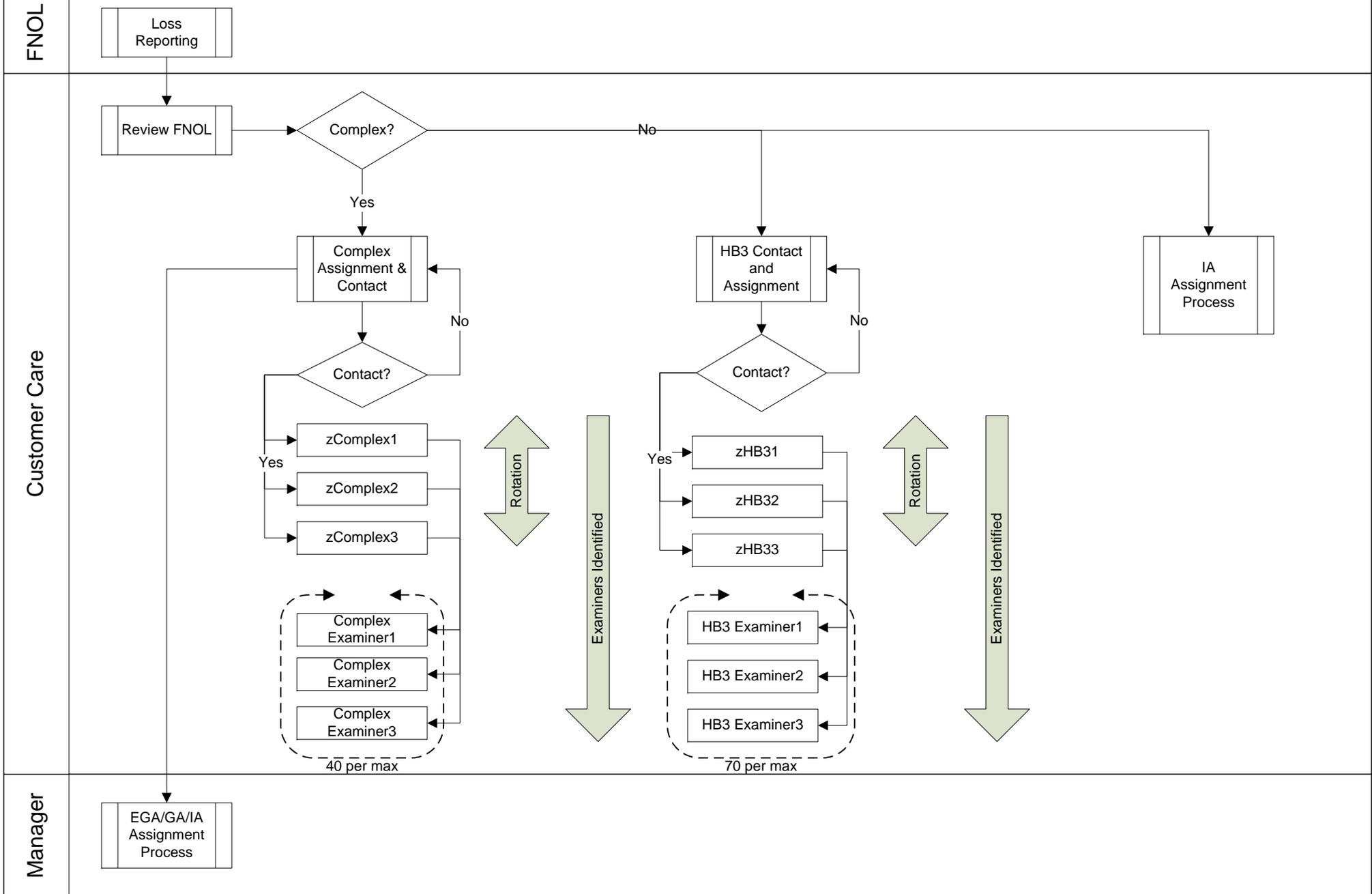


As an adjuster, you will need to have these certifications prior to adjusting any claims for TWIA. They are registered with the Texas Department of Insurance for CE credits. These licenses **renew annually** which is a recent change. Your certification will be valid for one year from the date of completion. You do not need both certifications. Please select the appropriate one for the type of claims you will be adjusting.

<p>2013 TWIA Residential Adjuster Certification (3hr) Course # 91718 \$50 3 General Texas CE Credit Hours (Classroom Equivalent Hours)</p> <p>This certification is required to adjust Residential claims for TWIA. This is an annual certification.</p> <p>Buy Now</p>	<p>2013 TWIA Residential/Commercial Adjuster Certification (4hr) Course # 91717 \$55 4 General Texas CE Credit Hours (Classroom Equivalent Hours)</p> <p>This certification is required to adjust Residential, Commercial and Complex claims for TWIA. Complex claims include multiple location losses and condos. This is the same course as the Residential Adjuster Certification with the addition of Commercial and Complex. This is an annual certification.</p> <p>Buy Now</p>
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CAT Plan 2013 Claim Triage and Assignment Process



2013 Catastrophe Plan
Texas Windstorm Insurance Association
House Bill 3 Section 2210.455
Requirements



Texas Windstorm
Insurance Association

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House Bill 3 Section 2210.455 Requirements

House Bill 3 states TWIA's CAT Plan must describe the manner in which the association will, during the period covered by the plan, evaluate losses and process claims after the following windstorms affecting an area of maximum exposure to the association by 5/31/13:

- 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 2013](#) 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 2013](#) 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 2013 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)	191,000	531	44	216	130	921	1273	111	1384
2% (1 in 50)	116,000	322	27	130	78	557	773	67	840
4% (1 in 25)	63,000	175	15	62	40	291	420	36	456
10% (1 in 10)	23,000	64	5	12	10	91	153	9	163

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](#).
- Staffing database also contains information on the field claims adjusters available for deployment in [Appendix O – Staffing Database](#)

Desk Claims Examiners, Managers

- Resource commitments are detailed in [Appendix P – Desk Examiner Commitment by Company](#)
- Staffing database also contains information on the desk claims examiners available for deployment in [Appendix O – Staffing Database](#)

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 – Structural Engineer Commitment by Company](#)

Building Consultants

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

Associated Staffing Costs

Projected costs for each scenario are detailed in the following tables. Staffing totals are maximum staffing costs at the peak, over a four week period assuming 7 day work weeks. Staffing will ramp up and ramp down during any actual event and these serve as approximations only.

1 in 100 (1% Event)			
	Avg Cost	# of Staff	4 Week Cost
Claims Examiners	\$600.00	531	\$ 8,920,800
Managers	\$800.00	44	\$ 985,600
Customer Care	\$100.00	216	\$ 604,800
Quality Assurance	\$600.00	130	\$ 2,184,000
Reinspectors	\$800.00	111	\$ 2,486,400
Total			\$15,181,600
Field Adjusters	Allocated to the claim file		
1 in 50 (2% Event)			
	Avg Cost	# of Staff	4 Week Cost
Claims Examiners	\$600.00	322	\$ 5,409,600
Managers	\$800.00	27	\$ 604,800
Customer Care	\$100.00	130	\$ 364,000
Quality Assurance	\$600.00	78	\$ 1,310,400
Reinspectors	\$800.00	67	\$ 1,500,800
Total			\$ 9,189,600
Field Adjusters	Allocated to the claim file		
1 in 25 (4% Event)			
	Avg Cost	# of Staff	4 Week Cost
Claims Examiners	\$600.00	175	\$ 2,940,000
Managers	\$800.00	15	\$ 336,000
Customer Care	\$100.00	62	\$ 173,600
Quality Assurance	\$600.00	40	\$ 672,000
Reinspectors	\$800.00	36	\$ 806,400
Total			\$ 4,928,000
Field Adjusters	Allocated to the claim file		
1 in 10 (10% Event)			
	Avg Cost	# of Staff	4 Week Cost
Claims Examiners	\$600.00	64	\$ 1,075,200
Managers	\$800.00	5	\$ 112,000
Customer Care	\$100.00	12	\$ 33,600
Quality Assurance	\$600.00	10	\$ 168,000
Reinspectors	\$800.00	9	\$ 201,600
Total			\$ 1,590,400
Field Adjusters	Allocated to the claim file		

Vendor Activation Process

Specific vendor activation criteria are detailed in the CAT Plan. See *Vendor Activation Process* details in the [CAT Plan 2013](#) document.

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 124 employees within the Claims department. Daily operations typically utilize 45 of these spaces leaving 79 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.pdf](#).

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:

- 10 customer seats
- 2 receptionist seats
- 8 back-office seats
- 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 development 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 is actively expanding remote connection capacity for the claim management system, NOTUS. The base level remote connectivity will be established at 100 users, in advance of the 2013 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 2013 Summary - TWIA. Associated costs for expansion are projected in the table below:

Remote Users	Base Cost	Additional Next Level Costs	Total Cost
100	\$316,566		\$316,566
300		\$195,000	\$511,566
600		\$545,000	\$861,566
900		\$880,000	\$1,196,566

VOIP Telephone System

TWIA’s IT department is actively pursuing a modern VOIP phone solution for the association to allow 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. This solution also establishes the foundation for the next generation TWIA company-wide telephone system with capability to be utilized by all users in all departments. The cost is approximately \$200,000 to

establish a base service of 217, expandable to the 1 in 100 year projections outlined in the Claim Resource Scalability Modeling Tool 2013 Summary – TWIA above.

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 and NOTUS Hybrid Claim Triage and Assignment Workflow](#)
- [XactAnalysis and NOTUS Hybrid Return Trip Workflow](#)
- [XactAnalysis and NOTUS Hybrid Claim Triage and Assignment Narrative](#)

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 2013 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 shown in [CAT Plan 2013 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 2013 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 shown in [CAT Plan 2013 Org Chart - Resolution Phase](#).

Data Management and Reporting

Claim 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.

Daily 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)					

Claims Key Performance Indicator Scorecard

Results for the current month and year to date are reported in the following format:

Claims Report Card (Sample Data from March 2013)	
Number of Claims Received	686
Number of Claims Closed With Payment	1,708
Number of Claims Closed Without Payment	10
Average Number of Days From FNOL to Inspect Property	2.2
Average Number of Days From Inspect Property to Receipt by TWIA	2.3
Average Number of Days From Receipt by TWIA to Payment	5.8
Number of TDI Complaints	3
Number of TDI Complaints as a Percentage of Total Claims Received	0.4%

Call Center Performance

Call center metrics are reported in the following format and monitored by the vendor manager:

TWIA Call Center Performance	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
FNOL Calls	401	146	162	99	98	87	102	132	152	191	192
Status Calls	491	560	566	728	456	538	371	416	602	444	412
Total Calls	1,033	795	804	827	649	752	639	652	845	701	623
ASA (seconds)	27	19	32	43	22	13	86	43	25	14	9
# Abandoned	141	89	76	131	86	127	166	104	91	66	19
% Abandoned	12%	11%	9%	16%	13%	17%	26%	16%	11%	9%	3%
Avg. Talk Time	03:00	02:06	02:05	01:45	01:49	01:37	01:37	01:47	01:47	02:09	02:21
Avg. Talk Time FNOL	NA										
Avg. Talk Time Status	NA										
Goals: ASA = <30 Seconds, % Abandoned = <5%											

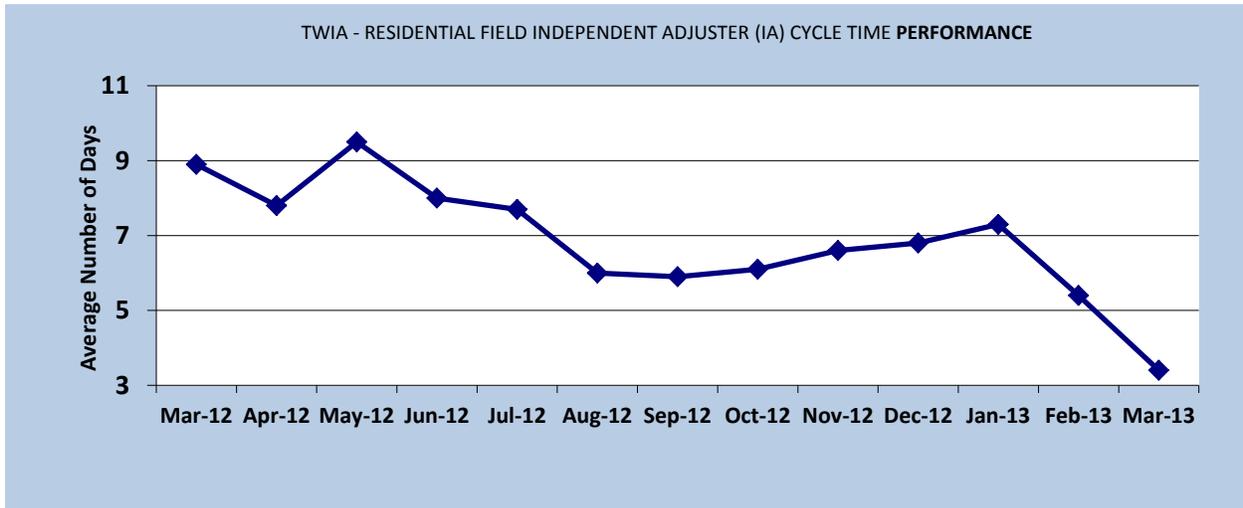
Production Report

Results for the current month and the twelve prior months are reported in the following format:

Date	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Beginning Inventory	2,726	2,726	3,770	3,485	3,098	2,887	2,494	2,657	2,756	2,818	3,008	3,007	3,632
New Claims	380	1,938	2,137	762	610	387	352	389	303	347	500	634	686
Closed	380	894	2,422	1,149	821	780	734	1,046	746	772	954	619	1,718
Ending Inventory	2,726	3,770	3,485	3,098	2,887	2,494	2,657	2,756	2,818	3,008	3,007	3,632	3,053
Closing Percentage	100%	72%	108%	112%	107%	116%	94%	96%	98%	94%	100%	82%	119%

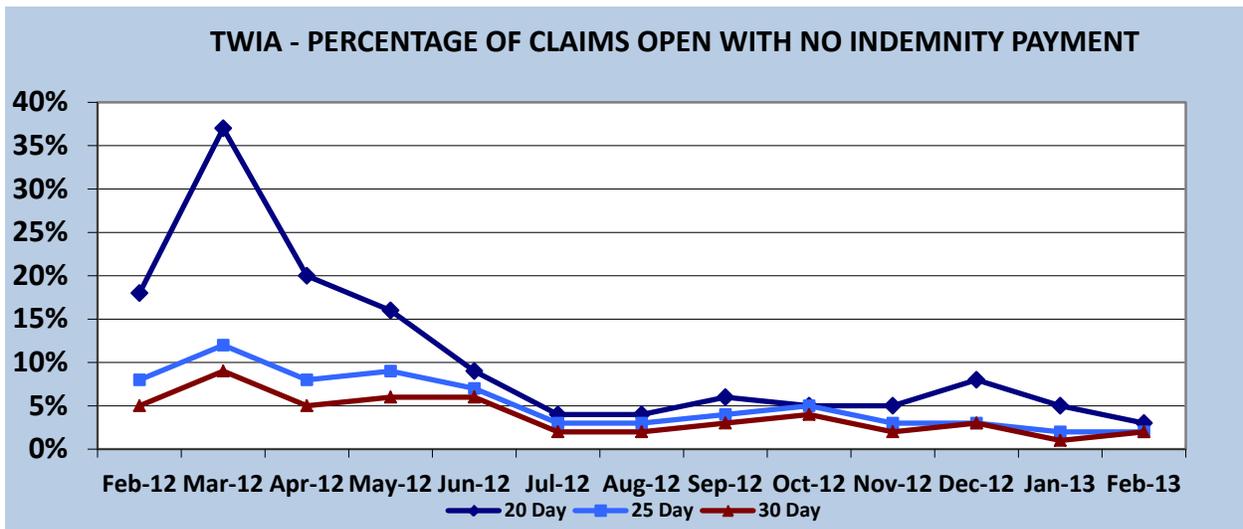
Field Adjuster Cycle Times

Field adjuster cycle times are measured and reported each month in both summary and firm level reports:



Percentage of Claims Open With No Indemnity Payment

Report tracks payment cycle times on a monthly basis:



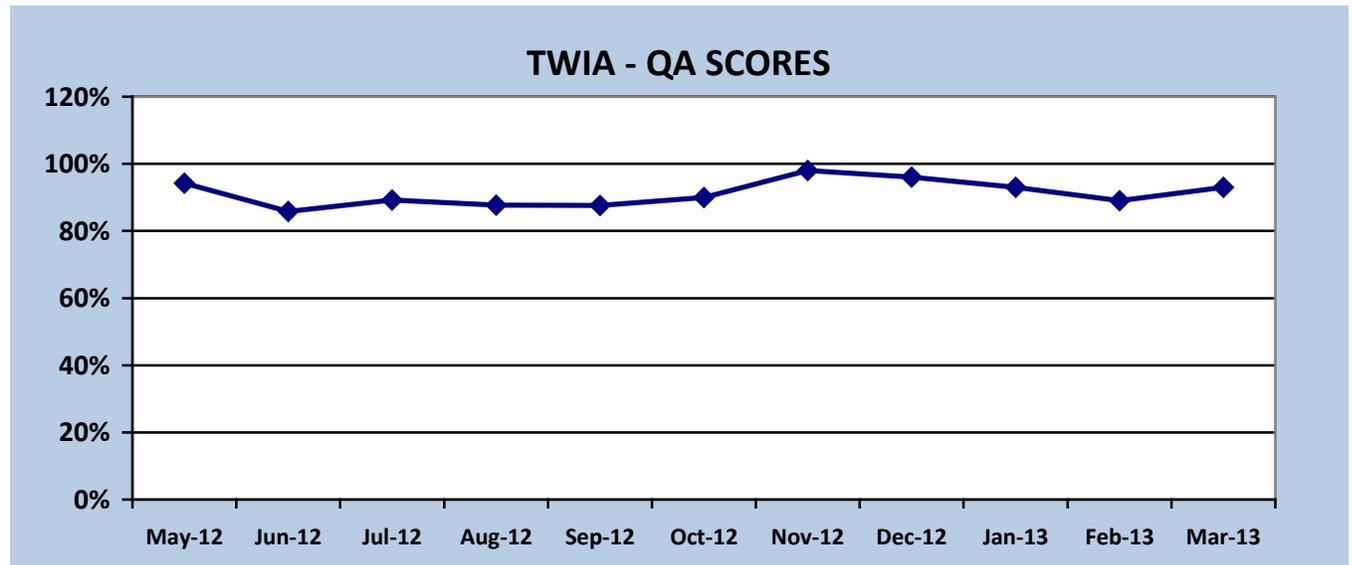
Disputed and Non-Disputed Claims

The number of claims in a disputed status is reported each month. A sample report is shown below:

Status	Appraisal	LOR	Contractor Complaint	Subrogation	Suit	TDI Complaint	Non-Disputed	Total Disputed	Total
Closed	1	3	1	0	0	2	3,390	7	3,397
Open	0	1	0	1	0	0	137	2	139
RCC	0	0	0	0	0	0	251	0	251
Rejected	0	0	0	0	0	0	32	0	32
Re-Open	0	8	0	1	3	0	57	12	69
Total	1	12	1	2	3	2	4,467	21	4,488

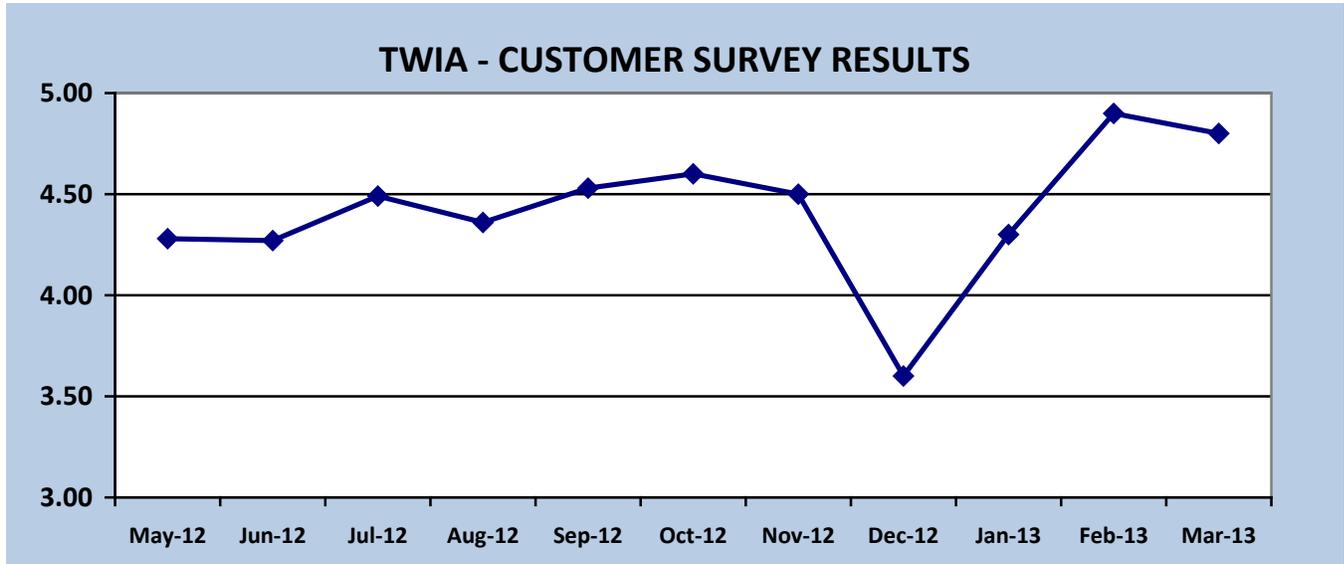
Desk Examiner Quality Assurance Scores

Desk Examiner file quality is measured and reported monthly in the following format:



Customer Survey Results

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



Communication Plan

The [CAT Plan 2013](#) 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 neither TWIA nor TFPA have 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 July 1, 2013 renewal date.

The summary below details how each of the four scenarios would be funded assuming \$850 million of reinsurance, the amount purchased in 2012. It is expected that TWIA will be able to purchase more reinsurance this year, possibly up to \$1 billion, but again that has yet to be finalized. All figures below are in millions (,000,000).

Event	Estimated Losses	Available Funding	CRTF	Public Securities	Reinsurance	Unfunded
1% (1 in 100)	4666	20	180	2000	850	1616
2% (1 in 50)	2831	20	180	2000	631	0
4% (1 in 25)	1547	20	180	1347	0	0
10% (1 in 10)	554	20	180	354	0	0

A more detailed explanation of the funding mechanisms can be found in [CAT Plan 2013](#) document.

Claims Resource Scalability Modeling Tool 2013 - 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
143,250	30	4,775	398	33	166	99	696	99	955	12	5	12
38,200	30	1273	106	9	44	27	186	9	255	Required Customer Care Resources By Claim Volume		
9,550	30	318	27	2	6	4	39	2	64	>150	>300	>600
										1.50	2.50	5.00
										Required QA Resources By Claim Volume		
										>150	>300	>600
191,000	90		531	44	216	130	921	111	1273	1.00	2.00	3.00

Claims Resource Scalability Modeling Tool 2013 - 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
87,000	30	2,900	242	20	101	60	423	60	580	12	5	12
23,200	30	773	64	5	27	16	113	5	155	Required Customer Care Resources By Claim Volume		
5,800	30	193	16	1	2	1	21	1	39	>150	>300	>600
										1.50	2.50	5.00
										Required QA Resources By Claim Volume		
										>150	>300	>600
116,000	90		322	27	130	78	557	67	773	1.00	2.00	3.00

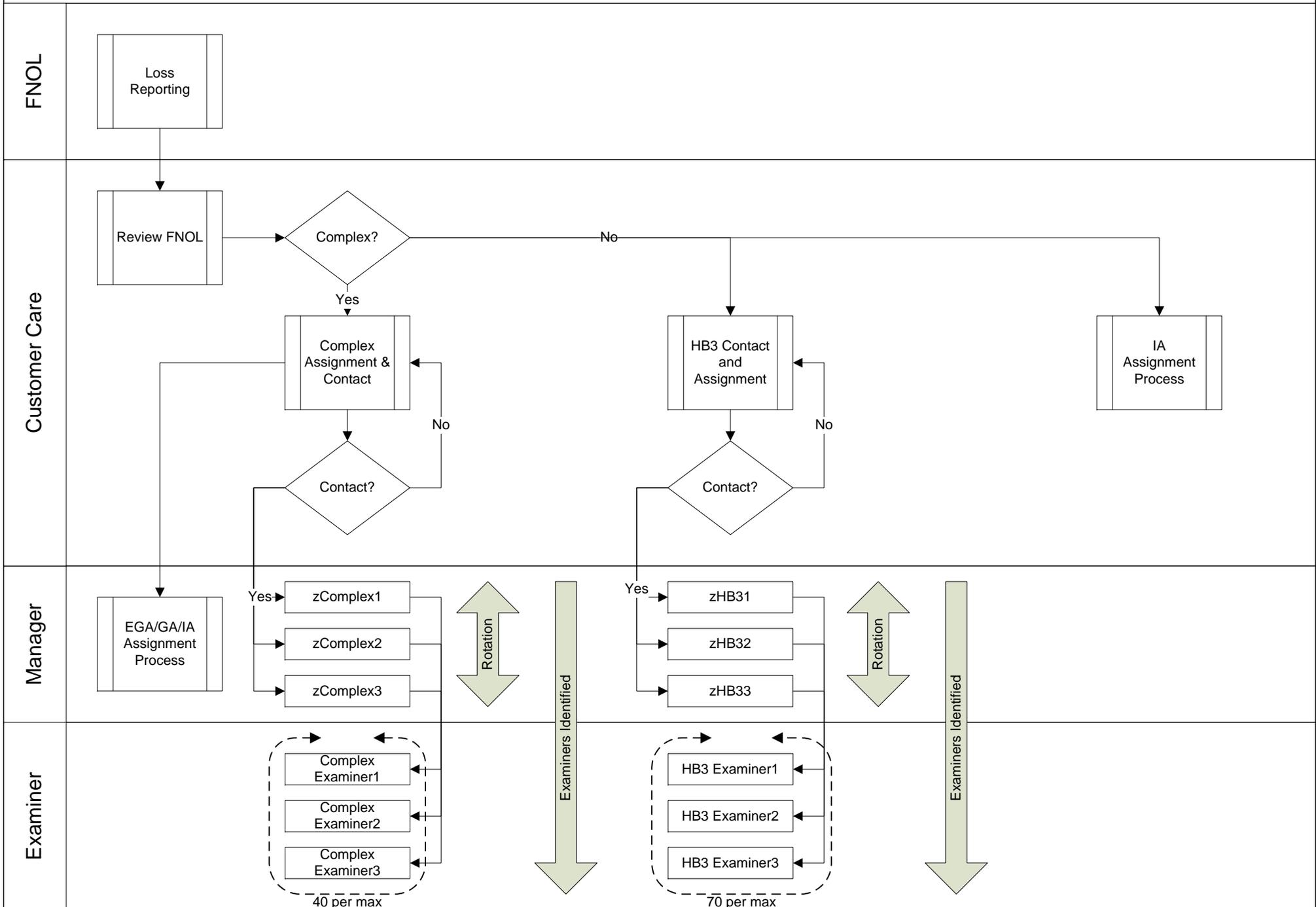
Claims Resource Scalability Modeling Tool 2013 - TWIA 4% Probability Event (1 in 25 year event)

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
47,250	30	1,575	131	11	55	33	230	33	315	12	5	12
12,600	30	420	35	3	7	6	51	3	84	Required Customer Care Resources By Claim Volume		
3,150	30	105	9	1	0	1	10	1	21	>150	>300	>600
										1.50	2.50	5.00
										Required QA Resources By Claim Volume		
										>150	>300	>600
63,000	90		175	15	62	40	291	36	420	1.00	2.00	3.00

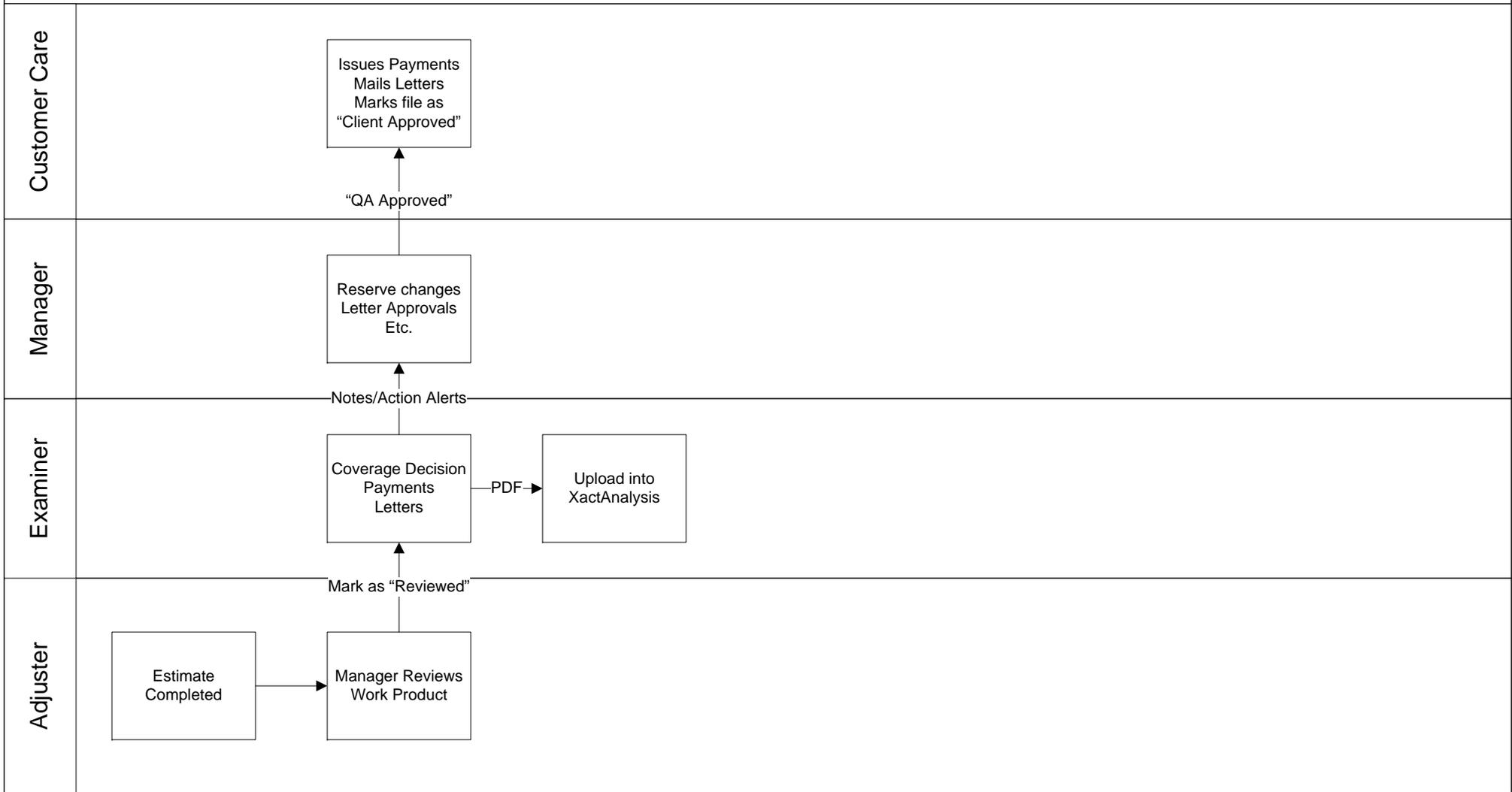
Claims Resource Scalability Modeling Tool 2013 - TWIA 10% Probability Event (1 in 10 year event)

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
17,250	30	575	48	4	10	8	70	8	115	12	5	12
4,600	30	153	13	1	2	1	17	1	31	Required Customer Care Resources By Claim Volume		
1,150	30	38	3	0	0	1	4	0	8	>150	>300	>600
										1.50	2.50	5.00
										Required QA Resources By Claim Volume		
										>150	>300	>600
23,000	90		64	5	12	10	91	9	153	1.00	2.00	3.00

XactAnalysis and NOTUS Hybrid Claim Triage and Assignment



XactAnalysis and NOTUS Hybrid Claim Return Trip



Step Description	Performer	Action/Differences from current workflow	Info/Link
Onboarding of Examiners			
<i>Enter Examiner into XactAnalysis</i>	Claims Coordinators	Build user in XactAnalysis once IT builds user in NOTUS	Must be done before claim can be assigned in XactAnalysis.
XactAnalysis and NOTUS Hybrid Claim Triage and Assignment FNOL			
<i>Loss Reporting</i>	Call Center	No changes to current workflows	
Customer Care			
<i>Review FNOL</i>	Claims Coordinator	No changes	
<i>Complex?</i>	Claims Coordinator	No changes	Establish criteria
<i>Complex Assignment and Contact</i>	Claims Coordinator	No changes	
<i>Contact</i>	Claims Coordinator	No changes	
<i>HB3 Contact and Assignment</i>	Claims Coordinator	No changes	
<i>Contact</i>	Claims Coordinator	No changes	
<i>IA Assignment Process</i>	Claims Coordinator	No changes	
<i>zComplex1,2,3 etc.</i>	Claims Coordinator	No changes	
<i>ZHB31, 2, 3, etc.</i>	Claims Coordinator	No changes	
<i>Complex Examiner1, 2, 3 etc.</i>	Claims Coordinator	When loss is reassigned from zBucket1,2,3 etc., support must then enter claim examiner assignment into XactAnalysis manually before the examiner will be able to access the file in XactAnalysis.	Need to build a connection between NOTUS and XactAnalysis for transfer of Examiner information.
<i>HB3 Examiner1, 2, 3, etc.</i>	Claims Coordinator	Same as Complex Examiner1, 2, 3 etc.	
Manager			
<i>EGA/GA/IA Assignment Process</i>	Manager	No changes	
Return Trip			
Adjuster			
<i>Estimate completed</i>	Adjuster	No changes	
<i>IA manager reviews work product</i>	IA Manager	IA Manager uses "Reviewed" status rather than "QA Approved" status	
Examiner			
<i>Coverage Decision Payments Letters</i>	Examiner	The examiner will review file in XactAnalysis, create payment letters and instruction set for the coordinators. Documents are printed to PDF and uploaded into XactAnalysis claim file.	
<i>Notes/Action Alert to Manager/Team Lead</i>	Examiner	Notifies manager file is ready to be reviewed and approved	
Manager			
<i>Reserve changes, Letter Approvals, File Review</i>	Manager	Manager reviews changes to reserves, approves letter, and then "QA Approves" files for upload	
Customer Care			
<i>Issues Payments, Mails Letters</i>		Claim Coordinators completes instruction set uploaded with file and issues payments, prints letters, completes reserve changes, and if final instruction, closes file in NOTUS and marks XactAnalysis as "Client Approved"	

Commercial Property Types	Resource Expertise Required	Engineers Expert	Building Consultants Expert	Comments
Hospitals and Medical Services Providers	EGA Team	Yes	Yes	Critical priority to work with entity management to ensure prompt recovery and continuity of operations
Municipalities, School Districts, Governmental Entities	EGA Team	Yes	Yes	Pay specific attention to essential services, i.e. fire, police, emergency services, and work with the city or county manager to ensure prompt recovery and continuity of operations
Churches	Commercial IA to EGA Team	Yes	Yes	Specific expertise in adjusting these types of property losses is likely required. Choice of IA is also based on number of buildings and age and complexity of structures
Historical Buildings	EGA	Yes	Yes	Assign to adjuster with specific knowledge of historic buildings. Consider prompt use of restoration services with knowledge of historic buildings and documents
Condominiums, Apartments, Housing Authorities	Commercial IA to EGA Team	Yes	Yes	The choice of IA is based on number of buildings and units involved. Always consider use of an engineer and building consultant
Heavy Commercial, i.e. manufacturers, distributors, warehouses, shopping malls, large strip plazas, hotels, resorts, etc.	EGA	Yes	Yes	Multiple buildings, units, and tenants may warrant use of team approach. Also consider use of subject matter experts (those familiar with heavy manufacturing, warehouses, or unique commercial ventures)
Light Commercial, i.e. stand alone single building businesses	GA or CIA	Maybe	Maybe	Typically can be handled by single qualified commercial adjuster

Commercial Adjuster Types:

"EGA Team" consists of an Executive General Adjuster (EGA) acting as the claim project team leader and customer/agent liaison working with a team of General Adjuster's (GA) and Commercial Independent Adjusters (CIA) to address large or multiple site/location policy losses

"General Adjusters" (GA) may also lead teams of CIA's depending on type and complexity of claim

Commercial Independent Adjusters (CIA) generally handle single property lesser complex losses

