MEMORANDUM

DATE: May 30, 2012

TO: All Agents

RE: Hurricane Binding Procedures

June 1st marks the start of Hurricane season for the Texas Gulf Coast. Please remember that no new or additional coverages can be written on the day a storm is declared a hurricane and is within the boundaries of 80 degrees west longitude and 20 degrees north latitude, or is in the Gulf of Mexico.

After Hurricane Ike, TWIA found too many instances of applications for new or renewal policies not arriving at TWIA on a timely basis. As a result, many coastal residents were without insurance when Hurricane Ike hit the Texas coast. Please make sure your insureds understand that their application and premium must be received in advance of these conditions to avoid being unable to secure coverage.

Following is text on the "Binding Exception" rules from TWIA's Plan of Operation:

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

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

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