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TEXAS WINDSTORM  
INSURANCE ASSOCIATION

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# TWIA Instructions and Guidelines Manual

Revised 5/26/16



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## General Information

### Overview

TWIA's new business application programs are available online for all lines of business, including Residential, Commercial, Builder's Risk, and Manufactured Homes.

Because TWIA uses two policy systems, for the purpose of this manual, "Application" refers to:

- a Policy Center submission or renewal for Residential coverage
- an Agent Portal application for Commercial, Builder's Risk, and Manufactured Home coverage
- a Renewal Application for Commercial, Builder's Risk, and Manufactured Home coverage
- a policy change request for new or increased coverage for all lines of business

To access the systems, log in at [www.twia.org](http://www.twia.org) and click on the "Agent Login" button. This will take you to the appropriate policy system. New users should click on the "New User" button to register.

For detailed assistance on using the quoting systems, please visit:

- the [Training & Resources](#) page under the Agents section on the TWIA website for Residential quotes and applications.
- the Help section of the Agent Portal for Commercial, Builder's Risk, and Manufactured Home quotes and applications.

## Effecting Coverage

Only TWIA employees can bind coverage on behalf of TWIA. Agents have no binding authority and must submit requests for coverage along with payment to TWIA.

### Standard Binder Procedure

Eligible new or increased coverage will not be effective before the date the application and payment are received by the association, or the date the application or payment is mailed if sent by registered or certified mail, United States Postal Service Express Mail, 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.



Renewal policies will be effective to provide continuous coverage if the request for a renewal and payment are received, or mailed by one of the means described above, on or before the expiration of the existing policy.

### **Hurricane Binding Exception**

The hurricane binding exception rule, as stated in the TWIA Plan of Operation, begins after a windstorm is designated as a hurricane by the United States National Weather Service is in the Gulf of Mexico or within the boundaries of 80° west longitude and 20° north latitude and continues until the General Manager determines that the storm no longer threatens property within the designated catastrophe area of TWIA.

#### **The exception applies to:**

- new or increased coverage requests that are received by TWIA after the time specified in the Plan of Operations as an exception, unless the application for new or increased coverage stipulates a later date;
- new or increased coverage applications or payment thereof that are sent by regular mail (beginning at 12:01 A.M. on the day that the exception is invoked) unless the application for new or increased coverage stipulates a later date.

#### **The exception does not apply to:**

- new or increased coverage applications or payment thereof that meet underwriting criteria and that are submitted electronically or delivered in person to TWIA's Austin office during its normal business hours prior to the Hurricane Binding Exception;
- applications or payments thereof that were mailed by registered or certified mail, United States Postal Service Express Mail, regular mail that is hand-cancelled by the United States Postal Service, or such other mailing procedure as approved by the Board of Directors prior to the first day the hurricane binding exception is invoked;
- any renewal policy affording windstorm coverage if the expiring policy was written by TWIA and if the request for renewal with payment was received by TWIA before the expiration of the existing TWIA policy, or if the request for renewal or payment thereof are mailed by registered or certified mail, United States Postal Service Express Mail, regular mail that is hand-cancelled by the United



States Postal Service, or if sent by such other mailing procedure as approved by the Board of Directors, prior to the expiration of the existing TWIA policy;

- applications submitted for coverage on newly acquired structures if the buyer has a closing date that transpires during the time when the binding exception has been invoked, and that closing was established before the binding exception was invoked. The agent is required to provide the HUD-1 form or similar proof from the real estate closing.

NOTE: Agents should not hold applications waiting for the HUD-1 Form or similar documentation but should instead submit the application and payment to TWIA noting that this application is due to a pending sale and that the HUD-1 form will follow.



<b>New Business Application</b>			
<b>Payment Delivery Method</b>	<b>No Exception</b>	<b>1<sup>st</sup> day of Binding Exception</b>	<b>Binding Exception Day</b>
<b>Walk-in</b>	Accepted date <u>received</u> by TWIA	Accepted date received until binding exception is invoked	Not accepted until hurricane binding exception is over
<b>Regular Mail</b>	Accepted date <u>received</u> by TWIA	Not accepted until hurricane binding exception is over	Not accepted until hurricane binding exception is over
<b>USPS Certified, Registered, Hand Canceled or Postal Express</b>	Accepted date <u>mailed</u>	Accepted date <u>mailed</u>	Accepted date <u>mailed</u> if mailed prior to hurricane day
<b>EFT &amp; eCheck</b>	Accepted date submitted	Accepted date submitted until hurricane binding exception is invoked	Not accepted until hurricane binding exception is over

<b>Policy Change – New or Increased Coverage</b>			
<b>Submission Method</b>	<b>No Exception</b>	<b>1<sup>st</sup> day of Binding Exception</b>	<b>Binding Exception Day</b>
<b>Walk-in, Email, or Fax<sup>1</sup></b>	Accepted date <u>received</u> by TWIA	Accepted date <u>received</u> until exception is invoked	Not accepted until hurricane binding exception is over
<b>Regular Mail<sup>1</sup></b>	Accepted date <u>received</u> by TWIA	Not accepted until hurricane binding exception is over	Not accepted until hurricane binding exception is over
<b>USPS Certified Registered Hand Canceled or Postal Express<sup>1</sup></b>	Accepted date <u>mailed</u>	Accepted date <u>mailed</u> (Exclusion to Binding Exception)	Accepted date <u>mailed</u> if mailed prior to hurricane day
<b>Electronically Submitted through Policy Center<sup>2</sup></b>	Accepted date submitted	Accepted date submitted until hurricane binding exception is invoked	Not accepted until hurricane binding exception is over

<sup>1</sup> Commercial, Manufactured Home, and Builder’s Risk

<sup>2</sup> Residential Only



### Renewals<sup>3</sup>

Payment Delivery Method	No Exception	1 <sup>st</sup> day of Binding Exception	Binding Exception Day
<b>Walk-in</b>	Accepted date <u>received</u> by TWIA <sup>4</sup>	Accepted date <u>received</u> until binding exception is invoked. <sup>4</sup> Once exception is invoked, the renewal must be received prior to expiration; otherwise, accepted when exception is over with a lapse in coverage <sup>5</sup>	Accepted if <u>received</u> before expiration; otherwise when exception is over with a lapse in coverage <sup>5</sup>
<b>Regular Mail</b>	Accepted date <u>received</u> by TWIA <sup>4</sup>	Accepted if <u>received</u> before expiration; otherwise when exception is over with a lapse in coverage <sup>5</sup>	Accepted if <u>received</u> before expiration; otherwise when exception is over with a lapse in coverage <sup>5</sup>
<b>USPS Certified, Registered, Hand Cancelled, or Postal Express</b>	Accepted date <u>mailed</u> <sup>4</sup>	Accepted date <u>mailed</u> if mailed prior to expiration; otherwise, accepted when exception is over with a lapse in coverage <sup>6</sup>	Accepted date <u>mailed</u> if mailed prior to expiration; otherwise, accepted when exception is over with a lapse in coverage <sup>6</sup>
<b>EFT &amp; Echeck</b>	Accepted date <u>received</u> by TWIA <sup>4</sup>	Accepted date <u>received</u> until binding exception is invoked. <sup>4</sup> Once exception is invoked, the renewal must be received prior to expiration; otherwise, accepted when exception is over with a lapse in coverage <sup>5</sup>	Accepted if <u>received</u> before expiration; otherwise when exception is over with a lapse in coverage <sup>5</sup>

<sup>3</sup> To qualify as a "Renewal" the application will need to be for the amounts & coverage provided on the expiring policy. Any new or increased amounts will follow the guidelines for New or Increased Coverage.

<sup>4</sup> No lapse in coverage if received on or before the expiration date

<sup>5</sup> For there to be no lapse in coverage, the renewal and payment or payment thereof must be received prior to the expiration date of the expiring policy as the policy expires at 12:01 am

<sup>6</sup> For there to be no lapse in coverage, the renewal or payment thereof must be mailed prior to the expiration date of the expiring policy as the policy expires at 12:01 am



## Submission Criteria

### New Business Applications:

#### Residential

Applications must be submitted electronically through Policy Center and TWIA must be in receipt of the full gross premium to issue coverage for eligible property.

#### Commercial, Builder's Risk, and Manufactured Home

Applications must be entered through the Agent Portal. If payment is made by any means other than Electronic Funds Transfer (EFT), the application must be printed and mailed to TWIA with payment of the full gross premium. Applications paid by EFT do not need to be printed and mailed.

In addition to the application and payment, Manufactured Home applications will require a copy of the approval report verifying that the home is blocked and tied down according to current Texas Department of Housing & Community Affairs (TDHCA) guidelines. (See the "[Approval Report](#)" below for further details).

### Renewal Applications

Renewal applications are not binding or guaranteed by TWIA. Premium or policy conditions are subject to change due to changes in values or rates and may affect final policy issuance. The applications are meant to be a preliminary indication of forms and rates at the time of application. TWIA assumes no responsibility and has no liability for failure of the insured or their agent to effect uninterrupted coverage. Records should be maintained by the agent to ensure that all policies are properly renewed.

The renewal application will generate approximately 60 days in advance of the policy expiration date. The full gross premium (including any applicable surcharges) will be recalculated based on the amounts of insurance and forms on the policy at the time the application is generated. Any additional information required to complete the file will be noted separately, and will be included with the renewal application. All required information should be submitted with the renewal application.

#### Residential

A renewal application will be sent electronically through Policy Center. To renew a policy through Policy Center you will need to:



- review the renewal application and verify that any changes that have been recently requested are included. If not, the changes will need to be entered into the system prior to submission.
- enter any desired changes to the renewal directly in the system.
- answer all questions on the first screen of the renewal transaction. Additional information and/or forms may be required if any of these questions is answered “yes.” Forms must be uploaded into the system using the Document Uploader.
- enter the payment information in the system. If you choose to pay by check the coverage will not be effective until the check is received at TWIA.

### **Commercial, Builder’s Risk, and Manufactured Homes**

A renewal application will be mailed to the agent of record. To renew a policy using the renewal application you will need to:

- review the renewal application and verify that any changes that have been recently requested are included. If not, the changes will need to be noted on the renewal application prior to submission.
- indicate any changes to the application including coverage(s) and premium change(s). Make sure all the changes are clear and legible. If changes are made that may affect the premium, we recommend using our Agent Portal to determine the correct premium. TWIA will not accept a quote to make changes. All changes need to be shown on the renewal application
- answer all questions on the last page of the renewal application. Additional information and/or forms may be required if any of these questions is answered “yes.” Attach the applicable information and/or forms.
- if changes are being made, place a check mark in the appropriate box on the application.
- if the submitting agent is different from the agent printed on the renewal application, it will be necessary to enter the new agent information, including the new agent’s tax identification number and their current General Lines Agent-Property & Casualty License number.
- have the application signed and return to TWIA along with a check for the full gross premium. Manufactured Home applications must be signed by all insureds shown on the policy.

## **Additional documents for New Business and Renewal**

In addition to the items listed previously, which are required for submission in order to bind coverage, agents are also required to maintain evidence of the following information in their files, and submit the documentation to TWIA only at the request of the Association. Documents are to be maintained for a minimum of five years from the date the application is submitted to TWIA.



## **Declination of Coverage**

Agents are required to maintain, and submit to TWIA at the request of the Association, evidence of one declination of coverage for the property insured by TWIA from an insurer authorized to engage in the business of, and writing, property insurance providing windstorm and hail insurance in the first tier coastal counties (this does not include excess and surplus lines carriers).

Evidence of declination of coverage may include either of the following:

1. A refusal from a standard market insurer to offer new or renewal wind and hail coverage on the property, or
2. A refusal from a standard market insurer to offer basic insurance sought by the applicant that is substantially equivalent to that offered by TWIA (for example, the lowest deductible offered by a standard market company is greater than that which can be obtained from TWIA).

Every three calendar years, the evidence of declination of coverage will need to be obtained in order to acquire renewal coverage with TWIA.

View these requirements in the Texas Administrative Code by visiting the Texas Secretary of State website: Title 28, Part 1, Chapter 5, Subchapter E, Division 10, 5.4903.

## **Flood Insurance**

Agents are required to maintain, and submit to TWIA at the request of the Association, evidence of confirmation that flood insurance is in force for those policies where the structure is located in Zone V, Zone VE or Zone V1-V30, and was constructed, altered, remodeled or enlarged to the extent that a certificate of compliance (WPI-8) is required on or after September 1, 2009. Flood insurance must be available through the National Flood Program.

The flood insurance requirement does not extend to structures being repaired (TDI defines “repair” as meeting any reconstruction/restoration of an existing structure that is deteriorated or damaged).

View these requirements in the Texas Administrative Code by visiting the Texas Secretary of State website: Title 28, Part 1, Chapter 5, Subchapter E, Division 10, 5.4904.

## **Payment**

The following payment options are available. If the submitted payment is less than the full final premium, we will invoice for the difference with the following exceptions:



A payment of at least 25% of the annual premium is required for coverage to be bound for a residential application.

A payment of at least 50% of the annual premium is required for a commercial, builder's risk, or manufactured home policy to be issued. If the payment is less than 50% of the annual premium, the coverage will be placed in binder status.

## **Checks**

### **Commercial, Builder's Risk, and Manufactured Homes**

Attach a check for the full gross premium with the submission of the TWIA Agent Portal application, or TWIA renewal application.

### **Residential**

Attach a check for the full gross premium (including any applicable surcharges) to the payment coupon which will generate upon submitting the application, additional premium policy change, or the electronic renewal application through Policy Center.

### **Premium Paid via Wellington Premium Finance, Inc.**

Wellington Premium Finance, Inc. provides premium financing for both new and renewal policyholders of TWIA. Agents will need to submit a payment to TWIA for the down payment and any applicable surcharges along with a copy of the finance agreement. Builder's risk applications cannot be financed through Wellington Premium Finance, Inc. and such submissions will be rejected and returned unbound.

Please contact a Wellington Marketing Representative at 800-880-0474 for more information, or go to <http://www.wellingtonpremiumfinance.com/> to complete a financing agreement, to be signed by the named insured.

### **Financed Premiums other than Wellington Premium Finance Inc.**

A copy of the completed Premium Assignment Clause ([Form TWIA-151A](#)) or a copy of the Power of Attorney will need to be submitted with the application. Agents will need to submit a separate payment to TWIA for the down payment, in addition to the amount financed by the premium financier. The form will need to include the name of the premium financier and be signed by the named insured.



## Payments by Electronic Funds Transfer (EFT)

The Electronic Funds Transfer program is available when submitting payment on Commercial new business applications and Residential new business applications, renewals, and additional premium policy changes. EFT is not available for Manufactured Home or Builder's Risk applications, because additional documentation is required to bind coverage on these risks.

TWIA requires that agencies register for EFT at [twia.org](http://twia.org) under [Agent Login & Registration](#).

## eCheck (Electronic Check)

The eCheck option is available for residential new business, renewals, and additional premium policy changes. The eCheck process allows TWIA to electronically debit a policyholder's account to collect the premium.

## Commissions

**Residential, Commercial, and Builder's Risk** policies pay the agent a 16% commission of the gross policy premium, excluding any applicable WPI-8 Waiver surcharges.

**Manufactured Home** policies pay the agent a 12% commission of the gross policy premium.

## Maximum Limits of Liability

TWIA policies are subject to a maximum limit of liability. The maximum limits of liability have been set and approved for the items below. The following maximum limits of liability are set for policies effective on or after January 1, 2016:

### Dwellings

1. \$1,773,000 for a dwelling and the personal property located in or about the dwelling
2. \$1,773,000 for a farm and ranch dwelling and the personal property located in or about the farm and ranch dwelling
3. \$1,773,000 for a townhouse unit and the personal property located in or about the townhouse unit when rated as a dwelling



4. \$374,000 for individually owned personal property located in an apartment, residential condominium or townhouse unit that is occupied by the owner of that property

### **Commercial Risks**

1. \$4,424,000 for each commercial building/structure and the business personal property located in the building/structure, except farm and ranch dwellings and outbuildings used solely in connection with the farm and ranch dwelling
2. \$4,424,000 for each building for an apartment, residential condominium or townhouse and the business personal property of the owner of the structure in which the apartment, condominium or townhouse is located
3. \$374,000 for individually owned business personal property located in an apartment, residential condominium or townhouse unit that is occupied by the owner of that property

### **Manufactured Homes**

1. \$84,000 for each manufactured home and the personal property in the home

### **Minimum Earned Premium**

For policies effective on or after November 27, 2011, the minimum earned premium per policy shall be equal to the greater of 90 days of the annual policy term or \$100.00. The minimum earned premium shall be fully earned on the effective date of the policy.

Exceptions:

The unearned premium in excess of \$100.00 shall be refunded on a pro rata basis in the event of cancellation of the policy due to any of the following:

1. A change of ownership in property, including sale of the insured property;
2. Foreclosure of the insured property;
3. The replacement of the Association policy with other similar coverage in the voluntary market;
4. The removal of the item(s) insured under a TWIA policy due to total loss of the item(s), including demolition of the item(s);
5. The death of the policyholder; or
6. Completion of construction on a builder's risk policy.



Note: The minimum earned premium does not apply to policies cancelled by TWIA.

### **Important Notice on Premium Financed Policies:**

If the policy is cancelled, the refund will go to the premium financier company. Our systems will automatically calculate the 90-day minimum earned premium and then refund the premium on a pro-rata basis once the 90-day premium is satisfied. If the cancellation is prior to the first 90 days, the system will automatically calculate the cancellation using the 90-day minimum premium. The policyholder will not owe TWIA the premium difference. Payment of the balance due for the 90-day minimum retained premium will not create or extend coverage beyond the policy's effective cancellation date resulting from the premium financier's request to cancel coverage.

## **Photographs**

- A photograph may also be requested by TWIA as needed to verify underwriting criteria.
- Photographs of poor quality (out of focus, poor resolution, exposure insufficient to reasonably show property condition, etc.) will not be accepted.

## **Inspections**

All properties are subject to inspection at any time, and coverage may be affected by the outcome of an inspection. Failure to allow inspection may result in cancellation of coverage.

## **Replacement Cost Valuation**

A current TWIA Marshall & Swift/Boeckh (MSB) Replacement Cost Calculator is required for all residential dwellings and commercial structures on new business applications, each subsequent 5-year interval, or at any time during the policy period upon request by TWIA Underwriting. An MSB access link is available at <http://www.twia.org/> in the following two places:

1. The [Training and Resources](#) page under the Agents section
2. When completing "item" information in the coverage section of an Agent Portal & Policy Center new business submission and on a Policy Center Renewal Application.



## Agent/Agency License Information

In order to write coverage through TWIA, an agent/agency is required to hold a General Lines Agent-Property & Casualty license. An agent/agency name and address will be listed in the TWIA database exactly as registered with the Texas Department of Insurance (TDI). If you wish to use a name and/or address that is different than shown on your license, this information will need to be updated with TDI. To request changes, contact TDI at 512-322-3503 or visit their website at <http://www.tdi.texas.gov/> to obtain additional information and required forms.

### **TWIA will require the following to complete our files:**

- a copy of your General Lines Agent-Property & Casualty license
- a copy of your dba and/or branch location registration on file with TDI (if using a name and/or address other than shown on your license)
- a completed W-9 form (Refer to the form for instructions)

Note: Agent Portal applications need to show your current license number and your tax identification number or social security number in the spaces provided. This information is also needed when changing the agent of record on a renewal application.

## Federal Coastal Barrier Resources Zone

All residential structures—other than a condominium, apartment, duplex, or other multifamily residence, or a hotel or resort facility—that are located within those areas designated as units under the Federal Coastal Barrier Resources Act (Public Law 97-348) and for which a building permit or plat has been filed with the municipality, the county, or the United States Army Corps of Engineers prior to June 11, 2003, shall be considered insurable property, subject to other normal underwriting criteria.

## Policy Changes

### How to submit

#### **Commercial, Builder's Risk, and Manufactured Homes**

There are two ways to request changes:



1. Provide a written request via fax, email, or regular mail

Limit changes to one policy per request. If multiple policies are referenced in a single request, the request will be sent back unprocessed for resubmission, which may delay the request and affect the effective date for the requested changes.

2. Use the Policy Change Request process through Agent Portal

This process can be accessed by selecting “Change” from the “Policy” dropdown. After selecting the policy, enter the required information, link any pertinent documents and submit the request.

### **Residential**

All changes to Residential policies must be submitted electronically through Policy Center. Some changes will require documents to be uploaded at the time the change request is submitted. Otherwise, you may upload documents at any time via the document uploader.

### **Policy Change Criteria**

#### **When requesting an increase in amount of insurance, provide the following:**

- requested effective date (refer to the Effecting Coverage portion of this manual);
- amount of increase desired, and;
- a new MSB Replacement Cost Summary if replacement cost value has changed.

**Note:** If the increase is due to a structural addition to the structure also forward the following items:

1. Form WPI-8 from the Texas Department of Insurance for the addition and
2. New total area (including addition)

#### **When adding a new item, provide the following:**

- requested effective date (Refer to the Effecting Coverage portion of this manual);
- amount of insurance desired;
- complete description of item, e.g., number of stories, type of roof and construction type;
- property location addresses;
- occupancy;
- total area;
- an MSB Replacement Cost Summary for a building;
- coinsurance desired;
- deductible desired;



- certificate of Compliance, if applicable (WPI-8, POOL-BC-10-85, or Engineer's Statement); and
- ISO Loss Cost report showing the BGII indication on superior construction for commercial items.

**When requesting a decrease in coverage or deleting an item, provide:**

- date deletion or reduction is to be effective;
- reason for deletion or reduction; and
- the amount of coverage desired.

**Miscellaneous endorsement requests:**

- For other types of requests, such as changing the named insured, the mortgagee, etc., provide a request stating the desired effective date.

## Cancellations

**When requesting a policy cancellation, state the reason for the cancellation and the requested effective date by using one of the following methods:**

1. Surrender the declarations page for the policy in effect at time of cancellation
2. Submit a completed Lost Policy Voucher, signed by the named insured with each signature witnessed
3. Submit a request for TWIA to send a 14-day Notice of Cancellation
4. Submit a completed Acord cancellation form.

**When coverage has been rewritten or there is duplicate coverage:**

When the TWIA policy is being cancelled due to the coverage being rewritten or due to duplicate coverage, a copy of the policy providing the duplicate coverage or the company name, policy number, and term of the duplicate coverage is required.

**When there is an NSF check to the agent:**

At the agent's request, a notice of cancellation (NOC) will be sent if the agent receives an insufficient funds check as payment on an application. Coverage will be cancelled on the effective date indicated on the NOC, giving the appropriate number of days' notice.



### **Cancellation due to non-payment of premium to the premium financier:**

The premium finance company holds an irrevocable power of attorney, authorizing the premium finance company to request cancellation of the policy on behalf of the insured if the insured defaults on the payment of the premium. In order to cancel a TWIA policy due to non-payment of premium to the premium financier, a completed Form TWIA-151-A or power of attorney is required to be on file with TWIA, prior to proceeding with the cancellation. Refer to the “Important Notice on Premium Financed Policies” of the [Minimum Premium](#) section for additional information regarding cancellation of premium financed policies.

The insurance contract shall be cancelled as if the insured(s) had requested cancellation, except that the return of the original policy or completed Lost Policy Voucher is not required. Coverage will be cancelled as to the insured(s) on the date the request for cancellation is received by TWIA (or a later date if requested). Termination of the loss payee’s interests, if a loss payee has been identified to TWIA, will be determined according to the mortgage clause of the policy. The policy cancelled at the request of the Premium Financier for non-payment cannot be reinstated. A new application will be required if coverage is desired.

### **Cancellations at the insured’s request:**

Policies will be cancelled as “Insured’s Request” when a cancellation reason is not given. The policy will be cancelled on the date received or a later date, subject to the minimum earned premium per policy.

Refer to cancellation guidelines in the Texas Windstorm Insurance Association policy for additional information.



## Commercial Insurance

### Apartment Contents Credit

Personal property located in an apartment house which consists of three or more units, a residential condominium, or a townhouse (when not individually owned) will rate as follows:

- For construction not classified as WR or SWR, a 50% credit shall be applied to the appropriate Modified Extended Coverage rate from Rate Table A .
- For construction types subject to Table 4, WR, and SWR, the appropriate Modified EC rate from Rate Table “C” on Rate Table C of this manual shall be applied without the 50% credit.

### Indirect Loss Endorsement and Percentage

**Apply the factors listed below to the Modified Extended Coverage Premium, independent of any other adjustments.** The factors shown below are based on the type of companion policy to which the windstorm exclusion endorsement has been attached and the occupancy of the risk. Also, where applicable, wind driven rain coverage may be included or excluded with the corresponding percentage factors applied to the Modified EC Premium. For commercial items and where there is no other companion policy multiply the Modified EC Premium times 90%.

Type of Companion Policy	Endorsement Forms						No Indirect Loss Coverage Provided	
	Form #310: Consequential Loss & Additional Living Expense & NO Wind Driven Rain		Form #320: Consequential Loss & Additional Living Expense & Wind Driven Rain		Form #330: Consequential Loss Only			
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
<b>HO/Condo Unit Owner/ FRO/TDP-3/TFR-3</b>	96%	91%	98%	93%	n/a	n/a	n/a	n/a
<b>Tenant HO (contents only)</b>	96%	91%	n/a	n/a	n/a	n/a	n/a	n/a
<b>TDP-1 or 2 / TFR 1 or 2</b>	n/a	n/a	n/a	n/a	91%	91%	n/a	n/a
<b>No companion policy</b>	n/a	n/a	n/a	n/a	n/a	n/a	90%	90%
<b>Commercial</b>	n/a	n/a	n/a	n/a	n/a	n/a	90%	



## Deductibles

The only commercial deductibles available for new and renewal policies are 1%, 2%, or 5% per item, per occurrence as indicated by the table, which follows. This is mandatory on all items rated from commercial rate tables A, B, or C, and also for all Farm & Ranch barns and miscellaneous farm property. The appropriate commercial deductible will be applied without the attachment of an endorsement form. Multiple deductibles on a policy are not allowed. Both the deductible amount and the amount of credit are based on the insurance amount of each individually rated commercial item. The credits listed below shall be applied to the commercial rates printed in this manual.

**The following deductible credit percentages apply for a 1%, 2%, or 5% per item, per occurrence deductible:**

<u>Amount of Insurance corresponding to the coverage item listed on the declarations page</u>				<u>Credit based on selected percentage</u>		
				<u>1%</u>	<u>2%</u>	<u>5%</u>
0	to	100,000		10%	13%	20%
100,001	to	200,000		12%	15%	23%
200,001	to	250,000		15%	20%	24%
250,001	to	300,000		17%	21%	25%
300,001	to	400,000		18%	22%	27%
400,001	to	500,000		20%	23%	30%
500,001	to	1,000,000		23%	26%	34%
1,000,001	to	1,500,000		25%	30%	36%
1,500,001	to	2,000,000		27%	32%	37%
2,000,001	to	2,500,000		30%	34%	39%
2,500,001	to	3,500,000		32%	35%	41%
3,500,001	to	5,000,000		34%	36%	43%
5,000,001	to	7,500,000		36%	39%	45%
7,500,001	to	10,000,000		38%	41%	47%
10,000,001	to	15,000,000		40%	43%	49%
15,000,001	to	25,000,000		42%	45%	51%
25,000,001	to	Above		43%	46%	52%

Note: All deductibles subject to \$1,000 minimum.



## **Public Housing Credit**

A 40% credit shall be deducted from the Extended Coverage building rate applicable to dwellings and apartments of Housing Projects and to apartments of privately owned apartment house projects, when such projects consist of eight or more apartment units, in one or more apartment buildings, and situated on the same premises.

Note: Contents rate is not affected by the foregoing.

## **Excess Area Surcharge**

If any division of a building or any building of one division contains a ground floor area in excess of 20,000 square feet the rate shall be increased by 20%.

Division walls must be of masonry at least 8 inches thick and extend through roof. Openings need not be protected.

## **Replacement Cost Endorsement TWIA-365**

Form TWIA-365 provides replacement cost coverage on residential personal property. This form is void if the appropriate replacement cost form is not attached to the HO, TDP, or FRO policy to which the windstorm exclusion endorsement is attached; evidence will be required when a claim is submitted.

Additional premium for this endorsement: 15% surcharge when covering personal property located in a commercially rated building.

## **Values in excess of TWIA Limit/Insuring the deductible on an excess policy**

If the statutory amount of insurance is not in compliance with the coinsurance requirement, or if the TWIA policy insures the deductible on an excess policy, the premium will need to be calculated by applying the First Loss Scale Formula set forth in the TDI Manual of the TWIA. Please refer to the First Loss Scale Formula table below. For waived coinsurance requirements, an example of a [Frame Class Commercial Structure with Waived Coinsurance is provided](#) on page 43 of this manual.



**First Loss Scale Formula:**

1.00% of Total Value =	32.500% of Total Premium	33 1/3% of Total Value =	80.000% of Total Premium
1.10%	33.000%	34%	80.220%
1.20%	33.500%	35%	80.550%
1.30%	34.000%	36%	80.880%
1.40%	34.500%	37%	81.210%
1.50%	35.000%	38%	81.540%
1.60%	35.500%	39%	81.870%
1.70%	36.000%	40%	82.200%
1.80%	36.500%	41%	82.530%
1.90%	37.000%	42%	82.800%
2.00%	37.500%	43%	83.000%
2.10%	37.750%	44%	83.300%
2.20%	38.000%	45%	83.600%
2.30%	38.250%	46%	83.900%
2.40%	38.500%	47%	84.210%
2.50%	38.750%	48%	84.460%
2.60%	39.000%	49%	84.700%
2.70%	39.250%	50%	85.000%
2.80%	39.500%	51%	85.200%
2.90%	39.750%	52%	85.400%
3.00%	40.000%	53%	85.600%
3.10%	40.500%	54%	85.800%
3.20%	41.000%	55%	86.000%
3.30%	41.500%	56%	86.200%
3.40%	42.000%	57%	86.400%
3.50%	42.500%	58%	86.600%
3.60%	43.000%	59%	86.800%
3.70%	43.500%	60%	87.000%
3.80%	44.000%	61%	87.200%
3.90%	44.500%	62%	87.400%
4.00%	45.000%	63%	87.600%
4.10%	45.500%	64%	87.800%
4.20%	46.000%	65%	88.000%
4.30%	46.500%	66%	88.200%
4.40%	47.000%	67%	88.400%
4.50%	47.500%	68%	88.600%
4.60%	48.000%	69%	88.800%
4.70%	48.500%	70%	89.000%
4.80%	49.000%	71%	89.200%
4.90%	49.500%	72%	89.400%
5%	50.000%	73%	89.600%
6%	52.000%	74%	89.800%
7%	54.000%	75%	90.000%
7.5%	55.000%	76%	90.400%
8%	56.000%	77%	90.800%
9%	58.000%	78%	91.200%
10%	60.000%	79%	91.600%



11%	61.000%	80%	92.000%
12%	62.000%	81%	92.400%
13%	63.000%	82%	92.800%
14%	64.000%	83%	93.200%
15%	65.000%	84%	93.600%
16%	66.000%	85%	94.000%
17%	67.000%	86%	94.400%
18%	68.000%	87%	94.800%
19%	69.000%	88%	95.200%
20%	70.000%	89%	95.600%
21%	71.000%	90%	96.000%
22%	72.000%	91%	96.400%
23%	73.000%	92%	96.800%
24%	74.000%	93%	97.200%
25%	75.000%	94%	97.600%
26%	75.625%	95%	98.000%
27%	76.250%	96%	98.400%
28%	76.875%	97%	98.800%
29%	77.500%	98%	99.200%
30%	78.125%	99%	99.600%
31%	78.750%	100%	100.00%
32%	79.375%		

### Replacement Cost Endorsement Form TWIA-164

Form TWIA-164 provides replacement cost coverage for commercial property, building and business personal property, excluding dwellings and their contents. This Replacement Cost Endorsement may be extended to cover the difference between actual cash value and the cost of repair or replacement without deduction for depreciation. While there is no additional premium for this endorsement, 80% or more of the replacement cost value must be carried as the amount of insurance to be eligible for this form when using the 80% coinsurance rates (or 100% of the replacement cost must be carried when using the 100% coinsurance rates) unless the [first loss scale formula](#) is being used based on the replacement cost.



## Increased Cost of Construction (ICC) Form TWIA-432

Increased Cost of Construction (ICC) coverage is available for Commercial structures to cover the increased cost of construction due to the enforcement of any ordinance or law. An insured may select one of the limits of liability for each structure item from the ICC table below. Apply the appropriate rate from the ICC table to the Final Structure Premium for each structure (before any Business Income adjustment), and then round to the nearest whole dollar. This calculation is independent of any other calculation, and the result is added to the final premium for each applicable item.

ICC Limit of Liability	Rate as % of Structure Premium (Multiply times final structure premium)
5% of coverage A limit of liability	7.0%
10% of coverage A limit of liability	11.6%
15% of coverage A limit of liability	14.0%
25% of coverage A limit of liability	15.7%

Example:

Structure limit of liability		\$100,000.00
Structure final premium (before any Business Income adjustment)		\$800.00
Percent of Coverage A limit of liability selected		25%
Structure limit of liability		\$100,000.00
ICC limit of Liability selected	x	25%
ICC coverage amount		\$25,000.00
Structure final premium		\$800.00
ICC Rate as % of Structure Premium	x	15.7%
ICC Premium		\$125.60
Final ICC Premium		\$126.00

## Business Income Coverage (BI) Form TWIA-17

Business Income coverage is applicable to all commercial risks (excluding builder's risk, vacant buildings, and condominium association buildings unless the association owns the condominium units), as defined in the Texas Department of Insurance Manual of the Texas Windstorm Insurance Association. Coverage may be provided on new applications or may be added to existing policies by endorsement.

- The available daily limit for any building location is \$50 minimum to \$1,000 maximum per day.
- The number of days covered must be between 60 and 365 days (in 30 day increments unless 365 days is requested).



- The maximum amount of Business Income coverage available is \$100,000. Combinations where the daily limit and number of days exceed \$100,000 are not permitted.
- Business Income coverage is not available on a stand-alone basis; the Association must also provide the direct coverage.
- The premium for Business Income coverage will be calculated using the 80% coinsurance building rate and will be based on the occupancy of the risk. The occupancy should be shown on the Form TWIA-17 Schedule.
- The number of units per building needs to be shown when insuring apartments.
- All Business Income premiums will be fully earned, except for cancellation of the policy or removal of the item where the coverage exists.
- There will be a waiting period (deductible) of 168 hours (7 days) after the loss before the coverage applies.
- This coverage is additional insurance; however, in no event will payment of a covered loss, including this endorsement, exceed the total TWIA maximum limit of liability established by law.
- A maximum of \$10,000 “Extra Expense” coverage will be included when Business Income coverage has been selected. This pays for additional expense incurred to avoid or minimize the suspension of the operation. This payment does not affect the daily limit specified in the Business Income schedule.

Number of days covered	Apartment Buildings						MFG.	Other
	3-25 Units	26-50 Units		51-100 Units				
	Daily Limit \$50-\$1000	Daily Limit \$50-\$399	Daily Limit \$400-\$1000	Daily Limit \$50-\$399	Daily Limit \$400-\$799	Daily Limit \$800-\$1000		
365	.641	.673	n/a	.705	n/a	n/a	1.052	.708
330	.650	.682	n/a	.715	n/a	n/a	1.060	.717
300	.665	.698	n/a	.731	n/a	n/a	1.082	.731
270	.690	.725	n/a	.759	n/a	n/a	1.125	.756
240	.724	.761	.724	.797	.761	n/a	1.176	.790
210	.758	.796	.758	.834	.796	n/a	1.235	.833
180	.799	.839	.799	.879	.839	n/a	1.301	.883
150	.874	.917	.874	.961	.917	n/a	1.430	.956
120	.945	.993	.945	1.040	.993	.945	1.554	1.027
90	1.008	1.058	1.008*	1.109	1.058	1.008	1.641	1.133
60	1.148	1.205	1.148	1.263	1.205	1.148	1.873	1.269



### Business Income Rating Example

- Frame class building
- Business Income Coverage \$90,000 (\$1,000 per day X 90 days)
- Occupancy category “Apartment with 30 units”
- Assumes rent per unit = \$1,000 per month

80% Coinsurance Building Base Rate (Rate table A)		1.702
x.90	x	0.90
Adjusted EC Rate (Truncate to 3 decimal places)		1.531
Adjusted EC Rate		1.531
x BI Factor (per table above)	x	1.008
Business Income Rate (Truncate to 3 decimal places)		1.543
Business Income Insurance Amount (per \$100.00)		\$900.00
x Business Income Rate	x	1.543
Business Income Premium		\$1,388.70
Final Business Income Premium		\$1,389.00

### Builder’s Risk Coverage

When submitting a New Business Builder’s Risk application:

- attach a photograph of the structure or, if new construction has not begun, the vacant land.
- indicate the complete date (month, day, and year) construction began or is to begin. (Construction officially begins when materials are delivered to the building site, exclusive of fill dirt and the grading of land.)
- specify the policy term desired (1 through 365 days).
- indicate whether the application covers repairs and/or improvements.
- indicate whether the application covers an addition to the building. Also inform TWIA if the addition exceeds 10% of the original grade floor area.
- when insuring repairs, improvements, and/or additions, where the addition does not exceed 10% of the original grade floor area of the original structure, permanent building rate will apply in lieu of builder’s risk rate.
- when you are insuring an addition which exceeds 10% of the original grade floor area of the original structure, apply the appropriate builder’s risk rate.



**For rating purposes refer to [Rate Table A](#):**

**Dwelling:** Table 5 (Brick), 5A (Frame), 5B (Brick Veneer), or Table 11 (Boathouses located partially or wholly over water).

**Commercial:** Table 2 (FR or SFR), Table 8 (Brick), Table 9 (Frame), or Table 11 (Boathouses located partially or wholly over water and also where construction type is frame class and structure is over 50% open).

A rating of FR or SFR requires a statement from a contractor or engineer certifying that the construction qualifies as FR or SFR and listing the criteria to support the designation.

**Form TWIA-21 (Actual Completed Value Form):**

For Form TWIA-21 to be applicable:

- coverage will need to be bound on or before the date construction begins with no lapse in coverage;
- the estimated completed cost cannot exceed the TWIA limit of liability, and
- the coverage cannot extend to the original structure when insuring repairs and improvements.

**Form TWIA-18 (Stated Value Form):**

Form TWIA-18 must be used when:

- construction has already commenced or there has been a lapse in coverage;
- the estimated completed cost exceeds the TWIA limit of liability (coinsurance will need to be waived); or
- the application covers both the original structure and the repairs and improvements that are being made.

**Commercial Insurance Parameters**

- An apartment risk containing one or two separate units arranged as private residences and permanently equipped for housekeeping may be insured under a commercial insurance policy when the commercial insurance policy provides coverage for an apartment association.
- A townhouse risk containing one or two separate units arranged as private residences and permanently equipped for housekeeping may be insured under a commercial insurance policy when the commercial insurance policy provides coverage for a townhouse association.



## Church, Lumber Yard, and School Forms

**No blanket coverage is available.** Specific buildings and their contents can be combined by using one of the following forms:

[Church Form TWIA-26](#)

[Lumber Yard Form TWIA-115](#)

[School Form TWIA-176](#)

These forms are available at [www.twia.org](http://www.twia.org) under [Policy Forms & Endorsements](#)



## Commercial Rating

### Premium Calculation Information

Multiple adjustments may apply in the determination of a rate and/or the calculation of a premium. It is important that these debits and credits be applied in the proper sequence to ensure that the final premium is correct. The sequence in which to apply adjustments is listed below. Failure to follow these guidelines may result in the final premium being incorrect.

#### Calculation Factors:

Based on the coverage selected, multiple adjustments may apply to the base rate. All applicable debits/credits are listed below in the sequence which they should be applied. Commercial rates are truncated to 3 decimal places after each adjustment. (Refer to the “Rating information” section of this manual as indicated below for additional information).

#### Adjustments<sup>7</sup>:

Indirect Loss Adjustment  
Public Housing  
Excess Area Surcharge  
Deductible Adjustment  
Replacement Cost Endorsement Form 365  
(for commercially rated personal property)  
Value Exceeds Association Limit & First Loss Scale Formula  
(where coinsurance is being waived)  
Increased Cost in Construction (ICC) Form 432 Charge  
Business Income (BI) Form 17 Charge

#### Refer to:

[Indirect Loss Endorsement](#)  
[Public Housing Credit](#)  
[Excess Area Surcharge](#)  
[Commercial Deductibles](#)  
  
[Replacement Cost Endorsement  
Values in Excess of TWIA Limit](#)  
  
[Increase Cost in Construction  
Business Income Coverage](#)

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<sup>7</sup> There is no adjustment for the [Replacement Cost Endorsement Form TWIA-164](#)



## Commercial Rating Steps

- **Step #1.** Determine the Annual Extended Coverage rate beginning at:
  - Rate Table A for:
    - Commercial Structures and Miscellaneous items
    - Builder's Risk
    - Commercially rated "Miscellaneous" Residential items
    - Business and Residential Personal Property in a commercially rated structure not classified as WR or SWR (Apply the Apartment Contents Credit).
  - Rate Table B for:
    - Condominium Association Structures
    - Townhouse Association Structures
  - Rate Table C for:
    - Business Personal Property
    - Residential Personal Property in a commercially rated structure classified as WR or SWR
  - Farm & Ranch Barns and Miscellaneous Farm Property for
    - Miscellaneous Farm property
    - Barns
    - Outbuildings used in conjunction with the Farm & Ranch
- **Step #2.** Multiply the rate derived in Step #1 by the amount of insurance per \$100.00 (or the replacement cost per \$100.00 where coinsurance is being waived)
- **Step #3.** Apply the Indirect Loss Adjustment Factor to the premium derived in Step #2.
- **Step #4.** If applicable apply the Public Housing Credit and/or the Excess Area Surcharge
- **Step #5.** Apply the deductible adjustment to the rate calculated in Step 3 (or 4).
- **Step #6.** If Personal Property Replacement Cost Form TWIA 365 has been selected, multiply the rate from Step #3 by 15% and add to the premium derived in Step #5.
- **Step #7.** If coinsurance has been waived, apply the 1<sup>st</sup> Loss Scale Formula to the premium calculated in Step #6 prior to rounding (refer to the First Loss Scale Formula). Round to the nearest whole dollar.
- **Step #8.** Calculate the ICC premium by multiplying the insurance amount by the Increased Cost of Construction rate (per \$100). Round to the nearest whole dollar.
- **Step #9.** Calculate the BI premium by following the instructions on Business Income Coverage Form TWIA 17. Round to the nearest whole dollar.
- **Step #10.** The total premium for this item is determined by adding the results of Steps 5 (or 6 or 7), 8, and 9. Round to the nearest whole dollar.
- **Step #11.** Apply the pro-rata factor for a Builder's Risk policy with a term of less than one year.



**Commercial Building and Business Personal Property/Personal Property of Buildings  
(other than dwellings)**

**ANNUAL EXTENDED COVERAGE RATES (per \$100)**

<b>TABLE*</b>	<b>COINSURANCE</b>	<b>BUILDING Rate Table A</b>	<b>BUSINESS PERSONAL PROPERTY Rate Table C</b>
1 Frame (F)	50%	--	--
	80%	1.702	1.365
	100%	1.686	1.346
2 Brick (M)	50%	--	--
	80%	1.775	1.446
	100%	1.371	1.102
3	50%	--	--
	80%	1.446	1.155
	100%	1.224	0.953
(HC)	50%	2.106	--
	80%	1.304	1.034
	100%	1.245	1.020
4 (WR)	50%	0.841	--
	80%	0.527	0.413
	100%	0.492	0.406
(SWR)	50%	1.048	--
	80%	0.642	0.516
	100%	0.621	0.501
5 Brick **	50%	--	--
	80%	1.215	0.601
	100%	--	--
5A Frame **	50%	--	--
	80%	1.460	0.732
	100%	--	--
5B Brick Veneer **	50%	--	--
	80%	1.215	0.601
	100%	--	--
7	50%	--	--
	80%	4.139	3.291
	100%	3.558	2.839
8	50%	--	--
	80%	4.933	3.951
	100%	4.139	3.310



9	50%	--	--
	80%	5.907	4.727
	100%	4.841	3.878
10	50%	--	--
	80%	7.089	5.674
	100%	5.907	4.727
11	50%	--	--
	80%	9.202	7.379
	100%	7.788	6.224
12	50%	--	--
	80%	13.511	10.790
	100%	11.362	9.090
13	50%	--	--
	80%	18.415	14.734
	100%	15.508	12.411
14	50%	--	--
	80%	36.544	29.241
	100%	30.683	24.541

**\*Refer to the Special Index & General Index of the TWIA Manual**

**\*\* for acv builder's risk form 21 (dwellings) use the 80% coinsurance rate**



## Townhouse Association Buildings and Condominium Buildings

### Annual Extended Coverage Rates (per \$100)

TABLE*	COINSURANCE	Building Rate Table B
1 Frame (F)	50%	--
	80%	1.010
	100%	0.999
2 Brick (M)	50%	--
	80%	1.062
	100%	0.807
3	50%	--
	80%	0.855
	100%	0.715
(HC)	50%	1.245
	80%	0.781
	100%	0.743
4 (WR)	50%	0.492
	80%	0.308
	100%	0.298
(SWR)	50%	0.621
	80%	0.390
	100%	0.376

**\*Refer to the Special Index & General Index of the TWIA Manual**



## Modified Extended Coverage Rates (Per \$100) For Miscellaneous Farm Property and Barns and Outbuildings

### Territory 1

Rates for Miscellaneous Farm Property (Commercial Deductible applies)

<u>Table</u>	<u>Coinsurance</u>	<u>Rate</u>
15	.80	1.900
21	.80	3.731
22	.80	5.115
23	.80	7.403
24	.80	14.703

Rates for Barns and Outbuildings (Commercial Deductible applies)

Frame	5.799
Brick Veneer	5.949
Brick	4.972



**Territories 8, 9, & 10**

Rates for Miscellaneous Farm Property (Commercial Deductible applies)

<u>Table</u>	<u>Coinsurance</u>	<u>Rate</u>
15	.80	2.102
21	.80	4.121
22	.80	5.639
23	.80	8.186
24	.80	16.251

Rates for Barns and Outbuildings (Commercial Deductible applies)

Frame	6.400
Brick Veneer	6.575
Brick	5.494



## Commercial Rating Examples

### Individually Owned Personal Property in a Frame Class Apartment, Condominium, or Townhouse with Commercial Deductible and Indirect Loss Coverage

Amount of Insurance	\$140,000
1% Commercial Deductible Credit	12%
Form TWIA-310 Indirect Loss Coverage/Primary	96%
Apartment Contents Credit	50%
Form TWIA-365 Replacement Cost Coverage /Surcharge	15%
Coinsurance	80%

#### 50% Apartment Contents Credit

1.702	Annual Extended Coverage Building Rate
x 50%	Apartment Contents Credit
<u>0.8510</u>	0.851 Truncated Revised Extended Coverage Rate

#### Form TWIA - 310

0.851	Indirect Loss Coverage (96%)
x 96%	Revised Extended Coverage Rate
<u>0.81696</u>	Indirect Loss adjustment factor
	0.816 Truncated Indirect Loss Rate to 3 decimal places

#### IDL Premium

\$1,400.00	Per \$100 of the Amount of Insurance
x 0.816	Final Rate
<u>\$1,142.400</u>	IDL Premium

#### Form TWIA-365 Replacement Cost for Personal Property

1,142.40	IDL Premium
x 15%	Form TWIA-365 adjustment factor
<u>\$171.36</u>	Charge for Form TWIA-365

#### Commercial Deductible

1142.40	IDL Premium
x 12%	Commercial Deductible Percentage Credit
<u>137.088</u>	\$137.09 Commercial Deductible Credit Amount



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TEXAS WINDSTORM  
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**Final Premium**

	\$1,142.40
+	\$171.36
-	<u>\$137.09</u>
	\$1,176.67

IDL Premium	
Charge for TWIA-365	
Deductible Credit Amount	
\$1,177.00	Final Premium



**Frame Class Commercial Building and Business Personal Property**

Amount of Insurance \$1,225,000.00 Building \$41,000.00 Business Personal Property  
 Coinsurance 80%  
 1% Commercial Deductible

**Structure Premium:**

**Base Rate**

1.702  
 x 90%  
 1.5318

Annual Extended Coverage Building Rate  
 Apply a factor of 90% (Wind & Hail portion of the EC Rate)  
 1.531 Truncated Rate to 3 decimal places

**Adjusted Premium**

\$12,250.00  
 x 1.531  
 \$18,754.75

Per \$100 of the Amount of Insurance  
 Final Rate  
 \$18,754.75 Modified EC Premium

**Commercial Deductible**

\$18,754.75  
 x 25%  
 \$4,688.6875

Modified EC Premium  
 Commercial Deductible Percentage  
 Credit  
 \$4,688.69 Deductible Percentage Credit

**Final Premium**

\$18,754.75  
 - \$4,688.69  
 \$14,066.06

Modified EC Premium  
 Deductible Percentage Credit  
 \$14,066.00 Final Premium

**Business Personal Property Premium:**

**Base Rate**

1.365  
 x 90%  
 1.2285

Annual Extended Coverage BPP Rate <sup>1</sup>  
 Apply a factor of 90% (Wind & Hail portion of the EC Rate)  
 1.228 Truncated Rate to 3 decimal places



**Adjusted Premium**

\$410.00  
x 1.228  
\$503.48

Per \$100 of the Amount of Insurance  
Final Rate  
\$503.00 Modified EC Premium

**Commercial Deductible**

\$503.00  
x 13%  
\$65.39

Modified EC Premium  
Commercial Deductible Percentage  
Credit  
Commercial Deductible Percentage Credit Amount

**Final Premium**

\$503.00  
- 65.39  
\$437.61

Modified EC Premium  
Deductible Percentage Credit  
\$438.00 Final Premium

**Final Premium due TWIA**

\$14,066.00  
+ \$ 438.00  
\$14,504.00

Final Premium For Structure  
Final Premium for Business Personal Property  
Premium due TWIA



**Frame Class Commercial Structure with Waived Coinsurance**

Replacement Value	\$4,424,000.00	Amount of Insurance
1% Commercial Deductible	\$6,500,000.00	
15% Increased Cost of Construction TWIA-432	34%	Credit
Wind & Hail percentage of the EC rate	14%	Charge
	90%	

**To determine first loss scale percentage:**

\$4,424,000.00	Amount of Insurance
÷ \$6,500,000.00	100% Replacement Value
68.061%	Percentage of Total Value insured thru TWIA (truncated to 4 places)

**68.061% is not shown on the First Loss Scale Formula. You must interpolate between 68% & 69%**

88.80%	Percentage for 69% of total value
- 88.60%	Percentage for 68% of total value
0.0020	Difference between percentages
0.00200	Difference between percentages
x 0.061	Percentage portion exceeding smaller of two percentages
0.00012	Adjusted percentage portion
0.00012	Adjusted percentage portion
+ 0.8860	Percentage for 68% of total value (smaller of the two values used)
0.88612	.88612 First Loss Scale percentage of total premium percentage

**Base Rate**

1.686	Annual Extended Coverage Building Rate
x 90%	Apply a factor of 90% (Wind & Hail portion of the EC Rate)
1.5174	1.517 Truncated Rate to 3 decimal places

**Adjusted Premium**

\$65,000	Per \$100 of the 100% Replacement Value
x 1.517	Final Rate
\$98,605.00	Modified EC Premium

**Commercial Deductible**

\$98,605.00	Modified EC Premium
x 34%	Commercial Deductible Percentage Credit
\$33,525.70	Commercial Deductible Percentage Credit Amount



**Modified Adjusted EC Premium**

\$98,605.00  
- \$33,525.70  
\$65,079.30

Modified EC Premium  
Deductible Percentage Credit  
Modified Adjusted EC Premium

**First Loss Scale Formula**

\$65,079.30  
x 88.612%  
\$57,668.069

Modified Adjusted EC Premium  
Percentage of Total Value Premium to be charged (1st Loss Scale)  
\$57,668.00 First Loss Scale Premium

**Form TWIA - 432 Increase Cost of Construction**

\$57,668.00  
x 14%  
\$8,073.52

First Loss Scale Premium  
ICC Factor for 15% ICC coverage  
\$8,074.00 Rounded Charge for TWIA-432

**Final Premium**

\$57,668.00  
+ \$8,074.00  
\$65,742.00

First Loss Scale Premium  
Charge for Form TWIA-432  
Final Premium



**Commercial Actual Completed Value Builder's Risk TWIA 21-Brick Construction with Commercial Deductible**

Estimated Completed Cost \$450,000.00  
 1% Commercial Deductible 20% Credit  
 Wind & Hail percentage of the EC rate 90%  
 No Coinsurance Applicable

**TWIA Form 21 Adjustment**

\$450,000.00  
 x 50%  
 \$225,000.00

Estimated Completed Value  
 TWIA Form 21 Adjustment factor  
 Adjusted Value

**Wind & Hail Rate**

1.215  
 x 90%  
 1.0935

Wind & Hail percentage of the EC rate  
 1.093 Truncated rate to 3 decimal Places

**To Calculate Premium:**

\$2,250.00  
 x 1.093  
 \$2,459.25

Adjusted Value \$225,000  
 Truncated rate  
 Adjusted Annual Premium

**Commercial Deductible**

\$2,459.25  
 x 20%  
 \$491.85

Adjusted Annual Premium  
 Commercial Deductible Percentage Credit  
 Commercial Deductible Credit Amount

**Final Premium**

\$2,459.25  
 - \$491.85  
 \$1,967.40

Adjusted Annual Premium  
 Commercial Deductible Credit Amount  
 \$1,967.00 Final Annual Premium (x pro rate factor for short term)



**Dwelling Stated Value Builder's Risk Form 18 – Brick Construction with Commercial Deductible**

Amount of Insurance	\$450,000.00
1% Commercial Deductible	20% Credit
Coinsurance	80%
Wind & Hail percentage of the EC rate	90%

**To Calculate Premium:**

	1.215	Base Rate at 80% Coinsurance
x	<u>90%</u>	Wind & Hail percentage of the EC rate
	1.0935	1.093 Truncated Rate to 3 decimal places

**Adjusted Premium**

	\$4,500.00	Per \$100 of the Amount of Insurance
x	<u>1.093</u>	Truncated Rate
	\$4,918.50	Modified EC Premium

**Commercial Deductible**

	\$4,918.50	Modified EC Premium
x	<u>20%</u>	Commercial Deductible Percentage Credit
	\$983.70	Commercial Deductible Percentage Credit Amount

**Final Premium**

	\$4,918.50	Modified EC Premium
-	<u>\$983.70</u>	Commercial Deductible Percentage Credit Amount
	\$3,934.80	\$3,935.00 Final Premium (x pro rate factor for short term)



## Residential Insurance

### Dwelling and Farm & Ranch Deductible

Apply any applicable deductible debit or credit to the Adjusted Premium, independent of any other adjustment

**A. Dwelling Standard 1% deductible clause – Modified Extended Coverage premiums beginning at Dwelling/Farm and Ranch Dwelling Building and Personal Property (Territory 1) are based on this option**

- 1% deductible, but not less than \$100
- Applies to dwelling, personal property, and dwelling outbuildings
- Applies on a per item basis

**B. Dwelling: \$100.00 deductible clause - Refer to the Deductible Adjustment Schedule**

- Flat \$100 deductible
- Applies to dwelling, personal property, and dwelling outbuildings
- Applies on a per item basis

**C. Dwelling: \$250.00 deductible clause - Refer to the Deductible Adjustment Schedule**

- Flat \$250 deductible
- Applies to dwelling, personal property, and dwelling outbuildings
- Applies on a per item basis

**D. Dwelling Optional Large Deductible -- Refer to the Optional Large Deductible Schedule**

- Deductible Amounts of 1.5%, 2.0%, 2.5%, 3.0%, 4.0%, or 5.0%
- Applies to dwelling, personal property, and dwelling outbuildings
- Applies on a per item basis
- Insurance amount must be \$25,000 or more.

### Indirect Loss Endorsement and Percentages

Apply the factors listed below to the Modified Extended Coverage Premium, independent of any other adjustments



The factors shown below are based on the type of companion policy to which the windstorm exclusion endorsement has been attached and the occupancy of the risk. Also, where applicable, wind driven rain coverage may be included or excluded with the corresponding percentage factors applied to the Modified EC Premium. For items where there is no other companion policy, multiply the Modified EC Premium times 90%.

Type of Companion Policy	Endorsement Forms						No Indirect Loss Coverage Provided	
	Form #310: Consequential Loss & Additional Living Expense & NO Wind Driven Rain		Form #320: Consequential Loss & Additional Living Expense & Wind Driven Rain		Form #330: Consequential Loss Only			
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
HO/Condo Unit Owner/ FRO/TDP-3/TFR-3	96%	91%	98%	93%	n/a	n/a	n/a	n/a
Tenant HO (contents only)	96%	91%	n/a	n/a	n/a	n/a	n/a	n/a
TDP-1 or 2 / TFR 1 or 2	n/a	n/a	n/a	n/a	91%	91%	n/a	n/a
No companion policy	n/a	n/a	n/a	n/a	n/a	n/a	90%	90%
Commercial	n/a	n/a	n/a	n/a	n/a	n/a	90%	

## Building Code Credits

### Apply the factors listed below to the Modified EC Premium, independent of any other adjustments

The following credits shall be provided to dwelling policies where the dwelling was constructed to or exceeded the standards of the Building Code for Windstorm Resistant Construction or the International Residential Code /International Building Code as modified by the Texas Department of Insurance (TDI). TDI will provide a form WPI-8, building code certificate of compliance, which will indicate the code to which the structure was built. Credits will be applied per the table below, with the IRC/IBC code credits applied to policies effective on or after 07/31/2003 as appropriate. Retrofit credits apply to homes built prior to 09/01/1998 and retrofitted with exterior opening protections that meet the windborne debris criteria standards of either the Building Code for Windstorm Resistant Construction, the International Residential Code, or the International Building Code.



LOCATION OF RISK	BUILDING CODE STANDARDS	WINDSTORM RESISTANT CONSTRUCTION Effective 9/1/98		INT'L. RESIDENTIAL CODE & INT'L. BUILDING CODE	
		DWELLING DISCOUNT	PERSONAL PROPERTY DISCOUNT	DWELLING DISCOUNT	PERSONAL PROPERTY DISCOUNT
Seaward	Seaward	26%	20%	28%	23%
Inland I	Inland I	24%	19%	26%	21%
Inland I	Seaward	29%	23%	31%	25%
Inland II	Inland II	0%	0%	26%	20%
Inland II	Inland I	27%	21%	28%	23%
Inland II	Seaward	32%	25%	33%	28%
All designated Catastrophe areas	Retrofit	10%	10%	10%	10%

### Replacement Cost Endorsement TWIA-365

Apply the appropriate surcharge to the dwelling and personal property Adjusted Base premiums, independent of any other adjustments.

Form TWIA-365 provides replacement cost coverage on residential personal property. This form is void if the appropriate replacement cost form is not attached to the HO, TDP, or FRO policy to which the windstorm exclusion endorsement is attached Evidence will be required when a claim is submitted.

Additional premium for this endorsement:

- 15% surcharge when covering personal property only
- 5% surcharge on the total premium for dwelling and personal property when covering both

### Actual Cash Value Roof Endorsement TWIA-400

**Apply a 15% credit to the Modified EC premium, independent of any other adjustments.**

The Actual Cash Value Roof Endorsement, Form TWIA-400, provides Actual Cash Value coverage for a roof covering, and will be attached to dwelling policies which have roof coverings that:

- are curling, cracking, or missing shingles;
- show signs of significant deterioration; or
- exceed 15 years of age.



When applying Form TWIA-400, the deductible amount cannot exceed 1% of Coverage A (dwelling) limit of liability. A credit of 15% will be applied to the Modified Extended Coverage building premium (hereinafter referred to as Modified EC premium) upon receipt of the endorsement Form TWIA-400, signed by the insured. Failure to sign the endorsement may result in the property being uninsurable through the Association.

Note: The provisions of this form will not supersede the requirement that all items must be in insurable condition for coverage to be provided through TWIA.

### Residential Increased Cost of Construction Form TWIA-431

- Increased Cost of Construction (ICC) coverage is available for residential structures to cover the increased cost of construction due to the enforcement of any ordinance or law.
- An insured may select one of the limits of liability for each structure item from the ICC table below.
- Apply the appropriate rate from the ICC table to the Final structure premium for each structure then round to the nearest whole dollar. This calculation is independent of any other calculation, and the result is added to the final premium for each applicable item.

ICC Limit of Liability	Rate as % of Structure Premium (Multiply times final structure premium)
5% of coverage A limit of liability	7.0%
10% of coverage A limit of liability	11.6%
15% of coverage A limit of liability	14.0%
25% of coverage A limit of liability	15.7%

Example:

Structure limit of liability	\$100,000.00
Structure final premium	\$800.00
Percent of Coverage A limit of liability selected	25%

Structure limit of liability	\$100,000.00
ICC limit of Liability selected	x 25%
ICC coverage amount	\$25,000.00

Structure final premium	\$800.00
ICC Rate as % of Structure Premium	x 15.7%
	\$125.60

Final ICC Premium \$126.00



## **Adjusted Building Cost Endorsement Form 220**

Upon renewal, the coverage amount (limit of liability) on the dwelling will be increased by a percentage that is established by a building cost index for the property location. The adjusted limit of liability will be rounded up to the next \$1000. The dwelling limit is subject to the maximum limit of liability permitted by law.

The percentage increase in the dwelling limit of liability is established annually. It will be applied to the limit of liability for your dwelling at each renewal. The percentage increase is only an adjustment for inflation to the dwelling limit of liability on the expiring policy and does not ensure that the dwelling is adequately insured for the dwelling's full replacement cost.

The automatically adjusted dwelling limit of liability is shown on the renewal application that is sent approximately 60 days before expiration of the policy.

The insured has the right to request modification of the automatically adjusted dwelling limit of liability.

If the insured request modification of the adjusted dwelling limit of liability, the request will take effect on the date a renewal policy becomes effective if it is received by TWIA prior to the effective date of a renewal policy. The agent is required to include a valid Marshall & Swift/Boeckh replacement cost calculation with the request to modify the adjusted dwelling limit of liability. Requests for a modification of the adjusted dwelling limit of liability that are received by TWIA on or after the effective date of a renewal policy will become effective the date the request is received by TWIA.

The limits of liability for Additional Living Expense and other, optional extensions of coverage that are based on the limit of liability for the dwelling, if applicable, will also be adjusted, subject to the maximum limit of liability permitted by law.

It is the agent/insured's responsibility to review the coverage regularly and make sure the dwelling limit of liability is adequate to repair or replace the insured property. This endorsement and any changes that result from it do not guarantee that the policy will have adequate coverage. Only the agent/insured can determine the appropriate amount of coverage. Endorsement TWIA-220 does not automatically renew your policy.



## WPI-8 Waiver Program

The WPI-8 Waiver program allows specific residential dwellings to qualify for coverage without the submission of one or more WPI-8(s). All structures and/or their contents that qualify under these regulations for a waiver of the WPI-8 requirement will be issued at the appropriate TWIA premium plus a 15% surcharge and will not be eligible for credits for building code compliance. The surcharge is both non-commissionable and non-refundable, and will be calculated from, and added to, the final total premium.

Refer to [TWIA WPI-8 \(Certificate of Compliance\) Waiver Program for Residential Dwelling](#) for additional information and eligibility criteria.

## Mandatory Roof Covering Credits and Exclusion of Cosmetic Damage to Roof Covering

Apply the credits listed below to the Modified EC building premium, independent of any other adjustments.

Residential roof covering credits apply to the building item when replacement of the existing roof covering or new residential construction is in compliance with U.L. Standard 2218 and is classified within one of the four resistance classifications shown in the following grid. Other standards, which are recognized and approved by the Texas Department of Insurance, are also acceptable. The class of roof, the date installed, and the territory are necessary to calculate the credit.

The Cosmetic Exclusion endorsement will be attached to any policy, which insures a residential building, to which the Mandatory Roof covering credit has been applied. The form needs to be signed by the insured. Refusal by the insured to sign the endorsement will result in revocation of any applicable roof covering credit. The signed endorsement will have to be submitted to the Association prior to the applicant receiving a credit.

Territory	Class 1 Credit	Class 2 Credit	Class 3 Credit	Class 4 Credit
1, 8, 9, 10	4%	6%	10%	14%



## Deductible Adjustment Schedule for Dwelling and Farm & Ranch Dwelling Building and Personal Property

Determine the Deductible Adjustment Premium Charge by applying the following percentages to the premium for any item that has either a \$100 flat or a \$250 deductible. This charge will be added to the Adjusted Base Premium.

AMOUNT OF INSURANCE	\$ 100 FLAT	\$ 250 FLAT
\$10,000 and under	-	-
11,000	3%	-
12,000	3	-
13,000	3	-
14,000	4	-
15,000	4	-
16,000	4	-
17,000	5	-
18,000	6	-
19,000	7	-
20,000	8	-
21,000	8	-
22,000	9	-
23,000	10	-
24,000	11	-
25,000	12	-
26,000	12	1%
27,000	13	2
28,000	14	2
29,000	15	3
30,000	16	4
31,000	16	4
32,000	17	5
33,000	18	6
34,000	19	7
35,000	20	8
36,000	21	8
37,000	22	9
38,000	23	10
39,000	24	11
40,000	25	12
45,000	26	14
50,000	30	16
55,000	34	18
60,000	38	20
65,000	42	22
70,000	46	24
75,000 and Over	50	25



### Optional Large Deductible Chart for Dwelling and Farm & Ranch Dwelling Property

Amount of Coverage	Percentage of Credit					
	1.5%	2.0%	2.5%	3.0%	4.0%	5.0%
25,000	-6%	-12%	-18%	-23%	-33%	-41%
26,000	-7%	-13%	-19%	-24%	-34%	-42%
27,000	-7%	-13%	-19%	-25%	-35%	-43%
28,000	-7%	-14%	-20%	-26%	-36%	-44%
29,000	-7%	-14%	-20%	-26%	-37%	-45%
30,000	-7%	-14%	-21%	-27%	-38%	-46%
31,000	-8%	-15%	-22%	-28%	-38%	-46%
32,000	-8%	-15%	-22%	-28%	-39%	-47%
33,000	-8%	-16%	-23%	-29%	-40%	-48%
34,000	-8%	-16%	-23%	-30%	-40%	-48%
35,000	-8%	-16%	-24%	-30%	-41%	-49%
36,000	-9%	-17%	-24%	-31%	-42%	-50%
37,000	-9%	-17%	-24%	-31%	-42%	-50%
38,000	-9%	-17%	-25%	-32%	-43%	-51%
39,000	-9%	-17%	-25%	-32%	-43%	-51%
40,000	-9%	-18%	-26%	-33%	-44%	-51%
45,000	-10%	-19%	-27%	-34%	-46%	-53%
50,000	-10%	-20%	-29%	-36%	-47%	-55%
55,000	-11%	-21%	-30%	-37%	-48%	-56%
60,000	-11%	-21%	-30%	-38%	-49%	-57%
65,000	-12%	-22%	-31%	-39%	-50%	-57%
70,000	-12%	-22%	-32%	-39%	-50%	-58%
75,000	-12%	-23%	-32%	-40%	-51%	-58%
80,000	-12%	-23%	-32%	-40%	-51%	-58%
85,000	-13%	-23%	-33%	-40%	-51%	-58%
90,000	-13%	-24%	-33%	-40%	-51%	-58%
95,000	-13%	-24%	-33%	-41%	-52%	-59%
100,000	-13%	-24%	-33%	-41%	-52%	-59%
105,000	-13%	-24%	-33%	-41%	-52%	-59%
110,000	-13%	-24%	-33%	-41%	-52%	-59%
115,000	-13%	-24%	-33%	-41%	-52%	-59%
120,000	-13%	-24%	-34%	-41%	-52%	-59%
125,000	-13%	-24%	-34%	-41%	-52%	-59%
130,000	-13%	-24%	-34%	-41%	-52%	-59%
135,000	-13%	-24%	-34%	-41%	-52%	-59%
150,000	-13%	-25%	-34%	-41%	-52%	-59%
175,000	-13%	-25%	-34%	-41%	-52%	-59%
200,000	-14%	-25%	-34%	-41%	-52%	-59%
250,000	-14%	-25%	-34%	-41%	-52%	-59%
350,000	-14%	-25%	-34%	-41%	-52%	-59%
500,000	-15%	-25%	-34%	-41%	-52%	-59%
750,000 and over	-16%	-25%	-34%	-41%	-52%	-59%

Optional Large Deductible is not applicable on amounts of insurance less than \$25,000.



## Values in Excess of Association Limit or When Insuring on an Excess Policy

If the statutory amount of insurance is not in compliance with the coinsurance requirement, or if the TWIA policy insures the deductible on an excess policy, the premium can be calculated by applying the First Loss Scale Formula set forth in the TWIA Rules Manual (Refer to the First Loss Scale Formula below and the [dwelling rating example](#) for waiving coinsurance).

### First Loss Scale Formula

1.00% of Total Value =	32.500% of Total Premium	33 1/3% of Total Value =	80.000% of Total Premium
1.10%	33.000%	34%	80.220%
1.20%	33.500%	35%	80.550%
1.30%	34.000%	36%	80.880%
1.40%	34.500%	37%	81.210%
1.50%	35.000%	38%	81.540%
1.60%	35.500%	39%	81.870%
1.70%	36.000%	40%	82.200%
1.80%	36.500%	41%	82.530%
1.90%	37.000%	42%	82.800%
2.00%	37.500%	43%	83.000%
2.10%	37.750%	44%	83.300%
2.20%	38.000%	45%	83.600%
2.30%	38.250%	46%	83.900%
2.40%	38.500%	47%	84.210%
2.50%	38.750%	48%	84.460%
2.60%	39.000%	49%	84.700%
2.70%	39.250%	50%	85.000%
2.80%	39.500%	51%	85.200%
2.90%	39.750%	52%	85.400%
3.00%	40.000%	53%	85.600%
3.10%	40.500%	54%	85.800%
3.20%	41.000%	55%	86.000%
3.30%	41.500%	56%	86.200%
3.40%	42.000%	57%	86.400%
3.50%	42.500%	58%	86.600%
3.60%	43.000%	59%	86.800%
3.70%	43.500%	60%	87.000%
3.80%	44.000%	61%	87.200%
3.90%	44.500%	62%	87.400%
4.00%	45.000%	63%	87.600%
4.10%	45.500%	64%	87.800%
4.20%	46.000%	65%	88.000%
4.30%	46.500%	66%	88.200%
4.40%	47.000%	67%	88.400%
4.50%	47.500%	68%	88.600%
4.60%	48.000%	69%	88.800%



4.70%	48.500%	70%	89.000%
4.80%	49.000%	71%	89.200%
4.90%	49.500%	72%	89.400%
5%	50.000%	73%	89.600%
6%	52.000%	74%	89.800%
7%	54.000%	75%	90.000%
7.5%	55.000%	76%	90.400%
8%	56.000%	77%	90.800%
9%	58.000%	78%	91.200%
10%	60.000%	79%	91.600%
11%	61.000%	80%	92.000%
12%	62.000%	81%	92.400%
13%	63.000%	82%	92.800%
14%	64.000%	83%	93.200%
15%	65.000%	84%	93.600%
16%	66.000%	85%	94.000%
17%	67.000%	86%	94.400%
18%	68.000%	87%	94.800%
19%	69.000%	88%	95.200%
20%	70.000%	89%	95.600%
21%	71.000%	90%	96.000%
22%	72.000%	91%	96.400%
23%	73.000%	92%	96.800%
24%	74.000%	93%	97.200%
25%	75.000%	94%	97.600%
26%	75.625%	95%	98.000%
27%	76.250%	96%	98.400%
28%	76.875%	97%	98.800%
29%	77.500%	98%	99.200%
30%	78.125%	99%	99.600%
31%	78.750%	100%	100.00%
32%	79.375%		

## Dwelling and Farm & Ranch Dwelling Rating

### Dwelling Premium

The rounded premiums in this manual are provided for your convenience only. Use of these premiums will not affect the final policy premium in most cases. It is possible, however, that the use of these premiums, with additional adjustments, could result in a slight difference in the final premium due to rounding. For an exact calculation, begin with the premiums in the Texas Personal Lines Manual.



### **Residential Personal Property Located In a Commercially Rated Building:**

To calculate the premium for residential personal property located in a commercially rated structure, refer to the “Commercial Insurance” section of this manual.

### **Rating Territories**

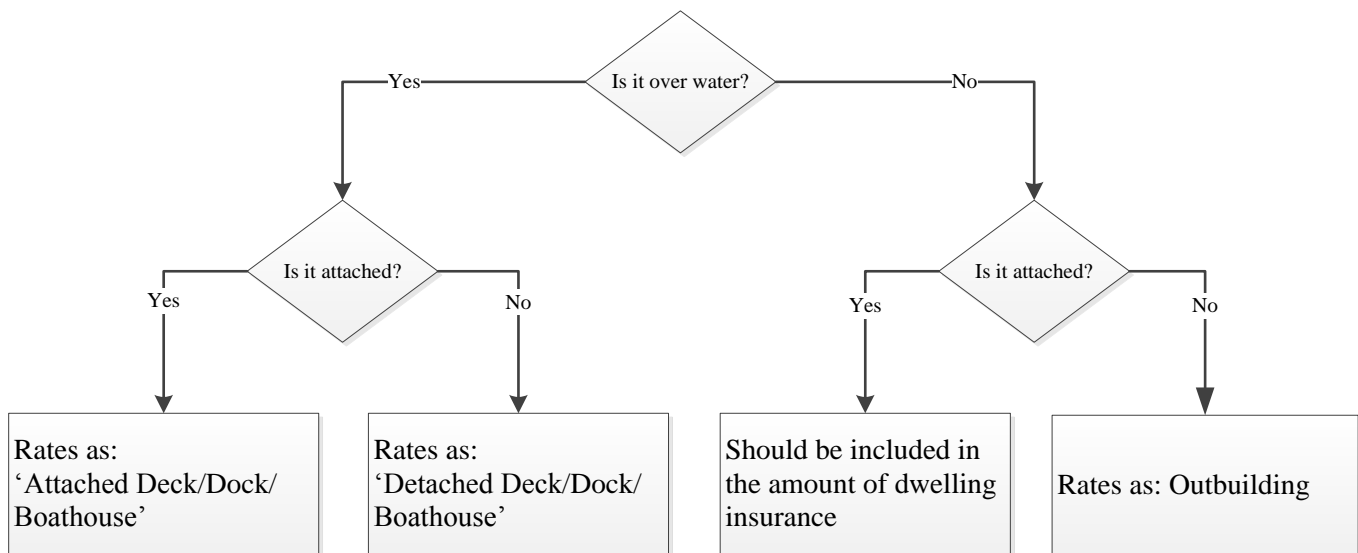
The designated catastrophe areas are in the following rating territories:

- Territory 1 Harris County (Specific areas)
- Territories 8, 9, and 10 Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, and Willacy Counties

Refer to <https://www.twia.org/coverage-eligibility/>

### **Boathouse, Decks, Docks, and Piers**

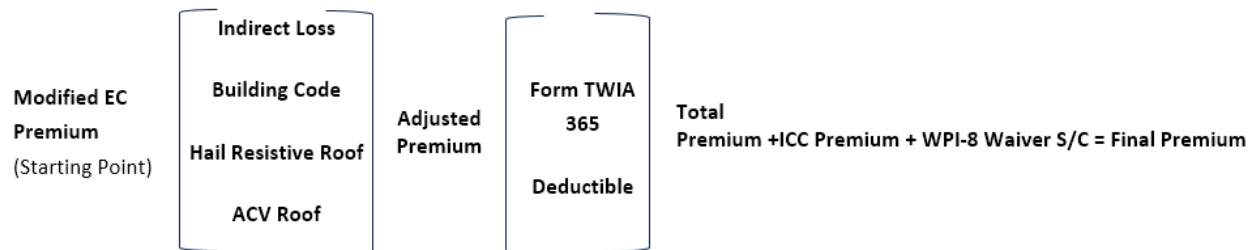
- Please use the following decision tree to determine how to add a boathouse, deck, dock or pier to a new business application
- If structure has a boat lift or a roof, it rates as a “Boathouse.”





## Dwelling Premium Calculation Information

Premiums must be calculated separately for all items. Multiple adjustments may apply in the calculation of the premium. It is important that these adjustments be applied in the proper sequence to ensure that the premium is correct. The calculation diagram shown below and the following guidelines are provided to assist you in your calculation.



### CALCULATION STEPS:

**Step #1.** Calculate the Modified Extended Coverage Premium (hereinafter referred to as the Modified EC Premium) based on a 1% (\$100 minimum) deductible from [Dwelling/Farm and Ranch Dwelling Building and Personal Property \(Territory 1\)](#) of this manual.

**Step #2.** Calculate the Indirect Loss premium by applying the Indirect Loss factor from [Indirect Loss Endorsement and Percentages](#) of this manual to the premium calculated in step #1.

**Step #3.** Where applicable, apply the following adjustments independently to the Modified EC premium calculated in step #1:

- [Building Code Credit](#)
- [Hail Resistant Roof Credit](#)
- [Actual Cash Value Roof Credit](#)

Then add or subtract the results to the Indirect Loss premium calculated in step #2. This will result in the adjusted premium.

**Step #4.** Where applicable, apply the following adjustments independently to the Adjusted Premium calculated in step #3. Then add the results to the adjusted premium calculated in step #3 to equal the Total premium. If the coverages listed below do not apply, skip step #4. If this is done, the Total premium will be the same as the adjusted premium.

- [Replacement Cost Endorsement Form TWIA 365](#) surcharge
- [Deductible Adjustment](#) for a flat \$100 or \$250 flat
- [Optional Large Deductible Percentage Chart](#)



- Step #5.** If coinsurance is being waived, apply the [First Loss Scale Formula](#) to the premium calculated in step #4 prior to rounding. Refer to the dwelling [rating example](#) for waiving coinsurance.
- Step #6.** If Increased Cost in Construction (ICC) coverage is being added calculate the ICC premium by multiplying the premium calculated in step 4 (or 5) times the appropriate ICC rate, then round to the nearest whole dollar. Refer to Residential [Increased Cost of Construction](#). If ICC is not being added, skip to step #8.
- Step #7.** Add the rounded ICC premium (step 6) to the premium determined in step 4 (or step 5 if coinsurance has been waived) to arrive at the Final premium.
- Step #8.** The premium from step 4, 5, or 7 to equal the total *premium* due TWIA.
- Step #9.** If the policy is being issued under the WPI-8 Waiver program, multiply the Final premium from step 4, 5, or 7 times 15% to calculate the WPI-8 Waiver surcharge, then round to the nearest whole dollar.
- Step #10.** Add the WPI-8 Waiver surcharge calculated in step #9 to the total premium from steps 4, 5, or 7 to arrive at the total premium due TWIA.



**Dwelling incl. Farm & Ranch Dwelling – Building & Personal Property (Territory 1)**

MODIFIED EXTENDED COVERAGE PREMIUMS  
(Rates for 1% Deductible – \$100 Minimum Premium Applies)

Amount of Insurance	Dwelling Chart 1A 80% Coinsurance Required			Personal Property Chart 1B		
	Frame	BV	Brick	Frame	BV	Brick
1,000	14	11	9	4	3	3
1,500	18	14	12	7	7	6
2,000	25	22	18	7	7	6
2,500	28	22	18	11	7	6
3,000	32	25	21	11	10	9
3,500	35	29	24	11	10	9
4,000	35	29	24	14	10	9
5,000	42	36	30	14	10	9
6,000	46	40	33	14	14	12
7,000	49	43	36	18	14	12
7,500	53	43	36	18	14	12
8,000	56	47	39	22	17	15
9,000	63	54	45	22	17	15
10,000	70	61	51	25	21	18
11,000	77	65	54	29	21	18
12,000	84	72	60	29	24	20
13,000	91	76	63	32	28	23
14,000	98	83	69	36	28	23
15,000	105	90	75	36	31	26
16,000	112	94	78	40	31	26
17,000	119	101	84	43	35	29
18,000	126	108	90	43	38	32
19,000	133	112	93	47	38	32
20,000	140	119	99	50	42	35
21,000	147	126	105	50	42	35
22,000	154	130	108	54	45	38
23,000	161	137	114	57	48	41
24,000	168	144	120	61	48	41
25,000	175	148	123	61	52	44
26,000	182	155	129	65	52	44
27,000	189	162	135	68	55	47
28,000	196	166	138	68	59	50
29,000	204	173	144	72	59	50
30,000	211	180	150	75	62	53
35,000	246	209	173	86	73	61
40,000	281	238	197	101	83	70
45,000	316	267	221	111	93	79
50,000	351	299	248	126	104	88



55,000	382	328	272	137	111	94
60,000	418	357	296	147	121	102
65,000	453	386	320	162	132	111
70,000	488	418	347	172	142	120
75,000	523	447	371	187	152	129
80,000	558	476	395	198	163	138
85,000	593	505	419	212	173	146
90,000	628	537	446	223	183	155
95,000	663	566	469	237	194	164
100,000	698	595	493	248	204	173
Each Add'l 1,000	6.98	5.95	4.93	2.48	2.04	1.73

To obtain premiums other than 1% deductible, refer to Deductible Adjustment Percentage Schedule



**Dwelling incl. Farm & Ranch Dwelling – Building & Personal Property (Territories 8, 9, & 10)**

**MODIFIED EXTENDED COVERAGE PREMIUMS  
(Rates for 1% Deductible - \$100 Minimum Premium Applies)**

Insurance Amount	Dwelling Chart 1A 80% Coinsurance Required			Personal Property Chart 1B		
	Frame	BV	Brick	Frame	BV	Brick
1,000	22	17	14	6	6	5
1,500	28	23	19	11	11	9
2,000	39	35	29	11	11	9
2,500	44	35	29	17	11	9
3,000	50	40	33	17	17	14
3,500	55	46	38	17	17	14
4,000	55	46	38	23	17	14
5,000	66	58	48	23	17	14
6,000	72	63	53	23	23	19
7,000	77	69	57	28	23	19
7,500	83	69	57	28	23	19
8,000	88	75	62	34	28	23
9,000	99	86	72	34	28	23
10,000	110	98	81	40	34	28
11,000	121	104	86	45	34	28
12,000	132	115	96	45	40	33
13,000	143	121	100	51	45	37
14,000	154	132	110	57	45	37
15,000	166	144	120	57	51	42
16,000	177	150	124	62	51	42
17,000	188	161	134	68	57	47
18,000	199	173	143	68	62	51
19,000	210	178	148	73	62	51
20,000	221	190	158	79	68	56
21,000	232	202	167	79	68	56
22,000	243	207	172	85	74	61
23,000	254	219	182	90	79	65
24,000	265	230	191	96	79	65
25,000	276	236	196	96	85	70
26,000	287	248	206	102	85	70
27,000	298	259	215	107	91	75
28,000	309	265	220	107	96	79
29,000	320	276	229	113	96	79
30,000	331	288	239	119	102	84
35,000	386	334	277	136	119	98
40,000	441	380	315	158	136	112
45,000	497	426	354	175	153	126



50,000	552	478	397	198	170	140
55,000	601	524	435	215	182	149
60,000	657	570	473	232	199	163
65,000	712	616	511	254	216	177
70,000	767	668	554	271	233	191
75,000	822	714	593	294	250	205
80,000	877	760	631	311	267	219
85,000	932	806	669	333	284	233
90,000	988	858	712	350	301	247
95,000	1043	904	750	373	318	261
100,000	1098	950	789	390	335	275
Each Add'l \$1000	10.98	9.50	7.89	3.90	3.35	2.75

To obtain premiums other than 1% deductible, refer to Deductible Adjustment Percentage Schedule



## Residential Rating Examples

### Frame Class Primary Dwelling and Personal Property

1% Deductible, Indirect Loss Coverage Form TWIA-320, and Replacement Cost Endorsement Form TWIA-365

#### Territory 8

Amount of Insurance     \$650,000     (Dwelling)  
Amount of Insurance     \$75,000     (Personal Property)

#### Dwelling

To Calculate Premium:

\$6,039.00	Premium for each \$1,000 over \$100,000/\$550 x rate 10.98
+ \$1,098.00	Premium for \$100,000
<u>\$7,137.00</u>	Modified Extended Coverage Premium

Form 320 is 98% of the Modified Extended Coverage Premium

\$7,137.00	Modified Extended Coverage Premium
x 98%	Percentage from Indirect Loss Form
<u>\$6,994.26</u>	Adjusted Premium

Form TWIA - 365 Replacement Cost for Personal Property

\$6,994.26	Adjusted Premium
x 5%	Percentage Charge for Form TWIA-365
<u>\$349.71</u>	Charge for Form TWIA-365

Dwelling Total:

\$6,994.26	Adjusted Premium
+ \$349.71	Charge for Form TWIA-365
<u>\$7,343.97</u>	\$7,343.00 Total Dwelling Premium

#### Personal Property

Form 320 is 98% of the Modified Extended Coverage Premium

\$294.00	Modified Extended Coverage Premium for \$75,000
x 98%	Percentage from Indirect Loss
<u>\$288.12</u>	Adjusted Premium



Form TWIA - 365 Replacement Cost for Personal Property

\$288.12  
x       5%  

---

\$14.41

Adjusted Premium  
Percentage Charge for Form TWIA-365  
Charge for Form-365

Personal Property Total:

\$288.12  
+       \$14.41  

---

\$302.53

Adjusted Premium  
Charge for Form-TWIA365  
\$302.00 Total Personal Property Premium

Gross Premium

\$7,343.00  
+       \$302.00  

---

\$7,645.00

Total Premium for Dwelling  
Total Premium for Personal Property  
**Total Premium due TWIA**



### Frame Class Primary Dwelling

\$250 Flat Deductible, Indirect Loss Coverage TWIA-320, Increased Cost of Construction Form TWIA-431, and WPI-8 Waiver Surcharge

#### Territory 8

Amount of Insurance \$381,000 (Dwelling)

To calculate premium:

\$3,085.38	Premium For each \$1,000 over \$100,000/\$281 x rate \$10.98
+ \$1,098.00	Premium for \$100,000
<u>\$4,183.38</u>	Modified Extended Coverage Premium for \$381,000

Form 320 is 98% of the Modified Extended Coverage Premium:

\$4,183.38	Modified Extended Coverage Premium for \$381,000
x 98%	Percentage from Indirect Loss
<u>\$4,099.71</u>	Adjusted Premium

\$250 Deductible:

\$4,099.71	Indirect Loss Premium
x 25%	Deductible Percentage
<u>\$1,024.92</u>	Charge for \$250 Deductible

Total Premium:

\$4,099.71	Adjusted Premium
+ \$10,24.92	Charge for \$250 Deductible
<u>\$5,124.63</u>	\$5,125.00 Rounded Total Premium

Increased Cost of Construction:

\$5,125.00	Total Premium
x 14%	ICC Factor based on 15% coverage option
<u>\$717.50</u>	\$718.00 Rounded Charge for ICC Form TWIA-431

Premium Including ICC Coverage:

\$5,125.00	Total Premium
+ \$718.00	Charge for ICC form TWIA-431
<u>\$5,843.00</u>	Gross Premium Including ICC Coverage



WPI-8 Waiver Surcharge due TWIA:

	\$5,843.00	Gross Premium Including ICC Coverage
x	15%	WPI-8 Waiver surcharge percentage
	<hr/>	\$876 WPI-8 Waiver surcharge
	\$876.45	

**Gross Premium**

	\$5,843.00	Gross Premium Including ICC Coverage
+	\$876.00	WPI-8 Waiver surcharge
	<hr/>	<b>Total Premium due TWIA</b>
	\$6,719.00	



### Frame Class Primary Dwelling

\$250 Flat Deductible, Indirect Loss Coverage Form TWIA-320, Building Code Credit, Increased Cost of Construction TWIA-431, and Hail Resistive Roof Credit

#### Territory 8

Amount of Insurance     \$381,000 Dwelling

To calculate premium

	\$3,085.38	Premium for each \$1,000 over \$100,000/\$281 x rate \$10.98
+	<u>\$1,098.00</u>	Premium for \$100,000
	\$4,183.38	Modified Extended Coverage Premium for \$381,000

Form 320 is 98% of the modified Extended Coverage premium

	\$4,183.38	Modified Extended Coverage Premium for \$381,000
x	<u>98%</u>	Percentage from Indirect Loss
	\$4,099.71	Indirect Loss Premium

Building Code Credit

	\$4,183.38	Modified Extended Coverage Premium for \$381,000
x	<u>26%</u>	(WRC Seaward/Seaward) Building Code Adjustment
	\$1,087.67	Building Code Credit

Hail Resistant Roof Credit

	\$4,183.38	Modified Extended Coverage Premium for \$381,000
x	<u>6%</u>	(Class 2 ) Hail Resistive Roof Adjustment
	\$251.00	Hail Resistant Roof Credit

Dwelling Adjusted Premium

	\$4,099.71	Indirect Loss Premium
-	\$1,087.67	Building Code Credit
-	<u>\$251.00</u>	Hail Resistant Roof Credit
	\$2,761.04	Adjusted Premium

\$250 Deductible

	\$2,761.04	Adjusted Premium
x	<u>25%</u>	Deductible Percentage
	\$690.26	Charge for \$250 Deductible



Total Premium

\$2,761.04  
+       \$690.26  

---

\$3,451.30

Adjusted Premium

Charge for \$250 Deductible  
\$3,451.00 Rounded Total Premium

Increased Cost of Construction

\$3,451.00  
x       14%  

---

\$483.14

Total Dwelling Premium

Increased Cost of Construction (15%) Factor  
\$483.00 Rounded charge for Increased Cost of  
Construction

**Gross Premium**

\$3,451.00  
+       \$483.00  

---

**\$3,934.00**

Dwelling Premium

Charge for Increased Cost of Construction (15%)  
Premium due TWIA



### Frame Class Primary Dwelling and Personal Property

Replacement Cost Coverage TWIA-Form 365, Indirect Loss Coverage, and Large 4% Deductible

Territory 8

Amount of Insurance \$381,000 (Dwelling)

Dwelling

To calculate premium:

\$3,085.38	Premium for each \$1,000 over \$100,000 / \$281 x rate \$10.98
+ \$1,098.00	Premium for the first \$100,000
<u>\$4,183.38</u>	Modified Extended Coverage Premium for \$381,000

Form 320 is 98% of the modified Extended Coverage Premium

\$4,183.38	Modified Extended Coverage Premium for \$381,000
x 98%	Indirect Loss Factor
<u>\$4,099.71</u>	Indirect Loss Premium

Optional Large Deductible Credit of 52%

\$4,099.71	Indirect Loss Premium
x 52%	Large Deductible Percentage
<u>\$2,131.84</u>	Credit for Large Deductible

Form TWIA-365 Replacement Cost for Personal Property

\$4,099.71	Indirect Loss premium
x 5%	Percentage Charge for Replacement Cost coverage
<u>\$204.98</u>	Charge for Replacement Cost coverage

Gross Premium

\$4,099.71	Indirect Loss Premium
- \$2,131.84	Credit for Large Deductible
+ \$204.98	Charge for Replacement Cost Coverage
<u>\$2,172.85</u>	\$2,173.00 Rounded Final Premium for Building



**Personal Property**

Form 320 is 98% of the Modified Extended Coverage Premium

	\$294.00	Modified Extended Coverage Premium for \$75,000
x	<u>98%</u>	Percentage from Indirect Loss
	\$288.12	Adjusted Premium

Optional Large Deductible Credit of

	288.12	Indirect Loss Premium
x	<u>51%</u>	Large Deductible Percentage
	146.94	Credit for Large Deductible

Form TWIA - 365 Replacement Cost for Personal Property

	\$288.12	Indirect Loss Premium
x	<u>5%</u>	Percentage Charge for Form TWIA-365
	\$14.40	Charge for Form-365

Personal Property Total:

	\$288.12	Indirect Loss Premium
-	\$146.94	Credit for Large Deductible
+	<u>\$14.40</u>	Charge for Form-TWIA365
	\$155.58	\$156.00 Total Personal Property Premium

Gross Premium

	\$2,173.00	Total Premium for Dwelling
+	<u>\$156.00</u>	Total Premium for Personal Property
	<b>\$2,329.00</b>	<b>Total Premium due TWIA</b>



### Frame Class Primary Dwelling with Waived Coinsurance

With Indirect Loss Coverage and \$250.00 Flat Deductible

Amount of Insurance     \$1,773,000  
Replacement Value     \$3,300,000

#### To determine first loss scale percentage:

	\$1,773,000	Amount of Insurance
÷	\$3,300,000	Replacement Value
	<hr/> 53.72%	Percentage of Total Value Insured

Since 53.72% is not shown on the First Loss Scale, you must interpolate

	85.80%	Percentage for 54% of total value
-	85.60%	Percentage for 53% of total value
	<hr/> 0.002	Difference between percentages

	0.002	Difference between percentages
x	0.72	Decimal point portion of total value
	<hr/> 0.00144	Adjusted percentage portion

	0.00144	Adjusted percentage portion
+	0.856	Percentage for 53% of total
	<hr/> 0.85744	First Loss Scale Formula percentage 85.74%

To calculate premium:

	\$35,136.00	Premium for each \$1,000 over \$100,000/\$3,200 x rate \$10.98
+	\$1,098.00	Premium for the first \$100,000 of coverage
	<hr/> \$36,234.00	Modified Extended Coverage Premium for \$3,300,000

Form 320 is 98% of the modified extended coverage premium:

	\$36,234.00	Modified Extended Coverage Premium for \$3,300,000
x	98%	Indirect Loss Percentage
	<hr/> \$35,509.32	Adjusted Premium



**\$250 Deductible:**

	\$35,509.32
x	25%
	<hr/>
	\$8,877.33

Adjusted Premium  
Deductible Adjustment Factor  
Deductible Adjustment Amount

**Final Premium**

	\$35,509.32
+	\$8,877.33
	<hr/>
	\$44,386.65

Adjusted Premium  
Deductible Adjustment Amount  
Total Adjusted Premium

**Limit of Liability Premium**

	\$44,386.65
x	85.74%
	<hr/>
	\$38,057.11

Total Adjusted Premium  
First Loss Scale Formula percentage  
\$38,057.00 Total Premium due TWIA



## Superior Construction

### Non-Class Rated Structures

For a non-class rated structure to qualify as superior construction, a copy of the ISO Loss Cost report dated after December 31, 1998, showing the BGII indication, will be required. Refer to Insurance Service Office BGII List.

### Class Rated Structures

For a class rated structure to qualify as superior construction a completed copy of the Superior Construction Worksheet for Class Rated Buildings will be necessary. Where applicable, a Roof Deck Assembly Certificate must also be submitted. Copies of these forms may be obtained at <http://www.twia.org/> under the Policy Forms & Endorsements: Inspection Forms/Certificates.

Note: For dwelling structures to qualify for superior construction rating, they will first need certification as such by the Texas Department of Insurance Residential Department.



### Insurance Service Office BGII List

CONSTRUCTION	DEFINITION	NEW BGII (1998)
1 - Frame		B (11) – Ordinary
2 - Joisted Masonry		B (21) – No key factor present AB (22) – High rise AB (23) – Reinforced masonry AB (24) – Reinforced masonry and High rise
3 - Non-Combustible		B – (31) – Light steel AB (32) – Light steel and high rise AB (33) – Heavy steel AB (34) – Heavy steel and high rise
4 - Masonry Non-Combustible		B – (41) – Light steel AB (42) – Light steel and high rise AB (43) – Heavy steel A (44) – Heavy steel and high rise AB (45) – Reinforced masonry AB (46) – Reinforced masonry and high rise A (47) – Reinforced masonry and heavy steel A (48) – Reinforced masonry, heavy steel and high rise
5 – Modified Fire Resistive		AB (51) – Light steel A (52) – Light steel and high rise A (53) – Heavy steel AA (54) – Heavy steel and high rise A (55) – Light steel and reinforced masonry A (56) – Light steel, reinforced masonry and high rise AA (57) – Heavy steel and reinforced masonry AA (58) – Heavy steel, reinforced masonry and high rise
6 – Fire Resistive		AB (61) – Light steel A (62) – Light steel and high rise A (63) – Heavy steel AA (64) – Heavy steel and high rise A (65) – Light steel and reinforced masonry A (66) – Light steel, reinforced masonry and high rise AA (67) – Heavy steel and reinforced masonry AA (68) – Heavy steel, reinforced masonry and high rise
7 – Heavy Timber Joisted Masonry	Joisted Masonry with either 2” roof with min 6” support or wind uplift 90 or higher.	AB (71) – No key factor present AB (72) – High rise AB (73) – Reinforced masonry AB (74) – Reinforced masonry and High rise
8 – Superior non-Combustible	Non-combustible with: Roof 2” masonry on steel or roof 22 gauge	AB (81) – Light steel and low rise AB (82) – Light steel and high rise AB (83) – Heavy steel



CONSTRUCTION	DEFINITION	NEW BGII (1998)
	on steel or wind uplift of 90 or higher.	AA (84) – Heavy steel and high rise
9 – Superior Masonry Non-Combustible	Masonry non-Combustible with roof 2” masonry on steel or roof 22 gauge on steel or wind uplift of 90 or higher	AB (91) – Light steel A (92) – Light steel and high rise A (93) – Heavy steel AA (94) – Heavy steel and high rise A (95) – Reinforced masonry A (96) – Reinforced masonry and high rise AA (97) – Reinforced masonry and heavy steel AA (98) – Reinforced masonry, heavy steel and high rise

### Windstorm Symbol Matrix

Windstorm Symbols		
ISO Designation	ISO Description	TWIA Rating
AA	Superior	WR
A	Wind Resistive	WR
AB	Semi-Wind Resistive	SWR
B	Ordinary	Frame or Brick



## Construction Classification Table

### Construction Classification Table Extended Coverage – Windstorm, Hurricane and Hail

Exterior Walls	Floors and Supports	Roof Decks and Supports	Height in Stories	Class & Table
Masonry or Reinforced Concrete NOTE: Minimum thickness of material to comply with requirements of fire resistive standards of the Texas Commercial Property Rating Manual except not more than 40% of walls may be of non-combustible construction or no walls	<sup>10</sup> Reinforced Concrete on non-combustible supports	Reinforced concrete or reinforced gypsum not less than 2" thick on non-combustible supports	1 or more	WR
		Concrete or gypsum at least 1-1/2" thick on non-combustible supports	1 or 2	SWR
			3 or more	WR
		False wood deck above reinforced concrete or reinforced gypsum not less than 2" thick on non-combustible supports with space between not designed for occupancy	1	HC
			2	SWR
			3 or more	WR
		Steel or other non-combustible deck on non-combustible supports	1	HC <sup>11</sup>
			2	SWR <sup>11</sup>
			3 or more	WR
		Wood deck, with no slab immediately underneath on wood or non-combustible supports	1	M <sup>13</sup>
	2	HC		
	3 or more	SWR		
		Certified as Class 60 <sup>12</sup>	1	SWR <sup>9</sup>
		Certified as Class 90 <sup>11</sup>	1 or 2	WR <sup>9</sup>



Construction Classification Table  
Continued

Exterior Walls	Floors and Supports	Roof Decks and Supports	Height in Stories	Class & Table	
Non-Combustible or no walls	<sup>10</sup> Non-combustible on non-combustible supports	Steel or other non-combustible deck on non-combustible supports	1 or more	M <sup>13</sup> HC <sup>9</sup>	
	<sup>10</sup> Reinforced Concrete on non-combustible supports	Concrete or gypsum at least 1-1/2" thick on non-combustible supports	1	HC	
			2	SWR	
			3 or more	WR	
			Certified as Class 60 <sup>12</sup> Certified as Class 90 <sup>11</sup>	1 1 or 2	SWR <sup>9</sup> WR <sup>9</sup>
			Steel or other non-combustible deck on non-combustible supports	2 3 or more	SWR WR
		Reinforced Concrete or reinforced gypsum not less than 2" thick on non-combustible supports	1 or more	WR	
Masonry or Reinforced Concrete	Wood or other material	Wood or other material	1 or more	M <sup>13</sup> HC <sup>9</sup>	
Wood, metal, asbestos cement, stucco or brick veneer on skeleton wood frame	Wood or other material	Wood or other material	1 or more	F <sup>13</sup>	
Heavy Timber as described in the Texas Commercial Property Rating Manual -- Except concealed spaces and unprotected vertical openings permitted			1 or more	SWR	
ICMS as described in the Texas Commercial Property Rating Manual			1 or more	M <sup>13</sup>	

**Abbreviations: WR = Wind Resistive; SWR = Semi-wind Resistive; HC = Heavy Construction; M = Masonry; F = Frame**

- <sup>9</sup> These buildings must be certified as required in Special Index of this manual
- <sup>10</sup> Combustible Floor Finish Permissible
- <sup>11</sup> Roof deck assembly Certified as Class 90 (lbs./sq. ft.) for wind uplift and with roof deck assembly anchored to main structure in accordance with good engineering practice shall be classed as WR.
- <sup>12</sup> Roof deck assembly Certified as Class 60 (lbs./sq. ft.) for wind uplift and with roof deck assembly anchored to main structure in accordance with good engineering practice and limited to one story buildings not exceeding 30 feet in height shall be classed as SWR. Constructions as outlined herein shall be certified by the manufacturer for the roof deck material and by the erector, if other than the manufacturer, that the roof deck assembly was constructed according to good engineering practices and as indicated by the listing requirements of Underwriters' Laboratories, Inc.
- <sup>13</sup> Buildings which are over 35' high (at eave line) and one story in height shall be subject to an additional 20% charge.



## Superior Construction Worksheet

### Superior Construction Worksheet For Class Rated Buildings

**(This form is to be completed by the building's contractor, a professional engineer, or architect.)**

I have conducted an inspection of the building located at: \_\_\_\_\_

I have determined from my inspection and hereby certify that the building is classified as: (check one below)

- HC \_\_\_\_\_
- SWR \_\_\_\_\_
- WR \_\_\_\_\_

This is based on criteria as set forth on pages A-2 and A-3 in the Texas Department of Insurance (TDI) Supplemental Special Index (Appendix A) in the TDI Manual of the Texas Windstorm Insurance Association.

The appropriate criteria to support the designation, is indicated below:

- Exterior Walls  
\_\_\_\_\_
- Floors & Supports  
\_\_\_\_\_
- Roof Decks and Supports\*  
\_\_\_\_\_
- Height in Stories  
\_\_\_\_\_

**\* Note: Where a roof deck assembly is certified as Class 60 or Class 90 a copy of the certificate must be provided with this form.**

Name: (Please print) \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## Roof Deck Assembly Certificate Form

### Certificate for U.L. Class 60 U.L. Class 90 Roof Deck Assembly

Name of Risk \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

File Number \_\_\_\_\_

THIS CERTIFIES that the roof deck assembly on the building indicated above has been designed and fabricated according to specifications for Construction No. \_\_\_\_\_ Class \_\_\_\_\_ as prescribed in the Underwriter's Laboratories Building Material List, and has been anchored to the building in accordance with good engineering practices.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Manufacturer or Authorized Representative \_\_\_\_\_

Address: \_\_\_\_\_

City/State: \_\_\_\_\_

Zip Code: \_\_\_\_\_ Date: \_\_\_\_\_

THIS CERTIFIES that the roof deck assembly on the building indicated above has been installed and anchored to the building according to good engineering practices and specifications for Construction No. \_\_\_\_\_ Class \_\_\_\_\_ as prescribed in Underwriter's Laboratories Building Material List.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name \_\_\_\_\_

Address: \_\_\_\_\_

City/State: \_\_\_\_\_

Zip Code: \_\_\_\_\_ Date: \_\_\_\_\_

Art. 21.47, Texas Insurance Code: "Any person who knowingly or willfully makes, files or uses any instrument in writing required to be made to or filed with the State Board of Insurance or the Insurance Commissioner, either by the Insurance Code or by rule or regulation of the State Board Of Insurance, when the instrument in writing contains any false, fictitious or fraudulent statement or entry with regard to any material fact, shall be fined not more than \$5,000 or imprisoned for not more than five years in the State penitentiary, or both."



## Building Code Information

### Building Code Diagram

<p>All construction (including original construction, repairs, alterations, and additions) that commenced prior to 6-1-1972 is “grandfathered,” and does not require certification.</p> <p>Repairs and alterations commenced on or after 6-1-1972 on a given structure will require the appropriate documents based on the start of construction date. Refer to the two sections to the right. →</p>	<p><b><u>POOL-BC-10-85</u></b></p> <p><b>Must be signed by:</b></p> <ul style="list-style-type: none"> <li>● The contractor</li> <li>● An Engineer</li> <li>● An Architect</li> <li>● A Local Building Official</li> </ul> <p><b>Exemptions:</b></p> <ul style="list-style-type: none"> <li>● Inside City Limits*</li> <li>● Prior Coverage*</li> </ul> <p>* (Refer to <a href="#">House Bill 2 Exemption</a> for a complete set of guidelines).</p>	<p><b><u>WPI-8</u></b></p> <p><b>This certificate will need to be obtained from the Texas Department of Insurance, and is applicable to risks located in the 1st tier counties, in addition to the following cities in Harris County:</b></p> <table border="0"> <thead> <tr> <th style="text-align: left;"><b>Location*</b></th> <th style="text-align: left;"><b>Constructed</b></th> </tr> </thead> <tbody> <tr> <td style="padding-left: 40px;"><b>After</b></td> <td></td> </tr> <tr> <td>Seabrook</td> <td>3-1-96</td> </tr> <tr> <td>LaPorte</td> <td>3-1-96</td> </tr> <tr> <td>Morgan’s Point</td> <td>6-1-96</td> </tr> <tr> <td>Pasadena</td> <td>3-1-97</td> </tr> <tr> <td>Shore Acres</td> <td>3-1-97</td> </tr> </tbody> </table> <p><b><u>Harris County Exceptions:</u></b></p> <p><b>In lieu of a WPI-8, a statement from the local building inspector, an engineer, or an architect will be accepted for construction between the following dates:</b></p> <table border="0"> <thead> <tr> <th style="text-align: left;"><b>Location*</b></th> <th style="text-align: left;"><b>If Constructed</b></th> </tr> </thead> <tbody> <tr> <td>Seabrook</td> <td>1-1-88 to 3-1-96</td> </tr> <tr> <td>LaPorte</td> <td>1-1-88 to 3-1-96</td> </tr> <tr> <td>Morgan’s Point</td> <td>1-1-88 to 6-1-96</td> </tr> <tr> <td>Pasadena</td> <td>1-1-88 to 3-1-97</td> </tr> <tr> <td>Shore Acres</td> <td>1-1-88 to 3-1-97</td> </tr> </tbody> </table> <p>(Refer to example of <a href="#">Building Official’s Statement</a> )</p> <p>*Inside the city limits of these cities and East of Highway 146.</p>	<b>Location*</b>	<b>Constructed</b>	<b>After</b>		Seabrook	3-1-96	LaPorte	3-1-96	Morgan’s Point	6-1-96	Pasadena	3-1-97	Shore Acres	3-1-97	<b>Location*</b>	<b>If Constructed</b>	Seabrook	1-1-88 to 3-1-96	LaPorte	1-1-88 to 3-1-96	Morgan’s Point	1-1-88 to 6-1-96	Pasadena	1-1-88 to 3-1-97	Shore Acres	1-1-88 to 3-1-97
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## Building Certification

### A building certificate is not required if:

Original structure, additions, repairs, or structural alterations were commenced prior to June 1, 1972.

#### 1. A POOL-BC-10-85 form is required if:

Original construction, additions, structural repairs, or structural alterations were commenced on or after June 1, 1972 and prior to January 1, 1988.

#### POOL-BC-10-85 Exemptions - A POOL-BC-10-85 is not required if:

- A. The original construction, additions, structural repairs, or structural alterations were made to a structure that was located inside the city limits of a city or town covered by a building code (Standard Building Code for property Inland of the Intracoastal Canal & TWIA Windstorm Resistant Construction Code for property Seaward of the Intracoastal Canal) recognized by TWIA at the time when construction began.
  - If located “Inside City Limits” the submission of a POOL-BC-10-85 is not required.
- B. The risk was previously insured for windstorm coverage through a licensed insurance company authorized to do business in this State and the structure is still in insurable condition.
  - If so, attach a photocopy of policy providing previous windstorm coverage.
- C. The structure was previously insured through TWIA, and no alterations have been made since expiration.
  - If so, provide previous policy number.

#### 2. A WPI-8 is required if:

Original construction, additions, structural repairs or structural alterations were commenced on or after January 1, 1988.

For **Commercial, Builder’s Risk, and Manufactured home** coverage requests, a 60 day binder will be issued if a WPI-8 is required but not submitted with a submission.

For **Residential** coverage requests, a policy will be issued and the WPI-8 will be due within 30 days of the policy inception date if an Inspection Verification Form (WPI-2) is provided for any WPI-8 forms that are required but were not submitted with the application.



**WPI-8 Exception:**

For property located east of the boundary line of State Highway 146, situated inside the city limits of a city listed below, and where original construction, additions, structural repairs, or structural alterations were between the beginning and ending dates listed below, a Building Official statement is preferred.

If there is another way to document a structure was built to code, TWIA could accept such documentation as evidence of insurability. When using additional building documentation, it needs to certify that, to their best belief and knowledge, the construction of the original structure, addition, structural repair, or structural alteration is in compliance with the TWIA Inland Building Code (1973 Edition State Building Code). See the example on the following page.

City:	Beginning Date:	Ending Date:
Seabrook	1-1-1988	3-1-1996
La Porte	1-1-1988	3-1-1996
Morgan's Point	1-1-1988	6-1-1996
Pasadena	1-1-1988	3-1-1997
Shore Acres	1-1-1988	3-1-1997

**NOTE:**

All requirements listed on this page apply to the entire Windstorm coverage area, including Seabrook, La Porte, Morgan's Point, Shore Acres, and Pasadena, except where otherwise indicated in the "WPI-8 Exception."





## TWIA WPI-8 (Certificate of Compliance) Waiver Program for Residential Dwelling

The initial WPI-8 waiver program, which allowed specific residential dwellings to qualify for coverage through the Texas Windstorm Insurance Association without a WPI-8, certificate of building code compliance, became effective June 5, 2006. Effective September 1, 2009 House Bill 4409 (HB4409), which was passed by the 81st Legislature, mandated several changes to the original program and the Texas Department of Insurance (TDI) adopted Texas Administrative Code (TAC) rules §5.4906 and TAC §5.4907 to implement these changes. Effective September 28, 2011 House Bill 3 (HB3), which was passed by the 82nd Legislature, implemented a new WPI-8 waiver program. Below are listed the original basic requirements as well as the three programs along with the eligibility to qualify for each program

### Basic Requirements:

- Effective with new and renewal residential dwelling policies on and after October 15, 2009 the WPI-8 Waiver surcharge is not a commissionable item, and is not refundable to the policyholders when it applies to their policies. If coverages are increased during the policy term, the appropriate additional surcharge will be added, however, should coverage be decreased during the policy term, there is no refund of surcharges previously paid. If all missing certificates of compliance (WPI-8's) are provided to TWIA during the policy term, there will not be a return of surcharge already paid during the current policy term; however, the surcharge will no longer be added at the next renewal.

**EXAMPLE:** If a TWIA policy premium for all coverages on a particular dwelling policy total \$1,000, and the WPI-8 Waiver applies, then the waiver surcharge will be an added \$150 (15%), no commission is paid to the agent on the surcharge amount. If the policy is cancelled prior to its expiration, the surcharge is non-refundable to the policyholder, or anyone else with an interest in the policy. In this example, agents would receive 16% commission on the premium portion only.

- While the WPI-8 Waiver surcharge(s) will be noted as a separate item on the policy declarations page(s), failure to pay the surcharge constitutes failure to pay premium for purposes of policy cancellation.
- Residential policies with property insured under the WPI-8 waiver program are subject to the WPI-8 surcharge.



- All structures and/or their contents that qualify under these regulations for a waiver of the WPI-8 requirement will be issued at the appropriate TWIA premium plus a 15% surcharge and will not be eligible for credits for building code compliance. The 15% surcharge will be calculated from and added to the final total premium.
- When submitting applications, agents need to advise TWIA whether or not they want their policies issued under the WPI-8 Waiver Program by noting that the waiver should be applied.

**Eligibility criteria:**

This program applies to certain residential structures that were insured by TWIA under a policy that was issued in accordance with the approval process initiated April 12, 2006 and continued to be eligible for coverage on September 1, 2009. Policyholders who have a structure insured under the WPI-8 waiver certificate of compliance approval program may continue to be eligible for coverage on the structure under the program if the policyholder also meets the TWIA underwriting eligibility requirements by doing the following:

1. Comply with the mandatory building code requirements to secure a WPI-8 on all alterations, additions, repairs, or new construction on or after June 19, 2009;
2. Meet the [declination requirements](#);
3. Meet the [flood insurance requirements](#); and
4. Satisfy all other Association Underwriting requirements, including maintenance of the structure in an insurable condition.

**Certification and Eligibility Requirements (Exception 2210.259) – Enacted in 2013  
Repeal of the WPI-12 Alternative Certification Provision)**

New applicants and existing TWIA policyholders who own 1 or 2 family dwellings and are missing one or more WPI-8's for construction on those structures that began on or after January 1, 1988 but before June 19, 2009, are able to waive the WPI-8 requirement. These individuals applying for TWIA coverage are required to pay a 15% WPI-8 Waiver surcharge for each policy term.

In addition, applicants who are non-renewed or cancelled by their private market insurer between June 19, 2009 and December 31, 2015 that are also missing one or more WPI-8's from that time period are able to waive the WPI-8 requirement. These individuals applying for TWIA coverage will pay premium for basic coverage equal to 110% of the rate charged in the voluntary market for wind and hail.



Applicants are required to provide a copy of their non-renewal or cancellation letter and a copy of the prior policy’s declarations page that details the coverage and premiums in order to be eligible for this exception. This can include proof that insurance coverage was issued to the applicant or the previous insured for the structure that was cancelled or non-renewed in the private market and no construction, alteration, remodeling, enlargement, or repair of, or addition to, the structure occurred after cancellation or non-renewal of the coverage and before submission of the application for coverage through TWIA.

For more details on the current certification and eligibility requirements, please refer to the table below.

**Certification and TWIA Eligibility Requirements**

TWIA Eligibility	Standard Eligibility Rules	WPI-8 Waiver Eligible	Additional Exception
Construction <sup>1</sup> on or after 6/19/2009 and the private market insurer non-renewed or cancelled coverage during that time frame with a missing WPI-8. <sup>3</sup> NOTE: If any construction took place after cancellation or non-renewal, then that construction must be certified (WPI-8)	N	N	Y
Construction <sup>1</sup> on or after 6/19/2009 and the private market insurer non-renewed or cancelled coverage during that time frame with all WPI-8s. <sup>3</sup> NOTE: If any construction took place after cancellation or non-renewal, then that construction must be certified (WPI-8)	Y	N	N
Construction from 1/1/1988 to 6/19/2009 <sup>2</sup> Missing at least 1 WPI-8.	N	Y	N/A
Construction from 1/1/1988 to 6/19/2009 <sup>2</sup> With all WPI-8s.	Y	N	N
Construction <sup>1</sup> occurred prior to 1/1/1988 – no Certificate of Compliance (WPI-8) required	Y	N	N

<sup>1</sup>Construction includes:

1. All construction
2. Alteration
3. Remodeling
4. Enlargement
5. Addition



6. Repair

<sup>2</sup>Alternative Certification requirements (WPI-12's) are repealed.

<sup>3</sup>Residential structures missing one or more WPI-8's for construction on or after 6/19/2009 where coverage lapsed, was voluntarily dropped from coverage, not insured, or put in forced placement by a lender are not eligible for coverage by TWIA until fully windstorm code compliant with necessary WPI-8's.

### **WEA-1 (Windstorm Exemption Application) Request Form for Historical Homes**

Structures with a WEA-1 exemption are not required to have a WPI-8 form. Contact the appropriate county office for more information.

### **House Bill 2 Exemption (From Obtaining Form POOL-BC-10-85)**

**Two exemptions:**

**1. Inside City Limits:**

A structure constructed, repaired, or to which additions were made after June 1, 1972 and prior to January 1, 1988, that is located in an area covered at the time by a building code recognized by the Association shall be considered an insurable property for windstorm and hail insurance from the Association without compliance with the inspection or approval requirements of this section or the Plan of Operation.

**2. Prior Windstorm Coverage through a Texas Licensed Company:**

A structure constructed, repaired, or to which additions were made after June 1, 1972 and prior to January 1, 1988, that is located in an area not covered by a building code recognized by the Association shall be considered an insurable property for windstorm and hail insurance from the Association without compliance with the inspection or approval requirements of this section or the Plan of Operation if that structure has been previously insured by a licensed insurance company authorized to do business in this state and the risk is in essentially the same condition as when previously insured, except for normal wear and tear, and without any structural change other than a change made according to code. Evidence of previous insurance includes a copy of a previous policy.

**This exemption applies only to construction made after June 1, 1972 and prior to January 1, 1988. It DOES NOT apply to construction on or after 1/1/1988.**



## Properties Eligible for Re-entry into TWIA Where an Interruption in Coverage Exists

For any one or two family dwelling constructed on or after 6-1-72 and prior to 1-1-88, that was previously insured by the Texas Windstorm Insurance Association, without certificate of compliance, reapplication for coverage through TWIA may be submitted but will be subject to the following requirements:

1. The risk must have been maintained in essentially the same condition as when previously insured by TWIA, except for normal wear and tear and without any structural change except those made according to prescribed code.
2. The applicant shall, in the absence of TWIA records of a previous TWIA policy providing coverage on the risk, have the burden of presenting acceptable evidence verifying previous coverage with TWIA. Acceptable evidence may be the application and/or insurance agent's record verifying a previous TWIA policy providing coverage on this risk. The verifying record may be, but is not limited to:
  - copy of previous TWIA policy;
  - copy of Agent's accounting record showing payment for a TWIA policy;
  - copy of a cancelled check showing payment of premium to TWIA; or
  - copy of a title company's or mortgagee's accounting records showing payment for a TWIA policy.

A risk complying with (1) and (2) of the above shall be considered an insurable risk, provided the property is in an insurable condition against windstorm and hail, as determined by normal underwriting standards.

## Windstorm Insurance Inspections and TDI Field Offices

### **BEFORE You Build Inquire About a Windstorm Insurance Inspection**

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 (specified below). TWIA provides wind and hail coverage when insurance companies exclude it from homeowners and other property policies sold to coastal residents.

**If you are planning to build or renovate any structure in the counties listed below, then you are advised to contact your insurance agent about the Windstorm Inspection Program in order to obtain or maintain windstorm and hail insurance through TWIA**



**Coastal Counties and Areas Effected:**

Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Willacy, or in the following cities east of State Highway 146 in Harris County: La Porte, Morgan’s Point, Pasadena, Seabrook, or Shore Acres

While not required for all construction, the following projects typically do require an inspection for windstorm insurance purposes:

- New Structures
- Additions
- Alterations
- Reroofs
- Repairs

Windstorm insurance inspections under this program will be conducted by either a Texas Department of Insurance (TDI) inspector or an engineer who has been appointed by the Commissioner of Insurance. There is no fee for any inspection conducted by TDI.

**Important: All inspections need to be made during the construction phase – TDI inspectors are unable to inspect a property after construction is completed.**

If you have any questions or need additional information please visit the TDI web site at:

[www.tdi.state.tx.us/](http://www.tdi.state.tx.us/)

Or call one of the TDI offices listed below:

Austin	800-248-6032
Beaumont	409-833-3756
La Marque	409-986-9552
Corpus Christi	361-881-9463
Angleton (Brazoria County)	979-848-0953

This information was published by the Texas Department of Insurance.



## No Inspection Required

### TWIA Supplemental Certificate of Compliance (Form WPI-8) Information

The following items do not require an inspection for compliance for the purposes of windstorm and hail insurance coverage through the Texas Windstorm Insurance Association provided that any repairs, replacements, or procedures are made with like kind and quality materials, fasteners and craftsmanship as compared to the structure before the repairs, replacements, or procedures are made, and as compared to the parts of the building which are not repaired. In addition, if no structural change is made, the initial installation or replacement of the listed items may be made without requiring an inspection. For additional information regarding this list call TDI at 800-248-6032.

1. Repairs to roofs less than 100 square feet (one square),
2. Repairs or replacement of gutters,
3. Replacement of decorative shutters
4. Repairs to breakaway walls,
5. Fascia repairs
6. Repairs to porch and balcony railings,
7. Repairs to stairways/steps and wheelchair ramps,
8. Protective measures before a storm,
9. Temporary repairs after a storm,
10. Leveling and repairs to an existing slab on grade foundations, unless wall and/or foundation anchorage is altered or repaired,
11. Fence repair,
12. Painting, carpeting, and refinishing,
13. Plumbing and electrical repairs,
14. Repairs to slabs poured on the ground for patios (including slabs under homes on pilings),
15. Repairs or replacement of soffits less than 24 inches in width,
16. Repairs or replacement of non-structural interior fixtures, cabinets, partitions (non-loadbearing), surfaces, trims or equipment,
17. Replacement of glass in windows or glass doors or replacement of exterior doors not involving the frames provided that the area is less than 10% of the surface area of the affected side (elevation) of the structure,
18. Replacement of exterior siding provided that the area is less than 10% of the surface area of the affected side (elevation) of the structure.



Source: Texas Department of Insurance (July 2012)

## Manufactured Homes

### General Qualifications

To qualify for coverage through this association the manufactured home must be:

- occupied solely as a dwelling
- 8 body feet or more in width and 32 body feet in length (excluding tongue)
- properly blocked and tied

To determine if the building is a manufactured or modular home, there is a label found on the home that denotes the actual building type.

- A red and silver label denotes a manufactured home.
- A blue and silver label with a state star on it denotes a modular home.

**If the risk is a modular home, then regular dwelling premiums and dwelling rules apply.**

### Approval Report

An approval report may be obtained from the Texas Department of Housing & Community Affairs (TDHCA) and a [Notice of Installation \(Form T\)](#) completed if the home has been blocked and tied within the past 5 years. This report will need to indicate that the home is blocked and tied with “No Violations or Violations Corrected”. There is a charge for this report. TDHCA may be contacted at:

Texas Department of Housing & Community Affairs  
Manufactured Housing Division  
PO Box 12489  
Austin, TX 78711-2489  
Telephone: 1-800-500-7074

If there is no approval report on file with the TDHCA or if the report is over 5 years old, contact an installer who is licensed with the TDHCA to make an inspection and provide an approval report. A copy of the completed Form T report or the TWIA [Manufactured Housing Inspection Approval Form \(TWIA-MH96\)](#) may be used.



**A new tie down approval report is required the 1<sup>st</sup> year and each subsequent 5<sup>th</sup> year interval.**

## **Rates**

Rates per \$100 of coverage:     \$ 2.50 -If risk is located Inland of the Intracoastal Waterway  
  \$ 5.00 -If risk is located Seaward of the Intracoastal Waterway

## **Deductibles**

For property located Inland of the Intracoastal Waterway                                     -1% with a \$ 250.00 minimum  
For property located Seaward of the Intracoastal Waterway                                     -2% with a \$ 250.00 minimum

## **Building Certifications**

If there is a site built living area addition attached to a Manufactured Home it will rate as part of the mobile and a building certificate will be required. Refer to [Building Certification](#) for complete information.

## **Homes Manufactured September 1, 1997 and After**

Homes manufactured September 1, 1997 and after must be designated as Zone II homes, in order to be placed in the tier one counties. For additional information concerning this requirement contact the manufacturer or the TDHCA.