



# Comparable Coverage & Premium Certification

## General

Pursuant to Texas Insurance Code Section 2210.703, an insurer electing to offer a renewal policy to a Texas Windstorm Insurance Association (TWIA or the Association) policyholder whose TWIA policy was assumed by the insurer under the Assumption Reinsurance Program must offer a renewal policy that contains generally comparable coverage and premiums to the Association's policy as determined by commissioner rule. The premiums for a policy of generally comparable coverage may not exceed 115 percent of the premiums for the Association policy. "Premiums" include all amounts charged which the insurer must report as premiums on its financial statements. Pursuant to 28 Texas Administrative Code Rule 5.4303, a policy provides generally comparable coverage if it provides the same basic coverage(s) as the assumed Association policy, including the endorsements included in the assumed Association policy.

For example, a policy does **not** provide generally comparable coverage if:

- (1) the Association policy provided coverage on a replacement cost basis, and the policy being offered by the insurer only provides coverage on an actual cash value basis;
- (2) the Association policy provided a certain windstorm and hail deductible amount, and the minimum windstorm and hail deductible amount on the policy being offered by the insurer is in excess of that amount; or
- (3) the Association policy provided policy limits in excess of the limits on the policy offered by the insurer.

The following table provides the Association's policy provisions and the minimum requirements to be considered comparable coverage. Complete the required fields and attestation, and return the form and all other required documentation to [depop@twia.org](mailto:depop@twia.org) by July 31, 2016.

## Company Information

Company Name NAIC

E-mail

Phone Fax:

Address

City

State Zip Code

## Texas Department of Insurance Form Filings

Form Title

Date Filed

Date Approved

State Tracking No.

Form Title

<b>Date Filed</b>	<input type="text"/>	<b>Date Approved</b>	<input type="text"/>	<b>State Tracking No.</b>
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<b>Form Title</b>				
<b>Date Filed</b>	<input type="text"/>	<b>Date Approved</b>	<input type="text"/>	<b>State Tracking No.</b>

If you need additional space, please attach a spreadsheet containing the policy or endorsement form title, date it was filed with TDI, the date it was approved by TDI and the State Tracking Number.

## Texas Department of Insurance Rate Filings

**Rate Filings** Yes, our rates have been filed with the Texas Department of Insurance and we have complied with the filing requirement specified in Title 28, Texas Administrative Code § 5.4302(e). Our filed rates and rating rules will produce premiums for each takeout policy that do not exceed 115 percent of the corresponding TWIA premium. We understand that premiums, in this context, include any policy fees or other charges which must be reported as premium on our financial statements.

**Rates Filed On**  **State Tracking No.**

## Coverage Comparison

TWIA's available residential and commercial coverage options are listed below, including loss settlement provisions, optional coverages, limits of liability, and deductibles. A summary of the loss settlement provisions and optional coverages is attached for your reference. Please indicate each option you intend to make available. By selecting an option, you are confirming that your coverage for that option is comparable. Coverage offered is on a per policy basis, so it is not necessary to provide each option. For those coverage options you elect not to provide, you may not make offers on TWIA policies with those coverages.

## Residential

		<b>Maximum Limits of Liability</b>	
<b>Loss Settlement Provisions</b>	<b>Replacement Cost with 80% ITV</b>	<b>Dwelling &amp; Contents Contents Only</b>	<b>\$1,773,000</b>
	<b>Actual Cash Value &lt;80% ITV</b>		<b>\$374,000</b>
	<b>Actual Cash Value Roof</b>		

<b>Deductibles</b>	<b>\$100</b>	<b>\$200</b>	<b>Optional Coverages</b>	<b>Additional Living Expense</b>
	<b>1.0%</b>	<b>1.5%</b>		<b>Indirect Loss</b>
	<b>2.0%</b>	<b>2.5%</b>		<b>Wind-Driven Rain</b>
	<b>3.0%</b>	<b>4.0%</b>		<b>Increased Cost of Construction*</b>
	<b>5.0%</b>			<b>Builder's Risk</b>
				<b>Manufactured Home</b>

In the space below, please provide an explanation for any coverage options above that you do not intend to offer. For example, if your company does not intend to offer \$100 deductibles, your explanation may cite that you do not intend to make offers on TWIA policies that currently have \$100 deductibles.

**Reasons:**

\*Increased Cost of Construction is available through TWIA at 5%, 10%, 15%, and 25% of the limits of coverage.

## Commercial

<b>Loss Settlement Provisions</b>	<b>Actual Cash Value</b>	<b>Structure &amp; Contents</b>	<b>Maximum Limits of Liability</b>
	<b>Replacement Cost</b>		
<b>Deductibles</b>	<b>1%</b>	<b>Optional Coverages</b>	<b>Business Interruption</b>
	<b>2%</b>		<b>Builder's Risk</b>
	<b>5%</b>		<b>Increased Cost of Construction*</b>

In the space below, please provide an explanation for any coverage options above that you do not intend to offer.

**Reasons:**

\*Increased Cost of Construction is available through TWIA at 5%, 10%, 15%, and 25% of the limits of coverage.

## Reminder Regarding Public Information

TWIA is subject to the Texas Public Information Act, Tex. Government Code §552.001 et seq. ("Public Information Act") and Attorney General Opinions issued under that statute and must comply with the provisions of Texas law including the Public Information Act.

# Certification

I, \_\_\_\_\_ (COMPANY OFFICER), certify that the coverages, deductibles, and limits of liability that will be offered by \_\_\_\_\_ (COMPANY NAME) upon expiration of the policies assumed from TWIA, are approved for \_\_\_\_\_ (COMPANY NAME)'s use in Texas by the Texas Department of Insurance and will provide generally comparable coverage, as defined in 28TAC 5.4303, to the coverages, deductibles, and limits of liability provided by the TWIA policies prior to assumption from TWIA.

I also certify that the premium for each policy offered by \_\_\_\_\_ (COMPANY NAME) upon expiration of the policy assumed from TWIA will not exceed 115% of the premium of the assumed TWIA policy. I further understand that, for this purpose, "premium" includes any fees or other amounts charged the policyholder which must be reported as premium for insurance premium tax purposes.

\_\_\_\_\_  
(COMPANY NAME)

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(PRINTED NAME)

\_\_\_\_\_  
(COMPANY OFFICER TITLE)

\_\_\_\_\_  
(DATE)

# Residential

Coverage Option	Policy/Endorsement	Coverage Description
<b>Loss Settlement</b>		
Replacement Cost	TWIA Dwelling Policy	If, at the time of loss, the total amount of insurance applicable to a dwelling is equal to 80 percent or more of the full replacement cost of the dwelling, coverage includes the full cost of repair or replacement, without a deduction for depreciation.
Actual Cash Value	TWIA Dwelling Policy	If, at the time of loss, the total amount of insurance applicable to a dwelling is equal to less than 80 percent of the full replacement cost of the dwelling, coverage may not exceed the replacement cost of the part of the dwelling that is damaged or destroyed, less depreciation.
Actual Cash Value Roof	TWIA 400	By endorsement, coverage for specified roof(s) is limited to actual cash value.
<b>Optional Coverages</b>		
Additional Living Expense (ALE)	TWIA 310 TWIA 320	By endorsement, coverage is extended to include additional living expenses up to 20% of the dwelling limit.
Indirect (Consequential) Loss	TWIA 310 TWIA 320 TWIA 330	By endorsement, coverage is extended to personal property damaged as a result of changes in temperature due to a direct covered loss.
Wind-Driven Rain	TWIA 320	By endorsement, coverage is extended to loss to the dwelling and personal property caused by wind-driven rain.
Increased Cost of Construction	TWIA 431	By endorsement, coverage is extended to include the increased costs incurred due to the enforcement of any ordinance or law related to the construction, demolition or repair of a covered structure.
Builder's Risk	TWIA 18 TWIA 21	By endorsement, the policy may apply to buildings or structures while in the course of construction.
Manufactured Homes	TWIA 411	By endorsement, the policy may apply to manufactured homes.

This document was prepared to provide a quick reference guide and does not supersede or change any of the coverages or exclusions existing in the actual policy form(s).

# Commercial

Coverage Option	Policy/Endorsement	Coverage Description
<b>Loss Settlement</b>		
Replacement Cost	TWIA 164	By endorsement, coverage includes the full cost of repair or replacement, without a deduction for depreciation.
Actual Cash Value	TWIA Commercial Policy	The unendorsed policy includes coverage for the replacement cost of the part of the structure that is damaged or destroyed, less depreciation.
<b>Optional Coverages</b>		
Business Interruption	TWIA 17	By endorsement, coverage is extended to include loss of business income due to a direct covered loss.
Builder's Risk	TWIA 18 TWIA 21	By endorsement, the policy may apply to buildings or structures while in the course of construction.
Increased Cost of Construction	TWIA 432	By endorsement, coverage is extended to include the increased costs incurred due to the enforcement of any ordinance or law related to the construction, demolition or repair of a covered structure.

This document was prepared to provide a quick reference guide and does not supersede or change any of the coverages or exclusions existing in the actual policy form(s).